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Memorandum

TO: Bay Area Headquarters Authority

DATE: December 14, 2011

FR: Executive Director

RE: 390 Main Street Status Report

BAHA Staffing

As part of an agency-wide reorganization, BAHA operations will be under the leadership of Deputy Executive Director, Operations Andrew Fremier. Joining him will be Teri Green, who will oversee all aspects of the relocation; Stephen Wolf, who will oversee the retrofit and rehabilitation work; and an Information Technology (IT) position to handle the migration to the new building.

390 Main Street Purchase Status

On October 12, 2011, BAHA authorized the MTC/BATA Executive Director and Chief Financial Officer to negotiate and execute an agreement to purchase 390 Main Street in San Francisco. On October 14, 2001, escrow closed for the purchase of 390 Main Street for \$93 million.

Building Operations

At closing, BAHA assumed full responsibilities for the operations and maintenance of the building including the assignment of existing maintenance service agreements and a lease with Western Laboratory (operated by the Drug Enforcement Administration) through June 2015 for 33,000 square feet. As a result of this tenant obligation, 390 Main Street is a functioning facility including 24 hour security personnel, limited janitorial services, and service contracts for the HVAC, PG&E, trash, sewer, elevators, underground fuel storage tanks, and other service requirements. BAHA has also obtained business insurance through Wells Fargo for property, liability and environmental and pollution coverage. BAHA contracted with Amerimar Main Street Management Co., LLC, (the previous owner) to provide property management services.

Regional Partner Update

Bay Area Air Quality Management District (BAAQMD) plans to finance the purchase of 62,500 sq.ft (equivalent to one floor) through privately placed financing underwritten by BATA and secured by general revenue of the BAAQMD. Staff is working with the State Department of General Services to relocate Bay Conservation and Development Commission (BCDC) to 390 Main Street once its current lease at 50 California Street expires in March 2013.

Inter-Agency Coordination

A core team of MTC, Air District and BCDC staff commenced meetings to discuss our future co-location in the new regional headquarters. The team will be an advisory body working with the architectural and design teams and providing feedback to the Executive Directors. The meetings are currently focused on developing agreement on the operational changes needed to achieve cost savings and operational efficiencies through interagency resource sharing and integration of services. The concepts are being developed into principles that will influence the design and renovation of the building.

Building Renovation

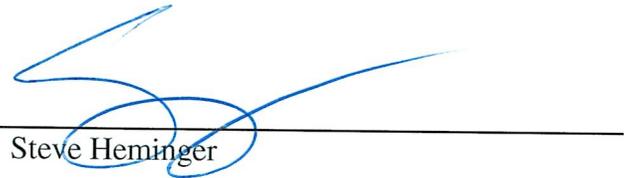
On November 10th, BAHA met with the City and County of San Francisco Planning and Building staffs to discuss the proposed renovation of 390 Main Street. BAHA also issued an RFQ for architectural and engineering (A&E) services on November 9, 2011. A recommendation to BAHA for the A&E services contract is included in the packet under a separate report.

Staff intends to secure a contractor during the design phase through a Construction Management at Risk (CMAR) procurement model. CMAR was evaluated against Design-Bid-Build and Design-Build and was selected as the preferred method for this project. While the A&E team maintains responsibility for its design, the Construction Manager reviews the design for constructability during the design phase. Finally, the CMAR process allows the contractor to begin construction of early phase work concurrent with the completion of design, accelerating the schedule. Other public agencies that have used the CMAR process include the Port of Oakland, Transbay Joint Powers Authority, and California State University system.

Next Steps

Over the next 90 days, staff expects to complete the following tasks:

- Finalize contract with A&E firm and begin the design process (Jan 2012)
- Hire professional staff to assist with the IT migration strategy (Jan 2012)
- Issue RFP for CMAR construction services (Feb 2012)
- Continue work with BAAQMD and BCDC to identify co-location efficiencies (on-going)
- Work with Department of General Services on the BCDC lease (on-going).
- Work with U.S. General Services Administration and Western Laboratory to mitigate impacts of the building renovations to their operations, including potential relocation of these operations to other premises (on-going).



Steve Heminger