



METROPOLITAN  
TRANSPORTATION  
COMMISSION

Agenda Item 4b

Joseph P. Bort MetroCenter  
101 Eighth Street  
Oakland, CA 94607-4700  
TEL 510.817.5700  
TDD/TTY 510.817.5769  
FAX 510.817.5848  
E-MAIL [info@mtc.ca.gov](mailto:info@mtc.ca.gov)  
WEB [www.mtc.ca.gov](http://www.mtc.ca.gov)

*Memorandum*

TO: Legislation Committee

DATE: March 2, 2012

FR: Executive Director

W. I. 1131

RE: SB 1545 (DeSaulnier): Prohibition on use of public funds for renovation of 390 Main Street

**Background**

SB 1545 (DeSaulnier) would prohibit public money from being used on the improvement of the office building at 390 Main Street, San Francisco for the regional agency headquarters facility until after the State Auditor has completed a specified audit relating to the purchase of this property by the Bay Area Headquarters Authority (BAHA), a joint exercise of powers agency created by MTC and BATA. Upon completion of the audit, the bill would require the issues raised in the audit to be addressed and a report submitted to the Legislature (presumably by BAHA) prior to future expenditure of public money on the headquarters project.

The bill is also an 'urgency statute', which means that it needs to pass with a two-thirds vote, and if so, would take effect immediately.

**Recommendation:** Oppose

**Discussion**

With the state's educational institutions in tatters, with 25 percent of the state park system closed to visitors, with the state's transportation program failing at the basic task of road maintenance, and with California debt bearing the lowest credit rating among the 50 states due to chronic and structural budget shortfalls — one might hope that state legislators would have better things to do than second-guess the decision of a few local agencies about where to locate their joint headquarters. Alas, in the case of SB1545, one would be wrong.

After much discussion over many months last summer, the Commission took action in September 2011 to acquire the building located at 390 Main Street in San Francisco. During the time the purchase was up for consideration and discussion last summer, Senator DeSaulnier expressed his opposition to the purchase of a building in San Francisco and requested an audit of the transaction from the Joint Legislative Audit Committee which subsequently approved this request. The audit is currently underway and is expected to be completed this spring.

We recommend opposing the bill for a number of reasons.

- This is a continuing effort by a few state legislators (Senator Hancock is a co-author of SB 1545) to re-litigate a local decision that was properly made with ample due diligence of all key legal and financial questions and after a full, open, and vigorous public debate.
- The acquisition of a regional headquarters building is the right policy decision. It is consistent with state law that requires regional agencies to work more closely together in pursuit of sustainability goals. Each agency is expected to gain long-term operational efficiencies and more effective decision making through co-location. In fact, Senator DeSaulnier has been an outspoken advocate of closer coordination among the regional agencies.
- The building has already been purchased and architects have been hired. Contracts have been properly entered into and job-creating construction work should not face the potential of delay in this economic environment.
- Any delay of occupancy for Bay Area Air Quality Management District (BAAQMD) and Bay Conservation and Development Commission (BCDC) employees is especially problematic. BAAQMD's current headquarters at 939 Ellis Street in San Francisco are overcrowded, antiquated, and difficult to access by transit. Additionally, the building is not up to current code with regard to seismic safety, fire suppression or ADA access. A delay may force BCDC to relocate elsewhere as their current lease expires in early 2013.

For these reasons, we recommend an oppose position on SB 1545.

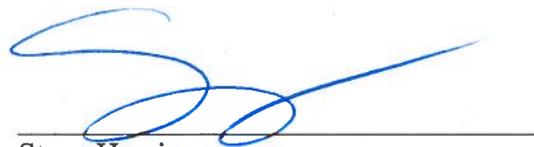
**Known Positions:**

**Support**

**None known**

**Oppose**

**None known**



---

Steve Heminger