Joseph P. Bort MetroCenter
101 Eighth Street
Oakland, CA 94607-4700
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BAHA
BAY AREA HEADQUARTERS AUTHORITY

Memorandum

TO: Bay Area Headquarters Authority

DATE: February 15, 2012

FR: Executive Director

RE: Agreement – Authority to Negotiate with California Department of General Services for Lease at 390 Main Street, San Francisco

As previously reported, the California Department of General Services (DGS) is responsible for negotiating and executing a lease agreement on behalf of the Bay Conservation and Development Commission (BCDC) for their pending relocation to 390 Main Street. There have been discussions with DGS about the proposed lease, including a tour of the building with DGS representatives.

On January 31, 2012, BAHA received a request for proposal from DGS with the lease requirements (Attachment A) for BCDC's occupancy in 390 Main Street. On February 10, 2012, BAHA responded to the RFP (Attachment B). Both documents represent a non-binding preliminary expression of each agency's general intentions and commence discussions about lease negotiations. All of the lease requirement can be met upon completion of the renovations with timing being the biggest unknown factor.

DGS is very concerned about our ability to complete the required tenant improvements necessary to facilitate BCDC's relocation from their current location by February 28, 2013, when their current lease extension expires. Staff believes that it is critical in our discussions that BAHA demonstrates its commitment towards working towards a solution that is mutually beneficial to all parties. We will review options with the selected CMAR on the feasibility of staging the renovations to accommodate BCDC. We wish to further explore any options that allow BCDC to stay longer in its current location, and to relocate temporarily in either 390 Main or at another location. Since DGS has stated that there are no additional funds available to relocate BCDC twice or extend their existing lease, BAHA could be asked to defray the additional cost incurred to accommodate BCDC temporarily until their space in 390 Main is available. The actual cost of this financial commitment is unknown at this time.

Recommendation:
Staff recommends that BAHA authorize the Executive Director, or his designee, to commence discussions and negotiations with DGS. Staff will report back on the progress of the discussions and negotiations with DGS.

Steve Heminger

SH:tg
J:\COMMITTE\BAHA\2012\b_BAHA February 2012\5_BAHA Memo_BCDC.doc

Attachment A

DGS CALIFORNIA DEPARTMENT OF GENERAL SERVICES

Governor Edmund G. Brown Jr.

January 31, 2012

Ms. Teri Green
Director
Administrative and Technology Services
Metropolitan Transportation Commission
101 Eighth Street
Oakland, California 94607

Re: State of California RFP
390 Main Street, San Francisco, California

Dear Teri:

Thank you for touring San Francisco Bay Conservation & Development Commission ("BCDC") through 390 Main Street. After reviewing several properties, we have been authorized to submit the following RFP:

Requirement:

Agency: SF Bay Conservation & Development Commission
Required NUSF: 17,115

Please provide the usable area of the proposed Premises.

Lease Document: Please note that the State of California is required to use its own lease document and Exhibits "A" Office Quarters, "B" Outline Specifications and "C" Administrative Requirements.

Occupancy: Lessor shall provide occupancy for the State upon completion and acceptance of tenant improvements by the State, but no later than February 28, 2013.

Term: The State is interested in a ten (10) year term with the right to terminate anytime after the 48th month with 30 days notice and no penalty.

Gross Full Service Rent: Please quote an absolute Gross total monthly rent calculated on the **usable** square footage for the Premises. This Gross rent should include base rent and **any expected operating/tax expense increases**. The rent shall be paid in arrears on the last day of every month and shall include five-day-per-week janitorial service to the Premises and all building operating expenses, including taxes, insurance, building maintenance and all utilities to the Premises.

Tenant Improvements: Lessor to provide tenant improvements per a mutually agreed upon plan (Exhibit "A"). Please see the attached Program Data which describes the requirement in more detail.

Security Deposit: None (per the State of California).

Access: The State shall have access to the Building, Premises, at least one operational elevator and the parking facility 24 hours per day, 365 days per year.

HVAC Services: Lessor, at Lessor's expense, shall furnish heating, ventilation and air conditioning (HVAC) Monday through Friday from 7 AM to 6 PM and on Saturday from 8 AM to 1 PM. The cost for after-hour HVAC usage shall have no minimum hourly requirement and shall be charged at Lessor's actual cost of operation. Please provide the hourly cost to operate after hours HVAC and the cost to run just the fans without chilled air. Lessor shall be responsible for the installation, maintenance and cost for 24/7 HVAC in the Telecom/Server room.

Parking: The State will require two (2) parking spaces on property, as part of the monthly rent. All parking spaces shall have 24 hour/seven day per week access during the term of the lease. Please indicate whether the parking spaces are exclusive or non exclusive.

State of California Documents/Requirements

There are several documents required by the State. These documents can be found on the State's Web Site at:

http://www.dgs.ca.gov/resd/Programs/LeasingandPlanning/NewLease/LeaseRequirements.aspx

Asbestos: Buildings built before calendar year 1979 must be certified in writing to be free from hazards from Asbestos Containing Material (ACM). The certification must be provided by an Industrial Hygienist certified by the American Board of Industrial Hygiene (ABIH) or an Environmental Protection Agency (EPA) Asbestos Hazard Emergency Response Act (AHERA) Certified Inspector. If the building was constructed subsequent to calendar year 1979, a photocopy of the Occupancy Certificate issued by the city or county building department is all that is required to be provided prior to the execution of the lease.

Reference for proper handling and removal of asbestos containing material

http://www.dir.ca.gov/title9/1529.html

Lead: Buildings built before 1980 must be certified as free of hazard from Lead Containing Materials (LCM). Paint chip samples must be collected by California Department of Health Services (DHS) Lead Certified Project Designer for laboratory analysis to determine lead content.

See California Childhood Lead Poisoning Prevention
http://www.dhs.ca.gov/childlead/ or contact 800-597-5323

Americans with Disabilities Act (ADA) Compliance: As specified in Exhibit C, all leased space including path of travel from/to public transportation and public rights-of-way, parking and restroom areas shall meet ADA and California Building Code (CBC) requirements. Note that lessors are required to provide an Accessibility Survey as described in Exhibit C, Division 3. The survey must be completed using the approved checklist in one of two formats:

http://www.documents.dgs.ca.gov/resd/psb/relm/docs/consultant%20checklist.doc (Word)
http://www.documents.dgs.ca.gov/resd/psb/relm/docs/consultant%20checklist.pdf (pdf)

The Survey can be performed by any architect licensed by the State of California.
In addition, a list of Consultants can be found on our Web site at:

http://www.documents.dgs.ca.gov/resd/psb/DSA_Consultants_for_Accessibility_Surveys.pdf

The International Code Council (ICC) also provides a list of Consultants at:

https://av.iccsafe.org/EWEB/DynamicPage.aspx?Site=icc&WebKey=b7afd990-2e14-4013-a186-aeb405641a95&FromSearchControl=Yes
(On their Web site, enter "CA" as the State and be sure to select "Accessibility Inspector/Plans Examiner" in the "Type" drop box).

Seismic Requirement: All facilities the State occupies must be evaluated for the ability to meet a seismic performance objective of substantial life safety. All facilities will be subject to an initial screening. Those facilities not deemed acceptable in the screening process must undergo a structural evaluation performed by an independent licensed structural engineer.
If the licensed structural engineer deems that the Seismic Certification of Applicable Code is not applicable than we need the structural engineer to complete the Seismic Independent Review Report. Both forms are attached for your review.

DVBE Please see the attached form.

This letter/proposal is intended solely as a preliminary expression of general intentions and it is to be used for discussion purposes only. The parties intend that neither shall have any contractual obligations to the other with respect to the matters referred herein unless and until a definitive agreement has been fully executed and delivered by the parties. The parties agree that this proposal in not intended to create any agreement or obligation by either party to negotiate a definitive sublease and imposes no duty whatsoever on either party to continue negotiations, including without limitation any obligation to negotiate in good faith or in any way other than at arm's length. Prior to delivery of a definitive executed agreement, and without any liability to the other party, either party may (1) propose different terms from those summarized herein, (2) enter into negotiations with other parties, and/or (3) unilaterally terminate all negotiations with the other party hereto.

In any real estate transaction, it is recommended that you consult with a professional, such as a civil engineer, industrial hygienist or other person with experience in evaluating the condition of the property, including the possible presence of asbestos, hazardous materials and underground storage tanks.

Any agreement reached pursuant to these negotiations shall be subject to all applicable federal, state and local laws, regulations, codes, ordinances and administrative orders having jurisdiction over the parties, property or the subject matter of this Agreement, including, but not limited to, the 1964 Civil Rights Act and all amendments thereto, the Foreign Investment in Realty Property Tax Act, the Comprehensive Environmental Response Compensation and Liability Act, and the Americans with Disabilities Act.

In addition, to assist Tenant in the evaluation of the above-described property, please provide any and all information which you may have regarding environmental matters affecting the property and regarding the condition of the property, including but not limited to structural, mechanical and soils conditions, the presence and location of asbestos, PCB transformers and any other toxic, hazardous or contaminated substances, and underground storage tanks, in, on, or about the property. Also, please provide any information which you have regarding whether the property is subject to the Americans with Disabilities Act (ADA), a federal law codified in 42 USC Section 12101 et seq., whether the property is in compliance with the ADA and/or whether any structural modifications may be required, whether by reason of this transaction or otherwise, in order to comply with the ADA.

The parties hereto acknowledge that each may be negotiating simultaneously or concurrently with others for the same space or requirement.

We look forward to working with you on this transaction and request that you respond by no later than ***February 10, 2012***. If I can answer any questions, please call me at (916) 375-4079.

Sincerely,

Department of General Services
Real Estate Services Division
Real Estate Leasing and Planning Section

ALKA SINGH
Real Estate Officer

Enclosures

Special Provisions

High Density File System – 1200 square feet

Card Key Entry System

Fax Lines – 3 each

Reception Lines – 4 lines

In each cube area and in each private office – 2 phone jacks and 2 data jacks

Studio Area – 4 data lines and 4 voice lines

GIS area – 4 data lines and 2 voice lines

IT Cube and Office – 4 Data Lines and 2 Voice Lines

IT area (LAN room) - 10 Data Lines, 2 Voice Lines

Copier Area 4 machines (if all in one room) 8 Data Lines, 3 Voice Lines (2 data lines for each machine, 1 voice)

Ceiling Audio/Video Projection System with auto screen – 1 in Lg Conference Room

Video Conferencing, TV's in Conference Rooms – 2 hookups

REAL ESTATE SERVICES DIVISION
PROFESSIONAL SERVICES BRANCH
DESIGN SERVICES

PROGRAM DATA

Department of General Services — State of California

Date: 6/1/2011
Project No.: 132641
Rev.7-11-11

Department: SF Bay Conservation & Development Commission
Division:
Location: NEW SPACE

Space Type -
O = Open Space
P = Private Office
G = Group Workstations

PROGRAM FOR: SFBCDC

(T)ype	(B)ase	CLASSIFICATION	STAFF PROJECTIONS NOW	2 YRS	Area	Space Type	Total Area Required	Existing Space
A	A	Office Technician	3	4	64	O	256	
A	A	Executive Secretary	1	1	200	P	150	
A	A	Legal Secretary	1	1	64	O	64	
A	A	Staff Info. Systems Analyst-Specialist	1	1	64	O	64	
A	A	Assoc. Info Systems Analyst-Specialist	1	1	64	O	64	
A	A	Senior Engineer	1	1	80	O	80	
A	A	Bay Development Design Analyst	1	1	64	O	64	
A	A	Sr. Accounting Officer-Specialist	1	1	64	O	64	
A	A	Sr. Planner-Specialist	1	1	80	O	80	
A	A	Sr. Planner-Supervisor	1	1	96	O	96	
A	A	Executive Director	1	1	300	P	300	
A	A	Chief Planning Officer	1	1	200	P	200	
A	A	Coastal Program Analyst I/II	14	18	64	O	1152	
A	A	Coastal Program Analyst III	4	4	80	O	320	
A	A	Coastal Program Manager	1	1	96	O	150	
A	A	Staff Services Manager I	1	1	96	O	150	
A	A	Staff Services Manager II	1	1	150	P	150	
A	A	Assoc. Personnel Analyst	1	1	150	P	150	
A	A	Assoc. Governmental Prog. Analyst	3	3	64	O	192	
A	A	Staff Counsel III, Specialist	2	2	150	P	300	
A	A	C.E.A. I	1	1	150	P	150	
A	A	C.E.A. II	1	1	200	P	200	
B	B	Temporary Help	2	2	64	O	128	
C	A	Interns	6	8	64	O	512	
C	A	Cartographer	1	1	80	O	80	
C	A	NOAA Fellow	1	1	64	O	64	
		Subtotal Office Requirements	53	60			5180	
		Circulation	40 Percent				2072	
		TOTAL OFFICE SPACE REQUIRED					7252	
		S.F. of Office Space per py					*121*	

SPECIAL REQUIREMENTS

Conference Room (approx. 30 people)	450
Hearing Room (approx. 100 people)	1500
Reception	480
Record Storage (High Density Filing For Permits & Enforcement)	1200
Supply Storage #1 Office & IT (with locking door)	165
Supply Storage #2 Mailing & Emergency	180
Supply Storage #3 Surplus Storage	90
Quiet Room #1	150
Quiet Room #2	150
Mail/Production Room	380

REAL ESTATE SERVICES DIVISION
PROFESSIONAL SERVICES BRANCH
DESIGN SERVICES

Department of General Services — State of California

PROGRAM DATA

Date: 6/1/2011
Project No.: 132641
Rev.7-11-11

Department: SF Bay Conservation & Development Commission
Division:
Location: NEW SPACE

Space Type -
O = Open Space
P = Private Office
G = Group Workstations

Graphics Studio		475
IT Server Room 24/7 AC		100
Kitchen/Break Room		300
Acct/Calstars Room		150
Satellite Copier/Printer Room		150
Light Table, Large Map Viewing Area		90
Planning Room		300
Publications/Chron Room		200
Staging Area		65
Admin File Storage		110
Library and Reference Materials		360
Subtotal Special Requirements		7045
Circulation	40 Percent	2818
TOTAL SPECIAL USE SPACE REQUIRED		9863
S.F. of Special Requirements per py		*164*
TOTAL NET SPACE REQUIRED		17115
S.F. of Total Net Space per py		*285*

TARE ALLOCATIONS:

No Requirements	0
TOTAL TARE REQUIREMENTS	0

COMMENTS:

MANAGER CONCUR: Draeger, MaryAnn
PLANNER Schlabes, A.
AGENCY CONCUR:

PARKING	
Public	0
Handicap	0
State	2

Attachment B

BAY AREA HEADQUARTERS AUTHORITY
Joseph P. Bort MetroCenter
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BAHA
BAY AREA HEADQUARTERS AUTHORITY

ADRIENNE J. TISSIER, CHAIR
Chair of MTC and BATA

AMY REIN WORTH, VICE CHAIR
Vice Chair of MTC and BATA

TOM BATES
Vice Chair, BATA Oversight Committee

DAVE CORTESE
Chair, MTC Administration Committee

BILL DODD
Chair, BATA Oversight Committee

SCOTT WIENER
Vice Chair, MTC Administration Committee

STEVE HEMINGER
Executive Director

ANN FLEMER
Deputy Executive Director, Policy

ANDREW B. FREMIER
Deputy Executive Director, Operations

February 10, 2012

Alka Singh
Department of General Services
Real Estate Services Division
Real Estate Leasing and Planning Services
707 3rd Street, 5th Floor
West Sacramento, CA 95605

RE: Response to Office Lease-San Francisco Bay Conservation and Development Commission (BCDC)

The Bay Area Headquarters Authority (BAHA) proposes to lease office space at 390 Main Street, San Francisco for the San Francisco Bay Conservation and Development Commission (BCDC). This proposal is intended solely as a preliminary expression of our general intentions and shall be used as a basis for further discussions, including negotiations, with the Department of General Services.

We will discuss the proposed BCDC lease with the BAHA Board on February 22nd. We will seek formal BAHA approval to enter into negotiations with DGS on the proposed lease final terms, rates and conditions, which will be subject to BAHA Board approval.

Below is staff's initial proposal, that it is subject to BAHA input, deliberation, approval and potential modification:

- BAHA can deliver 17,115 SF total net space designed with improvements that meet or exceed the specifications as outlined in the Program Data outlined in the RFP dated January 31, 2012.
- BAHA will provide two (2) parking spaces.
- 390 Main Street will include within the public space dedicated space for governing board and other public meetings hosted by BCDC. While this need was not specifically identified in the RFP, we will make it available for use by BCDC as part of the lease.
- Staff proposes a lease term of 10 years, with a right to terminate anytime after 60 months with a one year notice and no penalty.
- Based on staff's initial calculations, we anticipate that the gross rent will likely not exceed the total cost per square foot that the State is currently paying for the existing lease at 50 California, San Francisco.

BAHA is rapidly proceeding with the renovation of 390 Main Street and has executed a contract with Perkins + Will to provide architectural and design services. The space programming and workplace design efforts are underway and expected to be completed by April 2013. Our design team is prepared to work cooperatively with DGS in the planning of the BCDC's space. BAHA expects to execute a contact with the Construction Manager at Risk in March/April, early in the design process. This will allow us to commence planning for staging of the renovations to meet the BCDC deadline.

390 Main Street will be in conformance with Local and State guidelines, including the 2010 California Code of Regulations (CCR) Title 24 as amended by the San Francisco Building Inspection Commission. The building will be compliant with ADA, State fire-life safety requirements, local zoning requirements, and be asbestos hazard-free. BAHA also intends to reach a LEED Gold or higher and other energy efficient programs. To assist in your evaluation of 390 Main Street, the following due diligence documents are included with this response:

- Property Condition Assessment prepared by Marx Okubo
- Asbestos Report prepared by ERAS Environmental
- Environmental Site Assessment prepared by ERAS Environmental

Prior to delivery of a definitive executed agreement, and without any liability to the other party, either party may (1) propose different terms from those summarized herein, (2) enter into negotiations with other parties, and/or (3) unilaterally terminate all negotiations with the other party hereto.

We are available to answer any questions and provide more information about the proposed lease at 390 Main Street. We wish to further explore any options that allow BCDC to stay longer in its current location, relocate temporarily in either 390 Main or at another location. Please contact Teri Green, BAHA Section Director at 510-817-5750 or tgreen@mtc.ca.gov to set up a mutually convenient time for our agencies to meet.

Sincerely,

Andrew Fremier
Deputy Executive Director, Operations

Attachments
cc: Steve Goldbeck, BCDC
J:\PROJECT\Bldg Purchase\Inter-Agency Coordination\BCDC\Response to BCDC RFP-Feb 10 2012.doc

MARX | OKUBO

PROPERTY CONDITION ASSESSMENT

390 MAIN STREET

390 Main Street
San Francisco, California 94105

Prepared for:

CB Richard Ellis
Two Palo Alto Square, Suite 100
Palo Alto, California 94306
Mr. Kenneth Gilbert

Marx|Okubo Job No. 11-9116

September 13, 2011

Atlanta Dallas Denver Hartford Houston Irvine Pasadena San Francisco Seattle White Plains

Marx|Okubo Associates, Inc. 444 Spear Street, Suite 205 San Francisco, CA 94105 415.957.9240 FAX 415.957.8732 WWW.MARXOKUBO.COM

Architecture Engineering Construction Consulting

ERAS

Environmental, Inc.

1533 B Street

Hayward, CA 94541

Phone (510) 247-9885 Facsimile: (510) 886-5399

info@eras.biz

ASBESTOS SURVEY REPORT
390 Main Street
San Francisco, California
ERAS Project Number 11143A

Prepared for:

Mr. Randy Ackerman
CB Richard Ellis
225 West Santa Clara Street
San Jose, California 95113

Prepared by:

ERAS Environmental, Inc.
August 19, 2011

ERAS

Environmental, Inc.

1533 B Street

Hayward, CA 94541

Phone (510) 247-9885 Facsimile: (510) 886-5399

info@eras.biz

PHASE I ENVIRONMENTAL SITE ASSESSMENT
390 Main Street
San Francisco, California
ERAS Project Number 11143

Prepared for:

Mr. Randy Ackerman
CB Richard Ellis
225 West Santa Clara Street
San Jose, California 95113

Prepared by:

ERAS Environmental, Inc.
September 1, 2011