



June 15, 2012

Fred Klass, Director
California Department of General Services
707 W. Third Street
West Sacramento, CA 95605

Dear Director Klass:

The Metropolitan Transportation Commission (MTC) and the Bay Area Air Quality Management District (BAAQMD) support the Bay Conservation and Development Commission (BCDC)'s request that it be allowed the opportunity for a permanent home with its peer Bay Area regional agencies at 390 Main Street in San Francisco.

Like BCDC, we appreciate the severity of the state's budget crisis and the new regional headquarters building offers the State of California not only the best financial outcome in the near term, but it also allows for superior long-term efficiencies as well. We also share the view that the operating efficiencies and public access advantages to be gained by BCDC moving to a location near the Bay, near the Transbay Terminal, Caltrain and ferries as well as Muni and BART, and near its myriad partners — MTC, the Bay Area Air Quality Management District and the Association of Bay Area Governments in particular — far outweigh the benefits of leasing state-owned space and ultimately will result in lower costs to the state.

As you know, Executive Order B-17-12, states "If there are no available, appropriate State facilities, the Department of General Services (shall) procure approved new facilities for the agency that meet the agency's needs using cost efficiency as a primary criterion..." While the Hiram Johnson Building has available space, it is not — given BCDC's need for publicly accessible space and, as mandated by SB 375 and AB 2094, to work collaboratively with MTC, ABAG, the Air District and other partners — appropriate space.

The regional agency headquarters facility slated to open in 2013 at 390 Main Street in San Francisco will provide BCDC with space that is both appropriate and cost efficient, thus meeting not only the letter of Executive Order B-17-12 but its spirit as well.

Below are highlights of the proposed lease terms and conditions:

- There is sufficient space at 390 Main Street to 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 Request For Proposal dated January 31, 2012. Any future BCDC growth and staffing changes can easily be accommodated at 390 Main Street.
- The lease will include two (2) parking spaces at no additional cost.

Mr. Klass

Page 2 of 2

- The proposed lease term is 10 years with a right to terminate after 60 months with a one year notice and no penalty.
- The proposed lease rate for BCDC at 390 Main Street will be based on long-term costs to maintain the One Bay Area building that are lower than prevailing San Francisco downtown market rates and not greater than the proposed rate at the Hiram W. Johnson Civic Center state building.
- Subject to negotiations, the estimated lease rate is between \$35-\$50 per month, along with an allowance for comparable market level tenant improvements, furniture and fixtures, and other costs associated with BCDC's plans to relocate into a facility equivalent to the professional manner in which it currently operates.
- It is expected that other operational efficiencies will be achieved by combining administrative and other support services, resulting in overall savings for the One Bay Area agencies residing at 390 Main Street.
- 390 Main Street will include within the public space dedicated space for governing board and other public meetings hosted by BCDC.
- 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.

We urge you to approve BCDC's request for an exemption and look forward to finalizing the lease terms and conditions for final approval.

Sincerely,


Steve Heminger
MTC Executive Director


Jack Broadbent
BAAQMD Executive Director

cc: Steve Goldbeck, BCDC

J:\PROJECT\Bidg Purchase\Inter-Agency Coordination\BCDC\BCDC Exemption Support. Letter.docx