

Memorandum

Agenda Item 2b

TO: Bay Area Headquarters Authority

DATE: October 3, 2014

FR: Executive Director

W. I. 9130

RE: 375 Beale Street Status Report – October 2014

1. Architectural and Engineering Services Update

Perkins + Will is reviewing submittals and requests for information from the contractor, McCarthy Building Companies, Inc. (McCarthy) for building materials and equipment, including interior and exterior final finish materials and paint colors.

2. Construction Update

McCarthy prepared a revised schedule that accounts for the delayed relocation of the Drug Enforcement Agency (DEA) to Pleasanton, which was first reported in June. With the DEA move-out expected March 1, 2015, BAHA expects the agency move-in to 375 Beale Street will be in December 2015. The first commercial tenants could begin their tenant improvements in August 2015 and move in as soon as March 2016.

Framing of offices and installation of utilities continues on Level 6 and has started on Level 2. The small cargo elevator has been removed and preparations will start for installation of a new elevator. Slab openings, including where Stair 3 was removed, are being infilled.

A copy of recent construction photos is included as Attachment A.

3. DEA Update

As first reported to BAHA in June, the General Services Administration's (GSA's) revised schedule shows DEA moving out of 375 Beale Street by February 1, 2015. During the GSA/BAHA monthly meeting in September, GSA represented that it was on schedule. BAHA expects that date will be March 1, 2015, however, based on its review of the schedule, which is nearly a year later than GSA's initial April 2014 relocation date.

As reported in July, DEA's occupancy of the south half of Level 8 prevents BAHA from performing structural work in that area and the area below on Level 7, because of the need to dowel through the slab between floors. Consequently, the work that would follow in those areas, including (Mechanical / Electrical / Plumbing) MEP and drywall installation for the agency fit-out must also wait. In addition, DEA's utilities are connected to all core MEP systems that run vertically through the building. Refurbishment and tie-ins to new equipment must be completed in a way that allows DEA to continue operation if the work is to occur concurrently with DEA's occupancy. The delayed DEA relocation requires the construction schedule be revised to complete system tie-ins with the DEA in operation because of the shortened window between when the DEA leaves and when new tenants move in.

Staff is working with McCarthy to determine the additional cost for the accelerated work, work-arounds, and extended cost of general conditions /overhead due to the extended schedule. In light of these and other cost pressures on the project, staff will present a revised budget for your consideration at the November BAHA meeting.

4. 201 Folsom Construction

Staff did not meet with Tishman Speyer in September, but both parties remain interested in determining how Rincon Place – the strip of land situated between Tishman Speyer’s building and BAHA’s building between Main and Beale Streets – might be developed with a unified design.

5. Inter-agency Collaboration

The vision for 375 Beale Street includes sharing business operations and technology solutions among MTC, BAAQMD and ABAG at move-in. The Executive Directors are reviewing options for jointly shared functions along with the governance, legal, personnel and financial changes required to implement shared services. On August 14th, the Executive Directors voted to modify the agency network from a converged model, where common core equipment would be used to service all agencies, to a decentralized model, where each agency supports its own network from its own core equipment. Shared inter-agency technology solutions for common space, i.e., shared printing, webcasting, conference room scheduling, and video conferencing will continue to move forward on a separate network which the agencies will connect to individually.

7. Furniture Procurement

At the June 25th meeting, BAHA authorized award of a contract to Hogue and Associates to provide and install furniture, including office/workstations, public spaces and other ancillary furniture needs for 375 Beale Street. Staff executed a contract with Hogue in September.

8. Leasing Opportunities

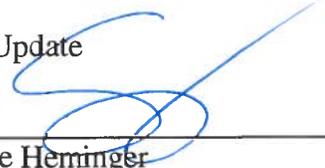
There continues to be strong interest in 375 Beale Street by prospective tenants. Cushman & Wakefield plans to more aggressively market the non-agency space on Levels 2 through 5 and two retail spaces on Level 1 now that an occupancy date has been determined. Additional information on marketing the building is included as Agenda Item 4.

9. San Francisco Bay Conservation and Development Commission (BCDC) Update

The Supplemental Report to the FY 2014-15 State Budget included a provision that BCDC shall report to the chair of the fiscal committees of each house of the Legislature a proposal for a move into 375 Beale Street, upon the availability of space. Staff is working with BCDC to develop options and timeline for the possible relocation. The Legislative report is due in November.

9. Look Ahead Schedule

- November 2014
 - Construction Update and Funding Plan Update



Steve Heminger

Attachment

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Construction Pictures
October 1, 2014



Figure 1: On Level 6, drywall and duct in the foreground ready for installation, with framed offices in the background.



Figure 2: On Level 6, installation of plumbing overhead.



Figure 3: From July, Construction of concrete walls to support the future skylight installation above the atrium



Figure 4: From September, completed concrete walls to support skylight.