

Memorandum

Agenda Item 4

TO: Bay Area Headquarters Authority

DATE: October 3, 2014

FR: Executive Director

W. I. 9130

RE: 375 Beale Street Leasing Opportunities

In January 2013, BAHA authorized entering into a contract with Cushman & Wakefield of California, Inc. (C&W) to provide real estate brokerage services. MTC, along with the Bay Area Quality Management District (BAAQMD) and the Association of Bay Area Governments (ABAG) will occupy about 70% of the building at move-in with the remaining space available for leasing to other public agencies, retail or other commercial tenants. The goal is to strategically lease the space until needed by the Agencies for expansion.

C&W has been working with BAHA to develop an overall plan for the redevelopment of the tenant and retail spaces, prepare a marketing strategy for attracting prospective tenants, serve as BAHA's real estate broker in the negotiation of competitive leases, and provide other services as required in the ordinary course of business in marketing and leasing the building. There has been strong interest in the building from prospective tenants, including one opportunity that will be presented for consideration as Agenda item #5.

Attachment A is a presentation that provides an overview of the leasing opportunities for 375 Beale Street.



Steve Heminger

Attachment

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PREPARED FOR

BAHA

BAY AREA HEADQUARTERS AUTHORITY

OCTOBER 8, 2014



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BUILDING STACKING PLAN

375 Beale

BAHA

FLOOR							TOTAL RSF
8	AGENCY SPACE 67,895 RSF						57,895
7	AGENCY SPACE 59,562 RSF						59,562
6	AGENCY SPACE 60,393 RSF						60,393
5	POTENTIAL AGENCY / NON AGENCY TENANT - 500 A 12,059 RSF	POTENTIAL AGENCY / NON AGENCY TENANT - 500 B 14,986 RSF		NON AGENCY TENANT - 500 C 33,387 RSF			60,432
4	NON AGENCY TENANT - 400 60,760 RSF						60,760
3	NON AGENCY TENANT - 300 A 33,387 RSF		NON AGENCY TENANT - 300 B 12,059 RSF		NON AGENCY TENANT - 300 C 14,986 RSF		60,432
2	BUILDING SUPPORT 8,750 RSF	AGENCY/CW 5,000 RSF	NON AGENCY TENANT TBA	BAAQMD AIR LAB 7,500 RSF	BIKES/ SHOWERS 4,000 USF	PARKING 15,000 USF	37,430
1	BUILDING SUPPORT 18,000 USF	AUDITORIUM/ BOARDROOM 6,000 USF	GALLERY/ MULTI-PURPOSE 5,413 USF	LOBBY 8,000 USF	RETAIL A 4,633 USF	RETAIL/ CUSTOMER SERVICE 1,300 USF PARKING 14,986 USF	27,102

REMEASURED TO BOMA/ANZI 2010 STANARD FROM 2.4.14

1. RSF = RENTABLE SQUARE FEET

2. USF = USEABLE SQUARE FEET (SERVICE AREAS, RETAIL, PARKING)

TOTAL 424,006

10/1/2014

MARKET OVERVIEW

San Francisco, 3Q 2014

BAHA



Citywide Overall Square Feet

75,093,944 square feet



Class B Overall Square Feet

15,983,743 square feet



Citywide Overall Vacancy

8.3%



Class B Overall Vacancy

11.1%



Citywide Overall Average Asking Rent

\$57.88 per square foot



Class B Overall Average Asking Rent

\$51.16 per square foot

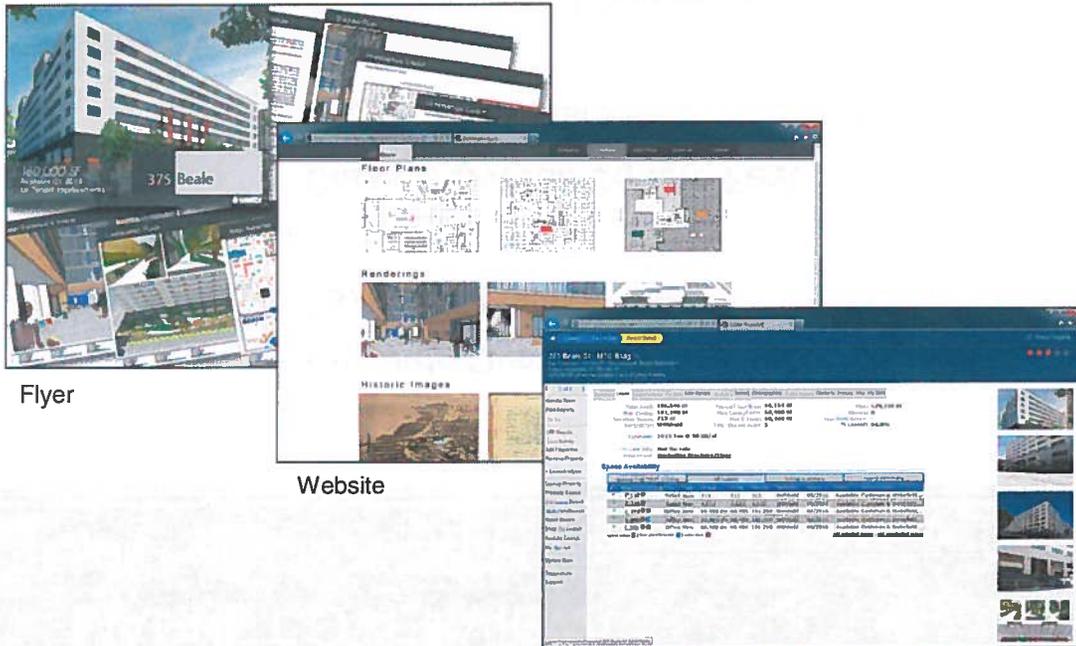
375 Beale Street is a Class B property in the South Financial District.

Based on recent comparable transactions for similar space, the average rent is \$47.02 per square foot.

C&W will officially start marketing 375 Beale Street on November 1, 2014

The marketing strategy will include the following:

- Send flyer to 500+ San Francisco Brokers
- Finalize building website
- Update online listing services (CoStar, Loopnet, etc.)
- Promote property via roadshows to brokerage houses
- Contact brokers with likely tenants
- Direct marketing to tenants that meet target industry and timing



Flyer

Website

CoStar

BUILDING AMENITIES

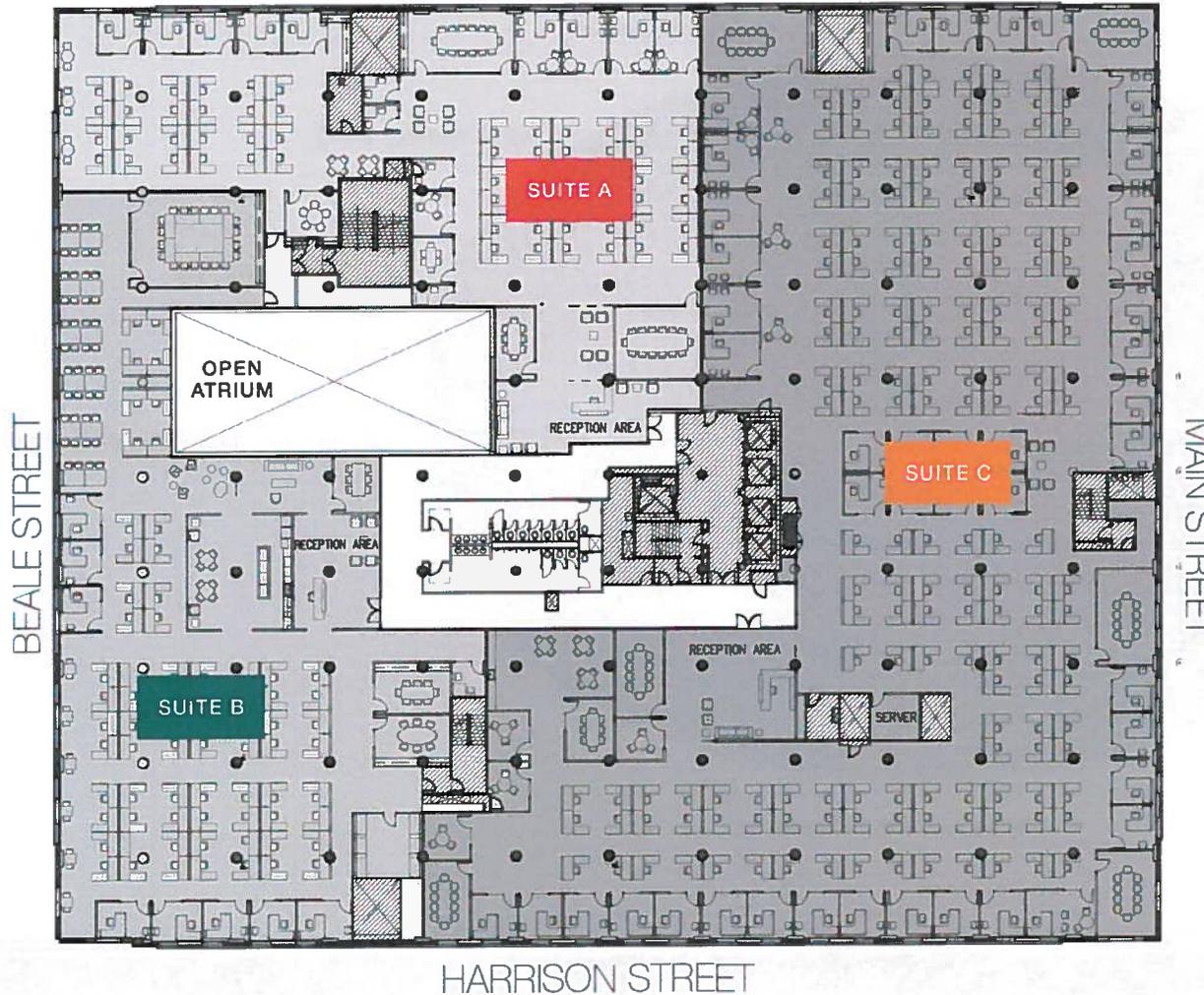
- Full building renovation, modern infrastructure & seismically upgraded
- Large efficient floor plate of +/- 60,000 SF
- Eight story atrium – maximizes natural light
- Parking via Beale Street
- Shower facility
- Bike storage
- LEED Gold
- New ground floor retail
- Close proximity to waterfront, retail & neighborhood amenities
- 24 hour security
- Proximate to MUNI, BART & new TransBay Terminal with easy access to Highway 101 and Interstates 80 & 280
- Landscaped plaza

DIVISION FOR MULTI-TENANT FLOOR (5TH FLOOR)

Hypothetical Layout

BAHA

LANDSCAPED PLAZA



SUITE A – 12,059 RSF

Private offices:	9
Conference rooms:	5
Huddle rooms:	4
Workstations:	60

SUITE B – 14,986 RSF

Private offices:	8
Conference rooms:	4
Huddle rooms:	9
Workstations:	69

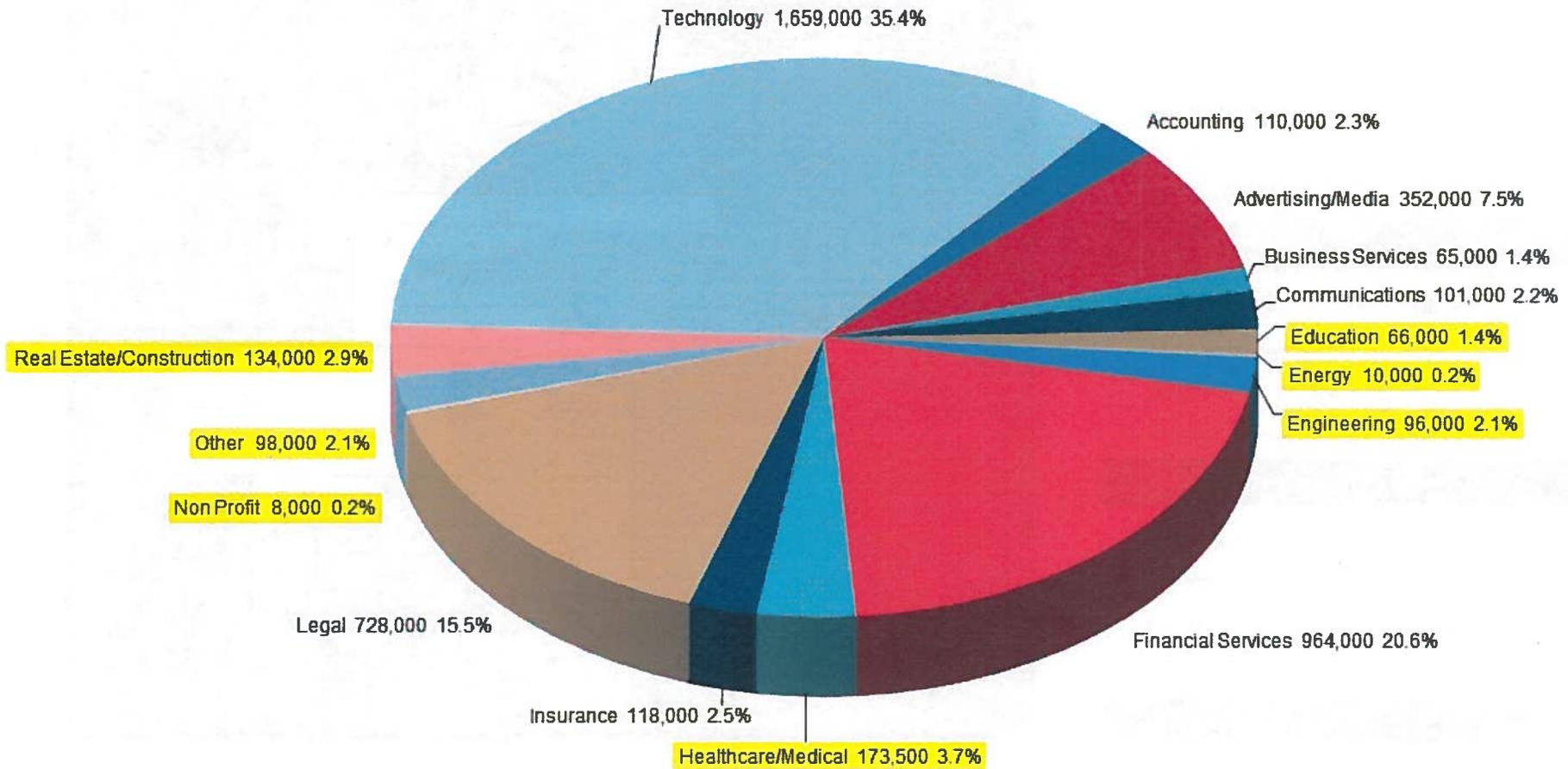
SUITE C – 33,387 RSF

Private offices:	43
Conference rooms:	11
Workstations:	165

TENANT DEMAND

Breakdown by Industry Third Quarter 2014

BAHA

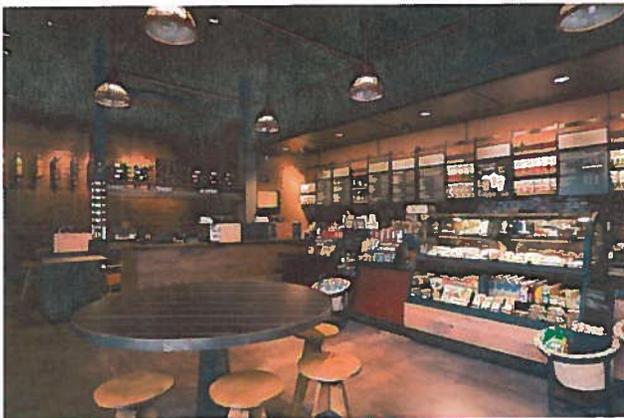


C&W's focus will be to market the space to "like minded" tenants that would include but not limited to transportation related entities, quasi government entities, "green" companies, non-profits and other general office users who would be compatible in an open public building. These stable, credit quality tenants would require standard improvements as opposed to creative technology firms.



Larger Retail

- Full-service food retailer offering breakfast, lunch, salad bar, beverages, fruit, pastries, deserts, snacks and “grab and go” items. Will also provide in-house catering for various business meetings and events.



Smaller Retail

- Combined coffee shop and “agency” customer service center. Concept under development.

PROPOSED LEASING PROCESS

BAHA

