

## *Memorandum*

Agenda Item 5

TO: Bay Area Headquarters Authority

DATE: November 12, 2014

FR: Executive Director

W. I. 9130

RE: 375 Beale Street Status Report – November 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 has prepared a revised schedule that accounts for the delayed relocation of the Drug Enforcement Agency (DEA) from the building to Pleasanton. With the DEA move-out expected by March 1, 2015, BAHA expects the agency move-in to occur December 2015. The first commercial tenants could begin their tenant improvements in August 2015 and move in as soon as Spring 2016.

Framing of offices and installation of utilities work continues on Levels 1, 2 and 6. Installation has started for Stair 5, which connects the agency floors on Levels 6, 7 and 8 in the atrium. Additionally, framing for the atrium storefront has begun. A copy of recent construction photos is included as Attachment A.

### 3. DEA Update

The DEA originally advised BAHA that it would relocate out of the building in April 2014. In January 2014, after delays in its procurement for new space, GSA provided a revised schedule showing a February 1, 2015 relocation date. We now expect GSA to complete construction at its new Pleasanton facility and relocate by March 1, 2015.

### 4. 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 14<sup>th</sup>, 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. Perkins + Will/Teecom are in process of reviewing the specific data wiring design updates necessary to accommodate the new decentralized computing network model. The network design has been updated to reflect the decentralized agency strategy. Procurement of the network equipment is in process.

## 5. Furniture Procurement

Included in the project budget is \$4.5 million to procure office furniture for the agency spaces as part of BAHA's turnkey obligation. TEF Architects and the furniture dealer Hogue Knoll have commenced work on more detailed specifications for design, selection and procurement of furniture for offices and workstations, conference rooms and other shared spaces, executive areas and public spaces. The team is also working with each agency to finalize the requirements for unique agency spaces and staff seating assignments. Staff expects to submit for approval in Spring 2015 the purchase order(s) needed to buy furniture that will be installed prior to agency move-in.

## 7. Leasing Opportunities

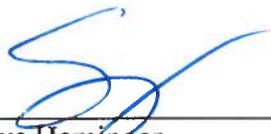
Cushman & Wakefield continues to market non-agency space on Levels 2 through 5 to commercial and retail tenants and two retail spaces on Level 1 now that an occupancy date has been determined. Our General Counsel Office has developed a boilerplate lease agreement that will be used in final tenant negotiations.

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

BCDC plans to prepare a report to the State Legislature with options and a timeline for a possible relocation to 375 Beale Street. However, any decision requires the Governor's approval as part of the FY 2015-16 budget process or thereafter. BAHA plans to hold back a portion of the 5<sup>th</sup> floor for BCDC and not market that reserved space for leasing to non-agency tenants until more information is known.

## 8. Look Ahead

- January/February
  - Technology Procurement Approvals
- March/April 2015
  - Furniture Procurement Approvals



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Steve Heminger

Attachment

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Construction Pictures – November 12, 2014



Figure 1: On Level 6, installation of framing, electrical outlets, and telecom outlets for offices and conference rooms



Figure 2: Installation of Stair 5 in the atrium, connecting Level 6, 7, and 8 Agency floors.



Figure 3: Installation of HVAC ductwork to distribute conditioned air to open workspaces



Figure 4: Installation of HVAC variable air controller boxes, which moderate room temperature and air flow to spaces.