



**Ad Hoc Building Oversight Committee Meeting  
November 16, 2016  
Bay Area Metro Center (375 Beale Street) Report – November, 2016**

# Bay Area Metro Center 375 Beale Street – Report November, 2016

- Construction Updates:
  - Electric Vehicle (EV) Charging Infrastructure
  - Ada’s Café and Regional Resource Center (“The HUB”)
  - Streetscape on Main and Harrison Streets
  - Development of Rincon Plaza
  
- Relocation of San Francisco Bay Conservation and Development Commission (BCDC)



# CONSTRUCTION UPDATE

- Hogue and Associates completed delivery of all office, workstation, conference room, and ancillary furniture
- Punch list for Construction and Close Out of Construction Contract with McCarthy Builders, Inc.
- Request for Proposal Issued to Install Electric Vehicle Supply Equipment
  - 21 Level 2 (240V) Dual port and 1 DC Fast (440V) charging stations
  - Awarding of Contract - December, 2016
  - Operational by Spring, 2017

- Ada's Café and Regional Resource Center "The HUB"
  - Construction Completed
  - Process of hiring and training of staff
  - Grand Opening - January 11, 2017
  
- The Hub will provide visitors to the building with information and products related to the four agencies
  
- Streetscape and Rincon Plaza Work
  - Sidewalk Improvements on Main & Harrison Streets
  - Tishman Speyer – Completion December, 2016
  - Rincon Plaza Construction - Completion December, 2016



- Relocation of San Francisco Bay Conservation and Development Commission
  - Lease and Tenant Improvement Approvals – December, 2016
  - Tentative Move-in Scheduled for 2017
- Brochure Developed Highlighting Features of the Building





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**AGENDA: 5**

# **Ad Hoc Building Oversight Committee Meeting**

## **375 Beale Street Acquisition Update**

**November 16, 2016**

**Jeff McKay**  
**Deputy Air Pollution Control Officer**



# Outline

1. Lease Purchase Agreement
2. Financing
3. Condominium
4. Additional Purchase
5. District Reserves



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# 375 Beale Street







# 1.) Lease Purchase Agreement

## Lease with Option to Purchase (Furnished)

- Lease at \$1.9 M / Year plus Common Area Expenses
  - Agreement to apply lease payments to purchase
- Purchase Years 1-10 at \$385 / Square Foot
- Purchase Years 11+ : Actual Cost or Market Survey
- BAHA has first right of refusal if the Air District sells
- BAHA may recover its actual costs if the Air District sells



## 2.) Financing (1 of 3)

- The Air District portion is approximately 77,000 square feet priced at \$385 per square foot (\$30 M)
- Not less than \$9 M from the sale of 939 Ellis Street will be applied to the approximate \$30 M cost
- The Air District will own and occupy this space under the terms of a Condominium agreement
- The Air District will accrue no interest obligation, capitalized or otherwise, prior to purchase



## 2.) Financing (2 of 3)

The interest rate will be based on a short-term tax-exempt index (SIFMA (currently = 0.55%)) +1.25%

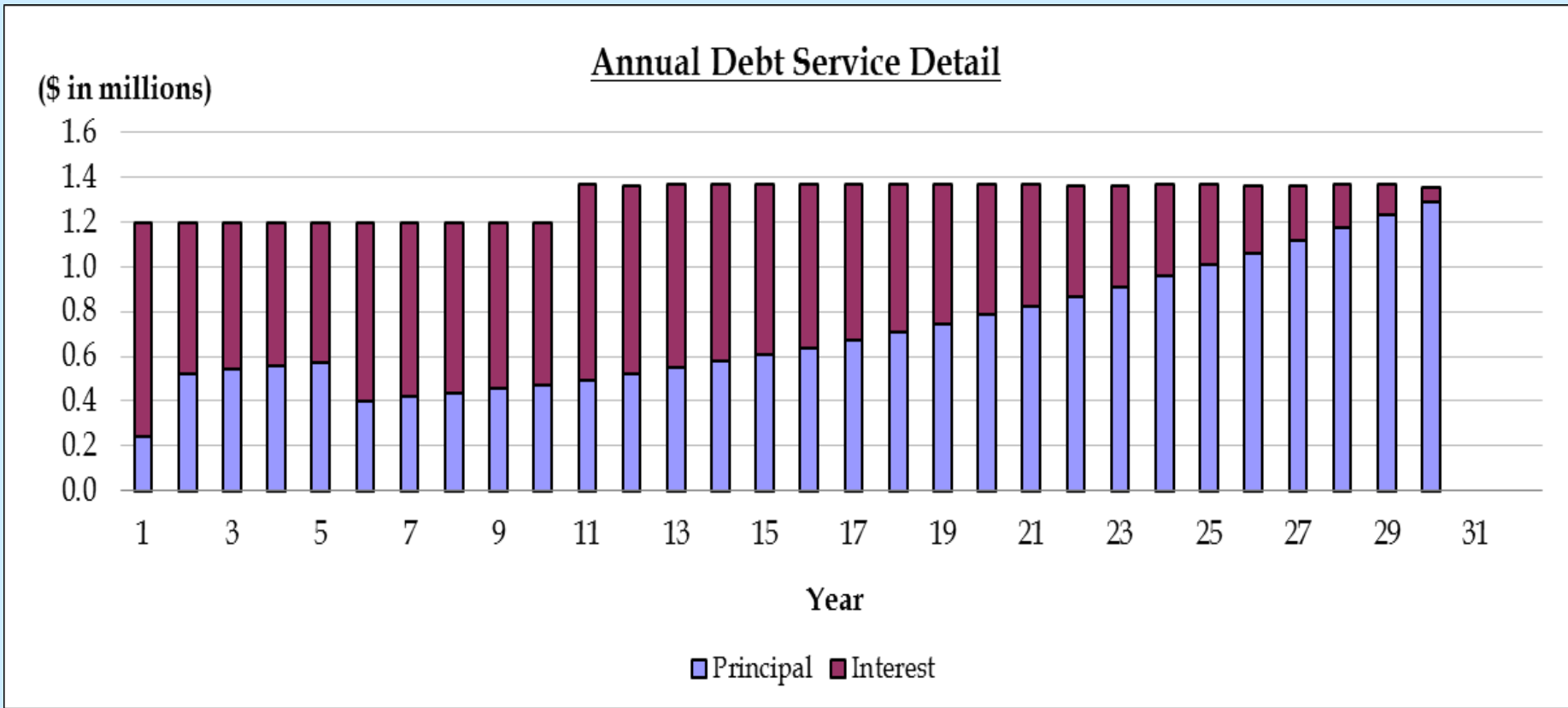
- The interest rate resets weekly with the following caps
  - Years 1-5: 3.20 %
  - Years 6-10: 4.20%
  - Years 11-30: 5.20%
- The annual payment (interest and principal) will be:
  - Years 1-10: \$1,200,000
  - Years 11-(30): \$1,370,000
- Any remarketing of the obligation leaves the interest rate caps and maximum annual payments unchanged





## 2.) Financing (3 of 3)

# Debt Service with Interest Rate Caps in Immediate Effect



## 3.) Condominium (1 of 2)

- Initial condo owners: BAAQMD, BAHA/MTC, ABAG
- Commercial occupants lease their space from BAHA
- Owners allocate operating expenses by owned square footage
- Owners share access to designated “*jointly used space*”



## 3.) Condominium (2 of 2)

### Considerations for Liquidity of the Asset

- Board membership limited to one member per affiliated organization
- Obligation to share “*jointly-used space*” terminates on sale to non-governmental entity
- Most Board actions are required to be unanimous
- One vote per Board member





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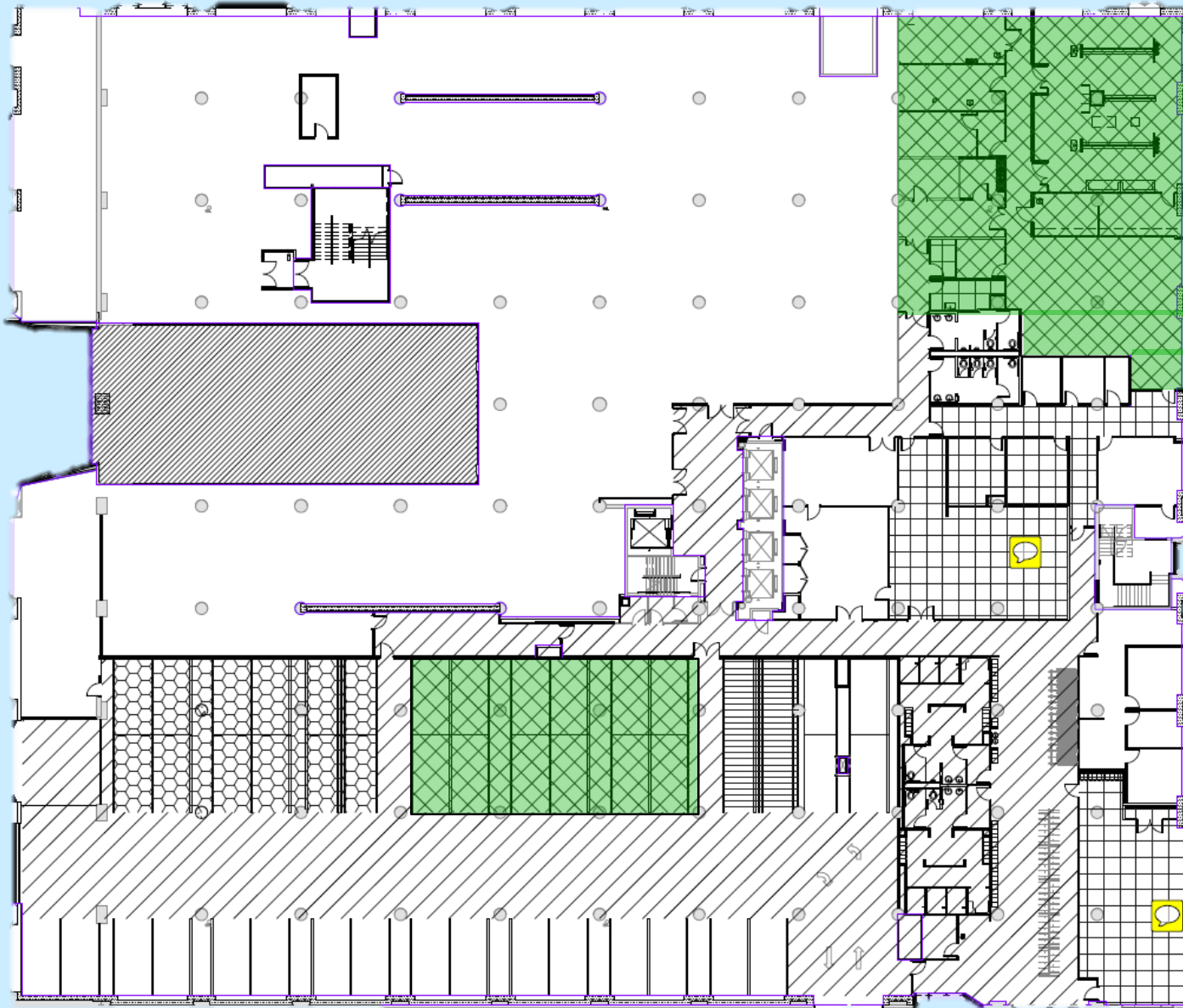
# First Floor





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# Floor 2 - Lab





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# Floor 6

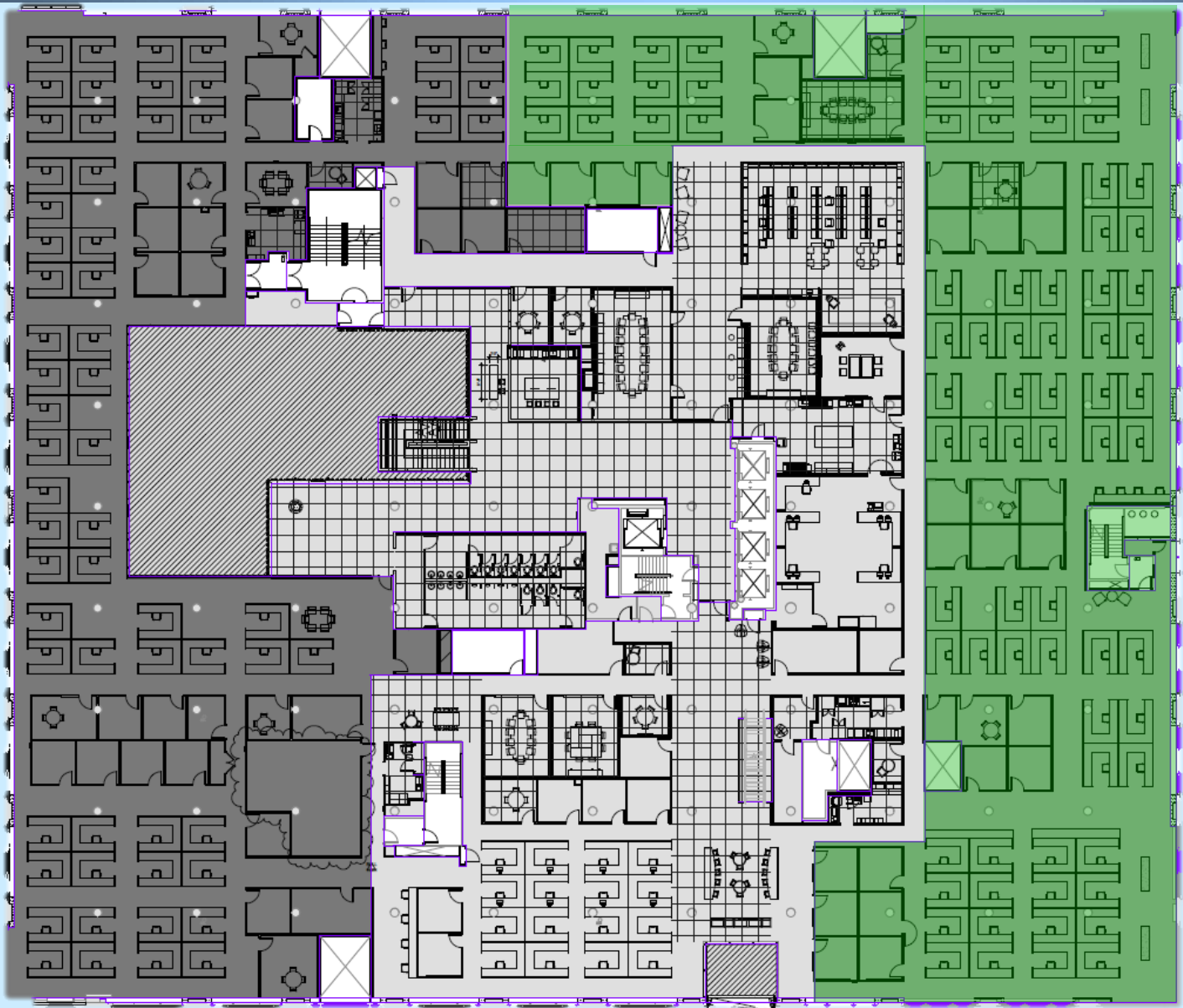






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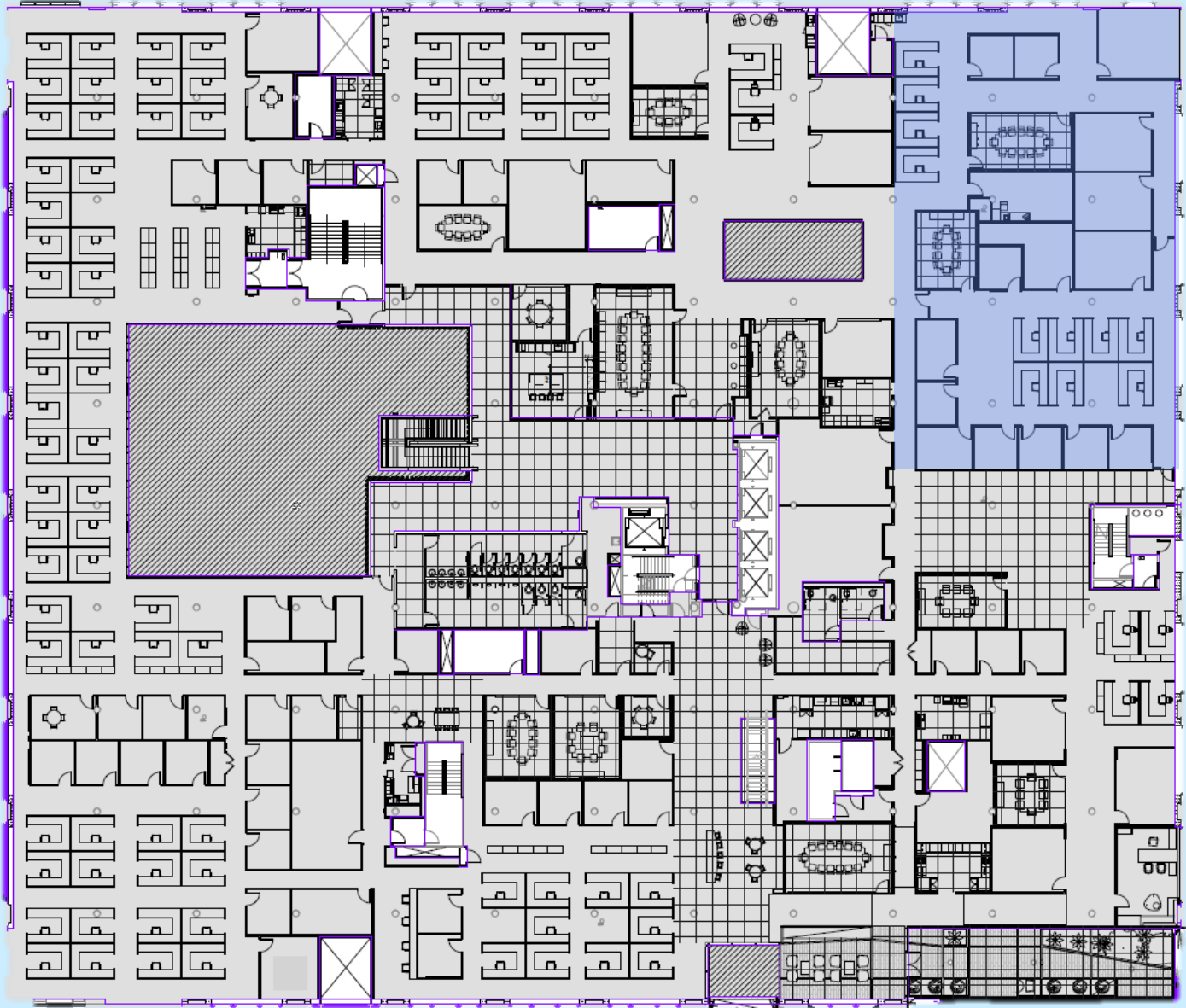
# Floor 7 - Planning





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# Floor 8





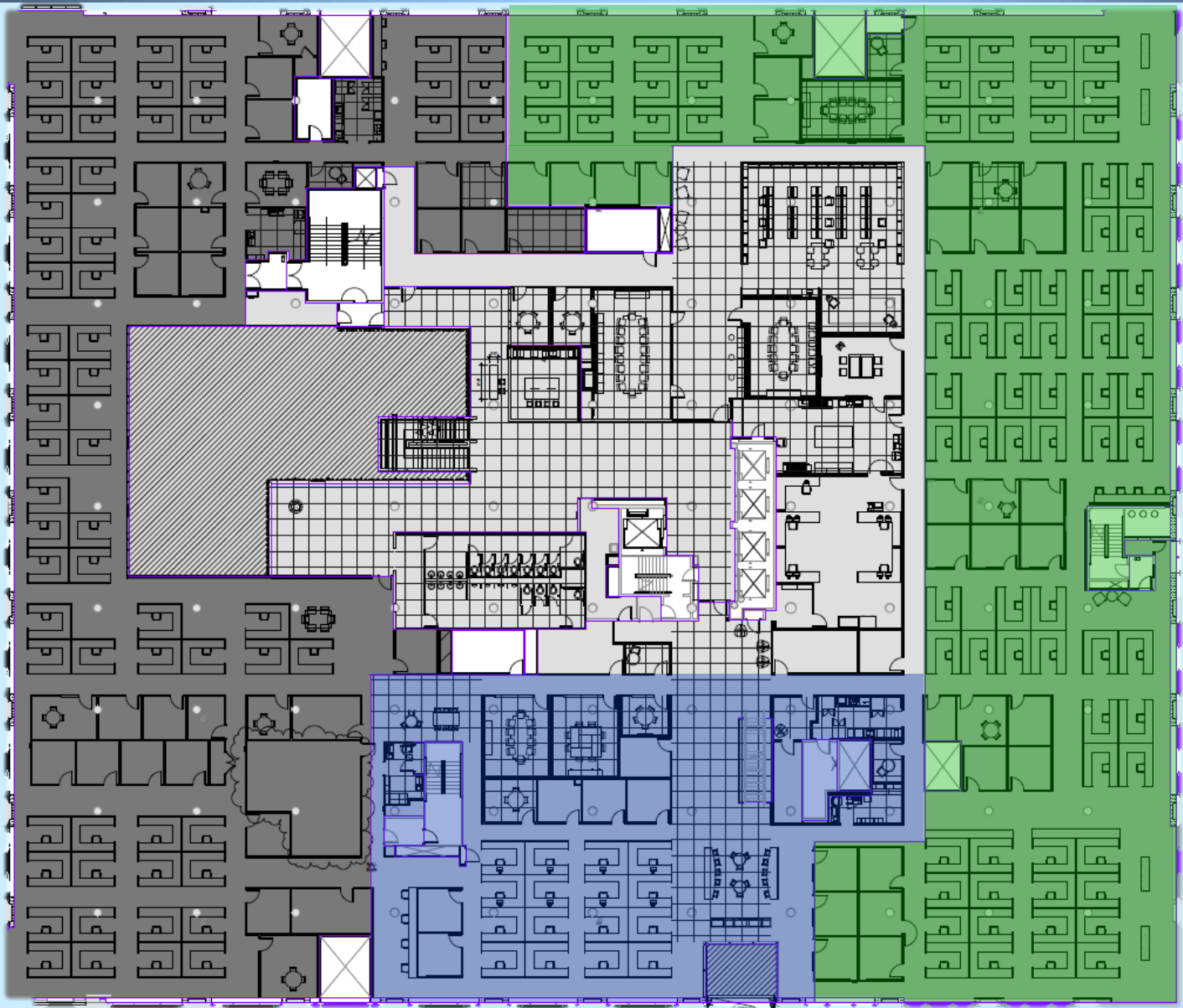
## 4.) Additional Purchase

- Staff may bring a recommendation for a subsequent transaction to the Air District Board
- The purchase is anticipated to be approximately 10,000 square feet at \$385 / square foot totaling approximately \$ 4M
- The proposed transaction would be a cash purchase
- The purchased space is expected to be on the 7<sup>th</sup> floor
- The space would continue to be occupied by MTC



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# Floor 7 - Planning





## 5.) District Reserves

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*Minimum Reserve Guidance = \$16 M*

- Designated Reserves: \$22 M
- Undesignated Reserves: \$9 M
- Remaining Reserves from building sale: \$14 M
- Total available Reserves \$45 M