



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

BOARD OF DIRECTORS
AD HOC BUILDING OVERSIGHT COMMITTEE MEETING

COMMITTEE MEMBERS

MARK ROSS – CHAIR
TERESA BARRETT
SCOTT HAGGERTY
KAREN MITCHOFF

DAVID CANEPA – VICE-CHAIR
PAULINE RUSSO - CUTTER
LIZ KNISS
JIM SPERING

WEDNESDAY
FEBRUARY 6, 2019
9:00 A.M.

1ST FLOOR BOARD ROOM
375 BEALE STREET
SAN FRANCISCO, CA 94105

AGENDA

1. **CALL TO ORDER - ROLL CALL**
PLEDGE OF ALLEGIANCE
PUBLIC MEETING PROCEDURE

The Committee Chair shall call the meeting to order and the Clerk of the Boards shall take roll of the Committee members. The Committee Chair shall lead the Pledge of Allegiance.

This meeting will be webcast. To see the webcast, please visit www.baaqmd.gov/bodagendas at the time of the meeting. Closed captioning may contain errors and omissions, and are not certified for their content or form.

Public Comment on Agenda Items *The public may comment on each item on the agenda as the item is taken up. Public Comment Cards for items on the agenda must be submitted in person to the Clerk of the Boards at the location of the meeting and prior to the Board taking up the particular item. Where an item was moved from the Consent Calendar to an Action item, no speaker who has already spoken on that item will be entitled to speak to that item again.*

2. **PUBLIC COMMENT ON NON-AGENDA MATTERS**

Public Comment on Non-Agenda Items, Pursuant to Government Code Section 54954.3 *For the first round of public comment on non-agenda matters at the beginning of the agenda, ten persons selected by a drawing by the Clerk of the Boards from among the Public Comment Cards indicating they wish to speak on matters not on the agenda for the meeting will have two minutes each to address the Board on matters not on the agenda. For this first round of public comments on non-agenda matters, all Public Comment Cards must be submitted in person to the Clerk of the Board at the location of the meeting and prior to commencement of the meeting.*

Staff/Phone (415) 749-

3. **APPROVAL OF THE MINUTES OF SEPTEMBER 19, 2018**

Clerk of the Boards/5073

The Committee will consider approving the attached draft minutes of the Ad Hoc Building Oversight Committee meeting of September 19, 2018.

4. **FINANCIAL PARTICIPATION IN CREATION OF A LARGE MULTI-USE SPACE AT 375 BEALE STREET**

J. Broadbent/5052

jbroadbent@baagmd.gov

The Committee will consider recommending that the Board of Directors approve the Bay Area Air Quality Management District's (Air District) financial participation in the build-out of the northwest corner of the first floor of 375 Beale Street.

5. **PUBLIC COMMENT ON NON-AGENDA MATTERS**

Speakers who did not have the opportunity to address the Board in the first round of comments on non-agenda matters will be allowed two minutes each to address the Board on non-agenda matters.

6. **COMMITTEE MEMBER COMMENTS/OTHER BUSINESS**

Any member of the Committee, or its staff, on his or her own initiative or in response to questions posed by the public, may ask a question for clarification, make a brief announcement or report on his or her own activities, provide a reference to staff regarding factual information, request staff to report back at a subsequent meeting concerning any matter or take action to direct staff to place a matter of business on a future agenda. (Gov't Code § 54954.2).

7. **TIME AND PLACE OF NEXT MEETING**

At the Call of the Chair.

8. **ADJOURNMENT**

The Committee meeting shall be adjourned by the Committee Chair.

CONTACT:

MANAGER, EXECUTIVE OPERATIONS
375 BEALE STREET, SAN FRANCISCO, CA 94105
vjohnson@baaqmd.gov

(415) 749-4941
FAX: (415) 928-8560
BAAQMD homepage:
www.baaqmd.gov

- To submit written comments on an agenda item in advance of the meeting. Please note that all correspondence must be addressed to the “Members of the Ad Hoc Building Oversight Committee” and received at least 24 hours prior, excluding weekends and holidays, in order to be presented at that Board meeting. Any correspondence received after that time will be presented to the Board at the following meeting.
- To request, in advance of the meeting, to be placed on the list to testify on an agenda item.
- Any writing relating to an open session item on this Agenda that is distributed to all, or a majority of all, members of the body to which this Agenda relates shall be made available at the District’s offices at 375 Beale Street, Suite 600, San Francisco, CA 94105, at the time such writing is made available to all, or a majority of all, members of that body.

Accessibility and Non-Discrimination Policy

The Bay Area Air Quality Management District (Air District) does not discriminate on the basis of race, national origin, ethnic group identification, ancestry, religion, age, sex, sexual orientation, gender identity, gender expression, color, genetic information, medical condition, or mental or physical disability, or any other attribute or belief protected by law.

It is the Air District’s policy to provide fair and equal access to the benefits of a program or activity administered by Air District. The Air District will not tolerate discrimination against any person(s) seeking to participate in, or receive the benefits of, any program or activity offered or conducted by the Air District. Members of the public who believe they or others were unlawfully denied full and equal access to an Air District program or activity may file a discrimination complaint under this policy. This non-discrimination policy also applies to other people or entities affiliated with Air District, including contractors or grantees that the Air District utilizes to provide benefits and services to members of the public.

Auxiliary aids and services including, for example, qualified interpreters and/or listening devices, to individuals who are deaf or hard of hearing, and to other individuals as necessary to ensure effective communication or an equal opportunity to participate fully in the benefits, activities, programs and services will be provided by the Air District in a timely manner and in such a way as to protect the privacy and independence of the individual. Please contact the Non-Discrimination Coordinator identified below at least three days in advance of a meeting so that arrangements can be made accordingly.

If you believe discrimination has occurred with respect to an Air District program or activity, you may contact the Non-Discrimination Coordinator identified below or visit our website at www.baaqmd.gov/accessibility to learn how and where to file a complaint of discrimination.

Questions regarding this Policy should be directed to the Air District’s Non-Discrimination Coordinator, Rex Sanders, at (415) 749-4951 or by email at rsanders@baaqmd.gov.

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
375 BEALE STREET, SAN FRANCISCO, CALIFORNIA 94105
FOR QUESTIONS PLEASE CALL (415) 749-4941**

**EXECUTIVE OFFICE:
MONTHLY CALENDAR OF AIR DISTRICT MEETINGS**

FEBRUARY 2019

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Ad Hoc Building Oversight Committee	Wednesday	6	9:00 a.m.	1 st Floor Board Room
Board of Directors Regular Meeting	Wednesday	6	9:30 a.m.	1 st Floor Board Room
Board of Directors Personnel Committee	Wednesday	20	9:30 a.m.	1 st Floor Board Room
Board of Directors Technology Implementation Office Steering Committee – RESCHEDULED TO MONDAY, MARCH 25, 2019 AT 9:30 A.M.	Thursday	21	9:30 a.m.	1 st Floor Board Room
Board of Directors Public Engagement Committee	Thursday	21	9:30 a.m.	1 st Floor Board Room
Board of Directors Legislative Committee (At the Call of the Chair) – RESCHEDULED TO THURSDAY, FEBRUARY 28, 2019 AT 9:30 A.M.	Monday	25	9:30 a.m.	1 st Floor Board Room
Board of Directors Budget & Finance Committee	Wednesday	27	9:30 a.m.	1 st Floor, Yerba Buena Room #109
Board of Directors Mobile Source Committee - CANCELLED	Thursday	28	9:30 a.m.	1 st Floor Board Room
Board of Directors Legislative Committee	Thursday	28	9:30 a.m.	1 st Floor Board Room

MARCH 2019

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Regular Meeting	Wednesday	6	9:30 a.m.	1 st Floor Board Room
Advisory Council Mtg.	Monday	11	10:00 a.m.	1 st Floor Board Room
Board of Directors Stationary Source Committee	Monday	18	9:30 a.m.	1 st Floor Board Room
Board of Directors Executive Committee	Wednesday	20	9:30 a.m.	1 st Floor Board Room
Board of Directors Climate Protection Committee	Thursday	21	9:30 a.m.	1 st Floor Board Room
Board of Directors Budget & Finance Committee	Friday	22	9:30 a.m.	1 st Floor, Yerba Buena Room #109

MARCH 2019

Board of Directors Technology Implementation Office Steering Committee	Monday	25	9:30 a.m.	1st Floor Board Room
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Board of Directors Budget & Finance Committee - RESCHEDULED TO FRIDAY, MARCH 22, 2019 AT 9:30 A.M.	Wednesday	27	9:30 a.m.	1st Floor, Yerba Buena Room #109
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Board of Directors Legislative Committee	Wednesday	27	9:30 a.m.	1st Floor, Yerba Buena Room #109
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Board of Directors Mobile Source Committee	Thursday	28	9:30 a.m.	1st Floor Board Room
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APRIL 2019

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Regular Meeting	Wednesday	3	9:30 a.m.	1st Floor Board Room
Board of Directors Executive Committee - CANCELLED	Wednesday	17	9:30 a.m.	1st Floor Board Room
Board of Directors Regular Meeting	Wednesday	17	9:30 a.m.	1st Floor Board Room
Board of Directors Budget & Finance Committee	Wednesday	24	9:30 a.m.	1st Floor, Yerba Buena Room #109
Board of Directors Legislative Committee	Wednesday	24	11:00 a.m.	1st Floor, Yerba Buena Room #109
Board of Directors Mobile Source Committee	Thursday	25	9:30 a.m.	1st Floor Board Room

HL - 1/31/19 - 2:20 p.m.

G/Board/Executive Office/Moncal

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Mark Ross and Members
of the Ad Hoc Building Oversight Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: January 25, 2019

Re: Approval of the Minutes of September 19, 2018

RECOMMENDED ACTION

Approve attached draft minutes of the Ad Hoc Building Oversight Committee (Committee) meeting of September 19, 2018.

DISCUSSION

Attached for your review and approval are the draft minutes of the Committee meeting on September 19, 2018.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Marcy Hiratzka
Reviewed by: Vanessa Johnson

Attachment 3A: Draft Minutes of the Committee Meeting of September 19, 2018

AGENDA 3A – ATTACHMENT

Draft Minutes – Ad Hoc Building Oversight Committee Meeting of September 19, 2018

Bay Area Air Quality Management District
375 Beale Street, Suite 600
San Francisco, California 94105
(415) 749-5073

DRAFT MINUTES

Summary of Board of Directors
Ad Hoc Building Oversight Committee Meeting
Wednesday, September 19, 2018

1. CALL TO ORDER – ROLL CALL

Ad Hoc Building Oversight Committee (Committee) Chairperson, Mark Ross, called the meeting to order at 9:02 a.m.

Present: Chairperson Mark Ross; Vice Chairperson David Canepa; and Directors Teresa Barrett, Pauline Russo Cutter, Scott Haggerty, Liz Kniss, and Karen Mitchoff.

Absent: Director Jim Spering.

Also Present: Board of Directors Chairperson, David Hudson.

2. PUBLIC COMMENT ON NON-AGENDA MATTERS

No requests received.

3. APPROVAL OF THE MINUTES OF AUGUST 1, 2018

Public Comments

No requests received.

Committee Comments

None.

Committee Action

Vice Chair Canepa made a motion, seconded by Board Chair Hudson, to approve the minutes of August 1, 2018; and the motion carried by the following vote of the Committee:

AYES: Barrett, Canepa, Hudson, Kniss, Mitchoff, and Ross.
NOES: None.
ABSTAIN: None.
ABSENT: Cutter, Haggerty, and Spering.

CLOSED SESSION (9:04 a.m.)

- 4. CONFERENCE WITH REAL PROPERTY NEGOTIATOR – (*Government Code Section 54956.8*)** *The Committee met in closed session pursuant to Government Code Section 54956.8 to confer with real property negotiators to discuss acquisition of real property.*

Property: 4102, 4104, 4108, 4114, 4124 Lakeside Drive, Richmond, CA 94806

Air District Negotiators: Jack P. Broadbent, Executive Officer/Air Pollution Control Officer (APCO)
Rex Sanders, Chief Administrative Officer

Negotiating Parties: Bay City Mechanical

Under Negotiation: Price and Terms

OPEN SESSION (9:13a.m.)

NOTED PRESENT: Director Cutter was noted present at 9:13 a.m.

Chair Ross announced that there was no reportable action regarding Item 4.

- 5. CONTRACT WITH SWINERTON BUILDERS FOR RENOVATION OF PORTIONS OF THE EIGHTH FLOOR AT 375 BEALE STREET**

Jack P. Broadbent, Executive Officer/Air Pollution Control Officer (APCO), introduced Dr. Jeff McKay, Chief Financial Officer, who gave the staff presentation *Contract with Swinerton Builders for Renovation of Portions of Eighth Floor at 375 Beale*, including: renovation of eighth floor space outline; original purchase at 375 Beale Street; eighth floor purchase; unaudited reserves designations; purchase of eighth floor space outline; new configuration; and recommendation.

NOTED PRESENT: Director Haggerty was noted present at 9:16 a.m.

Public Comments

No requests received.

Committee Comments

The Committee and staff discussed the origin of the proposed contract amount, and whether Swinerton Builders was the lowest bidding contractor; and the percentage of permitting fees and contingencies within Swinerton Builders' proposed estimate.

Committee Action

Director Mitchoff made a motion, seconded by Board Chair Hudson, to recommend that the Board approve a contract with Swinerton Builders for general contracting services relative to the above-captioned project and authorize the Executive Officer/APCO to negotiate and execute the General Contracting Services Proposal; and the motion carried by the following vote of the Committee:

AYES: Barrett, Canepa, Cutter, Haggerty, Hudson, Kniss, Mitchoff, and Ross.
NOES: None.
ABSTAIN: None.
ABSENT: Spering.

6. PUBLIC COMMENT ON NON-AGENDA MATTERS

No requests received.

7. COMMITTEE MEMBER COMMENTS / OTHER BUSINESS

None.

8. TIME AND PLACE OF NEXT MEETING

At the call of the Committee Chairperson.

9. ADJOURNMENT

The meeting adjourned at 9:21 a.m.

Marcy Hiratzka
Clerk of the Boards

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Mark Ross and Members
of the Ad Hoc Building Oversight Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: January 25, 2019

Re: Financial Participation in Creation of a Large Multi-Use Space at 375 Beale Street

RECOMMENDED ACTION

The Committee will consider recommending that the Board of Directors approve the Bay Area Air Quality Management District's (Air District) financial participation in the build-out of the northwest corner of the first floor of 375 Beale Street, and designate the space as Jointly Shared Space, with an agreement substantially in the form of Attachment A, Term Sheet, for a total cost not to exceed \$3,000,000, and authorize the Executive Officer to negotiate and execute the Agreements and Instructions with the Bay Area Headquarters Authority (BAHA), and to negotiate and execute amended Covenants, Conditions, and Restrictions (CC&Rs).

BACKGROUND

The Air District agreed to participate in the purchase of 390 Main Street (now 375 Beale Street), in June 2011, under the terms of a Purchase and Sale Agreement pursuant to which the Air District acquired a condominium unit in the building of approximately 80,000 rentable square feet (rsf), at a purchase price of \$385/rsf. In 2018, the Air District purchased an additional 11,400 rsf on the eighth floor.

As a member of the condominium, the Air District enjoys privileged access to certain "Jointly Shared Spaces" such as the Ohlone conference room.

Approximately 4,000 square feet of the northwest corner of the first floor at 375 Beale Street is unfinished. The space is suitable for build-out as a configurable multi-use space. As such, the space would be used in a similar manner to the Yerba Buena or Ohlone conference rooms during business hours, and as an outside operator / community event space off-hours. The space is currently owned by BAHA.

PROPOSAL

The proposed build-out would convert the referenced corner of the first floor to a configurable bistro space. The space would be designated a “Jointly Shared Space.” As such, the Air District and BAHA would enjoy first rights to use of the space. In addition, both entities would participate in any net operating income generated by the space in its off-hours use. BAHA’s estimated share of the cost is \$3,300,000. The Air District’s share of the cost is fixed at \$3,000,000.

BUDGET CONSIDERATION / FINANCIAL IMPACT

The proposed transaction would be a cash transaction from Air District Reserves.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Jeff McKay

Attachment 4A: Term Sheet for a Funding Agreement for a Portion of 375 Beale Street

AGENDA 4A - ATTACHMENT

TERM SHEET FOR A FUNDING AGREEMENT FOR A PORTION OF 375 BEALE STREET

January 31, 2019

This Term Sheet (the “*Term Sheet*”) contains the basic terms to be included in a future Funding Agreement for the property described below. The parties are the Bay Area Air Quality Management District (the “*Air District*”), and the Bay Area Headquarters Authority (“*BAHA*”). The proposed transaction is subject to (i) the acceptance by both parties of the terms as finally negotiated, and (ii) the negotiation, execution and delivery of a MOU. It is understood that this Term Sheet does not constitute a binding contract, and that the parties do not intend to be legally bound unless and until a definitive MOU has been executed by both parties.

GENERAL TERMS:

- Property Description:** The portion of the first floor of 375 Beale Street, San Francisco, CA delineated in Attachment A and referred to as Large Retail.
- Agreement Price:** Upon execution of the Funding Agreement the Air District will provide BAHA \$3,000,000 in return for the build-out of the Large Retail space and a proportional share of any net operating income generated in the space. Any proportional share of net operating income generated in the space may be applied to obligations owed the Condominium Association by the Air District. Air District would not be required to share in construction cost overruns for the scope stated herein.
- Condominium:** The Large Retail space will become a Jointly Used Space as defined in the CC&Rs.
- Scope:** The scope of the project in this Term Sheet is the tenant improvement (TI) of the Level 1 Large Retail to create a shared conference space with a non-cooking café. Improvements include finishes comparable to the quality of the lobby interior, kitchen equipment suitable for reheat catering and pop-up food service, and conference-type furniture. Audio-visual improvements include lighting, screens and monitors, and microphones and speakers. Included in the scope is configuration to accommodate future installation of web casting and video conferencing. Not included in the scope are increases in network capacity.
- As a separate project BAHA plans to expand the Yerba Buena/Ohlone space, and the Air District anticipates participation under separate agreement in associated audio visual improvements.
- Operations:** BAHA and Air District will share first priority for the use of the Large Retail for agency events. BAHA intends to hire an operator to program the space for events when not in use by agencies. Operator costs are intended to be covered by revenue from the events.
- Termination:** BAHA and the Air District will define a mutually agreeable method to terminate the agreement that is consistent with existing termination causes in their existing agreements, to the extent applicable.