

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

Ad Hoc Building Oversight Committee
Meeting

February 6, 2019

Jack P. Broadbent

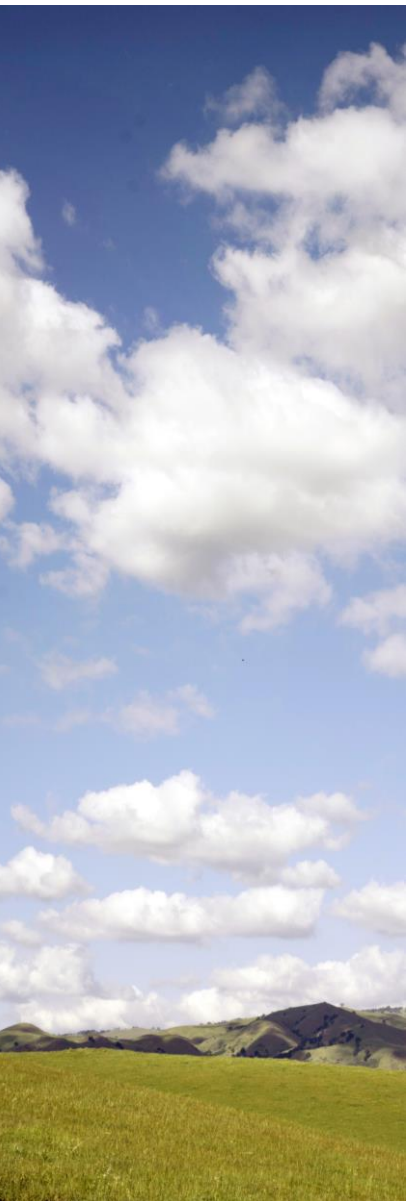
Executive Officer/Air Pollution Control Officer

Jeff McKay

Chief Financial Officer



BAY AREA AIR QUALITY
MANAGEMENT DISTRICT





Current Reserves

- Minimum Policy: 20% of Budget = \$19M
- Reserves above Minimum Policy = \$14M
- Total Reserves = \$33M

SYMBOL LEGEND

- MILKLINE
- REFER TO SHEETS/BOARD THROUGH EDGE

KEYNOTE LEGEND

- THICK BACKFACED INSULATION OR DUCT LINER BOARD W/BC OF 1/8" ON 100% OF AVAILABLE WALL SURFACES IF NOT TO THE CEILING AND 100% OF THE AVAILABLE CEILING AREA
- CONTRACTOR TO CONFIRM 2" AIR BEING
- CONC. WHEEL STOP, SEE SPEC
- ACCESS FOR DEMO REQUIRED TO RECEIVE NEW CONSTRUCTION

FIRE-RATED PARTITION LEGEND

- NEW PARTITION
- EXISTING PARTITION
- 1 HOUR FIRE-RATED BARRIER
- 2 HOUR FIRE-RATED BARRIER
- 1" HR - SINGLE LAYER GIP
- 1" HR - SINGLE LAYER GIP - W/ ACoustICAL INSULATION
- 1" HR - SHFT WALL
- 1" HR - DOUBLE LAYER GIP
- 1" HR - DOUBLE LAYER GIP - W/ ACoustICAL INSULATION
- 1" HR - SHFT WALL
- 1" HR - DOUBLE STUD - W/ ACoustICAL INSULATION
- 1" HR - (E) POURED CONCRETE OR CMU PARTITION
- 1" HR - (E) SHFT WALL PARTITION

ROOM NAME LEGEND

- PLUMBING / SCHEDLOW PREVENTOR ROOM
- MECH. ELEC. PLUMBING UTILITIES
- MAIN POINT OF ENTRY

CONFORM SET
Feb 5, 2014

SFM #: 01-38-11-0015
DSA #: 01-11349
INCREMENT #2

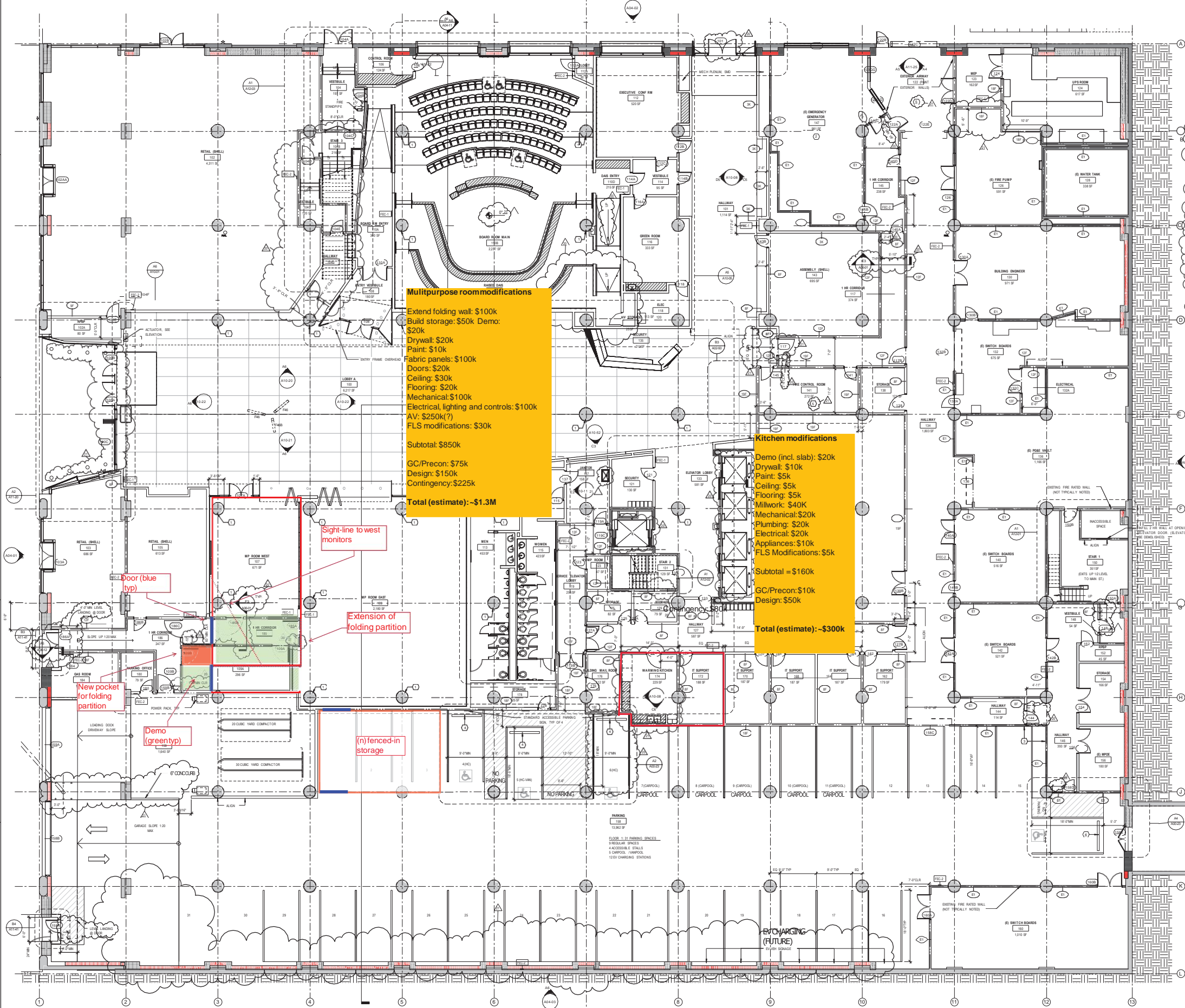


01 CONFORM SET	02/05/14
02 PERMIT SET	02/05/14
03 ARCHITECTURAL	02/05/14
04 CD GMP SET	10/08/13
05 PERMIT SET	10/08/13
06 CD	03/04/13
07 PERMIT SET	10/08/13
08 CD	10/08/13
09 PERMIT SET	10/08/13
10 CD	02/05/14

Sheet Information
Date: 01/16/2014
Job Number: 49122.000
Drawn: DB
Checked: JM
Approved: GT

Level 01 Overall Plan

Sheet
A03-01



Multipurpose room modifications
Extend folding wall: \$100k
Build storage: \$50k Demo: \$20k
Drywall: \$20k
Paint: \$10k
Fabric panels: \$100k
Doors: \$20k
Ceiling: \$30k
Flooring: \$20k
Mechanical: \$100k
Electrical, lighting and controls: \$100k
AV: \$250k (?)
FLS modifications: \$30k
Subtotal: \$850k
GC/Precon: \$75k
Design: \$150k
Contingency: \$225k
Total (estimate): ~\$1.3M

Kitchen modifications
Demo (incl. slab): \$20k
Drywall: \$10k
Paint: \$5k
Ceiling: \$5k
Flooring: \$5k
Millwork: \$40k
Mechanical: \$20k
Plumbing: \$20k
Electrical: \$20k
Appliances: \$10k
FLS Modifications: \$5k
Subtotal = \$160k
GC/Precon: \$10k
Design: \$50k
Total (estimate): ~\$300k

Door (blue typ)

Sight-line to west monitors

Extension of folding partition

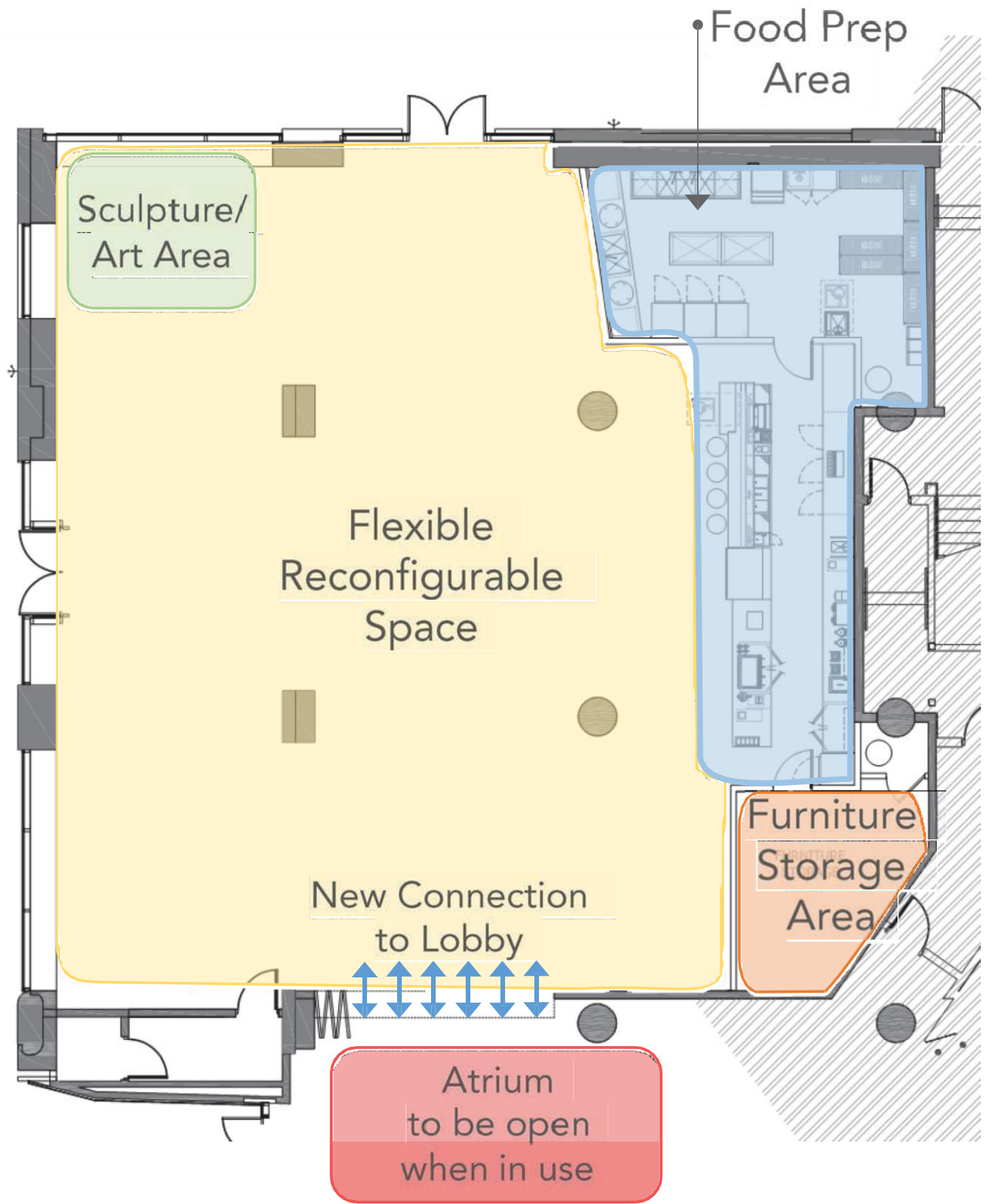
New pocket for folding partition

Demo (green typ)

(n) fenced-in storage

EXCHANGING (FUTURE)

Bistro Option



LINK TO STREET + SITE



FLEXIBILITY + ACTIVITY



STRONG CONNECTION TO ATRIUM

Furniture Setups



Renderings







Approach to Furniture and Accessories



200 chairs
15 rolling tables
4 sofas
8 round tables
6 picnic tables
50% contingency
Total: \$300,000

Configuration Options

AREAS	 A: RESTAURANT	 B: BISTRO	 C: CATERING	 D: NO FOOD PREP
Food Preparation (including cleanup)	1,680 Sq Ft.	880 Sq Ft.	340 Sq Ft.	none
Serving Counter	1,264 Sq Ft.	none	344 Sq Ft.	none
Furniture Storage	none	227 Sq Ft.	227 Sq Ft.	227 Sq Ft.
Flexible/ Reconfigurable Space	none	3,027 Sq Ft.	3,342 Sq Ft.	4,026 Sq Ft.
Base Utilities Multiple Sinks, 4" Sewer, 120/208V/300 AMP Electrical, Water Heater + Separate Meters	Base + 750 Grease Interceptor 500 amp Electrical Exhaust Hood, Gas Line, Walk-in Freezer	Base + 300 Grease Interceptor 500 amp Electrical	Base	none
Staffing	Operator	Operator	Metro Center and/or Caterer	Metro Center and/or Caterer
Health Department Code Review	Required	Required	Required	none
Additional Cost	+\$1.0M	\$0	(\$0.3M)	(\$1.4M)

A/V Solutions

	Furniture Solutions	Basic	Middle	Full
Additional Lighting	None	Downlights in strategic locations	Pre-set lighting control	Theatrical lighting at stage corner and keynote speaker location
Microphone	Portable units with portable speakers	3-mic system with public address speakers	32-mic system with public address speakers	32-mic system with public address speakers
Projectors	Single projector at keynote speaker location and two portables at wings	Single projector, two monitors at wings, single projected image	4 projectors, 3 screens. Dual projection at center screen	4 projectors, 3 screens. Dual projection at center screen
Internet	Mobile wifi	Wireless access points, wired data at columns	WAPs, some permanent floor boxes	WAPs, raised floor
Video recording	Handheld	Handheld	Wiring and infrastructure configured for video / webcast	Mounted cameras with commercial grade controls and video- / webcasting
Other requirements		Mini-IDF	Mini-IDF	Mini- IDF and new control room
Additional Cost not in Current Design (ROM)	\$0	\$250,000	\$900,000	\$2,000,000

Proposed Operation

- During agency business hours
 - Similar to Yerba Buena and Ohlone Conference Rooms
 - Large configurable meeting space
- Off-hours
 - BAHA (Bay Area Headquarters Authority) exploring ideas of bringing in a third-party operator to book and host outside/community events

Construction Status

- Contractor projects four months from notice to proceed, if procurement of long-lead items can be advanced

Metro Center: January 2019 Cost and Funding

Cost

Item	6/2017 Estimate	1/2019 Construction Bid	Variance	Notes
Design	\$ 250,000	\$ 480,000	\$ 230,000	6/2017 excluded \$200k spent to date
Construction	\$ 2,650,000	\$ 4,010,000	\$ 1,360,000	6/2017 estimate is from 100% DD set
AV/IT	\$ 90,000	\$ 920,000	\$ 830,000	Revisions per 10/2017 BAHA/AD charrett
Permitting/ Regulatory	\$ 50,000	\$ 50,000	\$ -	
Furniture	\$ -	\$ 250,000	\$ 250,000	Previously excluded
Subtotal	\$ 3,040,000	\$ 5,710,000	\$ 2,670,000	
Contingency	\$ 560,000	\$ 560,000	\$ -	2017=18%; 2018=10%
Total	\$ 3,600,000	\$ 6,270,000	\$ 2,670,000	

Funding

Item	Amount	Notes
BAHA	\$ 3,270,000	\$1.3M Capital + \$2.0M CDF
Unfunded	\$ 3,000,000	
Total	\$ 6,270,000	

Funding Plan

- \$1.3M already budgeted in BAHA Capital
(Building Development)
- \$2.0M budgeted in BAHA Commercial Development Fund
- \$3.0M unfunded

Funding Plan, Cont.

- BAHA proposes to enter into a partnership with Air District to complete funding plan
 - Air District would be entitled to a proportional share of any net operating income generated from the space
 - The space will be added to the inventory of Jointly Used Spaces
 - BAHA and Air District will share first priority in the use of the space for agency events
 - BAHA and Air District to determine mutually agreeable termination terms

Recommended Action

Recommend the Board of Directors approve the Air District's financial participation in the build out of the northwest corner of the first floor of 375 Beale Street, and designate the space as Jointly Used Space, with an agreement substantially in the form of the Term Sheet, for a total not to exceed \$3,000,000, and authorize the Executive Officer/APCO to negotiate and execute an agreement with BAHA, and to negotiate and execute any necessary amended Covenants, Conditions, and Restrictions (CC&Rs).



A multi-use space providing community-driven art, culture, and civic programming supported through revenue-generating events.

OPERATING MODEL

8:00am – 4:00pm Bay Area Metro Center Meeting Space

4:00pm – 10:00pm Community Space / Private Event Rental

Weekends – Community Space / Private Event Rental

The East Cut Community Benefit District to schedule a robust calendar of public events, exhibits, programs, happenings, and workshops that will establish 375 Beale as the village center of San Francisco's fastest rising neighborhood. Additional revenue-generating events will attract local, national, and international visitors. Programs and private events will occur outside of Bay Area Metro Center meeting times and needs.

Two-three private event space rentals per month	Profit from rentals to minimally cover \$80,000 annual operating costs	111 Minna Gallery verbally committed to partner and use profit to cover costs
Community events	Low-cost to free access for community organizations	Election Watch Parties, SBRHMB Neighborhood Association, The East Cut CBD Board of Directors, Civic Forums, Art Shows, Workshops, Brown Bag Lunch Lectures
Food/drink operator	Lease would contribute to operating costs	Lease amount would vary based on food preparation capability and alcohol license

What is the current landscape?

Vacancy



Redundancy



Non-active retail use



THE EAST CUT COMMUNITY BENEFIT DISTRICT

Non-active office use



What is the demand?



Event	RSVP Count
GameNight	199
Friday Night Market	769
Valentine's Day GOAT Happy Hour	766
THE EAST CUT COMMUNITY BENEFIT DISTRICT The East Cut Art Fair	795
Third Fridays Art Opening	306

Private event rental:

The CBD would work with an experienced private event producer for revenue to cover costs. Staff has gotten initial verbal commitments from 111 Minna Gallery, which operates a similar space on 2nd Street.

Community space:

The CBD would also leverage existing partnerships and seek out new relationships to help encourage dynamic programs. Additionally, channels would be created for community organizations to request access to the community space.



THE LONDON COMMUNITY BENEFIT DINNER





THE EAST CUT COMMUNITY BENEFIT DISTRICT

