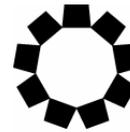


ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



ABAG

Date: September 7, 2012

To: Executive Board
Administrative Committee

From Ezra Rapport
Executive Director

Subject: **ABAG Building Relocation Policy**

Executive Summary

ABAG staff is recommending that the Executive Board adopt a policy, subject to the successful negotiation of terms and conditions, whereby ABAG agrees to relocate to 390 Main Street (the Regional Headquarters Building) to preserve co-location with Metropolitan Transportation Commission (MTC) and join the Bay Area Air Quality Management District (BAAQMD) and possibly the San Francisco Bay Conservation and Development Commission (BCDC) in one regional facility.

This policy recommendation is not made easily. ABAG has been located in the City of Oakland for its entire fifty year history, and this location has proven to be successful in attracting good attendance to Executive Board meetings and many public events. ABAG's relationship with the City of Oakland has always been cordial and productive. ABAG also owes a debt of gratitude to Alameda County. Several decades ago, at a moment of crisis, Alameda County agreed to guarantee ABAG's bonds so it could purchase its condominium share of the MetroCenter. These bonds were paid off two years ago.

Nevertheless, this recommendation is made based upon staff's view that ABAG's function as the Bay Area's Council of Governments is best accomplished at the Regional Headquarters Building. In our opinion, the value of maintaining ABAG's co-location with MTC and the other regional agencies transcends the reservations and inconveniences of relocating to a new facility in San Francisco. ABAG's ability to influence regional policy, in particular land use policy, is far better served being co-located with the other agencies, and this will facilitate integrated regional planning which is essential for the Bay Area.

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Argument for Continued Co-Location with MTC

The Planning and Research Department is one of the core units of ABAG. ABAG's relationships with local government and the agenda of the Executive Board largely stem from content created by Planning and Research.

It should be noted, however, that ABAG performs many functions that are not related to Planning and Research and MTC. ABAG engages in numerous environmental planning and programming functions, including the San Francisco Estuary Partnership (SFEP), and a hazard mitigation program focused on earthquake damage mitigation and recovery. ABAG enterprise units also manage a large insurance pool with about 30 cities (PLAN), a finance authority (FAN) which has issued over \$2 billion of bonds, and an energy division. ABAG publishes economic and demographic reports based on the U.S census and other data sources. ABAG represents the interests of local government outside of land use planning as well, including public safety, education, legislation, economic development, environmental programs, waterfront access and other public policy arenas.

That said, most Planning and Research projects and programs are co-managed between ABAG and MTC. Over the past six years, the branding of regional land use programs has been in partnership between ABAG and MTC, and there has been a conscious effort to present regional land use policies with a united position. The programs include FOCUS; PDA Planning, Growth Strategies, and Investment; Station Area Planning; inclusion of PDAs and RHNA in OBAG; SCS Preferred Scenario, the Jobs Housing Connection; UrbanSim modeling; Web site information and public meeting communication; SCS EIR preparation; SGC and HUD Grant awards; and others.

Interaction between ABAG and MTC with respect to land use policies and programs typically involve daily meetings and constant communication between the staffs. The spatial integration of ABAG and MTC, in our opinion, has had a very positive impact on the work relationship. In person meetings are vital for the success of the partnership between ABAG and MTC.

Meetings among the staff between the two agencies have been the difference in resolving potential conflicts between the two agencies. The two cultures of the organizations—MTC being project driven; ABAG process oriented—requires extensive communication and sharing of ideas, and this has produced very positive results. The MTC and ABAG partnership has resulted in substantial ABAG input into the Sustainable Communities Strategy and the funding criteria of OBAG. ABAG's contribution to these documents and programs is influential with local government planners and CMAs/Special Districts because of the partnership that is maintained with MTC, which means that funding and investment will follow the planning. ABAG has an intermediary function between the interests of local governments and state and federal funding that is programmed by MPOs. Ultimately, ABAG funding for Planning and Research is justified because of ABAG's utility in performing this connection between local government and the MPO.

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In our opinion, the Council of Governments (ABAG) function should be co-located with the Metropolitan Planning Organization (MTC), in order to preserve and enhance this vital partnership. The co-location of these two organizations is an essential element of regional planning, and is the norm in every region in the United States.

Co-location with the BAAQMD and potentially BCDC should also be positive for future integrated regional planning.

Building Logistics and Accessibility Summary

Analysis has been performed regarding the quality of space ABAG would receive if it relocated, as well as other issues, such as accessibility to the building.

The amount of space allocated to ABAG in the current planning of the building is equivalent to what is available now to ABAG at the MetroCenter. The quality of the space may be slightly less desirable, given that ABAG currently has more natural light space than the large floor plates at 390 Main, although the current design of 390 Main calls for natural light on agency floors. ABAG staff will be split among two floors, a minor disadvantage, as the staff will be located on two adjacent floors connected by an internal staircase. ABAG's Planning and Research staff will be located adjacent to the planning staffs of MTC and the Air District, a significant advantage in terms of relationship building and policy coordination.

Public space is likely to be more attractive than the MetroCenter, especially the auditorium. Energy costs are likely to remain constant with today's costs, given energy saving standards that will be employed.

The earthquake standard will be a minimum of life safety standard (same as current MetroCenter).

ABAG staff will generally face longer and more expensive commutes, and because of such, the proposed move may be unpopular with some staff. 390 Main is served well by BART/Caltrain for daytime meetings, although there is a four block, ten to twelve minute walk from BART and a MUNI connection from Caltrain. Board members will likely drive to ABAG night-time meetings, and will have to navigate San Francisco traffic between 6 p.m. and 7 p.m. While this trip is a reverse commute, traffic can be heavy at times. Returning from the night meetings should present free flow traffic conditions. Sufficient parking is available on site or very nearby for Board members, and making a suitable arrangement for ABAG public meetings is a condition that will need to be satisfied.

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Principles Requiring Memorialized Agreement with MTC

No agreements are in place pending the outcome of ABAG's policy decision regarding co-location. Should ABAG make the policy decision to relocate to 390 Main, the following principles will be presented to the Administrative Committee as ones to guide the negotiations with MTC:

1. Relocation expenses shall result in no cost to ABAG,
2. ABAG shall receive tenure security in the 390 Main building, equivalent to its rights at the MetroCenter;
3. Building governance shall protect ABAG in a similar manner as in the MetroCenter;
4. ABAG's space allocation shall have the same capacity as MetroCenter;
5. Relocation of ABAG's space shall be by mutual agreement only;
6. ABAG's annual costs of occupancy will be reasonably equivalent to ABAG's annual costs of occupying the MetroCenter;
7. ABAG will be granted rights to the programming of auditorium;
8. Parking for Board members for all meetings will be accommodated;
9. Shuttle allowance for ABAG meetings shall be provided;
10. Cafeteria services, similar to the MetroCenter, will be studied.

Decision Making Process

In July, 2011, the ABAG Executive Board declined to endorse MTC's proposal to purchase 390 Main. ABAG requested additional information about the available options, especially regarding buildings in Oakland.

Over one year later, it is clear that MTC and BAAQMD will be moving to 390 Main. The choice for ABAG is whether to join these agencies in this location or to remain separate from them at the MetroCenter.

To assist in evaluating the relocation option, the ABAG Administrative Committee Chair appointed a Co-location Subcommittee to identify issues that should be addressed in evaluating the decision by ABAG regarding relocation. Unfortunately, the last meeting of this Subcommittee failed to achieve a quorum, and there is no recommendation available.

The Administrative Committee is convening to make a recommendation to the Executive Board regarding the policy as to whether or not ABAG should join MTC and BAAQMD at 390 Main. If the Administrative Committee recommends relocation, it will also take action to adopt or modify the principles described above. The principles as adopted by the Administrative Committee will be presented in writing to the Executive Board for its affirmation.

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If the policy decision to relocate is made by the Executive Board, along with the adopted principles, it is expected that the final agreement negotiated between ABAG and MTC for terms and conditions will be managed by the Administrative Committee and brought to the Executive Board.

As this memo is being written for both the Administrative Committee and the Executive Board, staff recommends the following:

1. That the Administrative Committee and the Executive Board approve the policy of ABAG relocating to the Regional Headquarters Building at 390 Main, San Francisco;
2. That the principles recommended by the Administrative Committee and affirmed by the Executive Board guide the negotiations between ABAG and MTC over the terms and conditions of the real estate transaction under the auspices of the Administrative Committee. A report will be presented to the ABAG Executive Board in November.