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Date: July 22, 2011

To: Administrative Committee

From: Ezra Rapport
Executive Director

Subject: **ABAG Executive Board Concerns Regarding the Proposed Relocation to 390 Main, San Francisco**

The ABAG Executive Board has appointed the ABAG Administrative Committee to act as negotiators for ABAG with MTC on the proposed co-location with MTC to the 390 Main Street property. The Board requested that the Administrative Committee seek a meeting with MTC Commissioners prior to any decision made by MTC to relocate to express the concerns of the ABAG Executive Board.

The Executive Board passed the following motion in closed session last night:

The ABAG Executive Board politely declines to endorse the Main Street building site as a relocation site for ABAG. The ABAG Board would entertain the opportunity to reconsider this position if the following actions were taken:

- a) The Administrative Committee has an opportunity to fully vet and discuss the concerns of the ABAG Executive Board with MTC prior to any final decision regarding the 390 Main Street proposal;
- b) A complete evaluation is prepared to compare the best Oakland building option and the 390 Main Street proposal. This analysis would include the total project and life cycle cost of each proposal including the scope of renovations needed at Main Street, versus the cost of new construction or renovation for a turn key building in Oakland. This analysis should be established independent of the method of financing or the requirement to obtain rental space;
- c) Additional information provided regarding the commute times of ABAG employees and the assumptions under which they were calculated, including a

verification of commute times for Board members, comparing travel times to Oakland and the Main Street building, and these travel times will act as a proxy for members of the public as well;

- d) An analysis of alternative financing options, so that the conditions of any use of financing are not the determinant factor in the choices available to the agencies. The side by side analysis of the Oakland versus San Francisco options should optimize the financing available for each option, so that a cost differential between the building options can be clearly established as a choice for the regional agencies.

It should be noted that, but for the portion of the motion regarding the “polite decline to endorse” language, the ABAG Executive Board was unanimous that the provisions (a) through (d) should be completed before ABAG would entertain another motion to relocate to 390 Main Street. The San Francisco City and County Board representative present at the closed session voted against the “polite decline” language.

The ABAG Executive Board concerns include the following:

1. ABAG, unlike the other regional agencies, is a membership organization which collects dues from 110 jurisdictions, and relies on volunteer participants to be physically present at the meetings to engage in regional dialogue. This dialogue is fundamental to ABAG’s mission, and access to the meeting site is essential for its viability. The ABAG mission to foster regional communication, cooperation, and participation has resulted in the successful administration of many millions of dollars of grant funds to local government for a variety of purposes and the operation of enterprise units working in the fields of pooled insurance, energy consumption, and public finance. Access to the ABAG site must be as convenient as possible for Board members, staff from local government, and members of the public. ABAG has been successful in Oakland for 50 years. The Board believes the 390 Main Street location is significantly less accessible, both by vehicle, which must contend with unreliable traffic in and out of San Francisco, and by BART, given the half mile walk from the nearest BART station, especially at night or during inclement weather. This added travel time to attend ABAG events will likely result in a significant loss of attendance from several counties in the Bay Area and will damage ABAG’s standing as a regional body.
2. The ability of ABAG staff to attend meetings in other parts of the region is substantially diminished at 390 Main compared to the current location. ABAG staff presently is able to attend meetings in all counties during work hours. Many of these meetings require automobile use and the driving times in and out of the Main Street location is substantially longer and possibly prohibitive.

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3. 80% of the employees at ABAG live in the East Bay, and an employee survey found that many of them consider the Main Street location a significant hardship. Living in San Francisco with a family is in most cases not an option for these employees. ABAG employees are typically paid lower market salaries in exchange for good benefits and working conditions. The current location of ABAG allows employees flexibility in linked trips after work to assist in their family life. The relocation to Main Street may injure the low cost business model of attracting quality employees to ABAG and its enterprise units.

4. The ABAG Board is concerned with the time frame for making a decision regarding the Main Street purchase with the evaluation of all alternatives. While ABAG appreciates the financial terms MTC has offered ABAG for relocation, the ABAG Board finds that the relocation implications for ABAG are complex and require more time for review. The ABAG Board would like more information regarding the funding sources for this transaction and whether or not these funds could have been used for other public purposes. This information is considered relevant in participating in the decision to purchase the Main Street Building.