

M E M O

[REDACTED]

Date: July 25, 2011

To: Administrative Committee

From: Ezra Rapport
Executive Director

Subject: **Proposed ABAG Building Relocation**

The ABAG Executive Board directed the Administrative Committee to meet with the MTC Commissioners to discuss the ramifications of the MTC relocation decision.

MTC Executive Director Steve Heminger, consulting with the MTC Chair, Adrienne Tissier, advised me that the relocation decision for MTC in closed session was sufficiently weighty that it required its full scheduled time. Mr. Heminger was concerned that meeting with the ABAG Administrative Committee would be too time consuming and could result in insufficient time for MTC Commissioners to discuss the issues among themselves.

MTC has scheduled a closed session to start at 9:30 AM on Wednesday morning, July 27. As a late breaking item, the Administrative Committee of ABAG could be included in the MTC closed session as negotiators of the 390 Main Building under the Brown act, but only if the MTC Commissioners vote to include the Administrative Committee at the beginning of the meeting.

The reason it is important to communicate with all the MTC Commissioners on the morning of July 27 is because the 390 Main Building option must be executed with a large cash payment in short order, or, as we understand it, the option expires. This means that if the MTC approves the execution of the 390 Main Building option on July 27, the action taken that day will be irreversible, and the MTC will be moving from the MetroCenter, leaving ABAG in its present space.

Given the legitimate concerns regarding sufficient time for MTC Commissioners to discuss this issue and its ramifications, one compromise proposal would be for the Administrative Committee of ABAG to agree to limit the presentation of their views to

15 minutes, with follow-up discussion with the MTC Commissioners also limited to 15 minutes. If the MTC still prefers to not include the Administrative Committee in their closed session, the comments could be made with speaker cards in open session.

It is important to note that a proposal that was originally intended to act as a facility for regional agency co-location will instead be co-locating the MTC and the BAAQMD. In our opinion, these two agencies have far less reason to co-locate than does MTC and ABAG.

The following are additional points mentioned by others that should supplement my prior memo of Friday, July 22.

1. The regional agencies previously agreed to *screening* criteria among potential buildings in Oakland and San Francisco. There was no agreement among the agencies for *selection* criteria.
2. Selection criteria would weigh the value of various elements of the proposal, such as the accessibility differences between a building that was within one half mile of BART in San Francisco, and one that was located directly on BART either in San Francisco or Oakland.
3. Other factors that would be expected to be included in the selection criteria would be a comparison of a proposed new location to *staying in place*. Headquarters decisions are usually considered to first meet the long term needs of the agencies, and second to make a cost effective purchase to meet those needs. In this case, ABAG's long term needs, as stated by the Executive Board, are potentially not met by the 390 Main Street location because of its accessibility issues.
4. The decision making regarding building consolidation was intended to be deliberative, with open meetings allowing comments from members of the public as well as other governmental agencies that do regular business with the regional agencies. The process was expected to vet whether or not the advantages of the proposed new regional building consolidation outweighed the advantages of the current location and took into account the cost as well as other alternative uses for such available funds.
5. In many cases where new headquarters are considered for various reasons, agencies opt to build to suit. This is done primarily because the specialized needs of public agencies are rarely met in existing buildings, but another factor is because public agencies take time to consider the ramifications of moving for the Boards, staff, and members of the public, both from an access and financing perspective. The deliberative speed of the public decision making process does not match well to the needs of existing building owners who need to move quickly in the real estate market. In this case, the time pressure to make a decision

[REDACTED]

Proposed ABAG Building Relocation

July 25, 2011

3

by ABAG and MTC is dictated not by the needs of the public agencies, but by the desire to execute the option on 390 Main in San Francisco that was set by the owners of the building.

6. The Executive Board Action on July 21st requires the Administrative Committee to report back to the Executive Board prior to any decision regarding ABAG relocation. ABAG can if needed or desired, can reconsider its decision at that time.