



BOARD OF DIRECTORS
EXECUTIVE COMMITTEE MEETING

COMMITTEE MEMBERS

BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

ASH KALRA – CHAIR
TOM BATES
CAROLE GROOM
MARY PIEPHO
BRAD WAGENKNECHT

NATE MILEY – VICE-CHAIR
JOHN GIOIA
SCOTT HAGGERTY
MARK ROSS

MONDAY
FEBRUARY 25, 2013
9:30 A.M.

4TH FLOOR CONFERENCE ROOM
939 ELLIS STREET
SAN FRANCISCO, CA 94109

AGENDA

1. **CALL TO ORDER – ROLL CALL**
2. **PUBLIC COMMENT PERIOD** (*Public Comment on Non-Agenda Items Pursuant to Government Code § 54954.3*) Members of the public are afforded the opportunity to speak on any agenda item. All agendas for regular meetings are posted at Air District headquarters, 939 Ellis Street, San Francisco, CA, and at the Air District's website www.baaqmd.gov at least 72 hours in advance of a regular meeting. At the beginning of the regular meeting agenda, an opportunity is also provided for the public to speak on any subject within the Committee's subject matter jurisdiction. Speakers will be limited to three (3) minutes each.
3. **APPROVAL OF THE MINUTES OF DECEMBER 17, 2012**
4. **HEARING BOARD QUARTERLY REPORT – OCTOBER THROUGH DECEMBER 2012**
T. Dailey/5073
tom.dailey@kp.org
5. **CONSIDERATION OF REMOTE PARTICIPATION PROTOCOL FOR COMMITTEE MEETINGS**
J. Broadbent/5052
jbroadbent@baaqmd.gov

The Committee will consider recommending Board of Directors approval of a remote participation protocol for select Committee meetings.

6. **UPDATE ON JOINT REGIONAL AGENCY CO-LOCATION AT 390 MAIN STREET**
J. McKay/4629
jmckay@baaqmd.gov

The Committee will consider recommending that the Board of Directors authorize the Executive Officer to complete necessary documents to finance the purchase of the Air District portion of 390 Main Street, San Francisco, CA.

7. **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).

8. **TIME AND PLACE OF NEXT MEETING** – Monday, March 18, 2013, Bay Area Air Quality Management District Office, 939 Ellis Street, San Francisco, California 94109 at 9:30 a.m.

9. **ADJOURNMENT**

CONTACT CLERK OF THE BOARDS- 939 ELLIS ST, SF, CA 94109

(415) 749-5073
FAX: (415) 928-8560
BAAQMD homepage:
www.baaqmd.gov

- To submit written comments on an agenda item in advance of the meeting.
- To request, in advance of the meeting, to be placed on the list to testify on an agenda item.
- To request special accommodations for those persons with disabilities notification to the Clerk's Office should be given at least three working days prior to the date of the meeting so that arrangements can be made accordingly.
- 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 939 Ellis Street, San Francisco, CA 94109, at the time such writing is made available to all, or a majority of all, members of that body. Such writing(s) may also be posted on the District's website (www.baaqmd.gov) at that time.

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
939 ELLIS STREET, SAN FRANCISCO, CALIFORNIA 94109
FOR QUESTIONS PLEASE CALL (415) 749-4963**

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

FEBRUARY 2013

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Regular Meeting <i>(Meets on the 1st & 3rd Wednesday of each Month)</i> - CANCELLED	Wednesday	20	9:45 a.m.	Board Room
Board of Directors Mobile Source Committee <i>(Meets on the 4th Thursday of each Month)</i> – RESCHEDULED FROM THURSDAY, FEBRUARY 28, 2013	Thursday	21	9:30 a.m.	Board Room
Board of Directors Executive Committee <i>(Meets on the 3rd Monday of each Month)</i> – RESCHEDULED FROM MONDAY, FEBRUARY 18, 2013	Monday	25	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Budget & Finance Committee <i>(Meets on the 4th Wednesday of each Month)</i>	Wednesday	27	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Mobile Source Committee <i>(Meets on the 4th Thursday of each Month)</i> – CANCELLED AND RESCHEDULED TO THURSDAY, FEBRUARY 21, 2013	Thursday	28	9:30 a.m.	Board Room

MARCH 2013

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Regular Meeting <i>(Meets on the 1st & 3rd Wednesday of each Month)</i>	Wednesday	6	9:45 a.m.	Board Room
Advisory Council Regular Meeting <i>(Meets on the 2nd Wednesday of each Month)</i>	Wednesday	13	9:00 a.m.	Board Room
Board of Directors Legislative Committee <i>(Meets at the Call of the Chair)</i>	Thursday	14	9:30 a.m.	4th Floor Conf. Room
Board of Directors Climate Protection Committee <i>(Meets at the Call of the Chair)</i>	Thursday	14	11:00 a.m.	4th Floor Conf. Room
Board of Directors Executive Committee <i>(Meets on the 3rd Monday of each Month)</i>	Monday	18	9:30 a.m.	4 th Floor Conf. Room

MARCH 2013

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Stationary Source Committee <i>(Meets on the 3rd Monday of each Month)</i>	Monday	18	10:30 a.m.	4 th Floor Conf. Room
Board of Directors Regular Meeting <i>(Meets on the 1st & 3rd Wednesday of each Month)</i>	Wednesday	20	9:45 a.m.	Board Room
Board of Directors Budget & Finance Committee <i>(Meets on the 4th Wednesday of each Month)</i>	Wednesday	27	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Mobile Source Committee <i>(Meets on the 4th Thursday of each Month)</i>	Thursday	28	9:30 a.m.	4 th Floor Conf. Room

APRIL 2013

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Regular Meeting <i>(Meets on the 1st & 3rd Wednesday of each Month)</i>	Wednesday	3	9:45 a.m.	Board Room
Advisory Council Regular Meeting <i>(Meets on the 2nd Wednesday of each Month)</i>	Wednesday	10	9:00 a.m.	Board Room
Board of Directors Executive Committee <i>(Meets on the 3rd Monday of each Month)</i>	Monday	15	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Stationary Source Committee <i>(Meets on the 3rd Monday of each Month)</i>	Monday	15	10:30 a.m.	4 th Floor Conf. Room
Board of Directors Regular Meeting <i>(Meets on the 1st & 3rd Wednesday of each Month)</i>	Wednesday	17	9:45 a.m.	Board Room
Board of Directors Budget & Finance Committee <i>(Meets on the 4th Wednesday of each Month)</i>	Wednesday	24	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Mobile Source Committee <i>(Meets on the 4th Thursday of each Month)</i>	Thursday	25	9:30 a.m.	4 th Floor Conf. Room

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Ash Kalra and Members
of the Executive Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: January 22, 2013

Re: Approval of the Minutes of December 17, 2012

RECOMMENDED ACTION

Approve attached draft minutes of the Executive Committee meeting of December 17, 2012.

DISCUSSION

Attached for your review and approval are the draft minutes of the Executive Committee meeting of December 17, 2012.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Sean Gallagher
Reviewed by: Ana Sandoval

Attachment

Bay Area Air Quality Management District
939 Ellis Street
San Francisco, California 94109
(415) 771-6000

DRAFT MINUTES

Summary of Board of Directors
Executive Committee Meeting
Monday, December 17, 2012

1. Call to Order – Roll Call

Chairperson John Gioia called the meeting to order at 9:34 a.m.

Present: Chairperson John Gioia; Secretary Nate Miley; and Directors John Avalos, Carole Groom, Scott Haggerty, Mark Ross and Brad Wagenknecht.

Absent: Vice Chairperson Ash Kalra and Director Tom Bates.

Also Present: None.

2. Public Comment Period: None.

3. Approval of the Minutes of October 22, 2012

Committee Comments: None.

Public Comments: None.

Committee Action: Director Avalos made a motion to approve the Minutes of October 22, 2012; Director Ross seconded; and the motion carried unanimously without objection.

4. Hearing Board Quarterly Report – July through September 2012

Hearing Board Chairperson Thomas M. Dailey, M.D., presented the quarterly report of the Air District Hearing Board for July through September of 2012.

Committee Comments:

Chairperson Gioia asked about the nature of accusations, which questions were answered by Brian Bunger, District Counsel.

Public Comments: None.

Committee Action: None; informational only.

5. Contractor Selection on Disposition of 939 Ellis Street

Jack Broadbent, Executive Officer/Air Pollution Control Officer (APCO), gave the initial staff presentation Real Estate Broker Selection for Disposition of 939 Ellis Street, through slide #3, Update on Building Negotiations, including a presentation outline and an update on negotiations regarding the building at 390 Main Street.

Mr. Broadbent introduced Andrew Fremier, Deputy Executive Director, Operations, Metropolitan Transportation Commission (MTC), who provided the Committee an update from the perspective of MTC.

NOTED PRESENT: Directors Haggerty and Miley were noted present at 9:44 a.m.

Chairperson Gioia asked for the specific parameters of the purchase, as authorized by the Board of Directors, and discussed with Mr. Broadbent the cost, positive outlook, number of variables involved and the Committee agenda for January.

Director Haggerty asked about the editorial regarding the project, published in the Contra Costa Times on December 4, 2012, and the status of the condominium agreement, which questions were answered by Messrs. Broadbent and McKay.

Director Haggerty suggested the Air District is being treated unfairly and questioned the wisdom of selling 939 Ellis Street at this time. Director Haggerty and Mr. Broadbent discussed the scope and nature of staff's request before the Committee today.

Chairperson Gioia and Mr. Broadbent discussed the timing of hiring a real estate broker and negotiations with the Bay Area Headquarters Authority.

Mr. Broadbent introduced Jeffrey McKay, Deputy APCO (DAPCO), who concluded the staff presentation Real Estate Broker Selection for Disposition of 939 Ellis Street, including an overview of the current headquarters at 939 Ellis Street, summaries of the request for proposals (RFP) work, process and scores, an overview of commission fees, RFP score summary and staff recommendation.

Committee Comments:

Director Haggerty asked that more details of the purchase and sale be delivered to the Committee and Chairperson Gioia echoed the request.

Director Ross said the timing of the sale and purchase is crucial and suggested an informal survey of the market to identify alternative purchase properties.

The Committee members discussed their concerns relative to a possible collapse of the purchase agreement. The Committee and staff discussed the scope and parameters of the proposed contract with a real estate broker for the building disposition.

Public Comments: None.

Committee Action:

Director Ross made a motion, seconded by Director Haggerty and carried unanimously without objection, to recommend the Board of Directors authorize the Executive Officer/APCO to enter into a contract with Cassidy Turley to develop and implement marketing strategies for disposition of 939 Ellis Street, including contingencies for withdrawal from the offer process, to develop marketing strategies for disposition of 939 Ellis Street.

6. Update on Production System

Mr. Broadbent gave the staff presentation Authorize Additional Funding for Web Site and Production System Integration, including progress to date, 2012 achievements, current status, next steps, direction for 2013, additional resources needed, and recommended action.

Committee Comments:

Chairperson Gioia asked about the total contract amount for Lightmaker, Inc., estimated project completion date, expected results, and the total information services budget, which questions were answered by Lisa Fasano, Director of Communications & Outreach, Jean Roggenkamp, DAPCO, and Mr. Broadbent.

Director Haggerty, Chairperson Gioia and Mr. Broadbent discussed the lifespan of this project and related projects that preceded it.

Directors Wagenknecht and Groom commended progress to date and the project goal of enhanced public accessibility.

Public Comments: None.

Committee Action:

Director Groom made a motion, seconded by Director Avalos, and carried unanimously without objection, to recommend the Board of Directors:

1. Authorize the Executive Officer/APCO to amend existing contract with Lightmaker, Inc., by \$120,000;
2. Increase the Information Services fiscal year 2012 – 2013 budget by \$200,000; and
3. Authorize the Executive Officer/APCO to enter into contracts for services not to exceed \$200,000, with IntelliBridge Partners, Inc.

7. Update on Regional Plug-In Electric Vehicle (PEV) Plan

Damian Breen, Director of Strategic Incentives, introduced Karen Schkolnick, Air Quality Program Manager, who gave the staff presentation PEV Update, including the United States Department of Energy grant plan elements, readiness key findings, regional siting analysis, implementation actions, outreach and next steps.

Committee Comments:

Director Haggerty asked about the cost of charging vehicles at various public chargers, which questions were answered by Mr. Breen.

Director Haggerty asked about the identification of impacted communities, which questions were answered by Mr. Broadbent.

Chairperson Gioia suggested that cities and counties are seeking direction for planning purposes and Mr. Breen responded that the Air District has been and will continue to contact them to offer assistance.

Director Ross asked about the availability and accessibility of internet resources, which questions were answered by Mr. Breen and Ms. Schkolnick.

Public Comments: None.

Committee Action: None; informational only.

- 8. Committee Member Comments/Other Business:** None.
- 9. Time and Place of Next Committee Meeting:** Monday, March 18, 2013, Bay Area Air Quality Management District Office, 939 Ellis Street, San Francisco, CA 94109 at 9:30 a.m.
- 10. Adjournment:** The meeting adjourned at 11:18 a.m.

Sean Gallagher
Clerk of the Boards

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Ash Kalra and Members of the Executive Committee
From: Chairperson Thomas M. Dailey, M.D., and Members of the Hearing Board
Date: January 28, 2013
Re: Hearing Board Quarterly Report – October through December 2012

RECOMMENDED ACTION

None. Informational item, receive and file.

DISCUSSION

During the fourth quarter of 2012 (October through December), the Hearing Board:

- Held three (3) hearings consisting of one (1) Accusation (3638), two (2) Appeals (both in 3624 – one hearing on request for dismissal based on lack of jurisdiction and evidentiary hearing – day 1 of 2) and zero (0) Variances;
- Processed a total of three (3) orders consisting of zero (0) Accusations, one (1) Appeal (3624 –order denying request for dismissal based on lack of jurisdiction), zero (0) Variances, one (1) Emergency Variance (3643) and one (1) Request for Withdrawal/Dismissal (3642); and
- Collected a total of \$5,534.00.

Below is a detail of Hearing Board activity during the same period:

Location: Contra Costa County; City of Martinez

Docket: 3624 – TESORO REFINING AND MARKETING COMPANY, GOLDEN EAGLE REFINERY (B2758) AND AMORCO TERMINAL (B2759) – *Appeal from Final Major Facility Review Permit issued June 28, 2011*

Regulation(s): Final Major Facility Review Permit

Synopsis: Applicant's Title V Permit must be renewed every two years. Applicable regulations were amended in the interim period and the conditions of the Title V Permit were not amended to conform to same.

Status: Evidentiary hearing, Day 1, held on 12-20-2012 and further hearing scheduled for 01-10-2013.

Period of Variance: N/A

Estimated Excess Emissions: N/A

Fees collected this quarter: \$0

Location: San Mateo County; City of La Honda

Docket: 3638 AIR POLLUTION CONTROL OFFICER OF THE BAY AREA AIR QUALITY MANAGEMENT DISTRICT VS. COSTA LOMA LIMITED CORPORATION, A CALIFORNIA CORPORATION and JAMES A. WILKINSON, A/K/A HIM WILKINSON, INDIVIDUALLY AND D/B/A COSTA LOMA LTD. CORPORATION – *Accusation*

Regulation(s): 2-1-302

Synopsis: Respondent is alleged to operate an unsafe facility with no permit to operate in place or accompanying fees paid.

Status: Evidentiary hearing held 12-06-2012 and Conditional Order for Abatement was granted.

Period of Variance: N/A

Estimated Excess Emissions: N/A

Fees collected this quarter: N/A (action initiated by the Air District)

Location: Contra Costa County; City of Martinez

Docket: 3640 TESORO REFINING AND MARKETING COMPANY – *Application for Regular Variance*

Regulation(s): 8-2-301 regarding compliance with Condition 22070 and Table VII – B.6 of Permit to Operate; 2-6-307; and 2-1-307

Synopsis: Applicant's Hydrogen Plant includes two carbon dioxide removal systems that include carbon dioxide vents, one of which is believed to have measured excess emissions.

Status: Evidentiary hearing postponed to 01-31-2013 from 11-08-2012, upon the stipulated request of the parties.

Period of Variance: N/A

Estimated Excess Emissions: Between 1.34 and 288.9 lb/day carbon over the limit of 15 lb/day.

Fees collected this quarter: \$0

Location: Contra Costa County; City of Concord

Docket: 3641 AIR POLLUTION CONTROL OFFICER OF THE BAY AREA AIR QUALITY MANAGEMENT DISTRICT VS. ALL STAR SERVICE, INC., D/B/A ALL STAR GASOLINE AND KELLY ENGINEER, INDIVIDUALLY AND D/B/A ALL STAR GASOLINE – *Accusation*

Regulation(s): 2-1-302

Synopsis: Respondent is alleged to own and/or operate a gas dispensing facility without a permit to operate since January 1, 2011.

Status: Notice of Withdrawal filed 12-27-2012.

Period of Variance: N/A

Estimated Excess Emissions: N/A

Fees collected this quarter: N/A (action initiated by the Air District)

Location: Santa Clara County; City of San Jose

Docket: 3642 CHEVRON PRODUCTS COMPANY – *Application for Short Variance*

Regulation(s): 8- 33-301.1, 304.2, 307.2 and 309.1; 2-1-307; and Permit A0049, Condition 17038 subsections (2), (4) and (8)

Synopsis: Applicant's San Jose Marketing Terminal is a bulk petroleum loading and distribution terminal used to load trucks to transport fuels to the region's stations and the truck loading racks are subject to vapor control, the systems for which require essential maintenance that will either disrupt operations or will require alternative control methods.

Status: Request for Withdrawal filed 10-29-2012; Order for Dismissal filed 12-06-2012.

Period of Variance: Requested 14 days

Estimated Excess Emissions: Nitrogen oxides 74 lb/day and carbon monoxide 295 lb/day

Fees collected this quarter: \$1,796.00 (filing fee)

Location: Santa Clara County; City of San Jose

Docket: 3643 EQUILON ENTERPRISES LLC D/B/A SHELL OIL PRODUCTS US SAN JOSE TERMINAL – *Application for Emergency Variance*

Regulation(s): 8-5-322

Synopsis: Applicant's bulk storage and loading terminal for petroleum products includes a storage tank, an inspection of which revealed damage to the secondary seal on the floating roof in two locations, and repairs were scheduled to begin 10-31-2012.

Status: Order Denying Emergency Variance filed 12-11-2012.

Period of Variance: Requested 15 days

Estimated Excess Emissions: Volatile organic compounds 1.8 lb/day

Fees collected this quarter: \$747.00 (filing fee)

Location: Solano County; City of Suisun City

Docket: 3644 POTRERO HILLS ENERGY PRODUCERS, LLC, AND DTE BIOMASS ENERGY – *Appeal from Conditions of Authority to Construct Requiring Selective Catalytic Reduction as Best Available Control Technology for the Landfill Gas to Energy Project*

Regulation(s): Conditions of Authority to Construct Requiring Selective Catalytic Reduction as Best Available Control Technology for the Landfill Gas to Energy Project

Synopsis: Appellant requested review of the conditions imposed by the Air District requiring Selective Catalytic Reduction as Best Available Control Technology in issuing an Authority to Construct.

Status: Pro forma hearing on 12-13-2012 was waived and evidentiary hearing scheduled for 02-07-2013, upon the stipulated request of the parties.

Period of Variance: N/A

Estimated Excess Emissions: N/A

Fees collected this quarter: \$2,991.00 (filing fee)

Location: San Mateo County; City of La Honda

Docket: 3645 COSTA LOMA LIMITED CORPORATION – *Application for Regular Variance*

Regulation(s): 8-5-301

Synopsis: Applicant seeks temporary relief for the facility that is the subject of Docket 3638 APCO v. Costa Loma Limited Corporation (see above).

Status: Notice of Withdrawal filed 12-31-2012.

Period of Variance: Requested 235 days

Estimated Excess Emissions: None

Fees collected this quarter: \$0 (Hardship waiver filed)

Respectfully submitted,

Thomas M. Dailey, M.D.
Chair, Hearing Board

Prepared by: Sean Gallagher
Reviewed by: Ana Sandoval

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Ash Kalra and Members
of the Executive Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: February 18, 2013

Re: Consideration of Remote Participation Protocol for Committee Meetings

RECOMMENDED ACTION

Recommend Board of Directors approval of Remote Participation Protocol for select Board of Directors committee meetings.

BACKGROUND

In 2010, the Executive Committee discussed a video-conferencing and teleconferencing protocol for Board of Directors Committee meetings. At the time, Air District staff identified and tested the capabilities of two remote video-conferencing locations, one at the Santa Rosa Junior College in Santa Rosa and the other at the Santa Clara County Building in the City of San Jose.

In August 2010, Air District staff conducted a live test of the video-conferencing capabilities during an Executive Committee meeting. During the meeting, staff and committee members in the Air District's 4th Floor Conference Room successfully communicated with staff at the Santa Rosa and San Jose video conferencing sites simultaneously.

In October 2010, the Executive Committee recommended, and the Board of Directors approved, a protocol that allowed remote participation by committee members via video-conference and teleconference for committee meetings that did not include action items on the meeting agendas.

Chair Kalra has identified video-conferencing as a key goal for the Board of Directors in 2013. Staff suggests the Board revisit the current protocol for video-conferencing and teleconferencing to broaden committee member participation via video-conferencing, while still allowing the committees to effectively conduct the business of the Air District.

DISCUSSION

The following Remote Participation Protocol for committee meetings only is provided for the Executive Committee's consideration:

1. Allow remote participation by committee members for all committee meetings held in the Air District Headquarters 4th floor Conference Room at 939 Ellis Street in San Francisco, with the exception of Executive Committee and Personnel Committee meetings.

2. Any remote participation for committee meetings will occur only via video-conferencing at identified and secured locations.
3. Video-conferencing locations will be made available for committee meetings upon direction of the Executive Officer/APCO or by request by one or more members of the committee; provided the location(s) is/are available and all legal noticing requirements can be met.

Staff will pilot the updated protocol during the second quarter of 2013 and will update the committee during the third quarter of 2013.

Staff intends to utilize the two previously identified video-conferencing locations to pilot this protocol:

North Bay: Santa Rosa Junior College in Santa Rosa

South Bay: County of Santa Clara Building in San Jose

Staff is currently seeking a third video-conferencing location in the East Bay and will inform the Board and Committees once the location has been identified and secured.

BUDGET CONSIDERATION/FINANCIAL IMPACT

Funding for this project is included in the fiscal year ending 2013 Budget and will be included in the draft fiscal year ending 2014 Budget.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Maricela Martinez

Reviewed by: Ana Sandoval

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Ash Kalra and Members of
the Executive Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: February 18, 2013

Re: Update on Joint Regional Agency Co-location at 390 Main Street

RECOMMENDED ACTION

With the concurrence of the Budget and Finance Committee, recommend that the Board of Directors authorize the Executive Officer to complete necessary documents to finance the purchase of the Air District portion of 390 Main Street, San Francisco, CA under the terms of the Principles of Financing presented to the committee. Completed documents will be presented to the Board for final approval at a subsequent meeting.

DISCUSSION

Space planning for the new facility has progressed substantially, and renovation work is already underway.

Staff will review the floor plans, timeline, financing and other topics associated with this move.

Floor plans include a Laboratory on Floor 2, the acquisition of all of Floor 6, co-location of Planning Division personnel on Floor 7, and co-location of Executive Offices on Floor 8.

Current construction plans call for completion as early as fourth quarter of 2014.

Staff will preview terms of financing for the acquisition of the Air District's portion of 390 Main Street. The terms will include an approximate cost of \$29,000,000 for approximately 75,000 square feet.

The Principles of Financing to be presented to the committee include:

- Floating interest rate
- Graduated caps on the interest rate
- Maximum payment obligations of \$1.2 M for the first ten years
- Maximum payment obligations of \$1.37 M for the subsequent years
- Maximum term of obligation is 30 years
- Interest begins to accrue at occupancy
- Remarketing of the obligation leaves Air District terms unchanged

The financing terms anticipate the disposition of 939 Ellis Street with a minimum of \$8,000,000 of the proceeds used to pay down the 390 Main Street acquisition.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None at this time. Payment obligations will begin with building occupancy. Costs will be approximately offset by the sale of 939 Ellis Street, including both sale proceeds and termination of operating expenses.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Jeff McKay