

Bay Area Air Quality Management District
939 Ellis Street
San Francisco, California 94109
(415) 749-5073

APPROVED MINUTES

Summary of Board of Directors
Executive Committee Meeting
Monday, August 5, 2013

1. Call to Order – Roll Call

Chairperson Ash Kalra called the meeting to order at 11:00 a.m.

Present: Chairperson Ash Kalra; Vice Chairperson Nate Miley; and Directors John Gioia, Carole Groom, Scott Haggerty and Mark Ross.

Absent: Directors Tom Bates, Mary Piepho and Brad Wagenknecht.

Also Present: None.

2. Public Comment Period: No comments.

3. Approval of the Minutes of June 17, 2013

Committee Comments: None.

Public Comments: None.

Committee Action:

Director Miley made a motion to approve the Minutes of June 17, 2013; Director Groom seconded; and the motion carried unanimously.

4. Hearing Board Quarterly Report – April through June 2013

Hearing Board Chairperson Terry Trumbull, Esq., presented the quarterly report of the Air District Hearing Board for April through June 2013, including summaries of the cases and fees collected.

Committee Comments: None.

Public Comments: None.

Committee Action: None; informational only.

5. Approval of Financing for Joint Regional Agency Co-Location at 375 Beale Street

Jeff McKay, Deputy Air Pollution Control Officer (DAPCO), gave the staff presentation 375 Beale Street Acquisition Status and Financing, including overviews of the site location, floor plans and shared space, components for disposition of 939 Ellis, comparisons of the annual costs for each building, a detailed review of the financing team, principles and documents, and finally the next steps.

Director Haggerty asked, regarding slide 9, Floor 7 – Planning, whether the planning departments of the co-tenant agencies will all be housed on the seventh floor, which question was answered by Mr. McKay.

Mr. McKay continued the presentation.

Director Haggerty asked, regarding slide 17, BAAQMD 375 Beal Financing Principles, the current average cost of a square foot of real estate in San Francisco, which question was answered by Mr. McKay.

Mr. McKay continued the presentation.

Director Haggerty asked, regarding slide 19, Debt Service With Interest Rate Caps in Immediate Effect, whether the building has already been purchased from its previous owners and the Air District is preparing to buy its portion from the Bay Area Headquarters Authority, which question was answered by Mr. McKay.

Director Haggerty asked if the building owners will have equal votes, which question was answered by Jack Broadbent, Executive Officer/Air Pollution Control Officer (APCO).

Mr. McKay concluded the presentation.

Committee Comments:

Director Haggerty asked if 939 Ellis is paid off, which question was answered by Mr. Broadbent.

Director Haggerty asked about estimated sales prices for 939 Ellis, the total move-in cost for 375 Beale, the application of money from the sale of 939 Ellis to debt service for 375 Beale, and the timing of the sale of 939 Ellis, which questions were answered by Mr. McKay.

Director Ross asked about a provision in the Facilities Sublease, which question was answered by Brian Bunger, District Counsel, and Mr. Broadbent.

Director Ross suggested a policy or practice be established whereby positive revenues that are gained unexpectedly as the economy improves be applied to specific long-term goals or projects, such as the funding of Other Post-Employment Benefits.

Chairperson Kalra said Director Ross's suggestion is commendable but he is hesitant to enact it in the form of a policy or practice as that presumes the best perceived use today is the same in

the future, thereby limiting the options of future staff and Boards when other needs may be more urgent or be more financially prudent.

Director Haggerty asked how the money is used after closing the books, whether it is a practice or policy that dictates that use, and approximately how much money is involved, which questions were answered by Messrs. Broadbent and McKay. Director Haggerty requested that staff present a summary including the last six or seven years.

Chairperson Kalra requested additional presentations before the Executive and Budget and Finance Committees before the sale of 939 Ellis.

Public Comments: None.

Committee Action:

Director Haggerty made a motion, seconded by Director Groom, to recommend the Board of Directors authorize the Executive Officer/APCO to sign necessary documents to finance the purchase of the Bay Area Air Quality Management District portion of 375 Beale Street, San Francisco; and the motion carried unanimously.

6. Senate Bill 1339 – Bay Area Commuter Benefits Program

Jean Roggenkamp, DAPCO, introduced David Burch, Principal Environmental Planner of Planning, Rules & Research, who gave the staff presentation Bay Area Commuter Benefits Program, including key provisions, a description of the purpose of the program, the four benefit options available, potential program requirements, program elements, the expectation of positive outcomes for all, a summary of roles and responsibilities, and an overview of the development process.

Committee Comments:

Director Gioia asked about the effect of this program on employers that already provide similar benefits, the source of Air District authority to launch the program, the effective dates, and the interplay between the legislation and existing rules in local cities, which questions were answered by Messrs. Burch, Bunker and Broadbent and Ms. Roggenkamp.

Director Miley asked about the existence of and requirements for similar programs in other regions of the state, how the Air District intends to quantify the results of this program, what form the penalty for noncompliance will take, and when the Board might expect to review the results of the program, which questions were answered by Mr. Broadbent and Ms. Roggenkamp.

Director Miley asked if staff has a list of the employers for whom the program is applicable and, of those, how many have similar programs in place already and whether staff anticipates resistance from the community, which questions were answered by Ms. Roggenkamp. Director Miley requested the aforementioned list of applicable employers as well as those with

preexisting programs and asked if the Air District learned anything from the program implemented by the South Coast Air Quality Management District, which question was answered by Mr. Broadbent.

Director Ross asked if staff have considered program exemptions and why the staff level of 50 full-time employees (FTE) was chosen, which questions were answered by Ms. Roggenkamp and Mr. Bunger.

Director Groom noted that many of the employers of 200 or more already have similar programs in place and that resistance, if any, will likely come from those employing closer to 50.

Director Ross asked how employees are defined, which question was answered by Ms. Roggenkamp.

Chairperson Kalra asked that staff bring forward more details for the next Committee discussion.

Director Haggerty asked for the definition of “employees,” which was provided by Mr. Burch.

Director Haggerty asked when the Air District will be ready to launch the program and whether staff are working with other public agencies on their vision for the program, which questions were answered by Mr. Broadbent and Ms. Roggenkamp.

Director Gioia asked if 100 part-time employees is equivalent to 50 FTE under the program provisions and how the Air District is involved in developing commuter benefit options that could satisfy the requirement for several employers with one system instead of several individual systems, which question was answered by Mr. Bunger and Ms. Roggenkamp.

Public Comments: None.

Committee Action: None; informational only.

7. **Committee Member Comments/Other Business:** None.
8. **Time and Place of Next Committee Meeting:** Monday, September 9, 2013, Bay Area Air Quality Management District Headquarters, 939 Ellis Street, San Francisco, CA 94109 at 9:30 a.m.
9. **Adjournment:** The meeting adjourned at 11:53 a.m.

15/ Sean Gallagher
Sean Gallagher
Clerk of the Boards