



EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL: DocuSigned by: <i>Michael Jones</i> 47000790F2D7463...		GENERAL MANAGER ACTION REQ'D: Yes		
DATE: 11/3/2023 11/7/2023		BOARD INITIATED ITEM: No		
Originator/Prepared by: Alesia Strauch Dept: Real Estate & Prop Development DocuSigned by: <i>Alesia Strauch</i> 51F42AFC3A7349A... Signature/Date: 11/7/2023	General Counsel DocuSigned by: <i>Crystal Matson</i> 18E837040587403... 11/7/2023 []	Controller/Treasurer DocuSigned by: <i>Chris Gan</i> EE11C8CEEEA04FD... 11/7/2023 []	District Secretary []	BARC DocuSigned by: <i>Val Menotti</i> AA8F1409A8F748E... 11/7/2023 []

Purchase of Office Building at 2000 Broadway, Oakland for BART Police Administrative Headquarters

PURPOSE:

To authorize the General Manager or his designee to enter into a Purchase and Sale Agreement with Kaiser Foundation Health Plan, Inc., and any other required agreements, for the purchase of BART's new Police Administrative Headquarters to be located at 2000 Broadway, Oakland, California.

DISCUSSION:

Background

It is the District's intent to relocate the interim BART Police Administrative Headquarters ("BPD HQ") currently located at 101 8th Street, Oakland (the "MET" building) and modernize the facility. A modern police facility is needed to support the attraction and retention of police command staff, officers, and administrative staff, to help deliver a safe and secure BART system for riders. The relocation also advances BART's effort to prepare for the second phase of the Lake Merritt Transit-Oriented Development Project ("LM TOD").

An introduction to the BPD HQ relocation effort and description of the MET building was provided at BART's Board of Director's ("Board") meetings on June 9 and September 8, 2022, as part of updates on Lake Merritt Station Area Projects. A detailed project memo was provided to the Board on May 18, 2023, prior to the release of a Request for Site Proposals ("RFP"). Open and Closed Session presentations were also made to the Board on July 27, September 14, and October 12, 2023, providing updates on the process, findings, and the

progress of the real estate negotiations.

The BART Police Department (“BPD”) currently occupies approximately 55,000 square feet of office and storage space at the MET building. The MET Building was acquired by BART in 2018 with the long-term intent to consolidate parcels around the station for TOD and would temporarily provide office space primarily for BPD and BART operational needs. Approximately 180 BART officers and staff report to this location daily on rotating shifts. BPD is also utilizing a portion of the basement below the former Lake Merritt Administrative Building connected to the Lake Merritt BART Station.

Lake Merritt TOD

As authorized by the BART Board on September 8, 2022, staff executed in September 2023 a lease option agreement between BART and its development partners, East Bay Asian Local Development Corporation and LMTOD, LLC, for the first phase of the Lake Merritt TOD project, known as Block 1. The MET Building is located on Block 2 and is part of the second phase of development. The Board executed an exclusive negotiating agreement (“ENA”) for the Block 2 property with the intent of formulating and finalizing a lease option agreement. In planning for the future development and meeting BART’s commitment to negotiate in good faith under the ENA, a 2026 target date to vacate the MET building has been set.

Building Acquisition Evaluation Process

BART’s Real Estate staff has worked closely with BPD to develop the required site criteria which details the size, proximity, and physical and locational safety parameters for a new BPD HQ. The foundation of the criteria is a Needs Assessment (“Assessment”) performed in 2022 utilizing a professional consultant with experience in law enforcement facility design. BART also toured other modern police facilities. Based on this assessment, a summary of the requirements and evaluation criteria for a new facility were identified (Table 1).

Table 1: Minimum Requirements & Site Evaluation Criteria	
Site Criteria	Minimum Requirements & Evaluation Criteria
Availability	Build-out & occupancy in 2026
Proximity	BART Station – pedestrian accessible
	Centrality within BART System (East Bay) & Lines of Service
	Driving time for freeway access (max 3 mins)
	Reasonable travel time to BHQ
Appropriately sized and configured	Can accommodate at least 65-75,000 SF facility (but not too large, uneconomic excess space)
	Reasonable age and condition of systems

building	Appropriate parking, storage, & layout (open floor plans, accommodate fleet vehicle parking & exterior storage at a minimum)
Meets physical safety standards & security	Can meet Essential Service Facility standard & be delivered on time
	Maintain CALEA Accreditation (accommodate unique police needs)
	Accommodate 24-hour operation
	Multiple points of ingress/egress
	Secure, private access from street

A professional brokerage firm, Jones Lang LaSalle (“JLL”), was retained through a competitive process in June 2022 to assist in identifying private party site options in the market and to also provide technical support. In June of 2023, BART released a public RFP seeking site options and received three (3) complete and timely responses (Table 2) from property owners (“Responsive Proposals”). All of the sites are existing office buildings located in Oakland and proximal to the 19th Street BART Station.

The RFP Review Panel comprised of representatives of multiple BART Departments including BPD, Real Estate & Property Development, Funding Strategy, and Infrastructure Delivery was formed to evaluate and score the responsive proposals (depicted below) against the minimum requirements and site evaluation criteria depicted in the table above.

As part of the review process, as a federally funded rapid transit district, a Federal Transit Agency Title IV Siting Analysis and public outreach effort was also performed for these locations. The BART Board approved the findings at the September 28, 2023 public meeting.

Table 2: Responsive Proposals to the BPD HQ RFP

	415 20th Street, Oakland	2000 Broadway, Oakland	1919 Webster Street, Oakland
Description	82,893 SF 4-stories 1.03-acre parcel	86,875 SF (104K SF total w/ subterranean level) 5-stories 1.36-acre parcel (2 parcels)	74,435 SF 6- stories 0.6-acre parcel
Year built	2001	1982	1960
Owner	Hines	Kaiser Foundation	Ellis Partners
Parking	Could be altered to accommodate 45 parking stalls (12 existing in current configuration)	105 parking stalls between subterranean garage and attached parking lot	49 parking stalls within parking lot

Proximity	Adjacent to station entrance, 2.5 blocks to BHQ	Lobby opens to station entrance canopy, 1.5 blocks to BHQ	2.5 blocks to station entrance, 2 blocks to BHQ
Security & Safety	The physical adjacency to other structures is not ideal, potential for constrained access during public events, limited secured parking	Provides sally port & secured garage, multiple elevator cores in buildings, multiple ingress/egress routes, reasonable secured parking	The physical adjacency to other structures is not ideal, constrained ingress/egress routes, limited secured parking
Offer Price	Higher PSF	Lowest PSF	Highest PSF

RFP Review Panel recommended the purchase of the office building and property at 2000 Broadway in Oakland due to the following factors:

- All required site criteria were met and has excellent proximity to 19th Street Station and BHQ,
- Opportunity to be the building owner/operator,
- Ability to control security and access,
- Mitigates future market risk,
- Ability to fully retrofit and renovate the building with new systems and a secure public lobby, and
- Ability to offer a modernized and efficient Police Headquarters to attract and retain workforce and provide enhanced safety for the BART System and connections with our ridership.

BART staff have also led the effort to identify and analyze existing District owned real property, which included existing station site parking lots for redevelopment as a BPD HQ. These options were eliminated due to the impact on customer and BART Operations, loss of future TOD opportunities on these sites and the risk associated with the inability to deliver ground-up new construction of a police facility within the timeframe required.

At the request of the Board, staff investigated and analyzed the alternative of retrofitting and renovating the MET building, first constructed in 1986, as a permanent, long-term BPD HQ. BART's building engineering team and a consultant performed an inspection and analysis of major building systems, which indicated a need for significant repair and replacement due to their aging condition. Significant interior renovation to improve workflow and efficiencies and seismic retrofit work to meet State building code would also need to be performed. The renovation and retrofit work would have required police to relocate temporarily out of the building for up to two years to allow for the construction activities to take place, causing risk and interruption of ongoing operations and adding significant cost. The concept of

converting the MET building for long-term occupancy by BPD was considered by the Board and rejected.

Consistent with the recommendation of the RFP Review Panel, staff recommends that the District move forward with the purchase of the building at 2000 Broadway in Oakland to house the new BPD HQ.

An environmental review pursuant to the provisions of the California Environmental Quality Act, was performed by BART staff and the proposed BPD HQ relocation project was found to meet requirements to issue a Notice of Categorical Exemption. per 15301, Class 1, Existing Facilities. The building and property at 2000 Broadway are located within Oakland's Central Business District Pedestrian Retail Commercial Zone. Essential Service uses, such as police and fire, are approved in this zone. The new BPD HQ would operate much the same as a typical office building and the project would alter and upgrade the structure but not expand the footprint of the existing office building.

BART Real Estate staff and JLL have engaged in negotiations with the property owner, Kaiser, and reached a mutually agreeable purchase price of \$25.5 million. An appropriate source for funding the acquisition cost has been identified as interest earnings held by the District from Measure RR bond revenue. BART staff are formulating a funding strategy for the anticipated design and construction costs and will return to the Board for authorization to award a Design Build construction contract and a financing plan for the BPD HQ design and build-out.

CAPITAL FISCAL IMPACT:

The purchase cost is \$25,500,000 (inclusive of deposit) plus closing costs estimated to be \$765,000 for a total of \$26,265,000. Funds needed to meet this request will be included in the total acquisition budget for FMS#17AY001 – New BART Police Headquarters, and will be expended from the following source:

Fund Group	Fund Description	Amount
BART	F/G 802I- Interest Earned Measure RR GO Bonds	\$26,265,000
	TOTAL	\$26,265,000

The total project budget will include the upgrade and renovation of the building, which is not being addressed in this EDD.

The office of Controller/Treasurer certifies that funds are currently available to meet this obligation.

This action is not anticipated to have any Fiscal Impact on unprogrammed District reserves.

ALTERNATIVES:

The Board may elect not to authorize the purchase of 2000 Broadway in Oakland, California, but the alternative options would likely be significantly more expensive and/or impact police operations, customer parking and TOD opportunities.

RECOMMENDATION:

Adopt the following Motions:

MOTION:

- The General Manager or his designee is authorized to execute a Purchase and Sale Agreement with Kaiser Foundation Health Plan Inc. to purchase an office building at 2000 Broadway, Oakland CA 94612 for BART's Police Administrative Headquarters at a price not to exceed \$26,265,000 (inclusive of deposit and estimated closing costs).
- The General Manager or his designee is authorized to execute any and all agreements and other documents in order to effectuate the preceding motion.