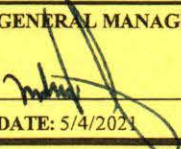


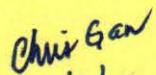





## EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL:  5/6/2021		GENERAL MANAGER ACTION REQ'D:		
DATE: 5/4/2021		BOARD INITIATED ITEM: No		
Originator/Prepared by: Sean Brooks Dept: Real Estate & Prop Development  Signature/Date: 05/05/21	General Counsel  5/6/2021 [ ]	Controller/Treasurer  5/6/21 [ ]	District Secretary [ ]	BARC  5/6/2021 [ ]

### LEASE WITH TMG Partners For Corporate Parking at Kaiser Center (300 Lakeside)

**PURPOSE:** To request that the Board of Directors authorize the General Manager or his designee to enter into a fifteen-year lease with TMG Partners, with an option to extend for two (2) additional five-year periods, for BART Corporate Vehicle parking at the Kaiser Center Parking Garage ("300 Lakeside").

#### DISCUSSION:

The District currently leases approximately 90 parking spaces at the 300 Lakeside Garage for its Corporate Vehicles. Due to BART's move to 2150 Webster, BART will no longer be a tenant at 300 Lakeside but needs to continue to provide secure parking for its vehicles (i.e. Mailroom Vans and vehicles serving the Maintenance & Engineering, Construction, Transportation, and other Departments). BART currently is paying \$225 per stall per month. However, that rate expires with the expiration of BART's lease on 7/17/21. The current monthly market rate that TMG Partners charges is \$260 per stall for tenants of the building and \$315 per stall for non-tenants, which is comparable with monthly parking prices within the Downtown Oakland core.

On April 16, 2021, pursuant to BART's existing professional services agreement with Jones Lang LaSalle ("JLL"), JLL issued on the District's behalf a Request For Proposals ("RFP") for long term secured monthly parking for up to 90 parking spaces within a 2-block radius of 2150 Webster. BART received one response from TMG Partners for parking at 300 Lakeside in the amount of \$247 per stall per month.

The term of the proposed fifteen year lease would run from July 1, 2021 through June 30, 2036, with an option to renew for two (2) additional five-year periods. The proposed



\$247/stall monthly rate would be 5% less than the rate TMG charges its tenants, which is \$260 per stall. The initial monthly rate will be approximately \$22,230.00 (\$247/stall \* 90 stalls) for the first 3 years of the lease. Thereafter, the rate would increase at the prevailing market rate, with a 20% cap on the increase over the prior rate for the next 3 years. The minimum term of the lease would be from July 1, 2021 through June 30, 2026. Thereafter, both BART and TMG Partners would have the right to terminate the lease with one year's notice to the other party. Within 30 days after full execution of the lease, TMG Partners will also pay JLL \$10,000 as a flat commission for its services representing the District.

Downtown Oakland is rapidly developing with numerous residential, commercial and other construction projects. Some existing parking lots in the vicinity of BART's new administrative headquarters at 2150 Webster have been developed, reducing the pool of available parking in the area. The monthly rates at several remaining parking lots within walking distance to 2150 Webster range between \$225.00 and \$315.00. However, TMG Partners was the only entity to respond to BART's RFP with a proposal that was adequate to meet BART's parking needs (i.e. 90 spaces). At this time, TMG Partners also has additional spaces available if needed.

Pursuant to the District's Non-Federal Small Business Program, the District conducted an analysis and determined that there are no certified Small Businesses certified by the California Department of General Services available for proposing this Agreement. Therefore, no Small Business Prime Preference was set for this Agreement.

Pursuant to the District's Non-Discrimination Program for Subcontracting, the Availability Percentages for this Agreement are 5.5% for Minority Business Enterprises (MBEs) and 2.8% for Women Business Enterprises (WBEs). TMG Partners will not be subcontracting any portion of the Work and therefore, the provisions of the District's Non-Discrimination Program for Subcontracting do not apply.

#### **FISCAL IMPACT:**

Annual Funding for this lease will be provided in the Real Estate budget (cost center #1011275, account #603211)

- Maintenance & Engineering

40 spaces = \$118,560 annually



- Measure RR Construction

3 spaces = \$8,892 annually

- Office of the Chief Information Officer

2 spaces = \$5,928 annually

- Real Estate and Property Development Department

34 spaces = \$100,776 annually

- Transportation – Rolling Stock

7 spaces = \$20,748 annually

Other Departments, TBD, if needed

4 spaces = \$11,856 annually

The total rent for the first three-year period of the lease will be approximately \$800,280, or \$266,760 per year based on a monthly rate of \$247/stall.

**ALTERNATIVES:**

Direct staff to explore other alternatives for securing 90 Corporate Parking Vehicle spaces. This would likely entail leasing space that is not in close proximity to 2150 Webster, resulting in operational inefficiencies.

**RECOMMENDATION:** Adoption of the following motion.

**MOTION:** The General Manager or his designee is authorized to enter into a fifteen-year lease with TMG Partners for approximately 90 parking spaces for BART Corporate Vehicle Parking at the 300 Lakeside Garage in Oakland, with options to extend for two additional five-year periods, commencing July 1, 2021 at an initial monthly rate of \$247/stall for the first three-years of the lease; and increasing thereafter subject to the terms of the agreement.