

CALIFORNIA COASTAL COMMISSION

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W6c

November 26, 2019

TO: Coastal Commission and Interested Public

FROM: John Ainsworth, Executive Director
Susan Hansch, Chief Deputy Director
Pamela Wu, Chief, Fiscal & Business Services
Jessica Chan, Fiscal & Business Services Analyst

SUBJECT: **Interagency Agreement with California Department of Tax and Fee Administration (CDTFA) to sublet part of the Coastal Commission's San Francisco leased office space.**

Public hearing and Commission action, Item W6c, Wednesday, December 11, 2019

SUMMARY OF STAFF RECOMMENDATION

The staff recommends that the Commission authorize the Executive Director, or his designee, to enter into an agreement with CDTFA, and to make amendments thereto, under which the Commission would receive approximately \$3,175,000 over a 60 month period to sublet part of the Coastal Commission's new San Francisco leased office space located at 455 Market Street. The staff also recommends that the Commission delegate the future responsibility for review, approval, execution, and oversight of interagency agreements for sublets of leased office space to the Executive Director, or his designee, as authorized. Occupancy in the new space by the Coastal Commission and the CDTFA is anticipated in early 2020.

BACKGROUND

The Coastal Commission's Headquarters and North Central Coast District offices have been located on two floors at 45 Fremont Street in San Francisco for approximately 29 years. The California Department of Insurance leases four floors in the same building. DGS tried to renegotiate an extended lease at our current location, but the 45 Fremont building owners decided that they no longer wanted to lease to the State of California.

The Coastal Commission and the Department of Insurance have had to secure new office space and move. Finding office space in San Francisco was a significant challenge, but with the efforts

of the Department of General Services (DGS) and the support of the Department of Finance, the Commission was able to secure office space at 455 Market Street. The location is very close to our existing office and is accessible to all forms of public transportation. Public transit is essential as 100% of the Coastal Commission's San Francisco based staff use public transit, carpool, walk, or ride bicycles to work.

In order to secure the 455 Market Street location, the Commission had to commit to the entire second and third floors which includes more space than the Commission needs. DGS and the Commission committed to seek another state agency to lease the extra space.

The California Department of Tax and Fee Administration (CDTFA) (formerly the Board of Equalization) has committed to sub-lease the space and split the second floor at 455 Market with the Coastal Commission. The sub-lease will be executed through an Interagency Agreement which requires the Commission's authorization.

I. MOTION AND RESOLUTION

MOTION:

I hereby move that the Commission authorize the Executive Director, or his designee, to enter into an agreement with the California Department of Tax and Fee Administration, and to make any amendments thereto, to sublet part of the Coastal Commission's San Francisco office space located at 455 Market Street for a 60-month period in exchange for approximately \$3,175,000, and delegate authority to the Executive Director or designee, to enter into such agreements in the future, in accordance with the Department of General Services instructions."

Staff recommends a **YES** vote on the foregoing motion. Passage of this motion will result in authorization of the Executive Director or designee to enter into the appropriate agreement to sublet part of the San Francisco office space and to enter into such agreements in the future.

The motion passes only by affirmative vote of a majority of the Commissioners present.

RESOLUTION:

The Commission hereby authorizes the Executive Director, or his designee, to enter into an Interagency Agreement with the California Department of Tax and Fee Administration to sublet part of the Coastal Commission's San Francisco office space located at 455 Market Street, and to make amendments thereto, and delegates authority to the Executive Director or designee to enter into such agreements in the future.

CONTRACT SPECIFICATIONS

The Commission staff, DGS, and CDTFA are working together to prepare the detailed contract language in the Interagency Agreement, and the document will be completed in December before the Commission meeting.

CONCLUSION

Staff recommends that the Commission authorize the Executive Director or his designee to enter into an Interagency Agreement with CDTFA, and make any amendments thereto, to sublet part of the San Francisco office space for a 60 month time period for an amount of approximately \$3,175,000. This cost and time period may be adjusted through possible future minor changes to the lease and sub-lease agreed upon by the Department of General Services, the Coastal Commission and the CDTFA in consultation with the Department of Finance.

The motion is on page 1 of this staff report.