

Date: June 26, 2024
W.I.: 9110, 9120, 9130

ABSTRACT

BAHA Resolution No. 48

This resolution approves the FY 2024-25 Bay Area Headquarters Authority (BAHA) Operating and Capital Budgets.

Further discussion of the BAHA Operating and Capital Budgets can be found in the BAHA Summary Sheet dated June 26, 2024.

Date: June 26, 2024
W.I.: 9110, 9120, 9130

Re: Bay Area Headquarters Authority FY 2024-25 Operating and Capital Budgets

BAY AREA HEADQUARTERS AUTHORITY
RESOLUTION No. 48

WHEREAS, the Metropolitan Transportation Commission (“MTC”) and the Bay Area Toll Authority (“BATA”) have executed a joint exercise of powers agreement dated September 28, 2011 which creates and establishes the Bay Area Headquarters Authority (“BAHA”); and

WHEREAS, BAHA staff has prepared a budget setting forth the anticipated revenues and expenditures of BAHA for FY 2024-25; now, therefore be it

RESOLVED, that BAHA approves the Operating and Capital Budgets for FY 2024-25, prepared in accordance with generally accepting accounting principles, attached hereto as Attachment A, and incorporated herein as though set forth at length; and, be it further

RESOLVED, that the Executive Director or designee may approve adjustments among line items in the BAHA Budget for FY 2024-25, provided that there shall be no increase in the overall BAHA Budget without prior approval of BAHA; and, be it further

RESOLVED, that the Executive Director or designee shall submit written requests to BAHA for approval of consultants, professional services, and expenditures authorized in the BAHA Budget for FY 2024-25; and be it further

RESOLVED, that the Executive Director and Chief Financial Officer are authorized to carry over and re-budget all funds and contracts properly budgeted in the prior year for which expenditures were budgeted and encumbered and which will take place in FY 2024-25; and, be it further

RESOLVED, that the Executive Director and Chief Financial Officer are authorized to create an operating reserve equivalent to one-year operating revenue and a capital replacement reserve equivalent to the accumulated depreciation expense and to transfer all excess BAHA funds including annual surplus funds included in the annual budget to fund the reserve. Any withdrawal from the designated reserves, requires specific approval of BAHA; and, be it further

RESOLVED, that the Executive Director and Chief Financial Officer are authorized to transfer all excess annual operating surplus remaining after annual budgeted reserve transfers to BATA; and, be it further

RESOLVED, that the Executive Director and Chief Financial Officer are authorized to utilize generally available cash as an advance for project cash flow purposes provided the advance is repaid from project funds by the close of the fiscal year; and, be it further

RESOLVED, that the BAHA staff shall furnish BAHA with a quarterly financial report to reflect budgeted and actual income, expenditures, obligations for professional and consultant services, and such other information and data as may be requested by BAHA.

BAY AREA HEADQUARTERS AUTHORITY

Alfredo Pedroza, Chair

The above resolution was entered into by the Bay Area Headquarters Authority at a regular meeting of the Authority held in San Francisco, California and at other remote locations, on June 26, 2024.

Bay Area Headquarters Authority (BAHA) FY 2024-25 Operating Budget

	Actuals as of 3/31/2024	Adopted FY 2023-24 Amendment No. 1	Proposed FY 2024-25	Change in \$ Increase/(Decrease)	Change in % Increase/(Decrease)
Revenue:					
Assessment fee - shared services	\$ 3,083,581	\$ 4,111,441	\$ 4,816,887	\$ 705,446	17.2%
Assessment fee - common area	3,482,491	4,643,321	4,924,554	281,233	6.1%
Lease income	7,271,670	10,149,405	6,427,611	(3,721,794)	-36.7%
Expense reimbursements	497,485	258,400	332,860	74,460	28.8%
Other income - parking	146,799	103,515	103,515	-	0.0%
Utility reimbursements	68,391	96,784	79,051	(17,733)	-18.3%
Other income	1,299,703	366,963	1,576,969	1,210,006	329.7%
Total revenue	15,850,120	19,729,829	18,261,447	(1,468,381)	-7.4%
Expenses:					
Salaries and benefits	1,207,400	1,653,147	2,106,958	453,810	27.5%
Overhead	655,246	826,574	955,195	128,621	15.6%
Repairs and maintenance	51,629	-	-	-	-
Professional fees	124,245	916,450	1,346,981	430,531	47.0%
Computer maintenance and services	886,576	2,442,884	2,131,425	(311,459)	-12.7%
Supplies and equipment rental	57,695	429,500	555,000	125,500	29.2%
Other expenses	467,024	1,122,782	1,001,133	(121,649)	-10.8%
Insurance	48,816	84,066	59,068	(24,998)	-29.7%
Cleaning services	2,529	20,000	30,000	10,000	50.0%
Security	-	52,500	65,000	12,500	23.8%
Contractual services - CW	6,429,992	10,069,429	10,508,688	439,259	4.4%
Total expense	9,931,152	17,617,332	18,759,448	1,142,116	6.5%
Operating surplus/(deficit) before transfers	5,918,969	2,112,496	(498,002)	(2,610,498)	-123.6%
Transfers in/(out):					
Transfer in from Operating Reserve	\$ -	\$ 13,858,105	\$ 10,661,548	\$ (3,196,557)	-23.1%
Transfer to BATA	-	-	-	-	-
Transfer to BATA for FY17 Excess Assessment	-	(255,718)	-	255,718	-100.0%
Transfer to MTC for FY17 Excess Assessment	-	(220,298)	-	220,298	-100.0%
Transfer to Capital	(15,494,586)	(15,494,586)	(10,163,547)	5,331,039	-34.4%
Total transfer	(15,494,586)	(2,112,497)	498,002	2,610,498	-123.6%
Operating surplus/(deficit)	\$ (9,575,617)	\$ -	\$ -	\$ -	0%

Bay Area Headquarters (BAHA) FY 2024-25 Operating Budget

	Actuals as of 3/31/2024	Adopted FY 2023-24 Amendment No. 1	Building and Commercial Operations	375 Beale Condo and Shared Services	BAHA Operating	Proposed FY 2024-25
Revenue:						
Assessment fee - shared services	\$ 3,083,581	\$ 4,111,441	\$ -	\$ 4,816,887	\$ -	\$ 4,816,887
Assessment fee - common area	3,482,491	4,643,321	-	4,924,554	-	4,924,554
Lease income	7,271,670	10,149,405	6,427,611	-	-	6,427,611
Expense reimbursements	497,485	258,400	-	-	332,860	332,860
Parking	146,799	103,515	103,515	-	-	103,515
Utility reimbursements	68,391	96,784	79,051	-	-	79,051
Other revenue	1,299,703	366,963	12,468	-	1,564,501	1,576,969
Total revenue	15,850,120	19,729,829	6,622,645	9,741,441	1,897,361	18,261,447
Expenses:						
Salaries and benefits	1,207,400	1,653,147	-	1,539,907	567,051	2,106,958
Overhead	655,246	826,574	-	721,249	233,946	955,195
Repairs and maintenance	51,629	-	-	-	-	-
Professional fees	124,245	916,450	-	621,765	725,216	1,346,981
Computer maintenance and services	886,576	2,442,884	-	1,394,465	736,960	2,131,425
Supplies and equipment rental	57,695	429,500	-	295,000	260,000	555,000
Other expenses	467,024	1,122,782	381,633	244,500	375,000	1,001,133
Insurance	48,816	84,066	-	-	59,068	59,068
Cleaning services	2,529	20,000	-	-	30,000	30,000
Security	-	52,500	-	-	65,000	65,000
Contractual services - CW	6,429,992	10,069,429	5,584,134	4,924,554	-	10,508,688
Total expense w/o depreciation	9,931,152	17,617,332	5,965,767	9,741,441	3,052,241	18,759,448
Operating surplus/(deficit) before transfers	5,918,969	2,112,496	656,878	-	(1,154,880)	(498,002)
Transfers In/(Out)						
Transfer in from Operating Reserve	-	13,858,105	-	-	10,661,548	10,661,548
Transfer to BATA	-	-	-	-	-	-
Transfer to BATA for FY17 Excess Assessment	-	(255,718)	-	-	-	-
Transfer to MTC for FY17 Excess Assessment	-	(220,298)	-	-	-	-
Transfer to Capital Reserve	(15,494,586)	(15,494,586)	-	-	(10,163,547)	(10,163,547)
Total transfers	(15,494,586)	(2,112,497)	-	-	498,002	498,002
Total Operating Surplus/(Deficit)	(9,575,617)	-	656,878	-	(656,878)	-

Distribution of Condo Area Fees

Common Area	Proposed		Change \$	Change %
	FY 2023-24	FY 2024-25		
BAAQMD	\$ 2,107,138	\$ 2,234,762	\$ 127,624	6%
ABAG*	221,556	207,295	\$ (14,262)	-6%
BATA/MTC	2,314,627	2,482,497	167,871	7%
Total	\$ 4,643,321	\$ 4,924,554	\$ 281,233	6%
Shared Services				
BAAQMD	\$ 1,865,772	\$ 2,185,903	\$ 320,131	17%
ABAG	186,822	202,762	\$ 15,941	9%
BATA/MTC	2,058,847	2,428,222	369,374	18%
Total	\$ 4,111,441	\$ 4,816,887	\$ 705,446	17%
Grand Total	\$ 8,754,762	\$ 9,741,441	\$ 986,679	11%

* Max ABAG assessment fee for FY 2024-25 is \$410,057 based on CC&R Section 2.01(h)(6). Per MTC Commission approval on December 15, 2021, ABAG shared services are paid by MTC and ABAG will pay all Common Area assessments.

	RSF	
MTC/BATA	96,257	45.58%
BAAQMD	95,834	45.38%
ABAG	19,091	9.04%
	211,182 **	100.00%
375 Condo Sq. Ft		
375 Beale Condo	211,182 **	42.67%
BAHA Commercial	283,774	57.33%
Total CC&R Sq. Ft.	494,956	100.00%

** Agency Space RSF from CC&R Exhibit B and 15,600 RSF for 1st floor conference room.

Building Development Budget FY 2024-25	LTD Budget Thru FY 2023-24	LTD Actual As of 3/31/2024	Remaining Budget As of 2/28/2023	Additions FY 2024-25	Total LTD Budget Thru FY 2024-25
Sources					
Insurance proceeds	\$ 1,817,087	\$ 1,884,408	\$ (67,321)	\$ -	\$ 1,817,087
Transfer in from MTC	801,160	801,160	-	-	801,160
Transfer in from SAFE	112,910	112,910	-	-	112,910
Purchase from ABAG	1,600,000	5,015,497	(3,415,497)	-	1,600,000
Purchase from Air District	34,000,000	29,684,243	4,315,757	-	34,000,000
Reimbursement from PG&E	54,601	54,601	-	-	54,601
TFCA Grant	82,000	82,000	-	-	82,000
Grant Local Match from MTC/BATA	119,000	119,000	-	-	119,000
Grant Local Match from Air District	150,000	150,000	-	-	150,000
Capital Contribution (BATA), SPANs & staff costs	285,356,009	285,356,009	-	-	285,356,009
Interest Revenue	-	539,617	(539,617)	-	-
Reimbursement for Capital Expenditure	-	1,156,132	(1,156,132)	-	-
Miscellaneous	-	985	(985)	-	-
Transfer in from BAHA Operation	290,781	245,634	45,147	-	290,781
Total Transfer In	\$ 324,383,548	\$ 325,202,194	\$ (818,646)	\$ -	\$ 324,383,548
Uses					
Purchase Building	\$ 93,000,000	\$ 93,000,000	\$ -	\$ -	\$ 93,000,000
Building Development	154,207,882	153,941,120	266,762	-	154,207,882
Insurance	573,017	573,317	(300)	-	573,017
Furniture, Fixtures, Equipment	15,000,000	15,000,000	-	-	15,000,000
12V Feed	307,606	307,606	-	-	307,606
EV Charging Station	351,000	340,324	10,676	-	351,000
Staff Costs	8,404,890	8,290,594	114,296	-	8,404,890
Transfer Out	400,000	186,280	213,720	-	400,000
Total Usage	\$ 272,244,395	\$ 271,639,241	\$ 605,154	\$ -	\$ 272,244,395

Commercial Development Fund Life To Date thru FY 2024-25

Program #	Budget	LTD Budget Amendment No. 1 FY 2023-24	LTD Actual As of 3/31/2024	Remaining Budget As of 3/31/2024	FY 2024-25			LTD Budget FY 2024-25
					Tenant Improvements	Commissions	Total	
9143	Transfer In	\$ 52,139,153	\$ 53,562,953	\$ (1,423,800)	\$ -	\$ -	\$ -	\$ 52,139,153
9140	Ada's Café	465,454	279,174	186,280	-	-	-	465,454
9141	BCDC	7,016,736	7,016,736	(0)	-	-	-	7,016,736
9142	Cubic Reimbursement for TI	562,648	562,648	0	-	-	-	562,648
9144	Air District	3,000,000	3,000,000	-	-	-	-	3,000,000
		63,183,991	64,421,512	\$ (1,237,521)	-	-	-	63,183,991
9135	T.I. Rutherford and Chekene	1,235,930	599,726	636,204	-	-	-	1,235,930
9136	Conduent (Xerox)	110,975	110,975	(0)	-	-	-	110,975
9137	T.I. Degenkolb	2,287,410	2,287,410	0	-	-	-	2,287,410
9138	T.I. Twilio	10,178,398	10,178,398	1	-	-	-	10,178,398
9139	Engineering/Architectural	350,000	357,301	(7,301)	-	-	-	350,000
9140	T.I. Ada's Café	465,454	279,174	186,280	-	-	-	465,454
9141	BCDC	7,016,736	7,016,736	(0)	-	-	-	7,016,736
9142	Cubic	562,648	562,648	0	-	-	-	562,648
9144	Temazcal	5,049,886	4,829,688	220,198	-	-	-	5,049,886
	Total Tenant Improvements	27,257,437	26,222,056	1,035,381	-	-	-	27,257,437
	Surplus/(deficit) before transfers	35,926,554	38,199,456	(202,140)	-	-	-	35,926,554
	Transfer Out - Building Improvement	2,500,000	2,518,283	(18,283)	-	-	-	2,500,000
	Net	\$ 33,426,554	\$ 35,681,172	\$ (220,423)	\$ -	\$ -	\$ -	\$ 33,426,554

Building Improvement Fund Life-To-Date (LTD) thru FY 2024-25

Program # Budget	LTD Budget Amendment No. 1 Thru FY 23-24	LTD Actuals As of 3/31/2024	Remaining Budget As of 3/31/2024	Proposed FY 2024-25	LTD Budget Thru FY 24-25
Transfer In	\$ 23,773,342	\$ 21,624,295	\$ 2,149,048	\$ 10,163,547	\$ 33,936,889
In-House Improvement Project					
9160 IT Improvement Project	\$ 3,299,000	\$ 2,116,546	\$ 1,182,454	\$ 984,500	\$ 4,283,500
9161 Agency Space Modification	7,900,000	483,105	7,416,895	2,000,000	9,900,000
9162 Agency Infrastructure Improvement	3,070,000	231,599	2,838,402	402,486	3,472,486
9163 Level 1 Public Space Modifications	1,411,000	326,083	1,084,917	-	1,411,000
Total In-House Project	\$ 15,680,000	\$ 3,157,333	\$ 12,522,667	\$ 3,386,986	\$ 19,066,986
CW Improvement Project					
9180 AHUs1-4 Eyebrow Install	\$ 210,258	\$ 210,258	\$ -	\$ -	\$ 210,258
9181 Building Improvement	7,133,084	2,515,462	4,617,622	895,738	8,028,822
9182 Façade Repair & Window Replacement	-	-	-	5,130,823	5,130,823
Total CW Project	\$ 7,343,342	\$ 2,725,721	\$ 4,617,622	\$ 6,026,561	\$ 13,369,903
Total Building Improvement Budget	\$ 23,023,342	\$ 5,883,053	\$ 17,140,289	\$ 9,413,547	\$ 32,436,889
Lease Commissions	\$ 750,000	\$ -	\$ -	\$ 750,000	\$ 1,500,000
Net	\$ -	\$ 15,741,241	\$ (14,991,241)	\$ -	\$ -