

375 Beale Condominium Corporation

**FY 2026-27 Operating Budget
and Assessments**

Date: June 16, 2026



375 Beale Condominium Corporation Overview

- The Bay Area Headquarters Authority (BAHA) purchased 375 Beale Street (Bay Area Metro Center, “BAMC”) in 2011
- In 2017, BAHA, Bay Area Air Quality Management District (“Air District”), and the Association of Bay Area Governments (ABAG) established 375 Beale Condominium Corporation (375 Beale Condo) to manage the condominium interest at BAMC
- The condo owners established a Declaration of Covenants, Conditions and Restrictions (CC&R’s) which provides policy and operating guidance of 375 Beale Condo
- 375 Beale Condo is authorized to assess fees to the condo owners for common area and shared service expenses

375 Beale Condo FY 2026-27 Assessment Distribution

**Total Assessments -
\$8.3 million, down 7.4%
(-\$662k)**

Assessments are decreased
proportionally with expenses

Distribution of Condo Area Fees

| Common Area | FY 2025-26 Approved | FY 2026-27 Proposed | Change \$ Increase/(Decrease) | Change % Increase/(Decrease) |
|------------------------|------------------------|------------------------|----------------------------------|---------------------------------|
| BAAQMD | \$ 1,953,004 | \$ 1,970,145 | \$ 17,141 | 0.9% |
| ABAG | 202,494 | 227,342 | 24,848 | 12.3% |
| BAHA | 2,148,170 | 2,143,953 | (4,217) | -0.2% |
| Total | <u>\$ 4,303,668</u> | <u>\$ 4,341,440</u> | <u>\$ 37,772</u> | <u>0.9%</u> |
| Shared Services | | | | |
| BAAQMD | \$ 2,095,981 | \$ 1,778,417 | \$ (317,564) | -15.2% |
| ABAG | 217,318 | 205,217 | (12,101) | -5.6% |
| BAHA | 2,305,435 | 1,935,309 | (370,126) | -16.1% |
| Total | <u>\$ 4,618,734</u> | <u>3,918,943</u> | <u>\$ (699,791)</u> | <u>-15.2%</u> |
| Grand Total | <u>\$ 8,922,402</u> | <u>\$ 8,260,383</u> | <u>\$ (662,019)</u> | <u>-7.4%</u> |

375 Beale FY 2026-27 Expenses

| | FY 2025-26 Approved | FY 2026-27 Proposed | Change \$ Increase/(Decrease) | Change % Increase/(Decrease) |
|---|------------------------|------------------------|----------------------------------|---------------------------------|
| Expense: | | | | |
| Salaries and Benefits | \$1,772,339 | \$1,699,751 | (\$72,588) | -4.1% |
| Overhead | 732,238 | 604,579 | (127,660) | -17.4% |
| Postage Meter and Direct TV | 18,000 | 18,000 | - | 0.0% |
| Supplies | 195,000 | 110,000 | (85,000) | -43.6% |
| Contractual Services | 4,303,668 | 4,341,440 | 37,772 | 0.9% |
| Information Technology (IT) Licenses/Maintenance* | 1,582,381 | 1,109,826 | (472,556) | -29.9% |
| Other/Miscellaneous | 318,776 | 376,788 | 58,012 | 18.2% |
| Total Expense | \$8,922,402 | \$8,260,383 | (\$662,019) | -7.4% |

*Decrease primarily reflects completion of prior-year IT and hybrid workspace projects

Budget Challenges

- 375 Beale requires ongoing capital maintenance to maintain a safe and functional building, and to make the building desirable to future tenants
- Capital projects are not currently funded by assessments
- Existing tenants have not renewed leases and a competitive office rental market is directly affecting rental income
- Staff is working to determine alternative funding options

Recommendation

Board approval of the FY 2026-27 Operating Budget and the common area and shared services operation assessments.

