



## Meeting Agenda

### Bay Area Headquarters Authority

*Sue Noack, Chair    Stephanie Moulton-Peters, Vice Chair*

---

Wednesday, June 24, 2026

10:00 AM

Board Room - 1st Floor

---

The Bay Area Headquarters Authority (BAHA) is scheduled to meet at 10:00 a.m. or immediately following the preceding meeting, whichever occurs later.

Meeting attendees may opt to attend in person for public comment and observation at 375 Beale Street, Board Room (1st Floor). In-person attendees must adhere to posted public health protocols while in the building. The meeting webcast will be available at <https://mtc.ca.gov/whats-happening/meetings/live-webcasts>. Members of the public are encouraged to participate remotely via Zoom at the following link or phone number.

Attendee Link: <https://bayareametro.zoom.us/j/82653731148>

iPhone One-Tap: US:

+14086380968,,82653731148# US (San Jose)

+16694449171,,82653731148# US

Join by Telephone (for higher quality, dial a number based on your current location) US:

888 788 0099 (Toll Free) or 877 853 5247 (Toll Free)

Webinar ID: 826 5373 1148

International numbers available: <https://bayareametro.zoom.us/j/82653731148>

Members of the public participating by Zoom wishing to speak should use the “raise hand” feature or dial \*9. When called upon, unmute yourself or dial \*6. In order to get the full Zoom experience, please make sure your application is up to date.

All standing committee meeting agendas may also be accessed on

MTC’s website here: <https://mtc.ca.gov/meetings-events>

On Legistar here: <https://mtc.legistar.com/Calendar.aspx>

Detailed instructions on participating via Zoom are available at:

<https://bayareametro.zoom.us/j/82653731148>

<https://mtc.ca.gov/how-provide-public-comment-board-meeting-zoom>

Members of the public may participate by phone or Zoom during the meeting. In order to be posted to the meeting’s web page and circulated to committee members prior to the meeting, written comments must be sent by email at [info@bayareametro.gov](mailto:info@bayareametro.gov) by 5:00 p.m. two (2) business days before the scheduled meeting date. Please include the committee or board meeting name and agenda item number in the subject line.

All comments received will be submitted into the record.

**Roster:**

Sue Noack (Chair), Stephanie Moulton-Peters (Vice Chair),  
Margaret Abe-Koga, Amber Manfree, Nate Miley, Gina Papan

**1. Call to Order / Roll Call / Confirm Quorum**

*A quorum of the Authority shall be a majority of its voting members (4).*

**2. Chair's Report****3. Consent Calendar**

- 3a. [26-0632](#) Approval of the Authority Minutes of the May 27, 2026 meeting

**Action:** Authority Approval

**Attachments:** [3a 26-0632 May 27 2026 Draft BAHA Minutes.pdf](#)

**4. Authority Approval**

- 4a. [26-0633](#) Bay Area Headquarters Authority (BAHA) Resolution No. 50. Proposed Fiscal Year (FY) 2026-27 Operating and Capital Budget

Adoption of BAHA Resolution No. 50 approving the BAHA Proposed FY 2026-27 Operating and Capital Budget.

**Action:** Authority Approval

**Presenter:** Ilesha Spencer

**Attachments:** [4a 26-0663 1 Summary Sheet BAHA FY2026-27 Ops and Capital Budget](#)

[4a 26-0663 2 BAHA Resolution No 50.pdf](#)

[4a 26-0663 3 BAHA Resolution No 50 Attachments A-F.pdf](#)

[4a 26-0663 4 BAHA Proposed FY2026-27 Budgets Presentation.pdf](#)

**5. Public Comment / Other Business****6. Adjournment / Next Meetings:**

The next regular meeting of the Bay Area Headquarters Authority is scheduled to be held at the Bay Area Metro Center, 375 Beale Street, San Francisco on Wednesday, August 26, 2026. Any changes to the schedule will be duly noticed.

**Public Comment:** The public is encouraged to comment on agenda items at Authority meetings by completing a request-to-speak card (available from staff) and passing it to the Authority secretary. Public comment may be limited by any of the procedures set forth in Section 3.09 of MTC's Procedures Manual (Resolution No. 1058, Revised) if, in the chair's judgment, it is necessary to maintain the orderly flow of business.

**Meeting Conduct:** If this meeting is willfully interrupted or disrupted by one or more persons rendering orderly conduct of the meeting unfeasible, the Chair may order the removal of individuals who are willfully disrupting the meeting. Such individuals may be arrested. If order cannot be restored by such removal, the members of the Authority may direct that the meeting room be cleared (except for representatives of the press or other news media not participating in the disturbance), and the session may continue.

**Record of Meeting:** Authority meetings are recorded. Copies of recordings are available at a nominal charge, or recordings may be listened to at MTC offices by appointment. Audiocasts are maintained on MTC's Web site ([mtc.ca.gov](http://mtc.ca.gov)) for public review for at least one year.

**Accessibility and Title VI:** MTC provides services/accommodations upon request to persons with disabilities and individuals who are limited-English proficient who wish to address Commission matters. For accommodations or translations assistance, please call 415.778.6757 or 415.778.6769 for TDD/TTY. We require three working days' notice to accommodate your request.

**可及性和法令第六章:** MTC 根據要求向希望來委員會討論有關事宜的殘疾人士及英語有限者提供服務/方便。需要便利設施或翻譯協助者，請致電 415.778.6757 或 415.778.6769 TDD / TTY。我們要求您在三個工作日前告知，以滿足您的要求。

**Acceso y el Título VI:** La MTC puede proveer asistencia/facilitar la comunicación a las personas discapacitadas y los individuos con conocimiento limitado del inglés quienes quieran dirigirse a la Comisión. Para solicitar asistencia, por favor llame al número 415.778.6757 o al 415.778.6769 para TDD/TTY. Requerimos que solicite asistencia con tres días hábiles de anticipación para poderle proveer asistencia.

---

Attachments are sent to Authority members, key staff and others as appropriate. Copies will be available at the meeting.



# Metropolitan Transportation Commission

## Legislation Text

375 Beale Street, Suite 800  
San Francisco, CA 94105

---

**File #:** 26-0632, **Version:** 1

---

**Subject:**

Approval of the Authority Minutes of the May 27, 2026 meeting

**Recommended Action:**

Authority Approval



Bay Area Metro Center  
375 Beale Street  
San Francisco, CA 94105

## Meeting Minutes

### Bay Area Headquarters Authority

*Sue Noack, Chair    Stephanie Moulton-Peters, Vice Chair*

Wednesday, May 27, 2026

9:50 AM

Board Room - 1st Floor

**Roster:**

**Sue Noack (Chair), Stephanie Moulton-Peters (Vice Chair),  
Margaret Abe-Koga, Amber Manfree, Nate Miley, Gina Papan**

Vice Chair Moulton-Peters called the meeting to order at 12:09 p.m.

Chair Noack cited Government Code 54953.8.3(c) just cause caregiving need of a parent and participated remotely.

Non-Voting Commissioners Absent: Commissioner El-Tawansy, Commissioner Giacomini and Commissioner Schaaf

#### 1. Call to Order / Roll Call / Confirm Quorum

- Present:** 5 - Commissioner Manfree, Commissioner Miley, Vice Chair Moulton-Peters, Chair Noack and Commissioner Papan
- Absent:** 1 - Commissioner Abe-Koga

#### 2. Chair's Report

#### 3. Consent Calendar

Written correspondence was received from an anonymous contributor for agenda item 3c.

Upon the motion by Commissioner Papan and seconded by Commissioner Miley, the Authority unanimously approved the Consent Calendar by the following vote:

- Aye:** 5 - Commissioner Manfree, Commissioner Miley, Vice Chair Moulton-Peters, Chair Noack and Commissioner Papan
- Absent:** 1 - Commissioner Abe-Koga

3a. [26-0207](#) Approval of the Authority Minutes of the January 28, 2026 meeting

Action: Authority Approval

- 3b. [26-0631](#) Fiscal Year (FY) 2025-26 Bay Area Headquarters Authority (BAHA) Statement of Revenues and Expenses for the Period Ended March 31, 2026 (Unaudited)

**Action:** Information

**Presenter:** Grace Martinez

- 3c. [26-0634](#) Contract Amendment - Webcasting Production Services: Network Television Time Inc. (NTT) (\$594,000)

**Action:** Authority Approval

**Presenter:** Jess Thomas

#### 4. Authority Information

- 4a. [26-0504](#) Draft Bay Area Headquarters Authority (BAHA) Fiscal Year (FY) 2026-27 Operating and Capital Budget

An informational presentation to the Authority of the Draft BAHA FY 2026-27 Operating and Capital Budgets.

**Action:** Information

**Presenter:** Ilesha Spencer

#### 5. Public Comment / Other Business

#### 6. Adjournment / Next Meetings:

The next regular meeting of the Bay Area Headquarters Authority is scheduled to be held at the Bay Area Metro Center, 375 Beale Street, San Francisco on Wednesday, June 24, 2026. Any changes to the schedule will be duly noticed.



# Metropolitan Transportation Commission

## Legislation Text

375 Beale Street, Suite 800  
San Francisco, CA 94105

---

**File #:** 26-0633, **Version:** 1

---

**Subject:**

Bay Area Headquarters Authority (BAHA) Resolution No. 50. Proposed Fiscal Year (FY) 2026-27  
Operating and Capital Budget

Adoption of BAHA Resolution No. 50 approving the BAHA Proposed FY 2026-27 Operating and  
Capital Budget.

**Presenter:**

Ilesha Spencer

**Recommended Action:**

Authority Approval

# Bay Area Headquarters Authority (BAHA)

June 24, 2026

Agenda Item 4a - 26-0633

## Bay Area Headquarters Authority (BAHA) Resolution No. 50

### Proposed Fiscal Year 2026-27 Operating and Capital Budget

---

#### **Subject:**

Adoption of Bay Area Headquarters Authority (BAHA) Resolution No. 50, approving the Proposed fiscal year (FY) 2026-27 Operating and Capital Budget.

#### **Summary of Changes from May draft:**

On May 27, 2026, staff presented the FY 2026-27 Draft Operating and Capital Budget to the Authority as an information item. The proposed budget has been updated to reflect an increase in projected interest revenue across multiple funds totaling \$70,000. This adjustment is driven by an increase in the assumed average interest yield from 3.30% to 3.60%. As a result, the transfer to capital has also been lowered to align with the higher projected interest revenue.

#### **Background:**

The Bay Area Headquarters Authority (BAHA) was established in 2011 through a Joint Exercise of Powers Agreement between the Metropolitan Transportation Commission (MTC) and the Bay Area Toll Authority (BATA), to acquire the property at 375 Beale Street. The building serves as the regional headquarters for MTC, the Bay Area Air Quality Management District (BAAQMD), and the Association of Bay Area Governments (ABAG), each of which holds a condominium ownership interest. In addition to the three owners, private tenants lease office space within the building. BAHA receives operating revenue from the condominium owner assessments and tenant rental income. Day-to-day property management services are provided under contract by Cushman & Wakefield (CW).

The BAHA operating budget is composed of 1) common area and 2) shared services expenses. Common area expenses are those provided for the benefit of the entire building, such as water, sewer, garbage, electrical, heating and air conditioning, telephone lines, lighting, and gas. Shared Services expenses are the portion of the building costs that are provided for shared use amongst the three condominium owners. Some of these items include expenses for kitchen pantries, copy/print rooms, Information Technology (IT) support and equipment storage rooms, conference, and Board rooms. The condominium owners are charged separate assessments for the common area and shared services costs, based on square footage ownership of the common and shared areas, as described in the Declaration of Covenants, Conditions and Restrictions (CC&Rs) of the 375 Beale Condominium Corporation.

A notable challenge in the current and future years is how BAHA will fund ongoing capital maintenance and rehabilitation projects, which includes ongoing façade related work. Historically, capital projects have been financed through a combination of operating surplus and reserves. However, available capital funding is becoming more constrained. BAHA experienced a significant reduction in lease revenue following a lease termination on October 31, 2024, resulting in a decrease of approximately \$0.5 million monthly or \$5.6 million annually. Looking ahead, an additional revenue loss of approximately \$1.2 million annually is anticipated when Degenkolb's lease expires in January 2027. In FY 2025-26, BAHA secured new tenants to partially offset these reductions. A 10-year lease with the Water Emergency Transportation Authority (WETA) will generate over \$0.4 million annually, and a lease with Verne Labs will provide approximately \$0.14 million annually.

### **Operating Budget Summary**

The proposed FY 2026-27 budget reflects an operating deficit of \$2.9 million, which will be funded through a draw on operating reserves. Total operating revenue is projected at \$13.6 million, a decrease of 8.9%, primarily due to reduced lease income, partially offset by new leases and anticipated new tenant activity, lower investment income, and reduced assessments. Total operating expenses are projected at \$16.5 million, a 5.0% decrease, reflecting reductions in overhead, consultant costs, and general operating expenses.

Despite cost containment efforts, operating revenues remain insufficient to fully cover ongoing costs, requiring continued reliance on reserves.

**Operating Revenue Summary**

The proposed FY 2026-27 budget reflects total revenue of \$13.6 million, representing a decrease of \$1.3 million or 8.9% compared to FY 2025-26. Lease income projections, provided by CW, are expected to decrease by a net \$0.5 million during the fiscal year, primarily due to Degenkolb's lease termination in January 2027. This reduction is partially offset by a full year of revenue from WETA and Verne Labs, along with an additional \$0.4 million for assumed future tenant activity. Shared services assessments are projected to decline in proportion with the anticipated decrease in overall expenditures. Other revenue sources include parking, expenditure reimbursements, and investment income. Investment income is expected to decrease in the operating budget as a result of lower cash balances and net yields. Additionally, approximately \$0.7 million of investment income has been reallocated to support capital projects, reflecting funds designated for that purpose.

A summary of the operating revenue is shown below (in thousands):

<u>Revenue</u>	<u>FY 2025-26</u> <u>Approved</u> <u>(\$ thousands)</u>	<u>FY 2026-27</u> <u>Proposed</u> <u>(\$ thousands)</u>	<u>Change \$</u> <u>Increase /</u> <u>(Decrease)</u> <u>(\$ thousands)</u>	<u>Change %</u> <u>Increase /</u> <u>(Decrease)</u>
Lease Income	\$4,502	\$4,700	\$198	4.4%
Shared services assessment (Fee covers staff, IT services, office supplies and other shared expenses)	\$4,619	\$3,919	(\$700)	(15.2%)
Common area assessments (Fees cover security, janitorial, utilities, administration, and repairs & maintenance)	\$4,304	\$4,341	\$37	0.9%
Other	\$1,498	\$642	(\$856)	(57.2%)
Total	\$14,923	\$13,602	(\$1,321)	(8.9%)

The shared services and common area assessments were separately presented for approval by the 375 Beale Condominium Corporation Board on June 16, 2026.

**Operating Expense Summary**

The proposed FY 2026-27 budget includes total operating expense, before transfers, of \$16.5 million, a decrease of \$0.9 million or 5.0% compared to the FY 2025-26 budget. Major operating expense highlights include (in thousands):

<b><u>Expense</u></b>	<b><u>FY 2025-26</u></b> <b><u>Approved</u></b> <b><u>(\$ thousands)</u></b>	<b><u>FY 2026-27</u></b> <b><u>Proposed</u></b> <b><u>(\$ thousands)</u></b>	<b><u>Change \$</u></b> <b><u>Increase /</u></b> <b><u>(Decrease)</u></b> <b><u>(\$ thousands)</u></b>	<b><u>Change %</u></b> <b><u>Increase /</u></b> <b><u>(Decrease)</u></b>
Salary, benefits, and overhead	\$3,405	\$3,192	(\$213)	(6.2%)
Professional fees	\$1,122	\$943	(\$179)	(15.9%)
Computer maintenance and services	\$2,241	\$2,171	(\$70)	(3.1%)
Other expenses	\$1,493	\$1,129	(\$364)	(24.4%)
Property Management	\$9,070	\$9,035	(\$35)	(0.4%)
Total	\$17,331	\$16,470	(\$861)	(5.0%)

Salaries, benefits, and overhead are projected to decrease primarily due to a reduction in BAHA’s Indirect Cost Allocation Plan (ICAP) rate and the reclassification of certain temporary staff costs to Professional Fees. Salaries include a 3.8% cost-of-living adjustment (COLA), consistent with the Metropolitan Transportation Commission’s Memorandums of Understanding.

Professional fees are decreasing primarily due to a reduction in BAHA’s allocation for temporary staff, with a portion of these costs shifted to MTC to better align with anticipated responsibilities. Additional decreases reflect the completion of prior-year activities, including first-floor venue management and event planning, space management services, and the pro forma review and update.

General operating expenses are also projected to decline, with reductions in miscellaneous expenses, coffee, signage, meals, office supplies, and parking, aligning the budget more closely with recent spending trends.

### **Transfers**

Staff propose a \$4.5 million transfer from operating reserves to fund both the \$2.9 million operating deficit and \$1.6 million to fund capital improvements. The FY 2026-27 budget does not include a transfer to BATA for repayment of its building contribution.

With a projected balance of \$8.4 million, this transfer is expected to reduce operating reserves to approximately \$3.9 million. This level of reserves represents a significant reduction in available reserves and may limit BAHA's ability to respond to future operating or capital needs without additional funding strategies.

### **Capital Budget**

Staff request a total of \$2.3 million in building improvement projects for FY 2026-27, focused on critical building improvements, including façade repairs and air handling unit (AHU) upgrades. The projects include (in thousands):

- AHUs 1-4 Eyebrow Install \$591
- Façade Repair & Window Replacement \$1,750

The façade repair program remains the most significant capital driver, with a projected cost of approximately \$20.2 million, of which approximately \$6.8 million remains unfunded following FY 2026-27. This is based on the cost estimate of repairs needed to address recommendations from a façade inspection completed September 2023. This includes enhanced investigation of terrace and cladding components and addressing concrete spalling concerns. \$1.8 million of additional funds is being requested for this program, which reflects a reduction from the original CW proposal of \$3.2 million, achieved by reallocating excess availability from other programs (Agency Space Modification and Agency Infrastructure Improvement) and utilizing life-to-date funding where possible. This project is anticipated to be completed in early 2028.

The \$0.6 million for the AHUs (air handling units) 1-4 Eyebrow Install program is for waterproofing that is required for units 1-3 as per the 2024 Reserve Study. The project has been deferred from 2024 to 2026 with inflation applied and will include installation of rain hoods to prevent water intrusion. Note that this project is split evenly between FY 2026-27 and FY 2027-28. The original request for this project was \$1.2 million but was reduced using existing life-to-date funding availability within this program.

CW also requested funds to cover potential lease commissions, tenant improvements, a new media source screen in the main lobby (\$30,000), and a replacement of UPS batteries (\$0.2 million) for a total of \$2.0 million. This request has been reduced to account for already existing funds for lease commissions and the Building Improvement program. An additional \$0.8 million will be transferred from Agency Infrastructure Improvement program to cover some of these costs.

### **Funding Challenges and Outlook**

With the absence of structural changes, BAHA will continue to rely on reserves in the near term and will face increasing constraints in funding both operations and capital. Staff and Cushman & Wakefield continue their focus on finding new tenants in a challenging commercial rental market and are taking a closer look at capital maintenance projects to prioritize maintenance of the building and attract new tenants. Executive staff are also actively considering other strategies to address the long-term needs of the building's public agency occupants and how those strategies would align with the continued maintenance of the Bay Area Metro Center as an attractive home for our critical regional agencies.

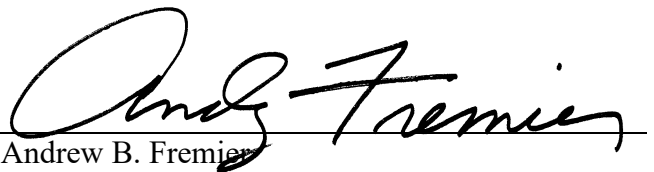
### **Recommendation:**

Staff recommends adoption of Resolution No. 50, approving the BAHA FY 2026-27 Operating and Capital Budget

### **Attachments:**

- Bay Area Headquarters Authority (BAHA) Resolution No. 50, FY 2026-27 Operating and Capital Budget

- a. Attachment A – Operating Budget
  - b. Attachment B – BAHA Operating by Fund
  - c. Attachment C – Fee Distribution
  - d. Attachment D – Building Development Budget
  - e. Attachment E – Commercial Fund Life-To-Date
  - f. Attachment F – Building Improvement Fund Life-To-Date
- Presentation

  
Andrew B. Fremier

Date: June 24, 2026  
W.I.: 9110, 9120, 9130

ABSTRACT

BAHA Resolution No. 50

This resolution approves the Bay Area Headquarters Authority (BAHA) FY 2026-27 Operating and Capital Budget.

Further discussion of the BAHA Operating and Capital Budget can be found in the BAHA Summary Sheet dated June 24, 2026.

Re: Bay Area Headquarters Authority FY 2026-27 Operating and Capital Budgets

BAY AREA HEADQUARTERS AUTHORITY  
RESOLUTION No. 50

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 2026-27; now, therefore be it

RESOLVED, that BAHA approves the Operating and Capital Budget for FY 2026-27, prepared in accordance with generally accepted 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 2026-27, 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 2026-27; 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 2026-27; 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

---

Sue Noack, 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 24, 2026.

**BAY AREA HEADQUARTERS AUTHORITY (BAHA) FY 2026-27 OPERATING BUDGET**

	<b>Actuals 03/31/2026</b>	<b>FY 2025-26 Approved</b>	<b>FY 2026-27 Proposed</b>	<b>Change \$ Increase/(Decrease)</b>	<b>Change % Increase/(Decrease)</b>
<b>Revenue:</b>					
Assessment fee - shared services	\$ 3,464,051	\$ 4,618,734	\$ 3,918,943	\$ (699,791)	-15.2%
Assessment fee - common area	3,227,751	4,303,668	4,341,440	37,772	0.9%
Lease income	3,362,361	4,502,206	4,699,383	197,177	4.4%
Expense reimbursements	380,282	359,524	309,127	(50,397)	-14.0%
Other income - parking	133,605	151,286	135,136	(16,150)	-10.7%
Utility reimbursements	57,344	68,902	60,629	(8,273)	-12.0%
Other income	135,316	918,509	137,025	(781,484)	-85.1%
<b>Total revenue</b>	<b>\$ 10,760,710</b>	<b>\$ 14,922,829</b>	<b>\$ 13,601,683</b>	<b>\$ (1,321,146)</b>	<b>-8.9%</b>
<b>Expenses:</b>					
Salaries and benefits	\$ 1,272,040	\$ 2,418,546	\$ 2,354,860	\$ (63,686)	-2.6%
Overhead	621,540	986,607	837,592	(149,015)	-15.1%
Professional fees	103,500	1,121,775	943,058	(178,717)	-15.9%
Computer maintenance and services	1,170,467	2,241,184	2,170,913	(70,271)	-3.1%
Supplies and equipment rental	80,267	277,500	207,000	(70,500)	-25.4%
Other expenses	328,152	1,036,657	747,930	(288,727)	-27.9%
Insurance	44,351	58,784	53,670	(5,114)	-8.7%
Cleaning services	-	45,000	45,000	-	0.0%
Security	-	75,000	75,000	-	0.0%
Contractual services - CW	6,325,996	9,070,091	9,034,937	(35,154)	-0.4%
<b>Total expense</b>	<b>\$ 9,946,313</b>	<b>\$ 17,331,144</b>	<b>\$ 16,469,960</b>	<b>\$ (861,184)</b>	<b>-5.0%</b>
<b>Operating surplus/(deficit) before transfers</b>	<b>\$ 814,397</b>	<b>\$ (2,408,315)</b>	<b>\$ (2,868,277)</b>	<b>\$ (459,962)</b>	<b>19.1%</b>
<b>Transfers in/(out):</b>					
Transfer in from Operating Reserve	\$ 2,408,315	\$ 10,761,345	\$ 4,528,430	\$ (6,232,915)	-57.9%
Transfer to Capital	(8,353,030)	(8,353,030)	(1,660,153)	6,692,877	-80.1%
<b>Total transfer</b>	<b>\$ (5,944,715)</b>	<b>\$ 2,408,315</b>	<b>\$ 2,868,277</b>	<b>\$ 459,962</b>	<b>19.1%</b>
<b>Total Operating Surplus/(Deficit)</b>	<b>\$ (5,130,318)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0%</b>

**BAY AREA HEADQUARTERS AUTHORITY (BAHA) FY 2026-27 OPERATING BUDGET**

	<b>Actuals 03/31/2026</b>	<b>FY 2025-26 Approved</b>	<b>Building and Commercial Operations</b>	<b>375 Beale Condo and Shared Services</b>	<b>BAHA Operating</b>	<b>FY 2026-27 Proposed</b>
<b>Revenue:</b>						
Assessment fee - shared services	\$ 3,464,051	\$ 4,618,734	\$ -	\$ 3,918,943	\$ -	\$ 3,918,943
Assessment fee - common area	3,227,751	4,303,668	-	4,341,440	-	4,341,440
Lease income	3,362,361	4,502,206	4,699,383	-	-	4,699,383
Expense reimbursements	380,282	359,524	-	-	309,127	309,127
Parking	133,605	151,286	135,136	-	-	135,136
Utility reimbursements	57,344	68,902	60,629	-	-	60,629
Other revenue	135,316	918,509	-	68,390	68,635	137,025
<b>Total revenue</b>	<b>\$ 10,760,710</b>	<b>\$ 14,922,829</b>	<b>\$ 4,895,148</b>	<b>\$ 8,328,773</b>	<b>\$ 377,762</b>	<b>\$ 13,601,683</b>
<b>Expenses:</b>						
Salaries and benefits	\$ 1,272,040	\$ 2,418,546	\$ -	\$ 1,699,751	\$ 655,109	\$ 2,354,860
Overhead	621,540	986,607	-	604,579	233,014	837,592
Repairs and maintenance	-	-	-	-	-	-
Professional fees	103,500	1,121,775	-	390,038	553,020	943,058
Computer maintenance and services	1,170,467	2,241,184	-	992,575	1,178,337	2,170,913
Supplies and equipment rental	80,267	277,500	-	117,000	90,000	207,000
Other expenses	328,152	1,036,657	420,930	115,000	212,000	747,930
Insurance	44,351	58,784	-	-	53,670	53,670
Cleaning services	-	45,000	-	-	45,000	45,000
Security	-	75,000	-	-	75,000	75,000
Contractual services - CW	6,325,996	9,070,091	4,693,497	4,341,440	-	9,034,937
<b>Total expense w/o depreciation</b>	<b>\$ 9,946,313</b>	<b>\$ 17,331,144</b>	<b>\$ 5,114,427</b>	<b>\$ 8,260,383</b>	<b>\$ 3,095,150</b>	<b>\$ 16,469,960</b>
<b>Operating surplus/(deficit) before transfers</b>	<b>\$ 814,397</b>	<b>\$ (2,408,315)</b>	<b>\$ (219,279)</b>	<b>\$ 68,390</b>	<b>\$ (2,717,388)</b>	<b>\$ (2,868,277)</b>
<b>Transfers In/(Out)</b>						
Transfer in from Operating Reserve	\$ 2,408,315	\$ 10,761,345	\$ -	\$ -	\$ 4,528,430	\$ 4,528,430
Transfer to Capital Reserve	(8,353,030)	(8,353,030)	-	-	(1,660,153)	(1,660,153)
<b>Total transfers</b>	<b>\$ (5,944,715)</b>	<b>\$ 2,408,315</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,868,277</b>	<b>\$ 2,868,277</b>
<b>Total Operating Surplus/(Deficit)</b>	<b>\$ (5,130,318)</b>	<b>\$ -</b>	<b>\$ (219,279)</b>	<b>\$ 68,390</b>	<b>\$ 150,889</b>	<b>\$ -</b>

**Distribution of Condo Area Fees**

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

\* Max ABAG assessment fee for FY 2026-27 is \$432,559 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.

	<b>RSF</b>	
MTC/BATA	96,257	45.58%
BAAQMD	95,834	45.38%
ABAG	19,091	9.04%
	<b>211,182 **</b>	<b>100.00%</b>
<b>375 Condo Sq. Ft</b>		
375 Beale Condo	211,182 **	42.67%
BAHA Commercial	283,774	57.33%
<b>Total CC&amp;R Sq. Ft.</b>	<b>494,956</b>	<b>100.00%</b>
** Agency Space RSF from CC&R Exhibit B and 15,600 RSF for 1st floor conference room.		

**Building Development Budget FY 2026-27**

	<b>FY 2025-26 Life-To-Date (LTD)</b>	<b>Actuals as of March 2026 Life-To-Date (LTD)</b>	<b>March 2026 Remaining Balance</b>	<b>FY 2026-27 Proposed</b>	<b>FY 2026-27 Life-To-Date (LTD)</b>
<b>Sources</b>					
Insurance proceeds	\$ 1,817,087	\$ 1,885,068	\$ (67,981)	\$ -	\$ 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	-	1,400,196	(1,400,196)	681,250	681,250
Reimbursement for Capital Expenditure	-	1,156,132	(1,156,132)	-	-
Miscellaneous	-	984	(984)	-	-
Transfer in from BAHA Operation	290,781	245,634	45,147	-	290,781
<b>Total Transfer In</b>	<b>\$ 324,383,548</b>	<b>\$ 326,063,433</b>	<b>\$ (1,679,885)</b>	<b>\$ 681,250</b>	<b>\$ 325,064,798</b>
<b>Uses</b>					
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	681,250	1,081,250
<b>Total Usage</b>	<b>\$ 272,244,395</b>	<b>\$ 271,639,241</b>	<b>\$ 605,154</b>	<b>\$ 681,250</b>	<b>\$ 272,925,645</b>

## Commercial Development Fund Life To Date thru FY 2026-27

Program #	Budget	FY 2025-26 Life-To-Date (LTD)	Actuals as of March 2026 Life-To-Date Actual	March 2026 Remaining Balance	FY 2026-27 Proposed			FY 2026-27 Life-To-Date (LTD)
					Tenant Improvements	Commissions	Total	
9143	Transfer In	\$ 52,139,153	\$ 54,424,192	\$ (2,285,039)	\$ -	\$ -	\$ -	\$ 52,139,153
9140	Ada's Café	465,454	279,174	186,280	-	-	-	465,454
9141	BCDC	7,016,736	7,016,736	-	-	-	-	7,016,736
9142	Cubic Reimbursement for TI	562,648	562,648	-	-	-	-	562,648
9144	Air District	3,000,000	3,000,000	-	-	-	-	3,000,000
9145	T.I. WETA	220,482	220,482	-	-	-	-	220,482
		<u>\$ 63,404,473</u>	<u>\$ 65,503,232</u>	<u>\$ (2,098,759)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 63,404,473</u>
9135	T.I. Rutherford and Chekene	\$ 1,235,930	\$ 599,726	\$ 636,204	\$ -	\$ -	\$ -	\$ 1,235,930
9136	Conduent (Xerox)	110,975	110,975	-	-	-	-	110,975
9137	T.I. Degenkolb	2,287,410	2,287,410	-	-	-	-	2,287,410
9138	T.I. Twilio	10,178,398	10,178,398	-	-	-	-	10,178,398
9139	Engineering/Architectural	350,000	350,000	-	-	-	-	350,000
9140	T.I. Ada's Café	465,454	279,174	186,280	-	-	-	465,454
9141	BCDC	7,016,736	7,016,736	-	-	-	-	7,016,736
9142	Cubic	562,648	562,648	-	-	-	-	562,648
9144	Temazcal	5,049,886	4,760,648	289,238	-	-	-	5,049,886
9145	T.I. WETA	220,482	-	220,482	-	-	-	220,482
	Total Tenant Improvements	<u>\$ 27,477,919</u>	<u>\$ 26,145,715</u>	<u>\$ 1,332,204</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,477,919</u>
	Surplus/(deficit) before transfers	<u>\$ 35,926,554</u>	<u>\$ 39,357,517</u>	<u>\$ (3,430,963)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,926,554</u>
	Transfer Out - Building Improvement	<u>\$ 2,500,000</u>	<u>\$ 2,518,283</u>	<u>\$ (18,283)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,500,000</u>
	Net	<u><u>\$ 33,426,554</u></u>	<u><u>\$ 36,839,234</u></u>	<u><u>\$ (3,412,680)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 33,426,554</u></u>

**Building Improvement Fund Life-To-Date (LTD)**

Program # Budget	FY 2025-26 Life-To-Date (LTD)	Actuals as of March 2026 Life-To-Date (LTD)	March 2026 Remaining Balance	FY 2026-27 Proposed	FY 2026-27 Life-To-Date (LTD)
Transfer In from Operating Reserve	\$ 41,319,437	\$ 41,319,437	\$ 21,407,913	\$ 1,660,153	\$ 42,979,590
Transfer In from Building Development Budget - Interest Revenue				681,250	681,250
<b>Total Transfers</b>	<b>\$ 41,319,437</b>	<b>\$ 41,319,437</b>	<b>\$ 21,407,913</b>	<b>\$ 2,341,403</b>	<b>\$ 43,660,840</b>
<b>In-House Improvement Project</b>					
9160 IT Improvement Project	\$ 5,569,500	\$ 2,615,982	\$ 2,953,518	\$ -	\$ 5,569,500
9161 Agency Space Modification	8,378,834	1,865,788	6,513,046	(3,375,689)	5,003,145
9162 Agency Infrastructure Improvement	4,125,565	432,893	3,692,672	(2,200,000)	1,925,565
9163 Level 1 Public Space Modifications	4,532,166	5,167,431	(635,265)	635,265	5,167,431
<b>Total In-House Project</b>	<b>\$ 22,606,065</b>	<b>\$ 10,082,094</b>	<b>\$ 12,523,971</b>	<b>\$ (4,940,424)</b>	<b>\$ 17,665,641</b>
<b>CW Improvement Project</b>					
9180 AHUs1-4 Eyebrow Install	\$ 1,210,258	\$ 577,024	\$ 633,234	\$ 591,403	\$ 1,801,661
9181 Building Improvement	8,740,348	4,403,115	4,337,233	750,000	9,490,348
9182 Façade Repair & Window Replacement	7,512,766	4,799,611	2,713,154	5,940,424	13,453,190
<b>Total CW Project</b>	<b>\$ 17,463,372</b>	<b>\$ 9,779,750</b>	<b>\$ 7,683,621</b>	<b>\$ 7,281,827</b>	<b>\$ 24,745,199</b>
<b>Total Building Improvement Budget</b>	<b>\$ 40,069,437</b>	<b>\$ 19,861,844</b>	<b>\$ 20,207,592</b>	<b>\$ 2,341,403</b>	<b>\$ 42,410,840</b>
9130 <b>Lease Commissions</b>	\$ 1,250,000	\$ 49,680	\$ 1,200,320	\$ -	\$ 1,250,000
<b>Net</b>	<b>\$ -</b>	<b>\$ 21,407,913</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Reclasses:**

**\$635,265** from WE 9161 to 9163 to zero out project

**\$1,540,423.50** from WE 9161 to 9182 to adjust for initial façade budget not included in 9182

**\$1,200,000** from WE 9161 to 9182 to cover additional façade budget ask

**\$750,000** from WE 9162 to 9181 to cover CW asks for Media Source - Screen, UPS Batteries Replacement, and potential TI costs

**\$1,450,000** from WE 9162 to 9182 to cover additional façade budget ask



# Proposed FY 2026-27 Operating and Capital Budget

Bay Area Headquarters Authority

June 24, 2026

# Bay Area Headquarters Authority (BAHA) Overview

## BAHA purchased 375 Beale Street in 2011

In 2016, the three entities below moved into the building, and established a condominium corporation to divide ownership

- Metropolitan Transportation Commission (MTC)
- Bay Area Air Quality Management District (BAAQMD)
- Association of Bay Area Governments (ABAG)

Revenue to fund the budget is derived from:

- Assessments from the three condominium owners
- Lease income from private tenants
- Miscellaneous (e.g., Parking, investments)

# Bay Area Headquarters Authority (BAHA)

## Overview (continued)

### Expenses are categorized in three ways:

- **Common Area** (Expenses shared by all tenants: ex: atrium lighting, water, garbage)
- **Shared Services** (Benefit the condo owners — ex: Board room technology improvements)
- **Capital** (High dollar, long-lasting projects — ex: Wi-Fi upgrades and maintenance, stairwell improvements, roofing)
- Cushman and Wakefield (CW) provides professional property management (lease collection, repairs and maintenance, etc.)



# Setting the Stage – Financial 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 funded by operating surpluses and accumulated reserves
- Existing tenants have not renewed leases, and a competitive office rental market is directly affecting rental income; BAHA is unable to cover both operating and capital expenses without a draw from reserves
- Proposed FY 2026-27 Operating budget includes a \$2.9 million deficit, funded by drawing from reserves
- Capital Project requests total \$2.3 million, including addressing recommendations from a recently completed façade inspection
- No long-term funding solution has been identified for remaining capital needs.

# BAHA FY 2026-27 Proposed Operating Budget

## Total Revenue \$13.6 million -9%

- Assessments are decreased proportionally to decreased expenses
- Lease revenue (provided by Cushman and Wakefield)
- Other – Decrease projected from investment returns

## Expenses \$16.5 million -5%

- Salary & Benefit – Cost of Living adjustment
- Tech. (Backnet infrastructure, Security, Hybrid telepresence)
- Property Mgt. (Utilities, administrative, Repairs & Maint., Security, labor/benefits)
- Other (Legal, supplies, insurance, etc.).
- Operating deficit covered by a draw from Operating Reserves

Revenue	FY 2025-26 Approved (\$ thousands)	FY 2026-27 Proposed (\$ thousands)	Change % Increase/(Decrease)
Assessments	\$8,923	\$8,260	(7.4%)
Lease	4,502	4,700	4.4%
Other	1,498	642	(57.2%)
<b>Total Revenue</b>	<b>\$14,923</b>	<b>\$13,602</b>	<b>(8.9%)</b>
Expense	FY 2025-26 Approved (\$ thousands)	FY 2026-27 Proposed (\$ thousands)	Change % Increase/(Decrease)
Salary, Benefits & Overhead	\$3,405	\$3,192	(6.2%)
Computer Maintenance & Services	2,241	2,171	(3.1%)
Property Management	9,070	9,035	(0.4%)
Other	2,615	2,072	(20.8%)
<b>Total Expense</b>	<b>\$17,331</b>	<b>\$16,470</b>	<b>(5.1%)</b>
<b>Operating surplus/(deficit)</b>	<b>(\$2,408)</b>	<b>(\$2,868)</b>	<b>19.1%</b>

# BAHA Proposed FY 2026-27 Capital Budget

Total Capital project requests of \$2.3 million

---

<b>Property Management Projects</b>	}	AHUs 1-4 Eyebrow Install	<b>\$591k*</b>
		Façade Repair & Window Replacement	<b>\$1,750k</b>

Total façade program:  
**\$20.2 million with \$6.8 million unfunded**

*\*thousands*

# Recommendation

Staff requests that the Bay Area Headquarters Authority Board (BAHA):

- ✓ Adopt Resolution No. 50, approving the BAHA FY 2026–27 Operating and Capital Budget