

Bay Area Headquarters Authority

BAHA

May 22, 2024

Agenda Item 3b - 24-0523

Fiscal Year (FY) 2023-24 Bay Area Headquarters Authority (BAHA) Statement of Revenues and Expenses for the Period Ended March 31, 2024 (Unaudited)

Subject:

Statement of Revenues and Expenses for the Period Ended March 31, 2024 (unaudited).

Background:

In October 2011, BAHA acquired the office facility at 375 Beale Street, San Francisco, now named Bay Area Metro Center (BAMC). BAHA is responsible for the management, operation, and maintenance of BAMC, including sales (of condominium interest in BAMC) and leasing activity. Cushman & Wakefield of California, Inc. (C&W) was contracted by BAHA to provide the day-to-day property management services. Three agencies, MTC, Bay Area Air Quality Management District (BAAQMD), and Association of Bay Area Governments (ABAG) formed a condominium corporation and occupy levels six to eight of BAMC. Office space on levels one to five have been leased out to commercial tenants.

Operating Revenues:

BAHA's total operating revenues reached \$14.5 million as of March 31, 2024, an increase of \$779 thousand compared to the prior year-to-date actual. The common area and shared services assessment fees paid by the condominium owners increased by \$1.1 million, while the rental income decreased by \$350 thousand due to the expiration of a commercial lease contract.

Operating Expenses:

As of March 31, 2024, total operating expenses were \$9.5 million, which was \$756 thousand more than the prior year-to-date actual. Several building maintenance projects are underway in the current fiscal year. To bring updated information technology to the facility and for the preparation of employees' return to the office, BAHA increased spending on building security, computer services, and office supplies.

Non-operating Revenues and Expenses:

BAHA's total non-operating revenues were \$1.3 million, an increase of \$1 million from prior

year-to-date actual. This increase was due to an increased balance in interest yielding accounts, as well as higher interest rates in the current year. Based on the approved budget, BAHA Operating transferred \$15.5 million to BAHA Capital in the current fiscal year for capital projects inside the building, such as the reconfiguration of the first floor.

Budget Updates:

FY 2023-24 total operating revenue and expenses are currently projected to be within budget. As of Q3 FY 2023-24, interest income is 334.3% of budget as interest rates remain higher than anticipated. Staff costs and overhead are in line with budget. Other payments are anticipated to catch up by the end of the year.

Recommendations:

None. Information only.

Attachments:

Attachment A: BAHA Statement of Revenues and Expenses for the Period Ended March 31, 2024 (unaudited)



Andrew B. Fremier