

Bay Area Headquarters Authority (BAHA)

June 26, 2019

Agenda Item 3c

BAHA Resolution No. 20, Revised – FY 2018-19 Operating and Capital Budgets, Revision and BAHA Resolution No. 21 – FY 2019-20 Operating and Capital Budgets

Background: Staff requests approval of BAHA Resolution No. 20, Revised, authorizing an amendment to the FY 2018-19 Operating Budget and BAHA Resolution No. 21 authorizing the Operating and Capital budgets for FY 2019-20.

FY 2018-19 Budget

in October 2018, the 375 Beale Condominium Corporation (Condo Corp) amended its Declaration of Covenants, Conditions and Restrictions (CC&R) to reflect the latest total facility square footage and the amended percentage of ownership interests among BAHA, the Bay Area Air Quality Management District (BAAQMD) and the Association of Bay Area Governments (ABAG) in the Bay Area Metro Center (BAMC) following the sale of additional space to the BAAQMD on the 8th floor of BAMC. As a result of CC&R amendment, staff proposes to revise the FY 2018-19 Operating Budget to shift \$3,425 of building expense originally budgeted in BAHA Building and Commercial Operations to the Condo Corp.

Adoption of the FY 2019-20 Budget

The San Francisco Bay Conservation and Development Commission (BCDC) will move in to the fifth floor of the BAMC as a tenant at the beginning of FY 2019-20.

The large retail space on the first floor will be converted into a multipurpose meeting/conference room for use by owner agencies and their parties.

Operating Budget

The proposed budget for FY 2019-20 shows an operating surplus of \$3.4 million before depreciation. \$2 million will be transferred to BATA and \$1.4 million to BAHA Capital Program. Operating income decreased by \$3.7 million or 19.3% due to the one-time revenue generated from the sale to BAAQMD in FY 2018-19. Operating expenses such as utilities, security and janitorial services are expected to increase slightly in FY 2019-20. (BAHA Resolution No. 21, Attachment A, pages 1 and 2)

Operating Revenue

Total FY 2019-20 revenue is projected at \$16 million, about 19.3% or \$3.7 million less than in the FY 2018-19 budget. The decrease is due to the one-time revenue generated from the sale to BAAQMD in FY 2018-

19. Recurring revenue sources for BAHA include lease income, parking revenue, and assessment fees.

- The increase in lease income is due to annual rent adjustments built into existing leases.
- Shared services assessment fee covers staff costs, IT services, office supplies and other expenses shared among the three condominium unit owners. In FY 2019-20, the assessment fee will decrease by \$38,113. The proposed decrease comes from eliminating an annual maintenance contract budgeted in the Shared Service budget.
- The major components of the common area assessment fees are security, janitorial services, utilities, administration, repair and maintenance services. In FY 2019-20, the total assessment for common area expenses will increase by \$37,121. The increase is due to wage adjustments, additional staffing for the parking facility, and utility charges.

Operating Expense

Total operating expenses before depreciation will increase by \$207,797 or 1.7% in FY 2019-20. Major operating expenses include staff costs, repair and maintenance services, utilities, and IT related services.

- Salaries, benefits, and associated overhead will increase by \$68,081. The increase is mainly due to MOU adjustments.
- As property manager, Cushman & Wakefield of California, Inc. will receive approximately \$7.7 million for all building operations and \$330,442 for parking operation. The total is up \$176,594 from FY 2018-19, due mainly to the rising cost for parking operation, utilities, cleaning and security services.

Transfers

Staff proposes the following transfers:

- A total of \$2 million is budgeted to re-paying the BATA contribution to BAHA.
- A capital reserve will be established and \$1.4 million will be transferred to this reserve for future capital projects.
- A transfer of \$45,147 to BAHA Capital Program is budgeted to cover FY 2019-20 staff cost.

Capital Budget

Building Development

The total building development budget is proposed to increase by \$45,147 in FY 2019-20 as a result of a transfer in from the operating budget to cover staff cost. (BAHA Resolution No. 21, Attachment A, page 4)

Commercial Development

The State has agreed to pay BAHA \$2.5 million for tenant improvements to the fifth floor space to be occupied by BCDC. Staff proposes to transfer \$2.1 million of this reimbursement to the Building Improvement Fund for improvement projects. (BAHA Resolution No. 21, Attachment A, page 5)

Building Improvement

The proposed building improvement project budget includes \$2.1 million for projects divided among the following improvements (BAHA Resolution No. 21, Attachment A, page 6):

- Agency space modifications to convert some offices into conference rooms.
- Agency infrastructure to replace uninterrupted power supply batteries serving the data center and reaching their end of service life.
- Level 1 Public Space modifications, to design the expansion of the Yerba Buena and Ohlone multipurpose rooms for improved functionality. Construction costs will be added to the budget in the future as funds become available.

Recommendation: Staff requests approval of BAHA Resolution No. 20, Revised authorizing revisions to the FY 2018-19 Operating Budget and BAHA Resolution No. 21 authorizing the FY 2019-20 BAHA Operating and Capital Project Budgets.

Attachments: BAHA Resolution No. 20, Revised, FY 2018-19 Operating and Capital Budget; and
BAHA Resolution No. 21, FY 2019-20 Operating and Capital Budget and



Therese W. McMillan

Date: June 27, 2018
W.I.: 9110, 9120, 9130
Revised: 02/27/19-BAHA
06/26/19-BAHA

ABSTRACT

BAHA Resolution No. 20, Revised

This resolution approves the Budget for FY 2018-19 for the Bay Area Headquarters Authority (BAHA).

This resolution was revised on February 27, 2019 to update the LTD Capital Commercial Development Budget in Attachment A, page 5 of 6.

This resolution was revised on June 26, 2019 to update the BAHA Building and Commercial Operating Budget and Distribution of Condo Area Fee Schedule in Attachment A, pages 1, 2 and 3 of 6.

Discussion of this Resolution can be found in the Executive Director's Memoranda to BAHA dated June 20, 2018 and February 13, 2019, and the BAHA Summary Sheet dated June 26, 2019.

Date: June 27, 2018
W.I.: 9110, 9120, 9130

Re: Bay Area Headquarters Authority Operating and Capital Budgets for FY 2018-19

BAY AREA HEADQUARTERS AUTHORITY
RESOLUTION No. 20

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, the BAHA staff has prepared a proposed operating and capital budget setting forth the anticipated revenues and expenditures of BAHA for FY 2018-19 according to generally accepted accounting principles; now, therefore, be it

RESOLVED, that BAHA approves the FY 2018-19 operating and capital budgets (the “BAHA Budget”) as set forth in Attachment A to this Resolution; and, be it further

RESOLVED, that the Executive Director or designee may approve adjustments among line items in the BAHA Budget for FY 2018-19, 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 2018-19; and be it further

RESOLVED, that the Executive Director and Treasurer and Auditor 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 2018-19; 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 at minimum, at least quarterly, a 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

A handwritten signature in black ink, appearing to read "Jake Mackenzie", written over a horizontal line.

Jake Mackenzie, 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, on June 27, 2018.

Date: June 27, 2018
W.I.: 9110, 9120, 9130
Revised: 02/27/19-BAHA
06/26/19-BAHA

Attachment A
BAHA Resolution No. 20

FY 2018-19 BAHA Budget

BAHA Building and Commercial Operating Budget FY2018-19

	Approved FY2018- 19	Amendment FY2018-19	Percent Change	Change in \$ inc (dec)
Revenue:				
Assessment fee - shared services	\$ 2,044,713	\$ 2,044,713	0.0%	\$ -
Assessment fee - common area	3,414,726	3,418,151	0.1%	3,425
Special assessment	152,000	152,000	0.0%	-
Sales proceeds	4,389,000	4,389,000	0.0%	-
Lease income	8,963,946	8,963,946	0.0%	-
Expense reimbursements	121,000	121,000	0.0%	-
Other income - parking	230,100	230,100	0.0%	-
Other income	3,600	3,600	0.0%	-
Utility reimbursements	85,368	85,368	0.0%	-
Total revenue	19,404,453	19,407,878	0.0%	3,425
Expenses:				
Salaries and Benefits	1,270,919	1,270,919	0.0%	-
Overhead	634,790	634,790	0.0%	-
Services and supplies	273,000	273,000	0.0%	-
Contractual services - CW	7,623,312	7,623,312	0.0%	-
Other contractual servies	225,000	227,520	1.1%	2,520
Legal services	100,000	100,000	0.0%	-
IT licenses, maintenance	1,030,000	1,030,000	0.0%	-
Audit/tax prep	76,744	124,088	61.7%	47,344
Parking operation	272,011	272,011	0.0%	-
Insurance	17,000	17,000	0.0%	-
Catering	5,000	5,000	0.0%	-
Special Event Setups	50,000	50,000	0.0%	-
Other expenses	20,000	20,000	0.0%	-
Special assessment project	152,000	152,000	0.0%	-
Contingency	243,000	243,000	0.0%	-
Total expense before depreciation	11,992,776	12,042,640	0.4%	49,864
Transfer in/(out):				
Transfer in from Reserve	-	49,864	N/A	49,864
Transfer to BATA	(3,900,000)	(3,900,000)	0.0%	-
Transfer to Capital	(3,470,634)	(3,470,634)	0.0%	-
Total transfer	(7,370,634)	(7,320,770)	-0.7%	49,864
Operating surplus before depreciation	41,043	44,468	8.3%	3,425
Depreciation	6,814,218	6,814,218	0.0%	-
Total operating gain (loss)	\$ (6,773,175)	\$ (6,769,750)	-0.1%	\$ 3,425

BAHA Building and Commercial Operating Budget FY2018-19									
Approved					Amendment				
Building and Commercial Operations- CW	Condo and Shared Services	BAHA Operating	Total BAHA Operating		Building and Commercial Operations- CW	Condo and Shared Services	BAHA Operating	Total BAHA Operating	Change in \$ inc (dec)
Revenue:									
Assessment fee - shared services	\$ -	\$ 2,044,713	\$ -	\$ 2,044,713	\$ -	\$ 2,044,713	\$ -	\$ 2,044,713	\$ -
Assessment fee - common area	-	3,414,726	-	3,414,726	-	3,418,151	-	3,418,151	3,425
Special assessment	-	-	152,000	152,000	-	-	152,000	152,000	-
Sales proceeds	-	-	4,389,000	4,389,000	-	-	4,389,000	4,389,000	-
Lease income	8,963,946	-	-	8,963,946	8,963,946	-	-	8,963,946	-
Expense reimbursements	-	-	121,000	121,000	-	-	121,000	121,000	-
Other income - parking	230,100	-	-	230,100	230,100	-	-	230,100	-
Utility reimbursements	85,368	-	-	85,368	85,368	-	-	85,368	-
Other revenue	3,600	-	-	3,600	3,600	-	-	3,600	-
Total revenue	9,283,014	5,459,439	4,662,000	19,404,453	9,283,014	5,462,864	4,662,000	19,407,878	3,425
Expenses:									
Salaries and Benefits	-	590,016	680,903	1,270,919	-	590,016	680,903	1,270,919	-
Overhead	-	294,697	340,093	634,790	-	294,697	340,093	634,790	-
Services and supplies	-	262,000	11,000	273,000	-	262,000	11,000	273,000	-
Contractual services - CW	4,208,586	3,414,726	-	7,623,312	4,205,161	3,418,151	-	7,623,312	-
Other contractual services	-	-	225,000	225,000	-	-	227,520	227,520	2,520
Legal services	-	-	100,000	100,000	-	-	100,000	100,000	-
IT licenses, maintenance	-	802,000	228,000	1,030,000	-	802,000	228,000	1,030,000	-
Audit/tax prep	-	-	76,744	76,744	-	-	124,088	124,088	47,344
Parking operation	272,011	-	-	272,011	272,011	-	-	272,011	-
Insurance	-	-	17,000	17,000	-	-	17,000	17,000	-
Catering	-	5,000	-	5,000	-	5,000	-	5,000	-
Special Event Setups	-	50,000	-	50,000	-	50,000	-	50,000	-
Other expenses	-	-	20,000	20,000	-	-	20,000	20,000	-
Special assessment project	-	-	152,000	152,000	-	-	152,000	152,000	-
Contingency	-	41,000	202,000	243,000	-	41,000	202,000	243,000	-
Total expense w/o depreciation	4,480,597	5,459,439	2,052,740	11,992,776	4,477,172	5,462,864	2,102,604	12,042,640	49,864
Transfer in/(out):									
Transfer in from Reserve	-	-	-	-	-	-	49,864	49,864	
Transfer to BATA	-	-	(3,900,000)	(3,900,000)	-	-	(3,900,000)	(3,900,000)	-
Transfer to Capital	-	-	(3,470,634)	(3,470,634)	-	-	(3,470,634)	(3,470,634)	-
Total transfer	-	-	(7,370,634)	(7,370,634)	-	-	(7,320,770)	(7,320,770)	49,864
Operating surplus before depreciation	4,802,417	-	(4,761,374)	41,043	4,805,842	-	(4,761,374)	44,468	3,425
Depreciation	1,514,218	-	5,300,000	6,814,218	1,514,218	-	5,300,000	6,814,218	-
Total operating gain (loss)	\$ 3,288,199	\$ -	\$ (10,061,374)	\$ (6,773,175)	\$ 3,291,624	\$ -	\$ (10,061,374)	\$ (6,769,750)	\$ 3,425

Distribution of Condo Area Fees

Amended

	Common Area	Shared Services	Total
BAAQMD	\$ 1,431,197	\$ 869,207	\$ 2,300,404
ABAG	149,135	185,865	335,000 *
MTC	1,837,819	989,641	2,827,460
Total	<u>\$ 3,418,151</u>	<u>\$ 2,044,713</u>	<u>\$ 5,462,864</u>

Approved

BAAQMD	\$ 1,353,598	\$ 810,524	\$ 2,164,122
ABAG	149,135	185,865	335,000
MTC	1,911,993	1,048,324	2,960,317
Total	<u>\$ 3,414,726</u>	<u>\$ 2,044,713</u>	<u>\$ 5,459,439</u>

Diff

BAAQMD	\$ 77,599	\$ 58,683	\$ 136,282
ABAG	-	-	-
MTC	(74,174)	(58,683)	(132,857)
Total	<u>\$ 3,425</u>	<u>\$ -</u>	<u>\$ 3,425</u>

* Max ABAG assessment fee for FY19 is \$335,000 based on CC&R Section

Amended	RSF	
MTC/BATA	96,257	45.58%
BAAQMD	95,834	45.38%
ABAG	19,091	9.04%
375 Condo Sq. Ft	211,182 **	42.67%
Total CC&R Sq. Ft.	494,956	57.33%
** Agency Space RSF from CC&R Exhibit B and 15,600 RSF for 1st floor		

Approved	RSF	
MTC/BATA	107,804	51.27%
BAAQMD	83,350	39.64%
ABAG	19,113	9.09%
375 Condo Sq. Ft	210,267 **	42.56%
Total CC&R Sq. Ft.	494,027	57.44%
** Agency Space RSF from CC&R Exhibit B and 15,600 RSF for 1st floor		

Capital Building Development Budget LTD Thru FY 2018-19

	LTD Budget Thru FY2017-18	Total Budget FY2018-19	Total LTD Budget Thru FY2018-19
Sources			
Insurance proceeds	\$ 1,284,457	\$ 532,630	\$ 1,817,087
Transfer in from MTC	801,160	-	801,160
Transfer in from SAFE	112,910	-	112,910
Transfer in from BATA	6,906,010	-	6,906,010
Purchase from ABAG	1,600,000	-	1,600,000
Purchase from Air District	34,000,000	-	34,000,000
Reimbursement from Air District	500,000	(500,000)	-
Reimbursement from PG&E	54,601	-	54,601
TFCA Grant	151,000	-	151,000
Grant Local Match from MTC/BATA	119,000	-	119,000
Grant Local Match from Air District	150,000	-	150,000
SPANs savings	33,000,000	-	33,000,000
Capital Contribution (BATA)	193,310,846	-	193,310,846
Transfer in from BAHA Operation	-	245,634	245,634
Total Transfer In	271,989,984	278,264	272,268,248
Uses			
Purchase Building	\$ 93,000,000	\$ -	\$ 93,000,000
Building Development	138,357,333	15,923,566	154,280,899
Development Contingency	18,824,538	(17,924,538)	900,000
Furniture, Fixtures, Equipment	15,000,000	-	15,000,000
12V Feed	500,000	(192,394)	307,606
Backup Generator	500,000	(500,000)	-
EV Charging Station	420,000	-	420,000
Staff Costs	5,388,113	2,971,630	8,359,743
Total Usage	271,989,984	278,264	272,268,248
LTD Actual and Encumbrances as of March 2018			<u>270,649,664</u>
Remining Balance			<u>\$ 1,618,584</u>

Capital Commercial Development Budget LTD Thru FY 2018-19

Program #	Budget	Approved LTD Budget Thru FY2018-19	FY2018-19 Amendment			Thru FY2018-19
			Tenant Improvements	Commissions	Total	
	Transfer In	\$ 24,139,154	\$ -	\$ -	\$ -	\$ 24,139,154
	Cubic Reimbursement for TI	100,000	-	-	-	100,000
	Air District	-	3,000,000	-	3,000,000	3,000,000
		<u>\$ 24,239,154</u>	<u>\$ 3,000,000</u>	<u>\$ -</u>	<u>\$ 3,000,000</u>	<u>\$ 27,239,154</u>
9135	T.I. Rutherford and Chekene	\$ 1,235,930	\$ -	\$ -	\$ -	\$ 1,235,930
9136	Conduent (Xerox)	110,975	-	-	-	110,975
9137	T.I. Degenkolb	2,287,410	-	-	-	2,287,410
9138	T.I. Twilio	10,175,417	-	-	-	10,175,417
9139	Engineering/Architectural	350,000	-	-	-	350,000
9140	T.I. Ada's Café	465,454	-	-	-	465,454
9141	BCDC	7,014,940	-	-	-	7,014,940
9142	Cubic	594,000	-	-	-	594,000
9144	Retail Space	2,000,000	3,000,000	-	3,000,000	5,000,000
	Total Tenant Improvements	<u>\$ 24,234,126</u>	<u>\$ 3,000,000</u>	<u>\$ -</u>	<u>\$ 3,000,000</u>	<u>\$ 27,234,126</u>
9143	Marketing	<u>\$ -</u>			<u>\$ -</u>	<u>\$ -</u>
9143	Building Improvements	\$ -			\$ -	\$ -
	Net	\$ 5,028			\$ -	\$ 5,028

Capital Building Improvement Budget LTD Thru FY 2018-19

Budget	LTD Budget Thru FY2017-18	FY2018-19	Thru FY2018-19
Transfer In	\$0	\$1,225,000	\$1,225,000
In-House Improvement Project			
IT Improvement Project	\$0	\$525,000	\$525,000
Total In-House Project	\$0	\$525,000	\$525,000
CW Improvement Project			
AHUs1-4 Eyebrow Install	\$0	\$400,000	\$400,000
Building Improvement	0	300,000	300,000
Total CW Project	\$0	\$700,000	\$700,000
Total Building Improvement Budget	\$0	\$1,225,000	\$1,225,000

Date: June 26, 2019
W.I.: 9110, 9120, 9130

ABSTRACT

BAHA Resolution No. 21

This resolution approves the Budget for FY 2019-20 for the Bay Area Headquarters Authority (BAHA).

Discussion of this Resolution can be found in the BAHA Summary Sheet dated June 26, 2019.

Date: June 26, 2019
W.I.: 9110, 9120, 9130

Re: Bay Area Headquarters Authority Operating and Capital Budgets for FY 2019-20

BAY AREA HEADQUARTERS AUTHORITY
RESOLUTION No. 21

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, the BAHA staff has prepared a proposed operating and capital budget setting forth the anticipated revenues and expenditures of BAHA for FY 2019-20 according to generally accepted accounting principles; now, therefore, be it

RESOLVED, that BAHA approves the FY 2019-20 operating and capital budgets (the “BAHA Budget”) as set forth in Attachment A to this Resolution; and, be it further

RESOLVED, that the Executive Director or designee may approve adjustments among line items in the BAHA Budget for FY 2019-20, 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 2019-20; and be it further

RESOLVED, that the Executive Director and Treasurer and Auditor 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 2019-20; and, be it further

RESOLVED, that the Executive Director and Chief Financial Officer are authorized to transfer \$2,000,000 to BATA in FY 2019-20 as a re-payment of the capital contribution made to BAHA; 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 at minimum, at least quarterly, a 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

Scott Haggerty, 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, on June 26, 2019.

Date: June 26, 2019
W.I.: 9110, 9120, 9130

Attachment A
BAHA Resolution No. 21

FY 2019-20 BAHA Budget

BAHA Building and Commercial Operating Budget FY2019-20

	Adopted Budget FY2018-19	Draft Budget FY2019-20	Percent Change	Change in \$ inc (dec)
Revenue:				
Assessment fee - shared services	\$ 2,044,713	\$ 2,006,600	-1.9%	\$ (38,113)
Assessment fee - common area	3,418,151	3,455,272	1.1%	37,121
Special assessment	152,000	-	-100.0%	(152,000)
Sales proceeds	4,389,000	-	-100.0%	(4,389,000)
Lease income	8,963,946	9,645,222	7.6%	681,276
Expense reimbursements	121,000	181,000	49.6%	60,000
Other income - parking	230,100	202,200	-12.1%	(27,900)
Other income	3,600	3,819	6.1%	219
Utility reimbursements	85,368	177,333	107.7%	91,965
Total revenue	19,407,878	15,671,446	-19.3%	(3,736,432)
Expenses:				
Salaries and Benefits	1,270,919	1,339,000	5.4%	68,081
Overhead	634,790	711,500	12.1%	76,710
Legal services	100,000	100,000	0.0%	-
Other contractual services	152,520	152,520	0.0%	-
IT licenses, maintenance	1,030,000	1,076,500	4.5%	46,500
Audit/tax prep	129,088	140,000	8.5%	10,912
Supplies	221,000	190,000	-14.0%	(31,000)
Parking operation	272,011	330,442	21.5%	58,431
Catering	5,000	7,500	50.0%	2,500
Other expenses	290,000	237,500	-18.1%	(52,500)
Special Event Setups	50,000	50,000	0.0%	-
Insurance	17,000	17,000	0.0%	-
Art related	75,000	75,000	0.0%	-
Special assessment project	172,000	32,000	-81.4%	(140,000)
Lease commission	-	50,000	N/A	50,000
Contractual services - CW	7,623,312	7,741,475	1.6%	118,163
Total expense before depreciation	12,042,640	12,250,437	1.7%	207,797
Surplus (deficit) before transfer and depreciation	7,365,238	3,421,009	-53.6%	(3,944,229)
Transfer in/(out):				
Transfer in from Reserve	49,864	-	-100.0%	(49,864)
Transfer to BATA	(3,900,000)	(2,000,000)	-48.7%	1,900,000
Transfer to Capital	(3,470,634)	(45,147)	-98.7%	3,425,487
Transfer to Capital Reserve	-	(1,375,862)	N/A	(1,375,862)
Total transfer	(7,320,770)	(3,421,009)	-53.3%	3,899,761
Operating surplus (deficit) before depreciation	44,468	-	-100.0%	(44,468)
Depreciation	6,814,218	6,814,218	100.0%	-
Total operating gain (loss)	\$ (6,769,750)	\$ (6,814,218)	0.7%	(44,468)

BAHA Building and Commercial Operations Budget FY2019-20

	Building and Commercial Operations- CW	Condo and Shared Services	BAHA Operating	Total BAHA Operating
Revenue:				
Assessment fee - shared services	\$ -	\$ 2,006,600	\$ -	\$ 2,006,600
Assessment fee - common area	-	3,455,272	-	3,455,272
Lease income	9,645,222	-	-	9,645,222
Expense reimbursements	-	-	181,000	181,000
Parking	202,200	-	-	202,200
Utility reimbursements	177,333	-	-	177,333
Other revenue	3,819	-	-	3,819
Total revenue	10,028,574	5,461,872	181,000	15,671,446
Expenses:				
Salaries and Benefits	-	600,600	738,400	1,339,000
Overhead	-	319,000	392,500	711,500
Legal services	-	-	100,000	100,000
Other contractual services	-	-	152,520	152,520
IT licenses, maintenance	-	655,500	421,000	1,076,500
Audit/tax prep	-	53,000	87,000	140,000
Supplies	-	140,000	50,000	190,000
Parking operation	330,442	-	-	330,442
Catering	-	7,500	-	7,500
Other expenses	-	181,000	56,500	237,500
Special Event Setups	-	50,000	-	50,000
Insurance	-	-	17,000	17,000
Art Related	-	-	75,000	75,000
Contribution to Ada's	-	-	32,000	32,000
Lease commission	-	-	50,000	50,000
Contractual services - CW	4,286,203	3,455,272	-	7,741,475
Total expense w/o depreciation	4,616,645	5,461,872	2,171,920	12,250,437
Surplus (deficit) before transfer and depreciation	5,411,929	-	(1,990,920)	3,421,009
Transfer in/(out):				
Transfer to BATA	-	-	(2,000,000)	(2,000,000)
Transfer to Capital	-	-	(45,147)	(45,147)
Transfer to Capital Reserve	-	-	(1,375,862)	(1,375,862)
Total transfer	-	-	(3,421,009)	(3,421,009)
Operating surplus (deficit) before depreciation	5,411,929	-	(5,411,929)	-
Depreciation	1,514,218	-	5,300,000	6,814,218
Total operating gain (loss)	\$ 3,897,711	\$ -	\$ (10,711,929)	\$ (6,814,218)

Distribution of Condo Area Fees

FY 2019-20

	Common Area	Shared Services	Total
BAAQMD	\$ 1,568,002	\$ 910,595	\$ 2,478,597
ABAG	168,603	181,397	350,000 *
MTC	1,718,667	914,608	2,633,275
Total	<u>\$ 3,455,272</u>	<u>\$ 2,006,600</u>	<u>\$ 5,461,872</u>

FY 2018-19

BAAQMD	\$ 1,431,197	\$ 869,207	\$ 2,300,404
ABAG	149,135	185,865	335,000
MTC	1,837,819	989,641	2,827,460
Total	<u>\$ 3,418,151</u>	<u>\$ 2,044,713</u>	<u>\$ 5,462,864</u>

Diff

BAAQMD	\$ 136,805	\$ 41,388	\$ 178,193
ABAG	19,468	(4,468)	15,000
MTC	(119,152)	(75,033)	(194,185)
Total	<u>\$ 37,121</u>	<u>\$ (38,113)</u>	<u>\$ (992)</u>

* Max ABAG assessment fee for FY20 is \$350,000 based on CC&R Section

	RSF	
MTC/BATA	96,257	45.58%
BAAQMD	95,834	45.38%
ABAG	19,091	9.04%
375 Condo Sq. Ft	211,182 **	42.67%
Total CC&R Sq. Ft.	494,956	57.33%
** Agency Space RSF from CC&R Exhibit B and 15,600 RSF for 1st floor		

Building Development Budget FY 2019-20	LTD Budget Thru FY2018-19	Total Budget FY2019-20	Total LTD Budget Thru FY2019-20
Sources			
Insurance proceeds	\$ 1,817,087	\$ -	\$ 1,817,087
Transfer in from MTC	801,160	-	801,160
Transfer in from SAFE	112,910	-	112,910
Transfer in from BATA	6,906,010	-	6,906,010
Purchase from ABAG	1,600,000	-	1,600,000
Purchase from Air District	34,000,000	-	34,000,000
Reimbursement from PG&E	54,601	-	54,601
TFCA Grant	151,000	-	151,000
Grant Local Match from MTC/BATA	119,000	-	119,000
Grant Local Match from Air District	150,000	-	150,000
SPANs savings	33,000,000	-	33,000,000
Capital Contribution (BATA)	193,310,846	-	193,310,846
Transfer in from BAHA Operation	245,634	45,147	290,781
Total Transfer In	272,268,248	45,147	272,313,395
Uses			
Purchase Building	\$ 93,000,000	\$ -	\$ 93,000,000
Building Development	154,280,899	-	154,280,899
Development Contingency	900,000	-	900,000
Furniture, Fixtures, Equipment	15,000,000	-	15,000,000
12V Feed	307,606	-	307,606
EV Charging Station	420,000	-	420,000
Staff Costs	8,359,743	45,147	8,404,890
Total Usage	272,268,248	45,147	272,313,395
LTD Actual and Encumbrances as of December 2018			271,646,594
Remining Balance			\$ 666,801

Commercial Development Fund Life To Date thru FY 2019-20

Program #	Budget	LTD Budget Thru FY2018-19	FY 2019-20			Thru FY2019-20	LTD Exp & Enc As Of 3/31/2019
			Tenant Improvements	Commissions	Total		
	Transfer In	\$ 24,139,154	\$ -	\$ -	\$ -	\$ 24,139,154	
	Cubic Reimbursement for TI	100,000	-	-	-	100,000	
	BCDC	-	2,518,283	-	2,518,283	2,518,283	
	IT Improvement Projects	3,000,000	-	-	-	3,000,000	
	Agency Space Modifications	\$ 27,239,154	\$ 2,518,283	\$ -	\$ 2,518,283	\$ 29,757,437	
	Agency Infrastructure Improvements						
9135	T.I. Rutherford and Chekene	\$ 1,235,930	\$ -	\$ -	\$ -	\$ 1,235,930	\$ 1,235,930
	Conduent (Xerox)	110,975	-	-	-	110,975	110,975
1	T.I. Degenkolb	2,287,410	-	-	-	2,287,410	2,287,410
2	T.I. Twilio	10,175,417	3,000	-	3,000	10,178,417	10,175,417
9139	Engineering/Architectural	350,000	-	-	-	350,000	349,438
9140	Building Improvements	465,454	-	-	-	465,454	465,454
9141	BCDC	7,014,940	-	-	-	7,014,940	7,014,940
9142	Cubic	594,000	-	-	-	594,000	565,628
9144	Retail Space	5,000,000	-	-	-	5,000,000	372,850
	Total Tenant Improvements	\$ 27,234,126	\$ 3,000	\$ -	\$ 3,000	\$ 27,237,126	\$ 22,578,042
9143	Marketing	\$ -			\$ -	\$ -	
9143	Building Improvements	\$ -			\$ -	\$ -	
	Transfer Out - Building Improvement	\$ -	\$ -	\$ -	\$ 2,100,000	\$ 2,100,000	
	Net	\$ 5,028			\$ 415,283	\$ 420,311	

Building Improvement Fund Life To Date thru FY 2019-20

Program #	Budget	LTD Budget Thru FY2018-19	FY2019-20	Thru FY2019-20	LTD Exp & Enc As Of 3/31/2019
	Transfer In	\$1,225,000	\$2,100,000	\$3,325,000	
	In-House Improvement Project				
9160	IT Improvement Projects	\$525,000	\$490,000	\$1,015,000	\$368,008
9161	Agency Space Modifications	-	300,000	300,000	-
9162	Agency Infrastructure Improvements	-	250,000	250,000	-
9163	Level 1 Public Space Modifications	-	400,000	400,000	-
	Total In-House Project	<u>\$525,000</u>	<u>\$1,440,000</u>	<u>\$1,965,000</u>	<u>\$368,008</u>
9180	CW Improvement Project				
9181	AHUs1-4 Eyebrow Install	\$400,000	\$460,000	\$860,000	\$400,000
	Building Improvements	300,000	200,000	500,000	207,343
	Total CW Project	<u>\$700,000</u>	<u>\$660,000</u>	<u>\$1,360,000</u>	<u>\$607,343</u>