

Date: June 28, 2023  
W.I.: 9110, 9120, 9130  
Revised: 4/24/2024-BAHA

ABSTRACT

BAHA Resolution No. 46

This resolution approves the FY 2023-24 Bay Area Headquarters Authority (BAHA) Operating and Capital Budgets.

Attachments A to this resolution was revised on April 24, 2024. The revision incorporates a transfer to the capital budget.

Further discussion of the BAHA Operating and Capital Budgets can be found in the BAHA Summary Sheet dated June 28, 2023.

Date: June 28, 2023  
W.I.: 9110, 9120, 9130

Re: Bay Area Headquarters Authority FY 2023-24 Operating and Capital Budgets

BAY AREA HEADQUARTERS AUTHORITY  
RESOLUTION No. 46

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 2023-24; now, therefore be it

RESOLVED, that BAHA approves the Operating and Capital Budgets for FY 2023-24, 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 2023-24, 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 2023-24; 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 2023-24; 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

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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 28, 2023.

**Bay Area Headquarters Authority (BAHA) FY 2023-24 Amendment No. 1 Operating Budget**

	Actuals as of 12/31/2023	Adopted FY 2023-24	Draft FY 2023-24 Amendment 1	Change in \$ Increase/(Decrease)	Change in % Increase/(Decrease)
<b>Revenue:</b>					
Assessment fee - shared services	\$ 2,055,721	\$ 4,111,441	\$ 4,111,441	\$ -	0.0%
Assessment fee - common area	2,321,661	4,643,321	4,643,321	-	0.0%
Lease income	4,871,795	10,149,405	10,149,405	-	0.0%
Expense reimbursements	604,230	258,400	258,400	-	0.0%
Other income - parking	92,863	103,515	103,515	-	0.0%
Utility reimbursements	52,735	96,784	96,784	-	0.0%
Other income	824,901	366,963	366,963	-	0.0%
<b>Total revenue</b>	<b>10,823,906</b>	<b>19,729,829</b>	<b>19,729,829</b>	<b>-</b>	<b>0.0%</b>
<b>Expenses:</b>					
Salaries and Benefits	748,579	1,653,147	1,653,147	-	0.0%
Overhead	418,231	826,574	826,574	-	0.0%
Temp service	-	200,000	200,000	-	0.0%
Legal services	-	52,700	52,700	-	0.0%
Other contractual services	34,933	538,750	538,750	-	0.0%
IT licenses, maintenance	699,601	2,442,884	2,442,884	-	0.0%
Audit/tax prep	89,222	125,000	125,000	-	0.0%
Supplies	40,002	167,000	167,000	-	0.0%
Parking operation	164,699	350,682	350,682	-	0.0%
Catering	17,375	30,000	30,000	-	0.0%
Other expenses	68,495	300,600	300,600	-	0.0%
Furniture Replacement	-	262,500	262,500	-	0.0%
Special Event Setups	16,802	91,500	91,500	-	0.0%
Insurance	48,816	84,066	84,066	-	0.0%
Art related	-	150,000	150,000	-	0.0%
Café Space Project	515	200,000	200,000	-	0.0%
Cleaning Service	791	20,000	20,000	-	0.0%
Security	-	52,500	52,500	-	0.0%
Contractual services - CW	3,877,626	10,069,429	10,069,429	-	0.0%
<b>Total expense</b>	<b>6,225,688</b>	<b>17,617,332</b>	<b>17,617,332</b>	<b>-</b>	<b>0.0%</b>
<b>Operating surplus/(deficit) before transfers</b>	<b>4,598,217</b>	<b>2,112,496</b>	<b>2,112,496</b>	<b>-</b>	<b>0.0%</b>
<b>Transfers in/(out):</b>					
Transfer in from Operating Reserve	\$ -	\$ 13,858,105	\$ 14,948,787	\$ 1,090,682	7.9%
Transfer to BATA	-	-	-	-	-
Transfer to BATA for FY17 Excess Assessment	-	(255,718)	(255,718)	-	0.0%
Transfer to MTC for FY17 Excess Assessment	-	(220,298)	(220,298)	-	0.0%
Transfer to Capital	-	(15,494,586)	(16,585,267)	(1,090,682)	7.0%
<b>Total transfer</b>	<b>-</b>	<b>(2,112,497)</b>	<b>(2,112,497)</b>	<b>-</b>	<b>0.0%</b>
<b>Operating surplus/(deficit)</b>	<b>\$ 4,598,217</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Bay Area Headquarters (BAHA) FY 2023-24 Amendment No. 1 Operating Budget**

	Actuals as of 12/31/2023	Adopted FY 2023-24	Building and Commercial Operations	375 Beale Condo and Shared Services	BAHA Operating	Draft FY 2023-24 Amendment No. 1
<b>Revenue:</b>						
Assessment fee - shared services	\$ 2,055,721	\$ 4,111,441	\$ -	\$ 4,111,441	\$ -	\$ 4,111,441
Assessment fee - common area	2,321,661	4,643,321	-	4,643,321	-	4,643,321
Lease income	4,871,795	10,149,405	10,149,405	-	-	10,149,405
Expense reimbursements	604,230	258,400	-	-	258,400	258,400
Parking	92,863	103,515	103,515	-	-	103,515
Utility reimbursements	52,735	96,784	96,784	-	-	96,784
Other revenue	824,901	366,963	11,968	-	354,995	366,963
<b>Total revenue</b>	<b>10,823,906</b>	<b>19,729,829</b>	<b>10,361,672</b>	<b>8,754,762</b>	<b>613,395</b>	<b>19,729,829</b>
<b>Expenses:</b>						
Salaries and Benefits	748,579	1,653,147	-	1,114,238	538,910	1,653,147
Overhead	418,231	826,574	-	557,119	269,455	826,574
Temp Service	-	200,000	-	100,000	100,000	200,000
Legal services	-	52,700	-	250	52,450	52,700
Other contractual services	34,933	538,750	-	-	538,750	538,750
IT licenses, maintenance	699,601	2,442,884	-	1,659,984	782,900	2,442,884
Audit/tax prep	89,222	125,000	-	56,500	68,500	125,000
Supplies	40,002	167,000	-	132,000	35,000	167,000
Parking operation	164,699	350,682	320,682	-	30,000	350,682
Catering	17,375	30,000	-	5,000	25,000	30,000
Other expenses	68,495	300,600	-	132,350	168,250	300,600
Special Event Setups	16,802	91,500	-	91,500	-	91,500
Insurance	48,816	84,066	-	-	84,066	84,066
Furniture Replacement	1,561	262,500	-	262,500	-	262,500
Art Related	-	150,000	-	-	150,000	150,000
Café Space Project	515	200,000	-	-	200,000	200,000
Janitorial	791	20,000	-	-	20,000	20,000
Security	-	52,500	-	-	52,500	52,500
Contractual services - CW	3,877,626	10,069,429	5,426,108	4,643,321	-	10,069,429
<b>Total expense</b>	<b>6,227,250</b>	<b>17,617,332</b>	<b>5,746,790</b>	<b>8,754,762</b>	<b>3,115,780</b>	<b>17,617,332</b>
<b>Operating surplus/(deficit) before transfers</b>	<b>4,596,656</b>	<b>2,112,496</b>	<b>4,614,882</b>	<b>-</b>	<b>(2,502,385)</b>	<b>2,112,496</b>
<b>Transfers In/(Out)</b>						
Transfer in from Operating Reserve	-	13,858,105	-	-	14,948,787	14,948,787
Transfer to BATA	-	-	-	-	-	-
Transfer to BATA for FY17 Excess Assessment	-	(255,718)	-	-	(255,718)	(255,718)
Transfer to MTC for FY17 Excess Assessment	-	(220,298)	-	-	(220,298)	(220,298)
Transfer to Capital Reserve	-	(15,494,586)	-	-	(16,585,267)	(16,585,267)
<b>Total transfers</b>	<b>-</b>	<b>(2,112,497)</b>	<b>-</b>	<b>-</b>	<b>(2,112,497)</b>	<b>(2,112,497)</b>
<b>Total Operating Surplus/(Deficit)</b>	<b>4,596,656</b>	<b>-</b>	<b>4,614,882</b>	<b>-</b>	<b>(4,614,882)</b>	<b>-</b>

**Distribution of Condo Area Fees**

<b>Common Area</b>	FY 2022-23	FY 2023-24	Change \$	Change %
BAAQMD	\$ 1,856,236	\$ 2,107,138	\$ 250,902	14%
ABAG*	98,432	221,556	\$ 123,124	125%
BATA/MTC	2,135,761	2,314,627	178,866	8%
<b>Total</b>	<b>\$ 4,090,429</b>	<b>\$ 4,643,321</b>	<b>\$ 552,892</b>	<b>14%</b>
<b>Shared Services</b>				
BAAQMD	\$ 1,443,560	\$ 1,865,772	\$ 422,212	29%
ABAG	287,567	186,822	\$ (100,745)	-35%
BATA/MTC	1,449,922	2,058,847	608,925	42%
<b>Total</b>	<b>\$ 3,181,049</b>	<b>\$ 4,111,441</b>	<b>\$ 930,392</b>	<b>29%</b>
<b>Grand Total</b>	<b>\$ 7,271,478</b>	<b>\$ 8,754,762</b>	<b>\$ 1,483,284</b>	<b>20%</b>

\* Max ABAG assessment fee for FY 2023-24 is \$408,378 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.		

<b>Building Development Budget FY 2023-24</b>	<b>LTD Budget Thru FY 2022-23</b>	<b>LTD Actual As of 2/28/2023</b>	<b>Remaining Budget As of 2/28/2023</b>	<b>Additions FY 2023-24</b>	<b>Total LTD Budget Thru FY 2023-24</b>
<b>Sources</b>					
Insurance proceeds	\$ 1,817,087	\$ 1,284,457	\$ 532,630	\$ -	\$ 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	-	325,858	(325,858)	-	-
Reimbursement for Capital Expenditure	-	1,156,132	(1,156,132)	-	-
Miscellaneous	-	640,127	(640,127)	-	-
Transfer in from BAHA Operation	290,781	245,634	45,147	-	290,781
<b>Total Transfer In</b>	<b>\$ 324,383,548</b>	<b>\$ 325,027,628</b>	<b>\$ (644,080)</b>	<b>\$ -</b>	<b>\$ 324,383,548</b>
<b>Uses</b>					
Purchase Building	\$ 93,000,000	\$ 93,000,000	\$ -	\$ -	\$ 93,000,000
Building Development	154,207,882	154,127,400	80,482	-	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	-	400,000	-	400,000
<b>Total Usage</b>	<b>\$ 272,244,395</b>	<b>\$ 271,639,241</b>	<b>\$ 605,154</b>	<b>\$ -</b>	<b>\$ 272,244,395</b>

**LTD Actual & Encumbrances as of Feb. 2023**

<b>Remaining Balance</b>		53,388,387	
Excess Revenue Transferred to Comm Dev Fund	52,139,153	53,388,387	(1,249,234)
Net Surplus/(Deficit)	-	-	(1,288,160)

**Commercial Development Fund Life To Date thru FY 2023-24**

Budget	LTD Budget Thru FY 2023-24	LTD Actual As of 1/31/2024	Remaining Budget As of 1/31/2024	FY 2023-24 Amendment No. 1			LTD Budget Amendment No. 1 FY 2023-24
				Tenant Improvements	Commissions	Total	
Transfer In	\$ 52,139,153	\$ 53,388,387	\$ (1,249,234)	\$ -	\$ -	\$ -	\$ 52,139,153
Ada's Café	465,454	279,174	186,280	-	-	-	465,454
BCDC	7,016,736	1,048,356	5,968,380	-	-	-	7,016,736
Cubic Reimbursement for TI	562,648	562,648	0	-	-	-	562,648
Air District	3,000,000	3,000,000	-	-	-	-	3,000,000
	63,183,991	58,278,564	4,905,427	-	-	-	63,183,991
T.I. Rutherford and Chekene	1,235,930	599,726	636,204	-	-	-	1,235,930
Conduent (Xerox)	110,975	110,975	(0)	-	-	-	110,975
T.I. Degenkolb	2,287,410	2,287,410	0	-	-	-	2,287,410
T.I. Twilio	10,178,398	10,178,398	1	-	-	-	10,178,398
Engineering/Architectural	350,000	218,252	131,748	-	-	-	350,000
T.I. Ada's Café	465,454	279,174	186,280	-	-	-	465,454
BCDC	7,016,736	1,048,356	5,968,380	-	-	-	7,016,736
Cubic	562,648	562,648	0	-	-	-	562,648
Temazcal	5,049,886	4,643,447	406,439	-	-	-	5,049,886
Total Tenant Improvements	27,257,437	19,928,386	7,329,051	-	-	-	27,257,437
Surplus/(deficit) before transfers	35,926,554	38,350,179	12,234,478	-	-	-	35,926,554
Transfer Out - Building Improvement	2,500,000		2,500,000	-	-	-	2,500,000
Net	\$ 33,426,554	\$ 38,350,179	\$ 14,734,478	\$ -	\$ -	\$ -	\$ 33,426,554



**Building Improvement Fund Life-To-Date (LTD) thru FY 2023-24**

Budget	LTD Budget Thru FY 2023-24	LTD Actuals As of 1/31/2024	Remaining Budget as of 1/31/2024	Draft Amendment No. 1 FY 2023-24	LTD Budget Amendment No. 1 Thru FY 23-24
Transfer In	\$ 22,682,661	\$ 7,188,075	\$ 15,494,586	\$ 1,090,682	\$ 23,773,342
<b>In-House Improvement Project</b>					
IT Improvement Project	\$ 3,299,000	\$ 1,113,571	\$ 2,185,429	\$ -	\$ 3,299,000
Agency Space Modification	7,700,000	92,328	7,607,672	200,000	7,900,000
Agency Infrastructure Improvement	3,070,000	188,174	2,881,826	-	3,070,000
Level 1 Public Space Modifications	1,411,000	6,835	1,404,165	-	1,411,000
<b>Total In-House Project</b>	<b>\$ 15,480,000</b>	<b>\$ 1,400,908</b>	<b>\$ 14,079,092</b>	<b>\$ 200,000</b>	<b>\$ 15,680,000</b>
<b>CW Improvement Project</b>					
AHUs1-4 Eyebrow Install	\$ 860,000	\$ 210,258	\$ 649,742	\$ (649,742)	\$ 210,258
Building Improvement	5,592,660	1,377,229	4,215,431	1,540,424	7,133,084
<b>Total CW Project</b>	<b>\$ 6,452,660</b>	<b>\$ 1,587,487</b>	<b>\$ 4,865,173</b>	<b>\$ 890,682</b>	<b>\$ 7,343,342</b>
<b>Total Building Improvement Budget</b>	<b>\$ 21,932,660</b>	<b>\$ 2,988,396</b>	<b>\$ 18,944,265</b>	<b>\$ 1,090,682</b>	<b>\$ 23,023,342</b>
<b>Lease Commissions</b>	<b>\$ 750,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 750,000</b>
<b>Net</b>	<b>\$ 0</b>	<b>\$ 4,199,679</b>	<b>\$ (3,449,679)</b>	<b>\$ (0)</b>	<b>\$ 0</b>