

6. PUBLIC COMMENTS

Limited to five speakers with three minutes per speaker. If you have a report to present, please give your copies to the Clerk.

7. NEXT MEETING DATE: July 12, 2018 (if needed)

8. ADJOURNMENT

SAN DIEGO REGIONAL BUILDING AUTHORITY (SDRBA)
JOINT POWERS AGENCY
OF THE COUNTY OF SAN DIEGO AND
THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM (MTS)

DRAFT MINUTES

February 1, 2018

1. Roll Call

Chairman Roberts called the meeting to order at 8:33 a.m. Authority members present included Chairman Roberts and Ms. Gomez, with Mr. Cox absent.

2. Approval of Minutes

Ms. Gomez moved for approval of the minutes of the July 13, 2017, San Diego Regional Building Authority (SDRBA) meeting. Chairman Roberts seconded the motion, and the vote was 2 to 0 in favor, with Mr. Cox absent.

3. Amend SDRBA Board Policy No. 1, Expenditure Policy

Karen Landers, MTS General Counsel, provided an overview of the changes being proposed in the SDRBA Board Policy No. 1, Expenditure Policy. Ms. Landers stated that at the July 13, 2017 SDRBA meeting, the policy was adopted. The purpose of the policy is to give the Executive Director the cumulative spending authority of up to \$100,000 for items not in the budget and any items over that authority would need to be brought back to the SDRBA for approval. Ms. Landers said that the amendments today include that clarifying language and the addition of another item. The proposed addition to the policy states that if there is a project that needs to be done in the building, and the County or MTS has an existing contract that would allow them to do that work, that the building could utilize that contract instead of going out for a new procurement. The building would then reimburse either the County or MTS if their current contract is utilized.

Action Taken

Ms. Gomez moved to approve the proposed revisions to SDRBA Board Policy No. 1, Expenditure Authority. Chairman Roberts seconded the motion, and the vote was 2 to 0 in favor, with Mr. Cox absent.

4. Approve Budget Increase for Unarmed and Armed Security Guards

Marko Medved, County of San Diego Director of General Services and SDRBA Executive Officer, provided a presentation on the proposed budget increase for unarmed and armed security guards at the Mills Building. Mr. Medved stated that this proposal is due to the increase in concerns from the County tenants and MTS regarding escalating security concerns mainly on the ground floor and the parking garage. The proposal is to add two armed security guards during working hours.

Ms. Gomez inquired about the proposal for an increase in unarmed security too. Hugh Rowles,

County of San Diego Senior Real Property Agent, replied that the proposed increase in armed and unarmed security will help with additional patrolling of the building and parking garage. He stated that we currently have seven security guards on duty at any time and this proposal will include additional support for patrolling the building and garage. He noted that the proposal also includes the minimum wage increase.

Chairman Roberts asked about the types of incidents occurring in the garage. Mr. Medved replied that there have been attempted suicides and various assaults. Mr. Rowles also replied that there was a domestic violence incident that occurred and also a recent attempted assault on one of the security guards. Chairman Roberts asked if this new plan will be reviewed again next year. Mr. Medved replied that they will review the new setup next year to ensure that it is working effectively.

Paul Jablonski, MTS CEO, asked if they plan to have two armed guards working during the day during one shift. Mr. Medved replied that they plan to have two armed guards working business hours during the day. Mr. Jablonski suggested having the hours of the armed guards be staggered in order to have one of the armed guards on site earlier and later for those employees that come in early or work late. Mr. Medved stated that they will look into staggering their hours.

Action Taken

Ms. Gomez moved to: (1) authorize an increase for unarmed security within the 2017-2018 budget from \$595,255 to \$669,317; (2) authorize an increase for armed security within the 2017-2018 budget from \$0 to \$56,362; and (3) authorize the Executive Director to approve the additional expenditure of \$130,424 from the operating account in accordance therewith. Chairman Roberts seconded the motion, and the vote was 2 to 0 in favor, with Mr. Cox absent.

OTHER COMMENTS

Mr. Medved provided a quick update on the status of other recent projects. He stated that they have finished installing all of the LED lights in the building and parking garage; the clock tower has new red trim paint; and the exterior insulation finish has been recovered on the outside of the building.

Chairman Roberts inquired about the restaurant space on the first floor of the building. Ms. Landers replied that the broker has reached out to over thirty different restaurants and there has been no real sustained interest so far. She stated that businesses may be waiting to see what happens after the building across the street, Ballpark Village, opens with their tenants. Ms. Landers also noted that there were issues with the procurement of the new doors for the space. She said that once the new doors are installed, there may be some renewed interest from some restaurants. Chairman Roberts asked when the anticipated opening will be for Ball Park Village. Ms. Landers replied that they are supposed to be done in late 2018.

5. Public Comments

There were no public comments.

6. Next Meeting Date

The next SDRBA meeting is scheduled for March 1, 2018 (if needed) in the Executive Committee Room at MTS.

7. Adjournment

The meeting adjourned at 8:55 a.m.

Chairman

Attachment: Roll Call Sheet

SAN DIEGO REGIONAL BUILDING AUTHORITY (SDRBA)
JOINT POWERS AGENCY OF THE COUNTY OF SAN DIEGO &
THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM (MTS)

ROLL CALL

MEETING OF (DATE) February 1, 2018 CALL TO ORDER (TIME) 8:33 a.m.

RECESS _____ RECONVENE _____

ADJOURN 8:55 a.m.

BOARD MEMBER	(Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
COX	<input type="checkbox"/>		
GOMEZ	<input checked="" type="checkbox"/>	8:30 a.m.	8:55 a.m.
ROBERTS	<input checked="" type="checkbox"/>	8:30 a.m.	8:55 a.m.

OTHER ATTENDEES:

NAME	REPRESENTING
Rachel Witt	County Counsel/SDRBA GC
Marko Medved	County General Services
Hugh Rowles	County General Services
Adrian Granda	County of San Diego
Leslie Cusworth	Colliers International
Samantha Leslie	MTS
Paul Jablonski	MTS
Karen Landers	MTS
Julia Tuer	MTS

SIGNED BY THE CLERK OF THE BOARD: Julia Tuer

CONFIRMED BY OFFICE OF THE MTS GENERAL COUNSEL: gallardo

SAN DIEGO REGIONAL BUILDING AUTHORITY (SDRBA)
JOINT POWERS AGENCY OF THE COUNTY OF SAN DIEGO &
THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM (MTS)

June 7, 2018

SUBJECT:

JAMES R. MILLS BUILDING - ADOPTION OF OPERATING AND CAPITAL
IMPROVEMENT BUDGET FOR FISCAL YEAR 2018/2019

RECOMMENDATIONS:

That the San Diego Regional Building Authority:

1. Approve the proposed FY 18/19 Operating Budget and authorize the Executive Officer to approve the expenditures in accordance therewith; and
2. Approve the proposed FY 18/19 Capital Improvement Budget and authorize the Executive Officer to approve the expenditure of \$1,374,000 from the Capital Reserve Account.

DISCUSSION:

In accordance with the James R. Mills Building Property Management Agreement and with prior review from County of San Diego (County) and San Diego Metropolitan Transit System (MTS), Colliers International Management Company (Colliers) has prepared the attached Proposed FY 18/19 Operating Budget and Capital Expenditures (Attachment A).

Fiscal Year 2017/2018 (FY 17/18) is projected to end with \$1,654,955 in unallocated funds available in the Operating Account and \$1,107,720 in unallocated funds available in the Capital Reserve Account.

The proposed operating budget of \$2,947,622 for Fiscal Year 2018/2019 (FY 18/19) reflects project operating expenses, projected parking revenue, direct owner expenses, and proposed capital improvements.

Pursuant to Table 1 Budget Summary below, annual Project Operating Expenses for FY 18/19 total \$2,414,903 and increased 13.28% over the 2017/2018 operating budget. Approximately 10.79% of this increase in cost is due to the addition of two armed security guards and statutory minimum wage increases for security and janitorial personnel.

Projected Parking Revenue of \$1,594,211 continues to reflect the high demand resulting from event parking.

Direct Owner Expenses of \$752,931 are allocated as appropriate to MTS or County within their respective cost share amount.

Proposed Capital Improvements in FY 18/19 total \$1,374,000 (as shown in Attachment B). Requested capital improvement items for FY 18/19 include, in part: Auto park painting, economizers, restroom ADA compliance and upgrades on floors 1-10.

The Annual Cost Shares for the MTS and County are \$566,865 and \$2,380,757 respectively. Combined, this represents approximately a 5% increase in Annual Cost Shares.

TABLE 1: BUDGET SUMMARY:

	Current	Projected	Proposed
	Budget	Estimated	Budget
Expenses and Parking Revenue	FY 2017/2018	Actuals	FY 2018/2019
Project Operating Expense	\$2,131,754	\$2,236,966	\$2,414,903
Less: Parking Revenue	-\$1,500,000	-\$1,500,000	-\$1,594,211
Direct Owner Expense and Parking	\$812,815	\$812,815	\$752,931
Total Capital Improvements	<u>\$1,628,550</u>	<u>\$1,628,550</u>	<u>\$1,374,000</u>
SUBTOTAL	\$3,073,119	\$3,178,331	\$2,947,622
Less: Drawdown from Capital Account	-\$330,000	-\$330,000	\$0
Less: Transfer from Operating Account	<u>-\$200,000</u>	<u>-\$200,000</u>	<u>\$0</u>
TOTAL	\$2,543,119	\$2,648,331	\$2,947,622
Total Cost Shares (Owners Expense, Parking and Capital Improvements)			
MTS Share	\$476,001	\$476,001	\$566,865
County Share	<u>\$2,067,118</u>	<u>\$2,067,118</u>	<u>\$2,380,757</u>
TOTAL	\$2,543,119	\$2,543,119	\$2,947,622

Attachments: A. Proposed FY 18/19 Operating Budget and Capital Expenditures.
 B. Proposed FY 18/19 Capital Improvements.
 C. FY 17/18 to FY 18/19 Current vs Proposed Budget

James R. Mills Budget 2018-2019																
Project Sq. F 183245 Type: Office																
														Square Feet:		183,245
Acct No	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Total	County 75.05%	MTS 24.95%	Cost P.S.F.
REVENUE																
RENT																
Rent	6,744.03	6,744.03	6,744.03	6,744.03	6,744.03	6,744.03	6,744.03	6,744.03	6,744.03	3,152.47	3,152.47	3,152.47	70,153.68	52,650.34	17,503.34	0.38
Assessments	3,022.75	3,022.75	3,022.75	3,022.75	3,022.75	3,022.75	3,022.75	3,022.75	3,022.75	3,022.75	3,022.75	3,022.75	36,273.00	27,222.89	9,050.11	0.20
TOTAL RENT	9,766.78	9,766.78	9,766.78	9,766.78	9,766.78	9,766.78	9,766.78	9,766.78	9,766.78	6,175.22	6,175.22	6,175.22	106,426.68	79,873.22	26,553.46	0.58
OPERATING EXP REIMB																
Common Area Maintenance	213.00	213.00	213.00	213.00	213.00	213.00	213.00	213.00	213.00	213.00	213.00	213.00	2,556.00	1,918.28	637.72	0.01
Reimbursed Utilities	18,125.00	18,125.00	18,125.00	18,125.00	18,125.00	18,125.00	18,125.00	18,125.00	18,125.00	18,125.00	18,125.00	18,125.00	217,500.00	163,233.75	54,266.25	1.19
Trash Removal Reimb	129.00	129.00	129.00	129.00	129.00	129.00	129.00	129.00	129.00	129.00	129.00	129.00	1,548.00	1,161.77	386.23	0.01
TOTAL OPERATING EXP REIMB.	18,467.00	18,467.00	18,467.00	18,467.00	18,467.00	18,467.00	18,467.00	18,467.00	18,467.00	18,467.00	18,467.00	18,467.00	221,604.00	166,313.80	55,290.20	1.21
PARKING INCOME																
Parking Contribution-County	22,000.00	22,000.00	22,000.00	22,000.00	22,000.00	22,000.00	22,000.00	22,000.00	22,000.00	22,000.00	22,000.00	22,000.00	264,000.00	198,132.00	65,868.00	1.44
Parking Contribution-MTS	120.00	120.00	120.00	120.00	120.00	120.00	120.00	120.00	120.00	120.00	120.00	120.00	1,440.00	1,080.72	359.28	0.01
Parking - Coupons	3,333.00	3,333.00	3,333.00	3,333.00	3,333.00	3,333.00	3,333.00	3,333.00	3,333.00	3,333.00	3,333.00	3,333.00	39,996.00			
Parking - Events	108,675.00	37,625.00	38,975.00	0.00	390.00	0.00	18,000.00	28,000.00	371,535.00	469,500.00	26,700.00	28,575.00	1,127,975.00	846,545.24	281,429.76	6.16
Parking - Monthly	7,000.00	7,000.00	7,000.00	7,000.00	7,000.00	7,000.00	7,000.00	7,000.00	7,000.00	7,000.00	7,000.00	7,000.00	84,000.00	63,042.00	20,958.00	0.46
Parking - Daily	6,400.00	6,400.00	6,400.00	6,400.00	6,400.00	6,400.00	6,400.00	6,400.00	6,400.00	6,400.00	6,400.00	6,400.00	76,800.00	57,638.40	19,161.60	0.42
TOTAL PARKING INCOME	147,528.00	76,478.00	77,828.00	38,853.00	39,243.00	38,853.00	56,853.00	66,853.00	410,388.00	508,353.00	65,553.00	67,428.00	1,594,211.00	1,166,438.36	387,776.64	8.48
OTHER INCOME																
HHSA Security	20,896.00	20,896.00	20,896.00	20,896.00	20,896.00	20,896.00	20,896.00	20,896.00	20,896.00	20,896.00	20,896.00	20,896.00	250,752.00	188,189.38	62,562.62	1.37
MTS W. O.	3,570.83	3,570.83	3,570.83	3,570.83	3,570.83	3,570.83	3,570.83	3,570.83	3,570.83	3,570.83	3,570.83	3,570.87	42,850.00	32,158.93	10,691.08	0.23
Interest Income	74.08	84.95	89.09	89.02	99.46	94.60	0.00	0.00	0.00	0.00	0.00	0.00	531.20	398.67	132.53	0.00
Other Income	0.00	0.00	0.00	0.00	1,500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,500.00	1,125.75	374.25	0.01
Contributions MTS-San Diego	13,135.25	13,135.25	13,135.25	13,135.25	13,135.25	13,135.25	13,135.25	13,135.25	13,135.25	13,135.25	13,135.25	13,135.25	157,623.00	118,296.06	39,326.94	0.86
Contributions San Diego County	39,510.92	39,510.92	39,510.92	39,510.92	39,510.92	39,510.92	39,510.92	39,510.92	39,510.92	39,510.92	39,510.92	39,510.88	474,131.00	355,835.32	118,295.68	2.59
Contributions MTS-San Diego-Capital	22,840.67	22,840.67	22,840.67	22,840.67	22,840.67	22,840.67	22,840.67	22,840.67	22,840.67	22,840.67	22,840.67	22,840.63	274,088.00	205,703.04	68,384.96	1.50
Contributions-San Diego County-Capital	68,705.16	68,705.16	68,705.16	68,705.16	68,705.16	68,705.16	68,705.59	68,705.59	68,705.59	68,705.59	68,705.59	68,705.51	824,464.42	618,760.55	205,703.87	4.50
TOTAL OTHER INCOME	168,732.91	168,743.78	168,747.92	168,747.85	170,258.29	168,753.43	168,659.26	168,659.26	168,659.26	168,659.26	168,659.26	168,659.14	2,025,939.62	1,520,467.68	505,471.94	11.06
TOTAL REVENUE	344,494.69	273,455.56	274,809.70	235,834.63	237,735.07	235,840.21	253,746.04	263,746.04	607,281.04	701,654.48	258,854.48	260,729.36	3,948,181.30	2,933,093.07	975,092.23	21.33
Operating Expenses																
RE Taxes																
5810 Real Estate Taxes	\$ -	\$ 18,500.00	\$ -	\$ -	\$ -	\$ 18,500.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	37,000.00	\$ 27,768.50	\$ 9,231.50	0.20
Total RE Taxes	\$ -	\$ 18,500.00	\$ -	\$ -	\$ -	\$ 18,500.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,000.00	\$ 27,768.50	\$ 9,231.50	0.20
Administration																
5810 Payroll Building Manager	\$ 10,001.25	\$ 10,001.25	\$ 10,001.25	\$ 10,001.25	\$ 10,001.25	\$ 10,001.25	\$ 10,001.25	\$ 10,001.25	\$ 10,001.25	\$ 10,556.88	\$ 10,556.88	\$ 10,556.91	\$ 121,681.91	\$ 91,322.27	\$ 30,359.64	0.66
5845 Telephone	\$ 1,275.00	\$ 1,275.00	\$ 1,275.00	\$ 1,275.00	\$ 1,275.00	\$ 1,275.00	\$ 1,275.00	\$ 1,275.00	\$ 1,275.00	\$ 1,275.00	\$ 1,275.00	\$ 1,275.00	\$ 15,300.00	\$ 11,482.65	\$ 3,817.35	0.08
5840 Office Supplies/Postage	\$ 2,555.00	\$ 55.00	\$ 55.00	\$ 1,555.00	\$ 55.00	\$ 55.00	\$ 1,555.00	\$ 55.00	\$ 55.00	\$ 1,555.00	\$ 55.00	\$ 55.00	\$ 7,660.00	\$ 5,748.83	\$ 1,911.17	0.04
5843 Repairs & Maintenance	\$ 330.00	\$ 330.00	\$ 330.00	\$ 330.00	\$ 330.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 2,350.00	\$ 1,763.68	\$ 586.33	0.01
5805 Management Fees	\$ 6,244.33	\$ 6,244.33	\$ 6,244.33	\$ 6,244.33	\$ 6,244.33	\$ 6,244.33	\$ 6,400.44	\$ 6,400.44	\$ 6,400.44	\$ 6,400.44	\$ 6,400.44	\$ 6,400.44	\$ 75,868.61	\$ 56,939.39	\$ 18,929.22	0.41
5884 Tenant Relations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,500.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,500.00	\$ 4,127.75	\$ 1,372.25	0.03
5890 Other Administrative Expenses	\$ 5,500.00	\$ 75.00	\$ 128.50	\$ 75.00	\$ 75.00	\$ 128.50	\$ 75.00	\$ 75.00	\$ 128.50	\$ 75.00	\$ 75.00	\$ 75.00	\$ 6,539.00	\$ 4,907.52	\$ 1,631.48	0.04
Total Administrative	\$ 25,905.58	\$ 17,980.58	\$ 18,034.08	\$ 19,480.58	\$ 17,980.58	\$ 23,304.08	\$ 19,406.69	\$ 17,906.69	\$ 17,960.19	\$ 19,962.31	\$ 18,462.31	\$ 18,515.84	\$ 234,899.51	\$ 176,292.09	\$ 58,607.43	1.28
General Building																
5255 Engineers Payroll	\$ 14,413.40	\$ 14,364.40	\$ 16,813.40	\$ 15,372.40	\$ 14,364.40	\$ 14,364.40	\$ 16,813.40	\$ 15,372.40	\$ 14,364.40	\$ 14,713.58	\$ 17,162.58	\$ 15,721.58	\$ 183,840.34	\$ 137,972.18	\$ 45,868.17	1.00
5690 Repairs & Maintenance	\$ 7,550.00	\$ 1,300.00	\$ 9,600.00	\$ 2,550.00	\$ 1,300.00	\$ 1,300.00	\$ 2,550.00	\$ 1,300.00	\$ 1,300.00	\$ 2,550.00	\$ 1,300.00	\$ 1,300.00	\$ 33,900.00	\$ 25,441.95	\$ 8,458.05	0.18
5680 Pest Control	\$ 180.12	\$ 1,080.12	\$ 180.12	\$ 180.12	\$ 1,080.12	\$ 180.12	\$ 180.12	\$ 1,080.12	\$ 180.12	\$ 180.12	\$ 1,080.12	\$ 180.12	\$ 5,761.44	\$ 4,323.96	\$ 1,437.48	0.03
5667 Painting	\$ 400.00	\$ -	\$ 300.00	\$ 400.00	\$ -	\$ 300.00	\$ 400.00	\$ -	\$ 300.00	\$ 400.00	\$ -	\$ 300.00	\$ 2,800.00	\$ 2,101.40	\$ 698.60	0.02
5673 Tools & Equipment	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 600.00	\$ 450.30	\$ 149.70	0.00
5410-0000 Plumbing	\$ 3,685.00	\$ 785.00	\$ 3,920.00	\$ 2,785.00	\$ 785.00	\$ 3,385.00	\$ 1,985.00	\$ 785.00	\$ 9,967.00	\$ 1,985.00	\$ 785.00	\$ 3,385.00	\$ 34,237.00	\$ 25,694.87	\$ 8,542.13	0.19

Attachment A: Proposed FY 2018-2019 Operating Budget and Capital Expenditures

James R. Mills Budget 2018-2019																	
Project Sq. F 183245 Type: Office																	
															Square Feet:		183,245
Acct No		Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Total	County 75.05%	MTS 24.95%	Cost P.S.F.
5685	Roof	\$ -	\$ -	\$ -	\$ 9,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,000.00	\$ 6,754.50	\$ 2,245.50	\$ 0.05
Total General Building		\$ 26,278.52	\$ 17,579.52	\$ 30,863.52	\$ 30,337.52	\$ 17,579.52	\$ 19,579.52	\$ 21,978.52	\$ 18,587.52	\$ 26,161.52	\$ 19,878.70	\$ 20,377.70	\$ 20,936.70	\$ 270,138.78	\$ 202,739.16	\$ 67,399.63	\$ 1.47
Janitorial																	
5505	Cleaning Contract	\$ 28,265.00	\$ 26,065.00	\$ 55,546.00	\$ 26,065.00	\$ 26,065.00	\$ 26,065.00	\$ 28,265.00	\$ 26,065.00	\$ 26,065.00	\$ 26,065.00	\$ 26,065.00	\$ 26,900.63	\$ 347,496.63	\$ 260,796.22	\$ 86,700.41	\$ 1.90
5515	Cleaning Supplies	\$ 5,200.00	\$ 5,200.00	\$ 5,200.00	\$ 5,200.00	\$ 5,200.00	\$ 5,200.00	\$ 5,200.00	\$ 5,200.00	\$ 5,200.00	\$ 5,200.00	\$ 5,200.00	\$ 5,200.00	\$ 62,400.00	\$ 46,831.20	\$ 15,568.80	\$ 0.34
5230	Refuse Removal	\$ 2,680.00	\$ 2,680.00	\$ 2,680.00	\$ 2,680.00	\$ 2,680.00	\$ 2,680.00	\$ 2,680.00	\$ 2,680.00	\$ 2,680.00	\$ 2,680.00	\$ 2,680.00	\$ 2,680.00	\$ 32,160.00	\$ 24,136.08	\$ 8,023.92	\$ 0.18
5520	Window Washing Contract	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,185.00	\$ 16,962.00	\$ -	\$ -	\$ 19,147.00	\$ 14,369.82	\$ 4,777.18	\$ 0.10
Total Janitorial		\$ 36,145.00	\$ 33,945.00	\$ 63,426.00	\$ 33,945.00	\$ 33,945.00	\$ 33,945.00	\$ 36,145.00	\$ 33,945.00	\$ 36,130.00	\$ 50,907.00	\$ 33,945.00	\$ 34,780.63	\$ 461,203.63	\$ 346,133.32	\$ 115,070.30	\$ 2.41
Electrical & Lighting Systems																	
5315	Electrical Supplies	\$ 350.00	\$ 200.00	\$ 200.00	\$ 350.00	\$ 200.00	\$ 200.00	\$ 350.00	\$ 200.00	\$ 200.00	\$ 350.00	\$ 200.00	\$ 200.00	\$ 3,000.00	\$ 2,251.50	\$ 748.50	\$ 0.02
5310	Electrical Repairs & Maintenance	\$ 310.00	\$ 110.00	\$ 110.00	\$ 310.00	\$ 110.00	\$ 110.00	\$ 310.00	\$ 110.00	\$ 110.00	\$ 7,310.00	\$ 110.00	\$ 5,510.00	\$ 14,520.00	\$ 10,897.26	\$ 3,622.74	\$ 0.08
Total Electrical		\$ 660.00	\$ 310.00	\$ 310.00	\$ 660.00	\$ 310.00	\$ 310.00	\$ 660.00	\$ 310.00	\$ 310.00	\$ 7,660.00	\$ 310.00	\$ 5,710.00	\$ 17,520.00	\$ 13,148.76	\$ 4,371.24	\$ 0.10
Elevator															\$ -		
5455-0000	Elevator Contract	\$ 2,800.00	\$ 2,800.00	\$ 2,800.00	\$ 2,800.00	\$ 2,800.00	\$ 2,800.00	\$ 2,800.00	\$ 2,800.00	\$ 2,800.00	\$ 2,800.00	\$ 2,800.00	\$ 2,800.00	\$ 33,600.00	\$ 25,216.80	\$ 8,383.20	\$ 0.18
5460	Elevator Repair & Maintenance	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 4,400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 8,800.00	\$ 6,604.40	\$ 2,195.60	\$ 0.05
5463	Elevator Telephone Lines	\$ 700.00	\$ 700.00	\$ 700.00	\$ 700.00	\$ 700.00	\$ 700.00	\$ 700.00	\$ 700.00	\$ 700.00	\$ 700.00	\$ 700.00	\$ 700.00	\$ 8,400.00	\$ 6,304.20	\$ 2,095.80	\$ 0.05
Total Elevator		\$ 3,900.00	\$ 3,900.00	\$ 3,900.00	\$ 3,900.00	\$ 3,900.00	\$ 7,900.00	\$ 3,900.00	\$ 3,900.00	\$ 3,900.00	\$ 3,900.00	\$ 3,900.00	\$ 3,900.00	\$ 50,800.00	\$ 38,125.40	\$ 12,674.60	\$ 0.23
HVAC																	
5355	HVAC Contract Service	\$ 2,493.00	\$ 2,493.00	\$ 19,068.00	\$ 2,493.00	\$ 2,493.00	\$ 5,068.00	\$ 2,493.00	\$ 2,493.00	\$ 5,068.00	\$ 2,493.00	\$ 2,535.00	\$ 5,110.00	\$ 54,300.00	\$ 40,752.15	\$ 13,547.85	\$0.30
5365	HVAC Materials & Supplies	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 6,000.00	\$ 4,503.00	\$ 1,497.00	\$0.03
5360-0000	HVAC Repairs & Maintenance	\$ 800.00	\$ 800.00	\$ 3,740.00	\$ 800.00	\$ 800.00	\$ 800.00	\$ 5,740.00	\$ 800.00	\$ 800.00	\$ 800.00	\$ 800.00	\$ 800.00	\$ 17,480.00	\$ 13,118.74	\$ 4,361.26	\$0.10
5390-0000	HVAC Water Treatment	\$ 385.00	\$ 385.00	\$ 385.00	\$ 385.00	\$ 385.00	\$ 385.00	\$ 385.00	\$ 385.00	\$ 385.00	\$ 385.00	\$ 385.00	\$ 385.00	\$ 4,620.00	\$ 3,467.31	\$ 1,152.69	\$0.03
Total HVAC		\$ 4,178.00	\$ 4,178.00	\$ 23,693.00	\$ 4,178.00	\$ 4,178.00	\$ 6,753.00	\$ 9,118.00	\$ 4,178.00	\$ 6,753.00	\$ 4,178.00	\$ 4,220.00	\$ 6,795.00	\$ 82,400.00	\$ 61,841.20	\$ 20,558.80	\$ 0.42
Landscape & Grounds																	
5555-0000	Landscape Contract	\$ 1,495.93	\$ 1,495.93	\$ 2,130.93	\$ 1,495.93	\$ 1,495.93	\$ 2,130.93	\$ 1,495.93	\$ 1,495.93	\$ 2,130.93	\$ 1,495.93	\$ 1,495.93	\$ 2,130.93	\$ 20,491.16	\$ 15,378.62	\$ 5,112.54	\$ 0.11
5565-0000	Landscape Materials & Supplies	\$ 1,300.00	\$ 100.00	\$ 100.00	\$ 1,570.00	\$ 100.00	\$ 100.00	\$ 1,300.00	\$ 2,870.00	\$ 100.00	\$ 1,300.00	\$ 370.00	\$ 100.00	\$ 9,310.00	\$ 6,987.16	\$ 2,322.85	\$ 0.05
5560-0000	Landscape Repairs & Maintenance	\$ 100.00	\$ 100.00	\$ 100.00	\$ 7,738.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 8,838.00	\$ 6,632.92	\$ 2,205.08	\$ 0.05
Total Landscape		\$ 2,895.93	\$ 1,695.93	\$ 2,330.93	\$ 10,803.93	\$ 1,695.93	\$ 2,330.93	\$ 2,895.93	\$ 4,465.93	\$ 2,330.93	\$ 2,895.93	\$ 1,965.93	\$ 2,330.93	\$ 38,639.16	\$ 28,998.69	\$ 9,640.47	\$ 0.21
Parking Expenses															\$ -		
5618-0000	Operating Expenses (Ace Parking)	\$ 19,325.00	\$ 23,783.00	\$ 20,891.00	\$ 21,228.00	\$ 11,977.00	\$ 11,952.00	\$ 12,308.00	\$ 16,192.00	\$ 15,997.00	\$ 14,072.00	\$ 22,475.00	\$ 20,920.00	\$ 211,120.00	\$ 158,445.56	\$ 52,674.44	\$ 1.15
5645-0003	Parking-Electrical Supplies & Repairs	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 1,200.00	\$ 900.60	\$ 299.40	\$ 0.01
5645-0004	Parking- Elevator Expenses	\$ 2,025.00	\$ 2,025.00	\$ 2,025.00	\$ 2,025.00	\$ 2,025.00	\$ 2,025.00	\$ 2,025.00	\$ 2,025.00	\$ 2,025.00	\$ 2,025.00	\$ 2,025.00	\$ 2,025.00	\$ 24,300.00	\$ 18,237.15	\$ 6,062.85	\$ 0.13
5645-0005	Parking Fire/Life/Safety	\$ 370.00	\$ 120.00	\$ 120.00	\$ 370.00	\$ 120.00	\$ 120.00	\$ 1,045.00	\$ 120.00	\$ 120.00	\$ 370.00	\$ 120.00	\$ 120.00	\$ 3,115.00	\$ 2,337.81	\$ 777.19	\$ 0.02
5645-0007	Landscape & Grounds	\$ 517.52	\$ 517.52	\$ 517.52	\$ 517.52	\$ 517.52	\$ 517.52	\$ 517.52	\$ 517.52	\$ 517.52	\$ 517.52	\$ 517.52	\$ 517.52	\$ 6,210.24	\$ 4,660.79	\$ 1,549.45	\$ 0.03
5645-0008	Pest Control	\$ 59.88	\$ 59.88	\$ 59.88	\$ 59.88	\$ 59.88	\$ 59.88	\$ 59.88	\$ 59.88	\$ 59.88	\$ 59.88	\$ 59.88	\$ 59.88	\$ 718.56	\$ 539.28	\$ 179.28	\$ 0.00
5645-0010	Parking-Materials & Supplies	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 1,800.00	\$ 1,350.90	\$ 449.10	\$ 0.01
5645-0011	Parking-Repairs & Maintenance	\$ 825.00	\$ 325.00	\$ 325.00	\$ 1,575.00	\$ 325.00	\$ 325.00	\$ 825.00	\$ 325.00	\$ 1,075.00	\$ 825.00	\$ 325.00	\$ 325.00	\$ 7,400.00	\$ 5,553.70	\$ 1,846.30	\$ 0.04
5645-0012	Parking-M&S Parking Equipment	\$ 45.00	\$ 45.00	\$ 45.00	\$ 45.00	\$ 45.00	\$ 45.00	\$ 45.00	\$ 45.00	\$ 45.00	\$ 45.00	\$ 45.00	\$ 45.00	\$ 540.00	\$ 405.27	\$ 134.73	\$ 0.00
5645-0013	Parking-Sweeping & Steam Cleaning	\$ -	\$ -	\$ 1,800.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,800.00	\$ -	\$ -	\$ -	\$ 3,600.00	\$ 2,701.80	\$ 898.20	\$ 0.02
5645-0014	Parking-Security Contract	\$ 12,413.47	\$ 12,413.47	\$ 12,413.47	\$ 12,413.47	\$ 7,413.47	\$ 7,413.47	\$ 7,413.47	\$ 7,413.47	\$ 7,413.47	\$ 12,413.47	\$ 12,413.47	\$ 12,413.47	\$ 123,961.60	\$ 93,033.18	\$ 30,928.42	\$ 0.68
5645-0015	Electricity- Autopark	\$ 4,500.00	\$ 4,500.00	\$ 4,200.00	\$ 3,500.00	\$ 3,200.00	\$ 3,200.00	\$ 3,200.0									

James R. Mills Budget 2018-2019

Project Sq. F 183245
Type: Office

Acct No		Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Total	Square Feet: 183,245		
															County 75.05%	MTS 24.95%	Cost P.S.F.
TOTAL OPERATING EXPENSES		\$ 211,555.68	\$ 193,769.68	\$ 256,156.18	\$ 218,750.68	\$ 173,493.68	\$ 187,867.18	\$ 192,454.79	\$ 179,262.79	\$ 191,350.29	\$ 213,721.60	\$ 192,833.60	\$ 203,686.75	\$ 2,414,902.88	\$ 1,812,384.61	\$ 602,518.27	\$ 13.18
Net Operation Income		\$ 132,939.01	\$ 79,685.88	\$ 18,653.52	\$ 17,083.95	\$ 64,241.39	\$ 47,973.03	\$ 61,291.25	\$ 84,483.25	\$ 415,930.75	\$ 487,932.88	\$ 66,020.88	\$ 57,042.61	\$ 1,533,278.42	\$ 1,150,725.45	\$ 382,552.97	\$ 8.37
Capital Expenses																	
	Capital	\$ -	\$ 256,000.00	\$ 115,000.00	\$ 303,000.00	\$ -	\$ 700,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,374,000.00	\$ 1,031,187.00	\$ 342,813.00	\$ 7.50
Total Capital		\$ -	\$ 256,000.00	\$ 115,000.00	\$ 303,000.00	\$ -	\$ 700,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,374,000.00	\$ 1,031,187.00	\$ 342,813.00	\$ 7.50
Direct Owner Expenses (not calculated on 75/25 split) *																	
5655-1000	HHSA Additional Security & Cleaning Expenses	\$ 19,289.22	\$ 19,289.22	\$ 19,289.22	\$ 19,289.22	\$ 19,289.22	\$ 19,289.22	\$ 19,289.22	\$ 19,289.22	\$ 19,289.22	\$ 19,289.22	\$ 19,289.22	\$ 19,289.22	\$ 231,470.60	\$ 231,470.60		\$ 1.26
5655-2000	County Electric (floors 2-9)	\$ 21,000.00	\$ 24,000.00	\$ 22,500.00	\$ 20,500.00	\$ 16,000.00	\$ 16,500.00	\$ 16,000.00	\$ 17,000.00	\$ 17,000.00	\$ 17,500.00	\$ 18,000.00	\$ 18,500.00	\$ 224,500.00	\$ 224,500.00		\$ 1.23
5655--3000	MTS & 1st Floor Tenants	\$ 1,575.00	\$ 1,575.00	\$ 1,525.00	\$ 1,475.00	\$ 1,475.00	\$ 1,425.00	\$ 1,400.00	\$ 1,400.00	\$ 1,475.00	\$ 1,475.00	\$ 1,525.00	\$ 1,525.00	\$ 17,850.00		\$ 17,850.00	\$ 0.10
5140	County portion City Maintenance Assessment			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,670.00	\$ 13,670.00	\$ 13,670.00		\$ 0.07
	HHSA Monthly Parking	\$ 22,000.00	\$ 22,000.00	\$ 22,000.00	\$ 22,000.00	\$ 22,000.00	\$ 22,000.00	\$ 22,000.00	\$ 22,000.00	\$ 22,000.00	\$ 22,000.00	\$ 22,000.00	\$ 22,000.00	\$ 264,000.00	\$ 264,000.00		\$ 1.44
	MTS Monthly Parking	\$ 120.00	\$ 120.00	\$ 120.00	\$ 120.00	\$ 120.00	\$ 120.00	\$ 120.00	\$ 120.00	\$ 120.00	\$ 120.00	\$ 120.00	\$ 120.00	\$ 1,440.00		\$ 1,440.00	\$ 0.01
Total Tenant Direct Owner Expenses		\$ 63,984.22	\$ 66,984.22	\$ 65,434.22	\$ 63,384.22	\$ 58,884.22	\$ 59,334.22	\$ 58,809.22	\$ 59,809.22	\$ 59,884.22	\$ 60,384.22	\$ 60,934.22	\$ 75,104.22	\$ 752,930.60	\$ 733,640.60	\$ 19,290.00	\$ 4.11
Total Direct Owner and Capital		\$ 63,984.22	\$ 322,984.22	\$ 180,434.22	\$ 366,384.22	\$ 58,884.22	\$ 759,334.22	\$ 58,809.22	\$ 59,809.22	\$ 59,884.22	\$ 60,384.22	\$ 60,934.22	\$ 75,104.22	\$ 2,126,930.60	\$ 1,764,827.60	\$ 362,103.00	\$ 11.61
Adjusted Cash Flow after Direct and Capital		\$ 68,954.79	\$ (243,298.34)	\$ (161,780.70)	\$ (349,300.27)	\$ 5,357.17	\$ (711,361.19)	\$ 2,482.04	\$ 24,674.04	\$ 356,046.54	\$ 427,548.67	\$ 5,086.67	\$ (18,061.61)	\$ (593,652.18)			

* Direct Owners Expenses are not calculated on a split and are charges attributed 100% to either MTS or the County.

James R. Mills Budget 2018-2019
Capital Improvements

© Denotes completed project

Project	2016/2017	2017/2018	2018/2019
9190 BUILDING IMPROVEMENTS			
	EIFS: EXT BLDG, CLOCK TOWER, MECH PLANT SEALING	\$111,050	
	EXTERIOR BUILDING PAINT	\$17,000	
	EXTERIOR BUILDING TILE RESEAL	\$23,000	
	LOBBY ADA SLIDING DOOR INSTALL©	\$17,000	
	BUILDING & AUTO PARK, LED LIGHTING RETROFIT & LIGHTING CONTROL PANELS©	\$307,000	\$89,000
	SECURITY CAMERA UPGRADES©	\$20,000	
	X RAY & METAL DETECTOR ©	\$42,000	
TOTAL 9190 BUILDING IMPROVEMENTS		\$324,000	\$302,050
LOBBY UPGRADES			
	COMMON AREA INTERIOR DOOR REPLACEMENT 1st FLOOR	\$13,500	
	SPACE PLANNER		\$65,000
	MANAGEMENT OFFICE FURNITURE UPGRADE	\$27,000	
	LOBBY UPGRADE: SECURITY CONSOLE, FLOORING, PAINT & DOORS INSTALL		\$245,000
	ELEVATOR INTERIOR UPGRADE & DOOR FAÇADE FL 1-10		\$75,000
	RESTROOM UPGRADE: ADA COMPLIANCE & INTERIOR FINISHES		\$135,000
	SOUTH LOBBY DOOR INSTALL		\$16,500
	TOTAL LOBBY UPGRADES	\$40,500	\$471,500
HVAC Upgrades			
	BUILDING ECONOMIZERS / BLDG MAKE UP AIR RETROFIT		\$212,000
	MECHANICAL ENGINEER TO DEVELOP SCOPE		\$70,000
	HVAC BUILDING UPGRADES FOR 1ST FLOOR		\$21,000
	COOLING TOWER REPLACEMENT	\$175,000	
	200 TON CHILLER REPLACEMENT	\$135,000	
	250 TON CHILLER #2 REPLACEMENT		\$135,000
	REPLACE AHU VALVES FL 2-9		\$25,000
	TOTAL HVAC UPGRADES	\$310,000	\$160,000
AUTOPARK IMPROVEMENTS			
	AUTO PARK 6TH FI DECK RE-SURFACING	\$120,000	\$90,000
	AUTO PARK STRIPING & ASHPHALT REPAIRS		\$50,000
	AUTO PARK SIGNAGE PROGRAM		\$165,000
	AUTO PARK PAINTING		\$365,000
	AUTOPARK PAINTING		\$150,000
	AUTO PARK SECURITY CAMERA INSTALL (Approved in special session February 2018)		\$140,000
	AUTO PARK PARKING PAY STATION UPGRADE (Approved in special session February 2018)		\$160,000
	TOTAL AUTOPARK IMPROVEMENTS	\$120,000	\$970,000
LANDSCAPE IMPROVEMENT			
	LANDSCAPE FENCING		\$25,000
	TOTAL LANDSCAPE IMPROVEMENTS	\$0	\$25,000
FLS UPGRADES			
	CODE COMPLIANCE/NEW REGULATIONS FOR PRINGLE SWITCH		\$30,000
	CALC CARDS FOR FIRE SPRINKLERS		\$35,000
	FIRE HOSES FOR AUTOPARK		\$25,000
	ADDITIONAL FLS CODE COMPLIANCE		\$25,000
	TOTAL FLS UPGRADES	\$0	\$0
TOTAL BUILDING CAPITAL		\$794,500	\$1,928,550
RESERVE ACCOUNT RECONCILIATION AND ESTIMATE *Reflects anticipated balance as of 6/31/18 Invoices Paid 3/1 through 4/30/18 Adjusted Balance after Invoices Paid through 4/30/18 INTEREST (+) CONTRIBUTION (+) TOTAL FUNDS AVAILABLE 2018/2019 Capital Funding Total Capital after 2018/2019 Funding 2018/19 CAPITAL EXPENSES(-) Previous Years Unpaid Balance Reserves			
			\$2,657,882
			-\$427,035
			\$2,230,847
			\$11,000
			\$0
			\$2,241,847
			\$1,374,000
			\$3,615,847
			-\$1,374,000
			-\$934,127
			-\$200,000
**NET REMAINING RESERVES FOLLOWING 2018/19 FISCAL YEAR			\$1,107,720
* Account balance forecast amounts represent best estimate based on anticipated budgeted amounts for capital expenses.			
** Includes Minimum \$200K Capital Balance Reserves			

Attachment C

MILLS BUDGET FY 16-17 TO FY 17-18 COMPARISON: CURRENT VS. PROPOSED

PROJECT OPERATING EXPENSE CATEGORIES:	2017-2018 (Budget)	2017-2018 (Reforecasted YE)	2018-2019 (Proposed Budget)	DIFFERENCES \$ (Budget to Budget)	DIFFERENCE % (Budget to Budget)	NOTES
ADMINISTRATION	\$ 213,692	\$ 243,367	\$ 234,900	\$ (21,208)	9.92%	Increase in PM salary and Membership/dues DSDP and SD Chamber of Commerce. Budget to budget. (Reforecast includes transitional, temporary PM support)
GENERAL BUILDING	\$ 241,866	\$ 188,841	\$ 270,139	\$ (28,273)	11.69%	Reforecast removes contingencies. Increase due to 3rd party vendor contracts for maint. ie: painting and plumbing
JANITORIAL	\$ 430,462	\$ 387,798	\$ 461,204	\$ (30,742)	7.14%	Union wage increase/min. wage increase
ELECTRICAL & LIGHTING SYSTEM	\$ 27,270	\$ 19,832	\$ 17,520	\$ 9,750	-35.75%	Lighting decreased due to LED retrofit completion.
ELEVATORS	\$ 54,000	\$ 56,783	\$ 50,800	\$ 3,200	-5.93%	Decrease in Elevator contract is based on 2011 contract rates
HVAC SYSTEM	\$ 57,225	\$ 40,545	\$ 82,400	\$ (25,175)	43.99%	HVAC increase due to 3rd party service vendor contract for quaterly maintenance
LANDSCAPE & GROUNDS	\$ 40,610	\$ 32,756	\$ 38,639	\$ 1,971	-4.85%	Based on Actual costs
PARKING EXPENSES	\$ 452,765	\$ 451,952	\$ 429,405	\$ 23,360	-5.16%	Decrease due to Utilities and maint. For AutoPark
SECURITY/FIRE/SAFETY	\$ 362,785	\$ 509,218	\$ 575,816	\$ (213,031)	58.72%	2017/18 Increased Scurity presence with Armed guards and increase in Min. wage
UTILITIES	\$ 251,080	\$ 305,873	\$ 254,080	\$ (3,000)	1.19%	Increase due to anticipated 3% increase in electrical costs offset by savings due to the lighting retrofit
(equals) TOTAL PROJECT OPERATING EXPENSE	\$ 2,131,754	\$ 2,236,966	\$ 2,414,903	\$ (283,149)	13.28%	Increase in Security is the majority factor for this increase.
(minus) PROJECT REVENUE (parking income)	\$ (1,500,000)	\$ (1,431,963)	\$ (1,594,211)	\$ 94,211	6.28%	2017-2018 Parking revenue continues to rise as parking becomes in higher demand with more surface parking lots in downtown are being lost to new construction
(plus) DIRECT OWNER BILLINGS*	\$ 812,815	\$ 812,815	\$ 752,931	\$ 59,884	-7.37%	
(equals) OWNERS OPERATING CONTRIBUTION	\$ 1,444,569	\$ 1,444,569	\$ 1,573,622	\$ (129,053)	8.93%	
(plus) OWNERS CAPITAL PROJECTS CONTRIBUTION	\$ 1,628,550	\$ 1,628,550	\$ 1,374,000	\$ 254,550	-15.63%	
(equals) ANNUAL OWNER'S EXPENSE	\$ 3,073,119	\$ 3,257,100	\$ 2,947,622	\$ 125,497	-4.08%	
(minus) CAPITAL RESERVE ACCOUNT DRAW DOWN	\$ (330,000)	\$ (330,000)	\$ -	\$ (330,000)	-100.00%	
(minus) OPERATING ACCOUNT TRANSFER	\$ (200,000)	\$ (200,000)	\$ -	\$ (200,000)	-100.00%	
Plus Special Capital Funding Feb. 8, 2018	\$ -	\$ 300,000				Approval granted 2/1/18 during special meeting for autopark security camera and auto park security upgrade.
(equals) TOTAL PROJECTED NET PROJECT EXPENSE	\$ 2,543,119	\$ 3,027,100	\$ 2,947,622	\$ (404,503)	15.91%	

*This is SDRBA;s monthly parking expenses, County and MTS utility costs and \$22K for City's Padres tax assessment district. There will always be a \$264,000 annual surplus: (favorable variance) in the operating account for this billing as the parking paid by the County is not offset by any real expense throughout the year

SAN DIEGO REGIONAL BUILDING AUTHORITY (SDRBA)
JOINT POWERS AGENCY OF THE COUNTY OF SAN DIEGO &
THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM (MTS)

June 7, 2018

SUBJECT:

PROPERTY MANAGEMENT CONTRACT EXTENSION: COLLIERS INTERNATIONAL
REAL ESTATE MANAGEMENT SERVICES (CA), LLC ("COLLIERS")

RECOMMENDATION:

That the San Diego Regional Building Authority:

1. Authorize the Executive Officer to execute Amendment No. 3 to the contract with Colliers for Mills Building (1255 Imperial Avenue) property management services (MTS Doc. No. G1233.0-09 as amended), in substantially the same format as Attachment A.

Budget Impact

Under the Colliers contract, the SDRBA pays a monthly management fee that escalates on January 1 of each year by 2.5% (scheduled to be \$6,400.44 per month starting January 1, 2019), plus a 3.5% - 5.0% fee for project management on special projects. Individual building employee salaries are paid directly by the SDRBA and approved each year in the budgeting process. These costs are included in FY 18/19 budget.

DISCUSSION

The Mills Building is owned by SDRBA, which is a joint powers authority made up of MTS and the County of San Diego. The Mills Building was opened in 1991. Under a series of financing leases, MTS occupies the 9th and 10th floors and has the right to lease out the retail space on the 1st floor. The County occupies the 2nd through 8th floors. MTS and the County fund the Mills Building expenses based on various cost-sharing formulas. SDRBA contracts with Colliers to manage the Mills Building property. This includes providing security, janitorial, and maintenance employees and also overseeing construction projects on the property.

The SDRBA/Colliers contract was for an initial 5 year term, beginning January 1, 2009, and included two additional 5 year option terms, exercisable in the SDRBA's sole discretion. The initial term expired on December 31, 2013. SDRBA exercised its first option period, extending the contract term through December 31, 2018. Each option must be exercised at least 180 days before expiration of the previous term, or no later than July 4, 2018.

Today's action proposes to (1) divide the remaining five-year option period into a two-year (January 1, 2019 to December 31, 2020) and a three-year option period (January 1, 2021 to December 31, 2023) and (2) exercise the initial two-year option period.

Attachment: A. MTS Doc. No. G1233.0-09

AMENDMENT NO. 3

TO

PROPERTY MANAGEMENT AGREEMENT FOR THE JAMES R. MILLS BUILDING

This Amendment No. 3 to the Property Management Agreement is made and entered into as of June 7, 2018, by and between the San Diego Regional Building Authority, a joint exercise of powers agency ("SDRBA" or "JPA"), and Collier International Real Estate Management Services (CA) Inc. ("Property Manager").

RECITALS

- A. Pursuant to the Property Management Agreement (MTS Doc. No. G1233.0-09), Property Manager acts as an independent manager of the ten-story office building known as the James R. Mills Building ("Mills Building").
- B. On or before December 31, 2011, Property Manager changed its name to Colliers International Real Estate Management Services (CA), Inc.
- C. On or around May 9, 2013, the Parties executed Amendment No. 1 authorizing the Property Manager to perform specified work.
- D. The original term of the Property Management Agreement was to have expired on December 31, 2013. On or about December 5, 2013, the Parties executed Amendment No. 2 whereby the JPA exercised its first 5-year option, extending the term of the agreement through December 31, 2018 and amended portions of Section 3.1(h).
- E. The Property Management Agreement original term included a second 5-year option to extend the agreement through December 31, 2023.
- F. The JPA wishes to amend the Property Management Agreement to replace the second 5-year option, with a 2-year option through December 31, 2020 and an additional 3-year option through December 31, 2023.

AGREEMENT

The JPA and Property Manager hereby agree as follows:

- 1. Section 2.2 Term. of the Property Management Agreement shall be replaced in its entirety with the following:

"2.2 Term. The services of Property Manager hereunder shall commence January 1, 2009. Unless sooner terminated pursuant to Article V hereof, this Agreement shall continue in full force and effect for a period of five (5) years thereafter. In addition, at its sole discretion, the JPA may exercise three additional options. Option 1, shall extend the Term five (5) years until December 31, 2018; Option 2, shall extend the Term two (2) years until December 31, 2020; Option 3, shall extend the Term three (3) years until December 31, 2023. The

JPA shall determine at least one hundred eighty (180) days in advance of the termination date whether it intends exercise an option under the Agreement.”

2. Extension of Term. Pursuant to Section 2.2 of the Property Management Agreement as revised by this Amendment No. 3, the JPA hereby exercise its second option, extending the term of the Agreement through December 31, 2020.
3. All other terms and conditions of the Property Management Agreement, except as amended by Amendment No. 1, No. 2 and No. 3, shall remain the same.

IN WITNESS WHEREOF, the JPA and Property Manager have executed this Amendment No. 3 on the date first written above.

SAN DIEGO REGIONAL BUILDING AUTHORITY

By: _____
Marko Medved, P.E., CEM
SDRBA Executive Officer *and*
Director of General Services, County of
San Diego

By: _____
Paul C. Jablonski
Chief Executive Officer
San Diego Metropolitan Transit System

APPROVED AS TO FORM:

By: _____
Karen Landers
General Counsel
San Diego Metropolitan Transit System

COLLIERS INTERNATIONAL REAL ESTATE MANAGEMENT SERVICES (CA), INC.

By: _____
Name:
Title: