

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

8:30 a.m.

ACTION
RECOMMENDED

- 1-

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

MINUTES

June 7, 2018

1. Roll Call

Chairman Roberts called the meeting to order at 8:02 a.m. Authority members present included Chairman Roberts and Ms. Gomez.

2. Approval of Minutes

Ms. Gomez moved for approval of the minutes of the February 1, 2018, 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.

The SDRBA convened for Closed Session at 8:04 a.m.
(TAKEN OUT OF ORDER)

5. CLOSED SESSION - CONFERENCE WITH REAL PROPERTY NEGOTIATORS Pursuant to California Government Code Section 54956.8
Property: Mills Building Parking Garage (1255 Imperial Avenue, San Diego, CA; APN 538-010-33)
Agency Negotiators: Marko Medved, Paul Jablonski, Craig Gibson, Hugh Rowles, Rachel Witt, Karen Landers, Timothy White
Negotiating Parties: Padres L.P., San Diego Ballpark Funding LLC
Under Negotiation: Price and Terms of Payment under Lease Agreement for Parking Spaces dated January 30, 2007
CLOSED SESSION - CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION Pursuant to California Government Code Section 54956.9(d)(4) (One potential case)

The SDRBA reconvened from Closed Session at 8:20 a.m.

Oral Report on Final Actions Taken in Closed Session

5. The SDRBA received a report and gave instructions to negotiators and legal counsel.
3. James R. Mills Building – Adoption of Operating and Capital Improvement Budget for Fiscal Year 2018/2019

Marko Medved, County of San Diego Director of General Services and SDRBA Executive Officer, provided a presentation on the proposed operating and capital improvement budgets for fiscal year 2018/2019. Mr. Medved stated that the operating expenses are similar to the previous year's expenses. He noted that there were some small increases in expenses due to the minimum wage increase. Mr. Medved reviewed the proposed capital expenses and major

projects for the upcoming year including lobby upgrades, restroom renovations, HVAC renovations, and upgrading the pay system in the parking garage.

Mr. Medved commented that the County Health and Human Services Agency (HHSA) would like permission to fund enhancements to the parking garage to help prevent suicide attempts. Mr. Medved noted that HHSA would fund this project out of their budget and not the SDRBA budget. Chairman Roberts requested for copies of the proposed design plans and costing before moving forward with the project. Mr. Medved stated that he would put together that information and provide it for review and approval by the SDRBA at a future meeting.

Mr. Medved noted that the SDRBA has operating and capital reserve money totaling \$1.6 million and \$1.1 million, respectively. He stated that with the SDRBA's approval, they can use some of those reserve funds to reduce future cost sharing. Chairman Roberts inquired about the restroom renovation project. Leslie Cusworth, Mills Building Property Manager, stated that the renovations will include some Americans with Disabilities Act (ADA) updates as well as some hands-free bathroom feature upgrades. Paul Jablonski, MTS Chief Executive Officer, asked if the restrooms were out of code. Ms. Cusworth stated that the building restrooms may or may not be out of code and therefore may be grandfathered in with previous code requirements. Chairman Roberts asked about the cost of the restroom renovations. Mr. Medved replied that the cost would be approximately \$635,000 for 20 restrooms. Chairman Roberts and Ms. Gomez inquired about the cost of doing regular maintenance work on the restrooms instead of full renovations. Ms. Cusworth commented that the restrooms on floors one, two and five have substantial wear and will require renovations. She noted that the first floor restrooms will especially need to be renovated and updated with high industrial use fixtures. Chairman Roberts stated that he would recommend only renovating the restrooms that have an absolute need for restoration and to maintain the remaining restrooms as normal. Mr. Medved stated that he will bring back the proposed designs and upgrades related to the restroom renovation project to the SDRBA for review and approval at a future meeting.

Chairman Roberts and Ms. Gomez also recommended lowering the reserve funds by using \$600,000 from the operating reserve budget and \$100,000 from the capital reserve budget for this year's operating and capital expenses.

Action Taken

Ms. Gomez moved to: (1) approve the proposed FY 18/19 Operating Budget and authorize the Executive Officer to approve the expenditures in accordance therewith; (2) approve the amended proposed FY 18/19 Capital Improvement Budget with the removal of \$635,000 for restroom renovations and authorize the Executive Officer to approve the expenditure of \$739,000 from the Capital Reserve Account; and (3) update the reserve funding amounts by lowering the operating reserves by \$600,000 and capital reserves by \$100,000 in order to help fund this year's budget. Chairman Roberts seconded the motion, and the vote was 2 to 0 in favor with Mr. Cox absent.

4. Property Management Contract Extension: Colliers International Real Estate Management Services (CA), LLC ("Colliers")

Mr. Medved provided a presentation on extending the contract with the Mills Building property

management company, Colliers. He stated that the proposal would be to 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 to exercise the initial two-year option period beginning January 1, 2019.

Action Taken

Ms. Gomez moved to: (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 in the meeting packet. Chairman Roberts seconded the motion, and the vote was 2 to 0 in favor with Mr. Cox absent.

6. Public Comments

There were no public comments.

7. Next Meeting Date

The next SDRBA meeting is scheduled for July 12, 2018 (if needed) in the Executive Committee Room at MTS.

8. Adjournment

The meeting adjourned at 8:42 a.m.

/s/ Ron Roberts
Chairman

Attachment: Roll Call Sheet
Final Budget Summary

ROLL CALL

FINAL BUDGET SUMMARY

(below table reflects approved SDRBA Board budget changes for FY2018/2019)

	Current	Projected	Proposed
	Budget	Estimated	Budget
Expenses and Parking Revenue	FY 2017/2018	FY 2017/2018	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>\$739,000</u>
SUBTOTAL	\$3,073,119	\$3,178,331	\$2,312,622
Less: Drawdown from Capital Account	-\$330,000	-\$330,000	-\$100,000
Less: Transfer from Operating Account	<u>-\$200,000</u>	<u>-\$200,000</u>	<u>-\$600,000</u>
TOTAL	\$2,543,119	\$2,648,331	\$1,612,622
Total Cost Shares (Owners Expense, Parking and Capital Improvements)			
MTS Share	\$476,001	\$476,001	\$233,783
County Share	<u>\$2,067,118</u>	<u>\$2,067,118</u>	<u>\$1,378,839</u>
TOTAL	\$2,543,119	\$2,543,119	\$1,612,622