

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

**MINUTES**

May 24, 2021

1. Roll Call

Commissioner Fletcher called the meeting to order at 11:03am. Authority members present included Commissioner Goble and Commissioner Vargas.

2. Approval of Minutes

Commissioner Fletcher moved for approval of the minutes of the May 12, 2020, San Diego Regional Building Authority (SDRBA) meeting. Commissioner Goble seconded the motion, and the vote was 3 to 0 in favor.

3. Election of Officers

Commissioner Fletcher moved to recommend Commissioner Goble as Chair, Commissioner Fletcher as Vice Chair and Dalia Gonzalez as Clerk of the Board / Secretary to the SDRBA. Commissioner Vargas seconded the motion, and the vote was 3 to 0 in favor.

4. Approve the Amended and Restated Rules and Regulations of the SDRBA and Adopt a Resolution to Set the Annual Meeting Schedule

Karen Landers, MTS General Counsel provided an overview of the changes to the rules and regulations of the SDRBA. She highlighted the most significant change that would allow the meeting schedule to coincide with the County Board of Supervisors Land Use Session to facilitate a member quorum for future SDRBA meetings.

Commissioner Fletcher moved to 1) Approve the Amended and Restated Rules and Regulations; and 2) Adopt the Resolution setting the SDRBA annual regular meeting schedule. Commissioner Vargas seconded the motion, and the vote was 3 to 0 in favor.

5. SDRBA Transfer of Title to Parking Structure Parcel to County and MTS

Ms. Landers provided a brief explanation on the Transfer of Title to Parking Structure Parcel to County and MTS. She explained that under the lease documents and explained that once the bonds for the building are paid in full, the title would be transferred to the County and MTS in designated percentages. She provided Commissioners a brief historical overview of the SDRBA.

Commissioner Fletcher moved to authorize the Executive Director of the SDRBA to effectuate the transfer of title of the Mills Building Parking Structure land and improvements to the County of San Diego and MTS, according to the respective shares identified in the Lease dated May 1, 2011 between County and the SDRBA. Commissioner Vargas seconded the motion, and the vote was 3 to 0 in favor.

6. Amendments to Mills Building Ground Lease, Lease and Sublease Agreements

Ms. Landers explained that the proposed item would authorize the Executive Director of the SDRBA to negotiate and execute amendments to the Mills Building Ground Lease and Lease

documents that implement the Sublease Agreement changes agreed to by the County and MTS. She stated that the County and MTS Cost Shares were determined based on allocated square footage at the time of construction. The county is releasing some of its 8<sup>th</sup> floor space to MTS and MTS is giving its 1<sup>st</sup> floor vacant unit to the County, resulting in an 8.2% net increase in square footage by MTS. The revised Ground Lease, Lease, and Sublease will cause the County and MTS shares of Mills Building operating and capital project costs to be adjusted.

Commissioner Fletcher moved to authorize the Executive Director of the SDRBA to negotiate and execute amendments to the Mills Building Ground Lease and Lease documents that implement the Sublease Agreement changes agreed to by the County and MTS, in substantially the same format as Attachment A and Attachment B. Commissioner Vargas seconded the motion, and the vote was 3 to 0 in favor.

7. Evaluation of Mills Building Lease Structure

Ms. Landers gave a brief synopsis of the evaluation of Mills Building lease structure agenda item and explained the item would allow staff to negotiate additional proposed amendments to the lease and ground lease to potentially remove the Regional Building Authority from participation with the Mills Building daily operations to prioritize administrative efficiency.

Commissioner Fletcher moved to authorize the Executive Officer to negotiate on behalf of SDRBA additional proposed amendments to the (i) Lease; and (ii) Ground Lease. Upon successful negotiation, staff will return to the SDRBA Board with a recommended action for the Board's consideration which would remove SDRBA from any involvement with the James R. Mills Building including its lease structure. Commissioner Vargas seconded the motion, and the vote was 3 to 0.

8. James R. Mills Building – Adoption of Operating Budget and Capital Improvement Projects for Fiscal Year 2021/2022 (FY21/22)

Marko Medved, County of San Diego Director of General Services provided a brief budget presentation and outlined: the overall budget, separated budget items, operational and capital budgets. He stated the proposed operational budget increased due to security service increases. He stated the capital budget increase was due to maintenance. He acknowledged that because the building did not have as much parking revenue during the pandemic. Parking revenue estimates for FY 22 budget do not include Padres game or special events revenue, even though it looks like many returned during FY 22. A joint accrual of \$143,000 would need to be incurred for the building to restore the operation reserve. Finally, he outlined the allocations between the County and MTS.

Commissioner Fletcher acknowledged that he favored conservative estimates. He cited the June 15<sup>th</sup> Padres game that had no capacity limits and acknowledged that he anticipated more parking revenue as industries reopen.

Commissioner Goble agreed that he also anticipates an increase in parking revenue.

Commissioner Vargas moved to 1) Approve the proposed FY 21/22 Operating Budget (Attachment A) and authorize the Executive Officer to approve the expenditures in accordance therewith; and 2) Approve the proposed FY 21/22 Capital Improvement Budget (Attachment B) and authorize the Executive Officer to approve the expenditure of \$1,174,000 from the Capital Reserve Account. Commissioner Fletcher seconded the motion, and the vote was 3 to 0 in favor.

9. Public Comments

There were no public comments.

10. Board Member Comments

There were no additional comments.

11. Next Meeting Date

The next SDRBA meeting will be determined at a later date.

12. Adjournment

The meeting adjourned at 11:24 a.m.

/S/ Steve Goble

Chairman

Attachment: Roll Call Sheet

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THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM (MTS)

ROLL CALL

MEETING OF (DATE) May 24, 2021 CALL TO ORDER (TIME) 11:03 am

RECESS \_\_\_\_\_

RECONVENE \_\_\_\_\_

ADJOURN 11:24 am

BOARD MEMBER		PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
Fletcher	<input checked="" type="checkbox"/>	11:03 am	11:24 am
Goble	<input checked="" type="checkbox"/>	11:03 am	11:24 am
Vargas	<input checked="" type="checkbox"/>	11:03 am	11:24 am

SIGNED BY THE CLERK OF THE BOARD:

/S/ Dalia Gonzalez