

# San Diego Regional Building Authority Agenda

## May 28, 2026

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### Webinar Features:

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|---|---|--|
| <br>Raise Hand | ▶ | Use the <b>raise hand</b> feature every time you wish to make a public comment.  |
|                | ▶ | Participants can enable <b>closed captioning</b> by clicking the CC icon. You may also view the full transcript and change the font size by clicking 'subtitle settings'. These features are not available via phone.  |
|                | ▶ | This symbol shows you are <b>muted</b> , click this icon to unmute your microphone.  |
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|               | ▶ | The chat feature should be used by panelists and attendees solely for "housekeeping" matters as comments made through this feature will not be retained as part of the meeting record. See the <b>Live Verbal Public Comment</b> for instructions on how to make a public comment. |



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1. If you are joining the meeting audio by phone and viewing the meeting on a device, dial the number provided in the 'join audio' phone call tab of the initial pop-up, and enter the Meeting ID (found in the link).
2. If you are joining by phone only, dial: **+1-669-254-5252** and type the meeting ID found in the link, press #. You will have access to the meeting audio, **but will NOT be able to view the PowerPoint presentations.**



**Live Verbal Public Comments:** Use the 'Raise Hand' icon every time you wish to make a public comment on an item. Raise your hand once the agenda item you wish to comment on has been called. In person public comments will be taken first, virtual attendees will be taken in the order in which they raise their hand. Requests to speak will not be taken after the public comment period ends, unless under the Chair's discretion. General Public Comment, at the beginning of the Board of Directors meeting only, will be limited to five speakers. Additional speakers with general public comments will be heard at the end of the meeting. Two-minutes of time is allotted per speaker, unless otherwise directed by the Chair.

### Public Comments Made Via Zoom

1. Click the link found at the top of this instruction page
2. Click the raise hand icon located in the bottom center of the platform
3. The Clerk will announce your name when it is your turn to speak
4. Unmute yourself to speak

### Public Comments Made by Phone Only

1. Dial **+1-669-254-5252**
2. Type in the zoom meeting ID found in the link and press #
3. Dial \*9 to raise your hand via phone
4. The Clerk will call out the last 4 digits of your phone number to announce you are next to speak
5. Dial \*6 to unmute yourself



**Written Public Comments (before the meeting):** Written public comments will be recorded in the public record and will be provided to Board Members in advance of the meeting. Comments must be emailed or mailed to the Clerk of the Board\* by 4:00pm the day prior to the meeting.

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**Translation Services:** Requests for translation services can be made by contacting the Clerk of the Board\* at least four working days in advance of the meeting.

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**In-Person Participation:** In-person public comments will be heard first. Following in-person public comments, virtual attendees will be heard in the order in which they raise their hand via the Zoom platform. Speaking time will be limited to two minutes per person, unless specified by the Chairperson. Requests to speak will not be taken after the public comment period ends, unless under the Chair's discretion.

**Instructions for providing in-person public comments:**

1. Fill out a speaker slip located at the entrance of the Board Room;
2. Submit speaker slip to staff seated at the entrance of the Board Room;
3. When your name is announced, please approach the podium located on the right side of the dais to make your public comments.

Members of the public are permitted to make general public comment at the beginning of the agenda or specific comments referencing items on the agenda during the public comment period. General Public Comment, at the beginning of the Board of Directors meeting only, will be limited to five speakers. Additional speakers with general public comments will be heard at the end of the meeting.

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**Assistive Listening Devices (ALDs):** ALDs are available from the Clerk of the Board\* prior to the meeting and are to be returned at the end of the meeting.

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**Reasonable Accommodations:** As required by the Americans with Disabilities Act (ADA), requests for agenda information in an alternative format or to request reasonable accommodations to facilitate meeting participation, please contact the Clerk of the Board\* at least two working days prior to the meeting.

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**\*Contact Information:** Contact the Clerk of the Board via email at [ClerkoftheBoard@sdmts.com](mailto:ClerkoftheBoard@sdmts.com), phone at (619) 398-9561 or by mail at **1255 Imperial Ave. Suite 1000, San Diego CA 92101.**

# Agenda de San Diego Regional Building Authority

May 28, 2026

Haga clic en el enlace para acceder a la reunión:

<https://www.zoomgov.com/j/1651689911>






## Formas de Participar



**Computadora:** Haga clic en el enlace más arriba. Recibirá instrucciones para operar el navegador de Zoom o la aplicación de Zoom. Una vez que haya iniciado sesión en la reunión, tendrá la opción de participar usando el sistema de audio de su computadora o teléfono.

ID de la reunión en Zoom

## Funciones del Seminario En Línea:

|   |   |   |
|---|---|---|
| <br>Levantar la mano | ▶ | Use la herramienta de <b>levantar la mano</b> cada vez que desee hacer un comentario público.   |
|                      | ▶ | Los participantes pueden habilitar <b>el subtitulado</b> haciendo clic en el ícono CC. También puede ver la transcripción completa y cambiar el tamaño de letra haciendo clic en "configuración de subtítulos". Estas herramientas no están disponibles por teléfono.   |
|                      | ▶ | Este símbolo indica que usted se encuentra en <b>silencio</b> , haga clic en este ícono para quitar el silenciador de su micrófono.   |
|                      | ▶ | Este símbolo indica que su micrófono se encuentra <b>encendido</b> . Haga clic en este símbolo para silenciar su micrófono.   |
|                    | ▶ | La herramienta de chat deben usarla los panelistas y asistentes únicamente para asuntos "pertinentes a la reunión", ya que comentarios realizados a través de esta herramienta no se conservarán como parte del registro de la reunión. Consulte el <b>Comentario público verbal en vivo</b> para obtener instrucciones sobre cómo hacer un comentario público. |



**Teléfono Inteligente o Tableta:** Descargue la aplicación de Zoom y participe en la reunión haciendo clic en el enlace o usando el ID del seminario web (que se encuentra en el enlace).



## Teléfono:

1. Si está participando en la reunión mediante audio de su teléfono y viendo la reunión en un dispositivo, marque el número indicado en la pestaña de llamada telefónica "unirse por audio" en la ventana emergente inicial e ingrese el ID de la reunión (que se encuentra en el enlace).
2. Si está participando solo por teléfono, marque: **+1-669-254-5252** e ingrese el ID de la reunión que se encuentra en el enlace, pulse #. Tendrá acceso al audio de la reunión, **pero NO podrá ver las presentaciones en PowerPoint.**



**Comentarios Públicos Verbales en Vivo:** Use la herramienta "levantar la mano" cada vez que desee hacer un comentario público sobre alguno de los artículos. Levante la mano una vez que el artículo de la agenda sobre el que desea comentar haya sido convocado. Los comentarios públicos en persona se escucharán primero, se escuchará a los asistentes virtuales en el orden en el que levanten la mano. No se aceptarán solicitudes para hablar después de que termine el periodo para hacer comentarios públicos, a menos de que el presidente determine de otra forma a su discreción. Comentarios públicos generales, únicamente al inicio de la reunión de la Junta de Directores, se limitarán a cinco personas que deseen hablar. Las personas adicionales que deseen aportar comentarios públicos generales podrán hacerlo al final de la reunión. Se otorga dos minutos de tiempo por persona que desee hablar, a menos de que el presidente instruya de otra forma. *(Consulte la página 2 para obtener instrucciones sobre cómo hacer un comentario público.)*

## Comentarios Públicos a Través de Zoom

1. Haga clic en el enlace que se encuentra en la parte superior de esta página de instrucciones
2. Haga clic en el ícono de levantar la mano en el centro inferior de la plataforma
3. El secretario anunciará su nombre cuando sea su turno de hablar
4. Desactive el silenciador para que pueda hablar

## Comentarios Públicos Realizados Únicamente por Teléfono

1. Marque el +1-669-254-5252
2. Ingrese el ID de la reunión en Zoom que se encuentra en el enlace y pulse #
3. Marque \*9 para levantar la mano por teléfono
4. El secretario indicará los últimos 4 dígitos de su número de teléfono para anunciar que usted será el siguiente en hablar
5. Marque \*6 para desactivar el silenciador



**Comentarios Públicos por Escrito (Antes de la Reunión):** Los comentarios públicos por escrito se registrarán en el registro público y se entregarán a los miembros de la Junta de antes de la reunión. Los comentarios deben enviarse por correo electrónico o postal al secretario de la Junta\* antes de las 4:00 p.m. el día anterior a la reunión.



**Servicios de Traducción:** Pueden solicitarse servicios de traducción comunicándose con el secretario de la Junta\* por lo menos cuatro días hábiles antes de la reunión.



**Participación en Persona:** Los comentarios públicos en persona se escucharán primero. Después de los comentarios públicos en persona, se escuchará a los asistentes virtuales en el orden en el que levanten la mano a través de la plataforma de Zoom. El tiempo para hablar se limitará a dos minutos por persona, a menos de que el presidente especifique de otra forma. No se recibirán solicitudes para hablar después de que termine el periodo para hacer comentarios públicos, a menos de que el presidente determine de otra forma a su discreción.

### Instrucciones para brindar comentarios públicos en persona:

1. Llene la boleta para personas que desean hablar que se encuentran en la entrada de la Sala de la Junta.
2. Entregue la boleta para personas que desean hablar al personal de que se encuentra sentado en la entrada de la Sala de la Junta.
3. Cuando anuncien su nombre, por favor, acérquese al podio ubicado en el lado derecho de la tarima para hacer sus comentarios públicos.

Los miembros del público pueden hacer comentarios públicos generales al inicio de la agenda o comentarios específicos que hagan referencia a los puntos de la agenda durante el periodo de comentarios públicos. Los comentarios públicos generales únicamente al inicio de la reunión de la Junta de Directores, se limitarán a cinco personas que deseen hablar. Las personas adicionales que deseen aportar comentarios públicos generales podrán hacerlo al final de la reunión.



**Dispositivos de Asistencia Auditiva (ALD, por sus siglas en inglés):** Los ALD están disponibles con el secretario de la Junta\* antes de la reunión y estos deberán ser devueltos al final de la reunión.



**Facilidades Razonables:** Según lo requerido por la Ley de Estadounidenses con Discapacidades (ADA, por sus siglas en inglés), para presentar solicitudes de información de la agenda en un formato alternativo o solicitar facilidades razonables para facilitar su participación en la reunión, por favor, comuníquese con el secretario de la Junta\* por lo menos dos días hábiles antes de la reunión.



**\*Información de Contacto:** Comuníquese con el secretario de la Junta por correo electrónico en [ClerkoftheBoard@sdmts.com](mailto:ClerkoftheBoard@sdmts.com), por teléfono al (619) 398-9561 o por correo postal en **1255 Imperial Ave. Suite 1000, San Diego CA 92101.**

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# San Diego Regional Building Authority (SDRBA)

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## Agenda

May 28, 2026 at 1:00 p.m.

### In-Person Participation:

County Administration Center, 1600 Pacific Highway, Room 301, San Diego, CA 92101

### Teleconference Participation:

Dial-in No.: 1(669) 254-5252; Webinar ID: 165 168 9911

| NO.                         | ITEM SUBJECT AND DESCRIPTION   | ACTION  |
|-----------------------------|--|---------|
| 1.                          | <b>Roll Call</b>   |         |
| 2.                          | <b>Approval of Minutes</b><br>Action would approve the June 26, 2025 meeting Minutes.  | Approve |
| DISCUSSION AND REPORT ITEMS |  |         |
| 3.                          | <b>James R. Mills Building – Adoption of Operating Budget and Capital Improvement Projects for Fiscal Year 2027 (FY27)</b><br>Action would 1) Approve the proposed FY 27 Operating Budget and authorize the Executive Officer to approve the expenditure of \$5,895,089 in accordance therewith; and 2) Approve the proposed FY 27 Capital Improvement Budget and authorize the Executive Officer to approve the expenditure of \$1,142,120 from the Capital Reserve Account.  | Approve |
| 4.                          | <b>Removal of SDRBA from Mills Building Lease Agreements</b><br>Action would authorize the Executive Director of the SDRBA take the following actions: 1) Effectuate the transfer of title of the County Improvements and MTDB Improvements (as defined in the SDRBA Lease) from SDRBA to San Diego Metropolitan Transit System (MTS) and the County of San Diego (County) as required by Section 3.01 of the SDRBA Lease; and 2) Upon approval of new Mills Building Lease and Sublease agreements by and between MTS and County, terminate the (a) SDRBA Ground Lease between MTS and SDRBA and (b) SDRBA Lease between SDRBA and County; 3) Upon approval of new Mills Building Lease and Sublease agreements by and between MTS and County, assign SDRBA's rights and obligations under any other Mills Building related agreement to MTS and/or County. | Approve |
| 5.                          | <b>Adoption of Meeting Schedule for 2027</b><br>Action would adopt Resolution No. 2026-01 designating dates and times for regular meetings of The San Diego Regional Building Authority in 2027.   | Approve |
| 6.                          | <b>Public Comments</b>   |         |
| 7.                          | <b>Commissioner Member Comments</b>  |         |

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# San Diego Regional Building Authority (SDRBA)

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8. **Next Meeting Date:** May 13, 2027 (See Agenda Item Number 5)

9. **Adjournment**

ASSISTANCE FOR PERSONS WITH DISABILITIES: Contact the Clerk of the Board office at 619-398-9561 or [joann.delgado@sdmts.com](mailto:joann.delgado@sdmts.com) with questions or to request meeting material information in an alternative format. To the extent reasonably possible, requests for accommodations, assistance or disability-related accommodations should be submitted at least 72 hours in advance of the meeting so that arrangements may be made. An area in the front of the room is designated for individuals requiring the use of wheelchair or other accessible devices.

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# San Diego Regional Building Authority (SDRBA)

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## MINUTES

June 26, 2025

### 1. **Roll Call**

Commissioner Goble called the meeting to order at 9:00 am. Authority members present included Commissioner Goble, and Commissioner Montgomery Steppe with the second County of San Diego Commissioner vacant.

### 2. **Approval of Minutes**

Commissioner Montgomery Steppe moved for approval of the minutes of the May 17, 2024, San Diego Regional Building Authority (SDRBA) meeting. Commissioner Goble seconded the motion, and the vote was 2 to 0 in favor with one vacancy.

### 3. **Election of San Diego Regional Building Authority (SDRBA) Officers**

#### **Action Taken**

Commissioner Goble moved to nominate Commissioner Montgomery Steppe as Chair, himself as Vice Chair, and Joann Delgado or her substitute as the Secretary of the SDRBA Commission. Commissioner Montgomery Steppe seconded the motion, and the vote was 2 to 0 in favor with one vacancy.

### 4. **James R. Mills Building – Adoption of Operating Budget and Capital Improvement Projects for Fiscal Year 2025/2026 (FY25/26)**

Krista Ellis, Deputy Director, County of San Diego Department of General Services, provided a brief budget presentation and outlined: the division of assets, operating expenses and budget, capital improvement expenses and budget, parking revenue, direct owner expenses, and revenue contribution.

Vice Chair Goble highlighted that the James R Mills Building Lobby Remodel Project was under budget and appreciated the sensitivity to the use of public money.

#### **Action Taken**

Vice Chair Goble moved to 1.) Approve the proposed FY 25/26 James R. Mills Building Operating Budget (Attachment A) and authorize the Executive Officer to approve the expenditure of \$5,612,585 in accordance therewith; and 2) Approve the proposed FY 25/26 James R. Mills Building Capital Improvement Budget and authorize the Executive Officer to approve the expenditure of \$1,803,458 from the Capital Reserve Account. Chair Montgomery-Steppe seconded the motion, and the vote was 2 to 0 in favor with one vacancy.

### 5. **Adoption of Meeting Schedule for 2026**

Karen Landers, MTS General Counsel, explained the calendaring and flexibility of the proposed May 2026 meeting.

### **Action Taken**

Vice Chair Goble moved to adopt Resolution No. 2025-01 designating dates and times for regular meetings of The San Diego Regional Building Authority in 2026. Chair Montgomery Steppe seconded the motion, and the vote was 2 to 0 in favor with one vacancy.

## **6. Future of SDRBA**

Karen Landers, MTS General Counsel, explained the San Diego Regional Building Authority (SDRBA) was originally established to finance and manage the construction of a building through bond issuance. As a portion of the original bonds have been repaid, the question is whether SDRBA's continued involvement in the Mills Building is necessary. If SDRBA's involvement is no longer needed, the lease documents could be updated to remove SDRBA, leaving the agreements solely between MTS and the County. We could then determine if SDRBA needs to exist. Staff proposes to analyze these options and consult with the County of San Diego's finance department to determine if disbanding the SDRBA or restructuring the agreements is advisable.

Chair Montgomery Steppe emphasized the need for consistency and ensuring that no public authority granted by voters is lost or overlooked if the SDRBA is dissolved or its powers are shifted. Vice Chair Goble concurred, suggesting that the matter be referred to legal counsel and staff for analysis—specifically to assess the economic, legal, and public implications before making any decisions. Chair Montgomery Steppe and Vice Chair Goble supported staff proposal to explore and research these options and bringing a report back to the SDRBA in 2026.

## **7. Mills Building – Authorization to Amend Padres Parking Lease**

Karen Landers, MTS General Counsel, explained the Padres requested to renegotiate their lease of the James Mills Building parking spaces. The Padres use different lots for staff and fans and may want to reduce their reserved parking spaces while keeping the option to increase them later. Staff need to analyze the economic impact and potential benefits, such as freeing spaces for public use at market rates. Any agreed-upon lease amendment would need approval from both the County Board of Supervisors and the MTS Board of Directors. Staff proposed the SDRBA Board authorize Marco Medved, Executive Director of the SDRBA, to negotiate and execute the lease amendment once both the County and MTS approve it— to streamline the process and avoid the need for a third separate meeting.

Chair Montgomery Steppe supported the recommendation as it allows more flexibility in the future to make changes to the number of parking spaces used by the Padres on a yearly basis as needed. Vice Chair Goble noted that the parking operations generate about \$2 million annually, with \$500,000 guaranteed from the Padres. Reducing their spaces could lower that guaranteed revenue to about \$250,000, but public parking might offset the loss. Vice Chair Goble expressed the need to analyze the economic impact of any change as part of any negotiation with the Padres.

**Action Taken**

Vice Chair Goble moved to authorize the Executive Director to negotiate and execute a Parking Lease Amendment with the Padres, LP, subject to approval of the San Diego Metropolitan Transit System (MTS) and the County of San Diego (County). Chair Montgomery Steppe seconded the motion, and the vote was 2 to 0 in favor with one vacancy.

**8. Public Comments**

There were no public comments.

**9. Commissioner Member Comments**

There were no member comments.

**10. Next Meeting Date**

The next San Diego Regional Building Authority meeting is scheduled for May 14, 2026, at 8:30 a.m.

**11. Adjournment**

The meeting adjourned at 8:15 a.m.

/s/ Monica Montgomery Steppe  
Chairperson  
San Diego Regional Building Authority

/s/ Joann Delgado  
Board Secretary  
San Diego Regional Building Authority

Attachment: Roll Call Sheet

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# San Diego Regional Building Authority (SDRBA)

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## ROLL CALL

MEETING OF (DATE): June 26, 2025

CALL TO ORDER (TIME) 8:33am

RECESS \_\_\_\_\_

RECONVENE \_\_\_\_\_

ADJOURN 8:50am

| BOARD MEMBER      | (Alternate)                         | PRESENT<br>(TIME ARRIVED) | ABSENT<br>(TIME LEFT) |
|-------------------|-------------------------------------|---------------------------|-----------------------|
| Goble             | <input checked="" type="checkbox"/> | 8:33am                    | 8:50am                |
| Montgomery Steppe | <input checked="" type="checkbox"/> | 8:33am                    | 8:50am                |
| VACANT            | <input type="checkbox"/>            |                           |                       |

SIGNED BY THE CLERK OF THE BOARD: /s/Joann Delgado

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# San Diego Regional Building Authority (SDRBA)

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## Agenda Item No. 3

May 28, 2026

### SUBJECT:

JAMES R. MILLS BUILDING – ADOPTION OF OPERATING BUDGET AND CAPITAL IMPROVEMENT PROJECTS FOR FISCAL YEAR 2027 (FY 27)

### RECOMMENDATION:

1. Approve the proposed FY 27 Operating Budget (Attachment A) and authorize the Executive Officer to approve the expenditure of \$5,895,089 in accordance therewith; and
2. Approve the proposed FY 27 Capital Improvement Budget (Attachment B) and authorize the Executive Officer to approve the expenditure of \$1,142,120 from the Capital Reserve Account.

### BUDGET IMPACT:

None on SDRBA. The costs included in the Mills Building budget are paid for by County and MTS according to their respective obligations under the Mills Building lease documents.

### DISCUSSION:

The James R. Mills Building located at 1255 Imperial Avenue (Mills Building) is jointly operated by the County of San Diego (County) and San Diego Metropolitan Transit System (MTS) through ground lease, lease, and sublease agreements with the San Diego Regional Building Authority (SDRBA). The SDRBA is a joint powers authority created by the County and MTS to fund, construct, maintain and operate the Mills Building.

Under the lease agreements, MTS controls the trolley infrastructure, station areas, a portion of the first-floor retail spaces, most of the eighth floor, and the ninth and tenth floor office areas. County controls the office areas on the second through seventh floors and portions of the first and eighth floors. The parking garage is shared proportionately by the County and MTS. County and MTS pay for individual monthly employee parking spaces, and additional revenue is generated from the garage for daily and special event parking, including an agreement with the Padres for 150 spaces during each Padres home game<sup>1</sup> and some Petco Park special events.

The SDRBA has a property management contractor (Ryan Companies US, Inc. (Ryan Co)) to handle day-to-day operations and maintenance of the Mills Building. Administrative support and oversight is provided by representatives of MTS and the County.

Under Section 5.01(b) the Lease between SDRBA and the County, the SDRBA is responsible for calculating the “Common Costs” owed by County to operate and maintain the Mills Building

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<sup>1</sup> The Padres Parking Lease was amended effective January 2026, reducing the number of spaces from 300 to 150, but raising the per space rental cost. This resulted in a new annual payment of \$333,882, which is a \$187,493 reduction in Padres base parking rent from FY 26. The lease is in the first 5-year option period (January 1, 2026 to December 31, 2030). Additional option periods could extend the lease to December 31, 2040.

# San Diego Regional Building Authority (SDRBA)

property. Today's actions would approve the budgets for Mills Building operations and capital improvement projects for FY27.

## Mills Building Budget and Expense Overview

The Mills Building Budget is made up of five major categories of expenses and revenue:

1. Operating Expenses. This includes expenses related to property management, janitorial, landscaping, security, utilities, parking, and general repairs and maintenance activities for the Mills Building. Under the MTS-County Sublease, MTS pays 35.91% and County pays 64.09% of Operating Expenses.

2. Capital Improvement Expenses. This includes costs for Mills Building Capital Improvements and major repair projects. Under the MTS-County Sublease, MTS pays 35.91% and County pays 64.09% of Capital Improvements. Some projects are in process and may have funding from prior fiscal years. The proposed FY 27 budget includes \$1,142,120 for new projects.

3. Parking Revenue. This is a credit for actual parking revenue from daily parking fees, monthly parking fees for MTS or County employees, the Padres parking lease, and special event parking fees. This credit is used to reduce the required Operating Expense contribution from County and MTS. Based on historical agreements and ownership shares of the garage, which are memorialized in the lease agreements, parking revenue is allocated as follows: MTS 24.95% and County 75.05%.

4. Direct Owner Expenses. This includes expenses that are solely related to either the County's occupancy or MTS's occupancy. They are not split according to the Operating Expenses proportionate share percentages.

5. Unbudgeted Interest Income. This is a credit for unbudgeted interest income as of 2/28/26. This credit is used to reduce the required Operating Expense contribution from County and MTS. Under the MTS-County Sublease, MTS will be credited 35.91% and County credited 64.09% of this refunded/credited income.

The above County/MTS proportionate share allocations result in the following budget formula:

| Line          | +/- | Expenses and Parking Revenue  | MTS %            | County %            |
|---------------|-----|---|------------------|---------------------|
| Line A        | +   | Operating Expenses  | 35.91%           | 64.09%              |
| Line B        | +   | Capital Improvement Expenses  | 35.91%           | 64.09%              |
| <b>Line C</b> | =   | <b>Mills Building Expense Subtotal</b>                              |                  |                     |
| Line D        | (-) | Parking Revenue   | 24.95%           | 75.05%              |
| Line E        | (-) | Unbudgeted Interest Income  | 35.91%           | 64.09%              |
| <b>Line F</b> | =   | <b>Total Mills Building Expenses Subject to Proportionate Share</b> |                  |                     |
| Line G        | +   | Direct Owner Expenses   | Actual \$        | Actual \$           |
| <b>Line H</b> | =   | <b>Total Mills Building Expenses</b>                                | <b>MTS Total</b> | <b>County Total</b> |

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# San Diego Regional Building Authority (SDRBA)

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## **FY 27 Operating Budget (Attachment A)**

The proposed total Operating Expense budget for FY 27 totals \$5,895,089. Annual Operating Expenses have increased by approximately 5.03% over the annual Operating Expenses for FY 26. The primary reasons for the increases are the following: mandated union wage increases for security & janitorial; waste removal increases and utility increases. These increased cost centers are offset by decreases/savings in Administrative, pest control, HVAC, and Landscape costs.

The proportionate distribution of shared operating expenses is \$2,116,926 (MTS) and \$3,778,163 (County).

## **FY 27 Direct Owner Expense (See Attachment A)**

Direct Owner Expenses of \$1,606,756 are allocated to MTS \$34,903 and County \$1,571,853 according to their respective use. These costs generally relate to additional utilities, trash collection, cleaning, and security for MTS or County units.

## **FY 27 Capital Improvement Program Budget (Attachments B and D)**

Proposed Capital Improvements in FY 27 total \$1,142,120 (Attachment B). Proposed Capital Improvement items for FY 27 include:

- Upgrading analog security cameras to digital; add 4 new cameras (\$64,800)
- Fire Life Safety (FLS) Code Compliance, GFI 3-Yr Certification, and Emergency FLS Sprinkler Leak repair (\$229,320)
- Additional funds for remodel of the restrooms (\$368,000) and HVAC ancillary Air Handler Units (\$180,000) and VAV ducting and heating valves (\$196,000) equipment to take advantage of economies of scale
- Additional funds for construction management, space planning, and permit fees for pending projects (restrooms and window washing stage) (\$104,000)

The proportionate distribution of shared Capital Improvement Program expenses is \$410,135 (MTS) and \$731,985 (County). A description of Capital Improvement Program projects that have recently been completed, are still in progress, and proposed/upcoming projects for FY 27 are included in Attachment D.

## **Credit for Actual Parking Revenue Received**

Total Parking Revenue to be deducted from building operating costs total \$1,538,974. This number reflects total actual parking revenue of \$1,538,974 through February 2026 for FY 26 and \$122,908 Excess Revenues from Feb 2025 to June 2025 of FY 25.

The proposed parking revenue credit is shared according to the agencies' negotiated parking revenue formula: MTS is allocated 24.95%, or \$383,974; the County is allocated 75.05%, or \$1,155,000.

# San Diego Regional Building Authority (SDRBA)

## FY 26 Rebate/Credit for Unbudgeted Interest Income and Insurance Proceeds Received

Interest income has been calculated by Ryan Companies based on their financial management practices. This includes sweeping SDRBA funds into a money market account each day, allowing interest to be earned. The proposed FY 27 budget includes FY26 interest income up to February 28, 2026 (\$267,025), including \$113,374 interest from March 1 to June 30, 2025. This amount will be deducted from building operating costs to serve as a credit against the amounts owed by MTS and the County to fund the FY 27 budget.

SDRBA also received \$41,404 in insurance reimbursements related to reimbursement for flood damage after the January 22, 2024 storm event. The total for this line item is \$308,429. The proportionate distribution of shared interest income credit is \$110,757 (MTS 35.91%) and \$197,672 (County 64.09%).

## Estimated Actuals for FY 26 Budget

The actual budget performance for the FY 26 Mills Building Operating and Capital Expenditure budget is trending approximately \$65,000 (1%) under budget compared to the adopted budget. This is mostly due to the new property management contract that added services and additional security personnel that were authorized during the budget year.

## FINAL BUDGET SUMMARY

The above budget categories and proportionate shares are set forth in table format below:

| Line | +/- | Expenses and Parking Revenue                           | Current Budget FY 26 | Estimated Actuals FY 26 | Proposed Budget FY 27 |
|------|-----|--|----------------------|-------------------------|-----------------------|
| A    | +   | Operating Expenses                                     | \$ 5,612,585         | \$ 5,603,070            | \$ 5,895,089          |
| B    | +   | Capital Improvement Expenses                           | \$ 1,803,458         | \$ 1,803,458            | \$ 1,142,120          |
| C    | =   | Mills Building Expense Subtotal                        | \$ 7,416,043         | \$ 7,406,528            | \$ 7,037,209          |
| D    | (-) | Less: Parking Revenue                                  | \$ (2,081,862)       | \$ (2,081,862)          | \$ (1,538,974)        |
| E    | (-) | Less: Unbudgeted Interest Income                       | \$ (218,600)         | \$ (273,651)            | \$ (308,429)          |
| F    | =   | Mills Building Expenses Subject to Proportionate Share | \$ 5,115,581         | \$ 5,051,015            | \$ 5,189,806          |
| G    | +   | Direct Owner Expenses                                  | \$ 1,584,625         | \$ 1,584,625            | \$ 1,606,756          |
| H    | =   | <b>Total Mills Building OPEX and CIP Budget</b>        | \$ 6,700,206         | \$ 6,635,640            | \$ 6,796,562          |

# San Diego Regional Building Authority (SDRBA)

For the FY 27 Mills Building Opex and CIP Budget, the MTS and County cost shares are allocated as follows:

| Line | +/- | Expenses and Parking Revenue                           | Proposed Budget FY 27 | MTS Share FY 27 | County Share FY 27 |
|------|-----|--|-----------------------|-----------------|--------------------|
| A    | +   | Operating Expenses                                     | \$ 5,895,089          | \$ 2,116,926    | \$ 3,778,163       |
| B    | +   | Capital Improvement Expenses                           | \$ 1,142,120          | \$ 410,135      | \$ 731,985         |
| C    | =   | Mills Building Expense Subtotal                        | \$ 7,037,209          | \$ 2,527,062    | \$ 4,510,147       |
| D    | (-) | Less: Parking Revenue                                  | \$ (1,538,974)        | \$ (383,974)    | \$ (1,155,000)     |
| E    | (-) | Less: Unbudgeted Interest Income                       | \$ (308,429)          | \$ (110,757)    | \$ (197,672)       |
| F    | =   | Mills Building Expenses Subject to Proportionate Share | \$ 5,189,806          | \$ 2,032,331    | \$ 3,157,475       |
| G    | +   | Direct Owner Expenses                                  | \$ 1,606,756          | \$ 34,903       | \$ 1,571,853       |
| H    | =   | <b>Total Mills Building OPEX and CIP Budget</b>        | \$ 6,796,562          | \$ 2,067,234    | \$ 4,729,328       |

The final cost shares for the FY 26 and FY 27 budgets are as follows:

| <b>TOTAL COST SHARES</b><br>(Operating Expense, Parking, Capital Improvements, and Direct Expenses) |                      |                         |                       |
|---|----------------------|-------------------------|-----------------------|
|   | Current Budget FY 26 | Estimated Actuals FY 26 | Proposed Budget FY 27 |
| MTS Share   | \$ 2,088,212         | \$ 2,065,027            | \$ 2,067,234          |
| County Share  | \$ 4,611,994         | \$ 4,570,613            | \$ 4,729,328          |
| Total   | \$ 6,700,206         | \$ 6,635,640            | \$ 6,796,562          |

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# San Diego Regional Building Authority (SDRBA)

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## **STAFF RECOMMENDATION**

The above budget has been reviewed and approved by the respective representatives of MTS and the County. The budget will be funded by MTS and the County. On that basis, staff recommends that the SDRBA Board:

1. Approve the proposed FY 27 Operating Budget (Attachment A) and authorize the Executive Officer to approve the expenditure of \$5,895,089 in accordance therewith; and
2. Approve the proposed FY 27 Capital Improvement Budget (Attachment B) and authorize the Executive Officer to approve the expenditure of \$1,142,120 from the Capital Reserve Account.

## Attachments

- A: Proposed FY 27 Operating Budget and Capital Expenditures
- B: Proposed FY 27 Capital Improvements
- C: FY 26 to FY 27 Current vs Proposed Budget
- D: Capital Expenditure Project Summary



**James Mills Building**  
**July 2026 Through June 2027**  
Project Sq. Ft. 183,245  
Type: Office

| Acct No                                  |                                       | Jul 2026 | Aug 2026 | Sep 2026 | Oct 2026 | Nov 2026 | Dec 2026 | Jan 2027 | Feb 2027 | Mar 2027 | Apr 2027 | May 2027 | Jun 2027 | Total     |           |         |    |       |
|--|---------------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|-----------|---------|----|-------|
| <b>General Building</b>                  |                                       |          |          |          |          |          |          |          |          |          |          |          |          |           |           |         |    |       |
| 61610/61630                              | Engineers Payroll                     | 25,650   | 25,650   | 25,650   | 25,650   | 25,650   | 25,650   | 25,650   | 25,650   | 25,650   | 25,650   | 25,650   | 25,650   | 307,799   | 197,268   | 110,531 | \$ | 1.68  |
| 61880/61860                              | Repairs & Maintenance                 | 9,892    | 12,518   | 5,259    | 10,592   | 6,159    | 7,959    | 10,592   | 6,159    | 5,059    | 9,892    | 6,159    | 5,059    | 95,298    | 61,076    | 34,222  | \$ | 0.52  |
| 61810                                    | Pest Control                          | 7,013    | 391      | 391      | 691      | 391      | 391      | 691      | 391      | 391      | 691      | 391      | 391      | 12,214    | 7,828     | 4,386   | \$ | 0.07  |
| 61890                                    | Painting                              | 3,600    | 0        | 500      | 3,600    | 0        | 500      | 3,600    | 0        | 500      | 3,600    | 0        | 500      | 16,400    | 10,511    | 5,889   | \$ | 0.09  |
|  | Tools & Equipment                     | 300      | 0        | 0        | 300      | 0        | 0        | 300      | 0        | 0        | 300      | 0        | 0        | 1,200     | 769       | 431     | \$ | 0.01  |
| 62310/62320                              | Plumbing                              | 3,559    | 2,784    | 13,538   | 5,424    | 2,784    | 6,914    | 12,470   | 2,894    | 3,694    | 4,694    | 2,894    | 4,534    | 66,184    | 42,417    | 23,767  | \$ | 0.36  |
| 62210                                    | Roof                                  | 0        | 0        | 0        | 0        | 0        | 0        | 2,414    | 3,000    | 0        | 0        | 0        | 0        | 5,414     | 3,470     | 1,944   | \$ | 0.03  |
| <b>Total General Building</b>            |                                       | 50,014   | 41,343   | 45,338   | 46,257   | 34,984   | 41,414   | 55,717   | 38,094   | 35,294   | 44,827   | 35,094   | 36,134   | 504,509   | 323,340   | 181,169 | \$ | 2.75  |
| <b>Janitorial</b>                        |                                       |          |          |          |          |          |          |          |          |          |          |          |          |           |           |         |    |       |
| 61410.001/002/003/                       |                                       |          |          |          |          |          |          |          |          |          |          |          |          |           |           |         |    |       |
| 004                                      | Cleaning Contract                     | 53,348   | 49,193   | 49,193   | 60,728   | 49,193   | 49,193   | 63,473   | 49,193   | 49,193   | 60,728   | 50,917   | 50,917   | 635,266   | 407,142   | 228,124 | \$ | 3.47  |
| 61450                                    | Cleaning Supplies                     | 10,625   | 10,625   | 10,625   | 10,625   | 10,625   | 10,625   | 10,625   | 10,625   | 10,625   | 10,625   | 10,625   | 10,625   | 127,498   | 81,714    | 45,785  | \$ | 0.70  |
| 61470                                    | Refuse Removal                        | 9,385    | 9,385    | 9,385    | 9,385    | 9,385    | 9,385    | 9,854    | 9,854    | 9,854    | 9,854    | 9,854    | 9,854    | 115,434   | 73,982    | 41,452  | \$ | 0.63  |
| 61430                                    | Window Washing Contract               | 5,360    | 0        | 52,723   | 0        | 0        | 0        | 5,360    | 0        | 0        | 52,723   | 0        | 0        | 116,166   | 74,451    | 41,715  | \$ | 0.63  |
| <b>Total Janitorial</b>                  |                                       | 78,717   | 69,202   | 121,925  | 80,737   | 69,202   | 69,202   | 89,312   | 69,672   | 69,672   | 133,930  | 71,396   | 71,396   | 994,364   | 637,288   | 357,076 | \$ | 4.79  |
| <b>Electrical &amp; Lighting Systems</b> |                                       |          |          |          |          |          |          |          |          |          |          |          |          |           |           |         |    |       |
| 62110                                    | Electrical Supplies                   | 350      | 200      | 200      | 350      | 200      | 200      | 350      | 200      | 200      | 350      | 200      | 200      | 3,000     | 1,923     | 1,077   | \$ | 0.02  |
| 62120,62130                              | Electrical Repairs & Maintenance      | 310      | 310      | 310      | 310      | 310      | 32,182   | 310      | 310      | 310      | 310      | 310      | 310      | 35,592    | 22,811    | 12,781  | \$ | 0.19  |
| <b>Total Electrical</b>                  |                                       | 660      | 510      | 510      | 660      | 510      | 32,382   | 660      | 510      | 510      | 660      | 510      | 510      | 38,592    | 24,734    | 13,858  | \$ | 0.21  |
| <b>Elevator</b>                          |                                       |          |          |          |          |          |          |          |          |          |          |          |          |           |           |         |    |       |
| 61710.001                                | Elevator Contract                     | 3,841    | 5,618    | 3,841    | 3,841    | 3,841    | 3,841    | 3,841    | 5,618    | 3,841    | 3,841    | 3,841    | 3,841    | 49,646    | 31,818    | 17,828  | \$ | 0.27  |
| 61720                                    | Elevator Repair & Maintenance         | 1,800    | 1,600    | 1,800    | 1,600    | 6,600    | 1,600    | 1,800    | 1,600    | 2,000    | 1,600    | 2,400    | 1,600    | 26,000    | 16,663    | 9,337   | \$ | 0.14  |
| 61710.002/61730                          | Elevator Telephone Lines              | 2,514    | 2,514    | 2,514    | 2,514    | 2,514    | 2,514    | 2,514    | 2,514    | 2,514    | 2,514    | 2,514    | 2,514    | 30,168    | 19,335    | 10,833  | \$ | 0.16  |
| <b>Total Elevator</b>                    |                                       | 8,155    | 9,732    | 8,155    | 7,955    | 12,955   | 7,955    | 8,155    | 9,732    | 8,355    | 7,955    | 8,755    | 7,955    | 105,814   | 67,816    | 37,998  | \$ | 0.41  |
| <b>HVAC</b>                              |                                       |          |          |          |          |          |          |          |          |          |          |          |          |           |           |         |    |       |
| 62010                                    | HVAC Contract Service                 | 12,168   | 0        | 1,285    | 5,156    | 5,653    | 3,485    | 6,441    | 0        | 1,285    | 5,156    | 1,285    | 0        | 41,916    | 26,864    | 15,052  | \$ | 0.23  |
| 62030                                    | HVAC Materials & Supplies             | 1,743    | 1,743    | 1,743    | 1,743    | 1,743    | 1,743    | 1,743    | 1,743    | 1,743    | 1,743    | 1,743    | 1,743    | 20,921    | 13,408    | 7,513   | \$ | 0.11  |
| 62020                                    | HVAC Repairs & Maintenance            | 41,308   | 4,550    | 4,550    | 4,550    | 14,550   | 4,550    | 4,550    | 4,550    | 4,550    | 4,550    | 4,550    | 4,550    | 101,358   | 64,960    | 36,398  | \$ | 0.55  |
| 62030                                    | HVAC Water Treatment                  | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0         | 0         | 0       | \$ | 0.00  |
| <b>Total HVAC</b>                        |                                       | 55,220   | 6,293    | 7,578    | 11,450   | 21,947   | 9,779    | 12,735   | 6,293    | 7,578    | 11,450   | 7,578    | 6,293    | 164,194   | 105,232   | 58,962  | \$ | 0.90  |
| <b>Landscape &amp; Grounds</b>           |                                       |          |          |          |          |          |          |          |          |          |          |          |          |           |           |         |    |       |
| 62410                                    | Landscape Contract                    | 1,069    | 1,069    | 2,669    | 1,069    | 1,069    | 9,727    | 1,101    | 1,101    | 2,701    | 1,101    | 1,101    | 2,701    | 26,481    | 16,971    | 9,509   | \$ | 0.14  |
| 62430                                    | Landscape Materials & Supplies        | 2,800    | 750      | 750      | 2,300    | 750      | 750      | 2,300    | 750      | 750      | 2,300    | 750      | 750      | 15,700    | 10,062    | 5,638   | \$ | 0.09  |
| 62430                                    | Landscape Repairs & Maintenance       | 0        | 0        | 0        | 0        | 0        | 7,000    | 0        | 0        | 0        | 0        | 0        | 0        | 7,000     | 4,486     | 2,514   | \$ | 0.04  |
| <b>Total Landscape</b>                   |                                       | 3,869    | 1,819    | 3,419    | 3,369    | 1,819    | 17,477   | 3,401    | 1,851    | 3,451    | 3,401    | 1,851    | 3,451    | 49,181    | 31,520    | 17,661  | \$ | 0.27  |
| <b>Parking Expenses</b>                  |                                       |          |          |          |          |          |          |          |          |          |          |          |          |           |           |         |    |       |
| 62675.001/014                            | Operating Expenses (Ace Parking)      | 39,532   | 45,247   | 40,757   | 17,332   | 19,832   | 21,557   | 20,332   | 25,847   | 64,081   | 39,532   | 39,822   | 40,757   | 414,628   | 265,735   | 148,893 | \$ | 2.26  |
| 62675.002                                | Parking-Electrical Supplies & Repairs | 305      | 305      | 305      | 305      | 305      | 305      | 305      | 305      | 305      | 305      | 305      | 305      | 3,663     | 2,347     | 1,315   | \$ | 0.02  |
| 62675.003                                | Parking- Elevator Expenses            | 2,617    | 2,117    | 2,117    | 2,617    | 3,894    | 2,117    | 2,617    | 2,117    | 3,894    | 2,617    | 2,117    | 2,117    | 30,961    | 19,843    | 11,118  | \$ | 0.17  |
| 62675.004                                | Parking Fire/Life/Safety              | 314      | 314      | 314      | 314      | 1,907    | 1,562    | 333      | 4,173    | 333      | 333      | 333      | 333      | 10,559    | 6,767     | 3,792   | \$ | 0.06  |
| 62675.005                                | Landscape & Grounds                   | 1,030    | 4,330    | 530      | 1,030    | 530      | 530      | 1,041    | 541      | 541      | 1,041    | 541      | 541      | 12,230    | 7,838     | 4,392   | \$ | 0.07  |
| 62675.006                                | Pest Control                          | 1,000    | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 1,000     | 641       | 359     | \$ | 0.01  |
| 62675.007                                | Parking-Materials & Supplies          | 1,200    | 1,200    | 1,200    | 0        | 680      | 0        | 0        | 3,840    | 0        | 0        | 0        | 1,200    | 9,320     | 5,973     | 3,347   | \$ | 0.05  |
| 62675.008                                | Parking-Repairs & Maintenance         | 1,780    | 2,530    | 1,530    | 930      | 130      | 130      | 6,830    | 580      | 930      | 130      | 130      | 1,330    | 16,960    | 10,870    | 6,090   | \$ | 0.09  |
| 62675.009                                | Parking-M&S Parking Equipment         | 45       | 45       | 45       | 45       | 45       | 45       | 45       | 45       | 45       | 45       | 45       | 45       | 540       | 346       | 194     | \$ | 0.00  |
| 62675.01                                 | Parking-Sweeping & Steam Cleaning     | 17,415   | 17,415   | 17,415   | 7,990    | 8,490    | 8,490    | 7,990    | 8,490    | 8,490    | 7,990    | 17,415   | 17,415   | 145,005   | 92,934    | 52,071  | \$ | 0.79  |
| 62675.011                                | Parking-Security Contract             | 46,547   | 46,547   | 55,714   | 36,669   | 36,669   | 48,181   | 37,881   | 37,881   | 47,351   | 48,085   | 48,085   | 57,555   | 547,162   | 350,676   | 196,486 | \$ | 2.99  |
| 62675.012                                | Electricity- Auto park                | 8,121    | 9,295    | 7,896    | 7,163    | 7,013    | 7,318    | 6,074    | 6,680    | 7,918    | 6,154    | 6,537    | 7,114    | 87,282    | 55,939    | 31,343  | \$ | 0.48  |
| 62675.013                                | Water-Auto park                       | 244      | 244      | 244      | 229      | 229      | 244      | 241      | 240      | 223      | 223      | 223      | 223      | 2,805     | 1,798     | 1,007   | \$ | 0.02  |
| <b>Total Parking</b>                     |                                       | 120,150  | 129,589  | 128,067  | 74,625   | 79,724   | 90,479   | 83,689   | 90,738   | 134,110  | 106,455  | 115,553  | 128,935  | 1,282,114 | 821,707   | 460,407 | \$ | 7.00  |
| <b>Security/Fire/Safety</b>              |                                       |          |          |          |          |          |          |          |          |          |          |          |          |           |           |         |    |       |
| 62560.003                                | SFS- Telephone/Alarm                  | 305      | 170      | 1,406    | 305      | 170      | 1,406    | 305      | 170      | 1,406    | 305      | 170      | 1,406    | 7,524     | 4,822     | 2,702   | \$ | 0.04  |
| 62560.001/002                            | SFS- Contract Service                 | 134,857  | 139,490  | 160,952  | 133,057  | 132,372  | 189,611  | 136,767  | 136,082  | 165,513  | 136,767  | 136,082  | 165,513  | 1,767,061 | 1,132,509 | 634,552 | \$ | 9.64  |
| 62560.004                                | SFS-Materials & Supplies              | 1,050    | 737      | 225      | 225      | 1,050    | 225      | 1,025    | 1,050    | 225      | 225      | 1,050    | 225      | 7,312     | 4,686     | 2,626   | \$ | 0.04  |
| 62560.005                                | SFS-Permits/Testing                   | 8,681    | 292      | 3,192    | 3,963    | 292      | 1,122    | 6,461    | 5,022    | 292      | 4,028    | 292      | 5,022    | 38,656    | 24,775    | 13,881  | \$ | 0.21  |
| 62560.006                                | SFS Repairs & Maintenance             | 1,400    | 900      | 900      | 1,400    | 900      | 900      | 1,400    | 900      | 900      | 1,400    | 900      | 900      | 12,800    | 8,204     | 4,596   | \$ | 0.07  |
| <b>Total Security/Fire/Safety</b>        |                                       | 146,293  | 141,588  | 166,675  | 138,949  | 134,783  | 193,263  | 145,958  | 143,223  | 168,336  | 142,725  | 138,493  | 173,066  | 1,833,353 | 1,174,996 | 658,357 | \$ | 10.00 |

**James Mills Building**  
**July 2026 Through June 2027**  
Project Sq. Ft. 183,245  
Type: Office

| Acct No  |  | Jul 2026       | Aug 2026       | Sep 2026       | Oct 2026       | Nov 2026       | Dec 2026        | Jan 2027       | Feb 2027       | Mar 2027       | Apr 2027       | May 2027       | Jun 2027       | Total            |                  |                  |                 |
|--|--|----------------|----------------|----------------|----------------|----------------|-----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|------------------|------------------|-----------------|
| <b>Utilities</b>   |  |                |                |                |                |                |                 |                |                |                |                |                |                |                  |                  |                  |                 |
| 61010  | Electricity-Common Area                            | 30,248         | 44,999         | 35,964         | 29,453         | 24,020         | 24,570          | 20,648         | 22,827         | 22,611         | 22,953         | 27,002         | 28,753         | 334,049          | 214,092          | 119,957          | \$ 1.82         |
| 61030  | Gas  | 853            | 835            | 1,357          | 2,195          | 3,503          | 3,220           | 3,630          | 3,662          | 3,431          | 1,436          | 1,256          | 1,195          | 26,573           | 17,031           | 9,542            | \$ 0.15         |
| 61110  | Water- Building                                    | 5,527          | 6,075          | 6,343          | 5,227          | 4,775          | 4,008           | 4,492          | 4,632          | 6,019          | 6,313          | 5,579          | 6,019          | 65,009           | 41,664           | 23,345           | \$ 0.35         |
|  | <b>Total Utilities</b>                             | <b>36,628</b>  | <b>51,909</b>  | <b>43,664</b>  | <b>36,875</b>  | <b>32,298</b>  | <b>31,799</b>   | <b>28,770</b>  | <b>31,122</b>  | <b>32,061</b>  | <b>30,702</b>  | <b>33,836</b>  | <b>35,967</b>  | <b>425,631</b>   | <b>272,787</b>   | <b>152,844</b>   | <b>\$ 2.32</b>  |
|  | <b>TOTAL OPERATING EXPENSES</b>                    | <b>549,087</b> | <b>490,528</b> | <b>563,873</b> | <b>439,491</b> | <b>426,764</b> | <b>532,291</b>  | <b>467,010</b> | <b>429,777</b> | <b>497,909</b> | <b>520,718</b> | <b>475,390</b> | <b>502,249</b> | <b>5,895,089</b> | <b>3,778,162</b> | <b>2,116,926</b> | <b>\$ 32.17</b> |
|  | <b>Net Operation Income</b>                        | <b>237,384</b> | <b>263,540</b> | <b>162,695</b> | <b>163,577</b> | <b>183,653</b> | <b>84,777</b>   | <b>142,695</b> | <b>173,428</b> | <b>492,678</b> | <b>192,487</b> | <b>290,414</b> | <b>225,956</b> | <b>2,613,284</b> | <b>1,674,854</b> | <b>938,430</b>   | <b>\$ 14.26</b> |
| <b>Capital Expenses</b>  |  |                |                |                |                |                |                 |                |                |                |                |                |                |                  |                  |                  |                 |
| 12700.101  | Capital  | 95,177         | 95,177         | 95,177         | 95,177         | 95,177         | 95,177          | 95,177         | 95,177         | 95,177         | 95,177         | 95,177         | 95,177         | 1,142,120        | 731,985          | 410,135          | \$ 6.23         |
|  | <b>Total Capital</b>                               | <b>95,177</b>  | <b>95,177</b>  | <b>95,177</b>  | <b>95,177</b>  | <b>95,177</b>  | <b>95,177</b>   | <b>95,177</b>  | <b>95,177</b>  | <b>95,177</b>  | <b>95,177</b>  | <b>95,177</b>  | <b>95,177</b>  | <b>1,142,120</b> | <b>731,985</b>   | <b>410,135</b>   | <b>\$ 6.23</b>  |
| <b>Direct Owner Expenses (not calculated on 66.78%/33.22% split) *</b> |  |                |                |                |                |                |                 |                |                |                |                |                |                |                  |                  |                  |                 |
| 66070.001  | HHSA Additional Security & Cleaning Expenses       | 72,097         | 72,097         | 88,696         | 72,097         | 72,097         | 91,996          | 74,226         | 74,226         | 91,357         | 74,226         | 74,226         | 91,357         | 948,699          | 948,699          |                  | \$ 5.18         |
| 66080.001  | County Electric (floors 2-9)                       | 30,940         | 31,915         | 30,072         | 29,712         | 29,425         | 30,331          | 28,067         | 29,584         | 28,927         | 28,290         | 30,619         | 31,272         | 359,154          | 359,154          |                  | \$ 1.96         |
| 66070.002/66080.002  | MTS & 1st Floor Tenants                            | 7,280          | 2,394          | 2,153          | 2,029          | 1,915          | 1,934           | 1,808          | 1,884          | 1,893          | 1,909          | 2,177          | 2,247          | 29,623           |                  | 29,623           | \$ 0.16         |
|  | HHSA Monthly Parking                               | 22,000         | 22,000         | 22,000         | 22,000         | 22,000         | 22,000          | 22,000         | 22,000         | 22,000         | 22,000         | 22,000         | 22,000         | 264,000          | 264,000          |                  | \$ 1.44         |
|  | MTS Monthly Parking                                | 440            | 440            | 440            | 440            | 440            | 440             | 440            | 440            | 440            | 440            | 440            | 440            | 5,280            |                  | 5,280            | \$ 0.03         |
|  | <b>Total Tenant Direct Owner Expenses</b>          | <b>132,757</b> | <b>128,847</b> | <b>143,361</b> | <b>126,278</b> | <b>125,877</b> | <b>146,701</b>  | <b>126,541</b> | <b>128,133</b> | <b>144,617</b> | <b>126,865</b> | <b>129,461</b> | <b>147,316</b> | <b>1,606,756</b> | <b>1,571,853</b> | <b>34,903</b>    | <b>\$ 8.77</b>  |
|  | <b>Total Direct Owner and Capital</b>              | <b>227,934</b> | <b>224,023</b> | <b>238,538</b> | <b>221,455</b> | <b>221,054</b> | <b>241,877</b>  | <b>221,718</b> | <b>223,310</b> | <b>239,794</b> | <b>222,042</b> | <b>224,638</b> | <b>242,493</b> | <b>2,748,876</b> | <b>2,303,837</b> | <b>445,038</b>   | <b>\$ 15.00</b> |
|  | <b>Adjusted Cash Flow after Direct and Capital</b> | <b>9,450</b>   | <b>39,517</b>  | <b>-75,843</b> | <b>-57,878</b> | <b>-37,401</b> | <b>-157,101</b> | <b>-79,023</b> | <b>-49,883</b> | <b>252,884</b> | <b>-29,555</b> | <b>65,776</b>  | <b>-16,537</b> | <b>-135,592</b>  |                  |                  |                 |

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

-135,592

**James R Mills Building**  
Budget for 2026-2027

| Project  | Job # | FY 21               | FY 22               | FY 23               | FY 24               | FY 25               | FY 26               | FY 27               | Status            | Notes:  |
|--|-------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-------------------|---|
| <b>9190 BUILDING IMPROVEMENTS</b>  |       |                     |                     |                     |                     |                     |                     |                     |                   |   |
| Security Camera Upgrades© And Software Upgrades And Add New Intercom system/Camera System  | #015  |                     | \$ 20,000           | \$ 109,500          | \$ 260,000          | \$ 157,000          | \$ 142,100          | \$ 64,800           | Proposed/upcoming | Security Cameras - upgrade analog cameras to digital, add an additional 4 cameras.  |
| Repairs For Expansion Joints In Plaza Sidewalks  | #048  |                     | \$ 52,500           |                     |                     | \$ 58,900           | \$ 61,200           | \$ -                | WIP               | Caulking of expansion joints Contract awarded. Continued safety precaution for caulking of expansion joints for clock tower plaza.  |
| DWS isolation valves and access panels restrooms per floor   | #068  |                     |                     |                     |                     | \$ 35,000           |                     |                     | WIP               | DWS isolation valves and access panels to be combined with the remodel of restrooms.  |
| Remodel Restrooms (8 Floors) and architectural fees.   | #069  |                     |                     |                     |                     | \$ 625,000          | \$ 991,258          | \$ 368,000          | Proposed/upcoming | Restrooms remodel 8 floors to coincide with air handler. Architect has submitted plans to the city for approval in Sept 2025. City permit to be released in April 2026 and we will proceed with IFB and award to bid. Phase construction 3 floors at a time.  |
| Bullet Resistent 1st floor glass/windows replacement   | #071  |                     |                     |                     |                     |                     | \$ 357,000          |                     | Proposed/upcoming | Bullet Resistent Film to be installed on all glass panels   |
| <b>TOTAL 9190 BUILDING IMPROVEMENTS</b>  |       | <b>\$ 255,025</b>   | <b>\$ 543,000</b>   | <b>\$ 177,500</b>   | <b>\$ 471,000</b>   | <b>\$ 1,067,987</b> | <b>\$ 1,431,558</b> | <b>\$ 432,800</b>   |                   |   |
| <b>LOBBY UPRADES</b>   |       |                     |                     |                     |                     |                     |                     |                     |                   |   |
| Space Planner And Construction Management Fees   | #009  | \$ 135,000          | \$ 90,000           | \$ 112,000          | \$ 100,000          | \$ 78,220           |                     | \$ 104,000          | WIP               | Space planner and construction management fees – Additional space planning for project management fees and city and state permits. 24/25/26/27 for space planning for the restrooms design and & window washing stage project management and administration processing.   |
| Lobby (Job #009, 031 & 055) came in under budget and returning funds.  | #009  |                     |                     |                     |                     |                     | \$ (417,600)        |                     | Complete          | Lobby Remodel (Job #009, 031 & 055) came in under budget and returning funds less 10% contingency due to the change in management companies (\$464,000*.90%)  |
| <b>TOTAL LOBBY UPRADES</b>   |       | <b>\$ 238,000</b>   | <b>\$ 408,000</b>   | <b>\$ 625,250</b>   | <b>\$ 263,000</b>   | <b>\$ 78,220</b>    | <b>\$ (417,600)</b> | <b>\$ 104,000</b>   |                   |   |
| <b>HVAC Updgrades</b>  |       |                     |                     |                     |                     |                     |                     |                     |                   |   |
| Consultant For New Main Water Boilers  | #050  |                     | \$ 130,000          |                     |                     |                     | \$ (130,000)        |                     | Voided            | Main water boilers consultant was not necessary as we had the facility assessment review to analyse the necessity.  |
| HVAC Ancillary Equipment Replacement Per Consultant For AHU And Chilled Water Valves (3 Floors)  | #057  |                     |                     | \$ 191,250          | \$ 191,250          | \$ 191,250          | \$ 229,500          | \$ 180,000          | Proposed/upcoming | HVAC implementation of air handler unit and chilled water valves for 3 floors per consultant report due to the age of the asset. (previous funded year - WIP) 3 floors of restrooms remodel to coincide with air handler. Architect will be submitting plans to the city for approval after 2026/2027 Board approval to combine an additional 3 (for a total of 6) restrooms to take advantage of economies of scale.   |
| HVAC Ancillary Equipment Replacement Per Consultant For Vav, Ducting And Heating Valves (3 Floors)                                     | #058  |                     |                     | \$ 166,800          | \$ 166,800          | \$ 166,800          | \$ 292,000          | \$ 196,000          | Proposed/upcoming | HVAC implementation of VAV, ducting and heating valves for 3 floors per consultant report due to the age of the asset. (previous funded year - WIP) 3 floors of restrooms remodel to coincide with air handler. Architect will be submitting plans to the city for approval after 2026/2027 Board approval to combine an additional 3 (for a total of 6) restrooms to take advantage of economies of scale.   |
| <b>TOTAL HVAC UPGRADES</b>   |       | <b>\$ 358,800</b>   | <b>\$ 130,000</b>   | <b>\$ 470,106</b>   | <b>\$ 653,550</b>   | <b>\$ 358,050</b>   | <b>\$ 391,500</b>   | <b>\$ 376,000</b>   |                   |   |
| <b>AUTOPARK IMPROVEMENTS</b>   |       |                     |                     |                     |                     |                     |                     |                     |                   |   |
| Consultant for Roof Top solar panels and EV Charging Stations  | #024  |                     |                     |                     |                     |                     | \$ 200,000          |                     | WIP               | Charging stations to the Auto Park add additional charging stations to the Auto Park and rooftop solar panels. In order to make this improvements, we will need a consultant to research electrical and structural requirements. 6 EV charging stations to be installed. 2 on the first floor and the balance on the second floor with the existing two. (we had to upgrade (upsized the transformer and the electrical panel) the power in the garage to accommodate this) To be completed June/July 2026. |
| Doors & Frames parking Garage ( 3 ). Added 2025/2026 firepump room and MPOE new doors  | #070  |                     |                     |                     |                     | \$ 92,500           | \$ 81,680           |                     | WIP               | Pedestrian garage doors replace pedestrian garage doors and fire pump room door and add badge access to rear pedestrian door. Will not be completed (due to the rebid) but work in progress. To be completed June/July 2026.  |
| <b>TOTAL AUTOPARK IMPROVEMENTS</b>   |       | <b>\$ 155,000</b>   | <b>\$ -</b>         | <b>\$ 106,000</b>   | <b>\$ 313,000</b>   | <b>\$ 283,500</b>   | <b>\$ 281,680</b>   | <b>\$ -</b>         |                   |   |
| <b>LANDSCAPE IMPROVEMENT</b>   |       |                     |                     |                     |                     |                     |                     |                     |                   |   |
| <b>TOTAL LANDSCAPE IMPROVEMENTS</b>  |       | <b>\$ 65,000</b>    | <b>\$ 68,000</b>    | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ 32,000</b>    | <b>\$ -</b>         | <b>\$ -</b>         |                   |   |
| <b>FLS UPGRADES</b>  |       |                     |                     |                     |                     |                     |                     |                     |                   |   |
| Additional FLS Code Compliance (Additional Interior Signage/Evacuation Plan Per Fire Marshall)   | #010  | \$ 25,000           | \$ 25,000           | \$ 35,000           | \$ 35,000           | \$ 35,000           | \$ 45,000           | \$ 25,000           | Proposed/upcoming | Additional FLS (Fire Life Safety) code compliance - annual allowance for Fire Marshall inspections  |
| GFI 3 Year Certification And Electrical Repairs GFI testing and calibration (every 5 years) \$71,320 Includes full building shut down. | #061  |                     |                     | \$ 98,000           |                     |                     | \$ 71,320           | \$ 71,320           | Proposed/upcoming | GFI 3 Year Certification needed   |
| Emergency FLS sprinkler leak over the rail repair  | #072  |                     |                     |                     |                     |                     |                     | \$ 133,000          |                   | FLS Sprinkler leak emergency repair over rail outside of Amart  |
| <b>TOTAL FLS UPGRADES</b>  |       | <b>\$ 210,000</b>   | <b>\$ 25,000</b>    | <b>\$ 133,000</b>   | <b>\$ 35,000</b>    | <b>\$ 35,000</b>    | <b>\$ 116,320</b>   | <b>\$ 229,320</b>   |                   |   |
| <b>TOTAL BUILDING CAPITAL</b>  |       | <b>\$ 1,281,825</b> | <b>\$ 1,174,000</b> | <b>\$ 1,511,856</b> | <b>\$ 1,735,550</b> | <b>\$ 1,854,757</b> | <b>\$ 1,803,458</b> | <b>\$ 1,142,120</b> |                   |   |

ATTACHMENT C  
MILLS BUDGET FY 25-26 TO FY 26-27 COMPARISON: CURRENT VS. PROPOSED

| PROJECT OPERATING EXPENSE CATEGORIES:                         | 2025/2026 Budget<br>(Budget) | 2026/2027 Budget<br>(Proposed Budget) | DIFFERENCES \$<br>(Budget to Budget) | DIFFERENCE %<br>(Budget to Budget) | NOTES   |
|---|------------------------------|---------------------------------------|--------------------------------------|------------------------------------|---|
|   | \$ -                         | \$ -                                  | \$ -                                 |                                    |   |
| ADMINISTRATION and ENGINEERING EXPENSE                        | \$ 548,877                   | \$ 497,337                            | \$ 51,539                            | -9.39%                             | Decrease due to Ryan Companies management budget vs. actual   |
| GENERAL BUILDING  | \$ 498,887                   | \$ 504,509                            | \$ (5,622)                           | 1.13%                              | Increase due to additional plumbing costs due to the age of the asset.  |
| JANITORIAL  | \$ 897,138                   | \$ 994,364                            | \$ (97,226)                          | 10.84%                             | Increase due to union mandated wage increases, refuse removal rate increase and paper products cost increases and additional window washing (semi-annually vs annually)   |
| ELECTRICAL & LIGHTING SYSTEM                                  | \$ 37,470                    | \$ 38,592                             | \$ (1,122)                           | 2.99%                              | Increase due to additional electrical costs due to the age of the asset.  |
| ELEVATORS   | \$ 78,630                    | \$ 105,814                            | \$ (27,184)                          | 34.57%                             | Increase due to new ADI Router for elevator provides high performance, non shared symmetric internet access based on monthly service  |
| HVAC SYSTEM   | \$ 195,936                   | \$ 164,194                            | \$ 31,742                            | -16.20%                            | Decrease due to 1 Maintenance HVAC contract no longer needed due to in house valve engineering.   |
| LANDSCAPE & GROUNDS   | \$ 55,246                    | \$ 49,181                             | \$ 6,066                             | -10.98%                            | Decrease due to irrigation repairs are included in contract amount and tree trimming services less than prior years.  |
| PARKING EXPENSES  | \$ 1,139,835                 | \$ 1,282,114                          | \$ (142,278)                         | 12.48%                             | Increase due to auto park wage increases; additional janitorial cost for added pressure washing and deep cleaning expenses  |
| SECURITY/FIRE/SAFETY  | \$ 1,770,218                 | \$ 1,833,353                          | \$ (63,135)                          | 3.57%                              | Increase due to mandated union wage increases; updated PTO calculations and bonus increase for guards   |
| UTILITIES   | \$ 390,348                   | \$ 425,631                            | \$ (35,283)                          | 9.04%                              | Increase due to refined utility budget process based on tracking capabilities and 5-year analytical data. Water increase of 14.7% along with 6% wastewater; Electricity increase of 8%  |
|   |                              |                                       | \$ -                                 |                                    |   |
| (equals) TOTAL PROJECT OPERATING EXPENSE                      | \$ 5,612,585                 | \$ 5,895,089                          | \$ 282,503                           | 5.03%                              | Increase due to wage increases for security, janitorial, & parking staff, administrative wages & new PMA mgmt agreement, general building and overall utility projected increases.  |
| Less: ACTUAL PARKING REVENUE RECEIVED                         | \$ 1,880,855                 | \$ 1,538,974                          | \$ (341,881)                         | -18.18%                            | Decrease in actual parking revenues totaling variance of (\$341,881) is due to less excess revenues from PY Reconcile (actuals vs. reforecast) less game revenues in 25/26 due to prepaid parking vouchers. Additional decrease due to the Amended Padres Lease in the amount of \$187,493. |
| (plus) DIRECT OWNER BILLINGS                                  | \$ 1,584,625                 | \$ 1,606,756                          | \$ 22,131                            | 1.40%                              | Increase due to wage increases for security & janitorial (union mandated) and overall projected utility increases.  |
| Less: UNBUDGETED INTEREST INCOME THRU 2/28/26                 | \$ -                         | \$ 267,025                            | \$ 267,025                           | 100.00%                            | Refund/credit 25/26 actual interest income thru 2/8/26  |
| Less: UNBUDGETED INSURANCE REIMBURSEMENT                      | \$ -                         | \$ 41,404                             |                                      |                                    | Reimbursement from County insurance for property damage due to flooding after a rainstorm.  |
| (equals) OWNERS OPERATING CONTRIBUTION                        | \$ 5,316,355                 | \$ 5,654,441                          | \$ 379,491                           | 6.36%                              | Owners Operating Contribution is greater than PY due to 7.14% operating expense increase, and decrease in PY parking revenues credit  |
| (plus) OWNERS CAPITAL PROJECTS CONTRIBUTION + AMENDED         | \$ 1,803,458                 | \$ 1,142,120                          | \$ (661,338)                         | -36.67%                            | Decrease overall FY 26-27 by \$661,338 or 36.67% to include additional funding for Restrooms, HVAC, Architectural fees and emergency leak over rail repair. Less projects required.   |
| Restore Operating Reserves due to a Parking Revenue shortfall | \$ -                         | \$ -                                  | \$ -                                 |                                    |   |
|   |                              |                                       |                                      |                                    |   |
| (equals) ANNUAL OWNER'S EXPENSE                               | \$ 7,119,813                 | \$ 6,796,562                          | \$ (281,847)                         | -4.54%                             | Owner's Annual Expense decreased 4.54% due to:<br><br><b>Increase in Expenses:</b><br>•Opex increased 5.03%<br><b>Offset by decreases:</b><br>•Parking Revenues decreased 18.18%<br>•Capex (CIP) decreased 36.67%   |
| (minus) CAPITAL RESERVE ACCOUNT DRAW DOWN                     | \$ -                         | \$ -                                  |                                      |                                    |   |
| (minus) OPERATING ACCOUNT TRANSFER                            |                              | \$ -                                  |                                      |                                    |   |
|   |                              |                                       |                                      |                                    |   |
| (equals) TOTAL PROJECTED NET PROJECT EXPENSE                  | \$ 7,119,813                 | \$ 6,796,562                          | \$ (323,250)                         | -4.54%                             | Owner's Annual Expense decreased 4.54% due to:<br><br><b>Increase in Expenses:</b><br>•Opex increased 5.03%<br><b>Offset by decreases:</b><br>•Parking Revenues decreased 18.18%<br>•Capex (CIP) decreased 36.67%   |

**Attachment “D” - Capital Expenditure Project Summary**

| <b>Proposed and/or upcoming projects</b> |  | <b>Job #</b> |
|--|--|--------------|
| 1  | Security Cameras - upgrade analog cameras to digital, add an additional 4 cameras.   | 015          |
| 2  | HVAC implementation of air handler unit and chilled water valves for 3 floors per consultant report due to the age of the asset. (previous funded year - WIP) 3 floors of restrooms remodel to coincide with air handler. Architect will be submitting plans to the city for approval after 2026/2027 Board approval to combine an additional 3 (for a total of 6) restrooms to take advantage of economies of scale.  | 057          |
| 3  | HVAC implementation of VAV, ducting and heating valves for 3 floors per consultant report due to the age of the asset. (previous funded year - WIP) 3 floors of restrooms remodel to coincide with air handler. Architect will be submitting plans to the city for approval after 2026/2027 Board approval to combine an additional 3 (for a total of 6) restrooms to take advantage of economies of scale.  | 058          |
| 4  | Gfi 3 Year Certification And Electrical Repairs  | 061          |
| 5  | Restrooms remodel 8 floors to coincide with air handler. Architect has submitted plans to the city for approval in Sept 2025. City permit to be released in April 2026 and we will proceed with IFB and award to bid. Phase construction 3 floors at a time.   | 069          |
| 6  | Space planner and construction management fees – Additional space planning for project management fees and city and state permits. 24/25/26/27 for space planning for the restrooms design and & window washing stage project management and administration processing.  | 9            |
| 7  | <b>Rail Leak</b> - On November 26, 2025, we were able to locate a water leak with the help of Schmidt Fire Protection, our Fire life safety vendor. Currently, we have received a full report from Schmidt Fire Protection as to how much time they are going to need for repairs. (this information has been passed on to ABC (MTS general contractor to assist with a JOC , due to the urgency).For us to prevent a major water leak that can erupt at any time, we were able to isolate the entire overpass by isolating the fire sprinkler system only for that area. Which results in a 24 hour Firewatch. Schmidt Fire provided a plan of action to complete the repairs. Schmidt also submitted a work plan to get approval with a permit from MTS Team as to when we can do this repair. We need to understand this repair needs to be done as soon as possible; it is critical for the entire property to have fire protection. (currently it is just the partial are , where we shut off the FLS system which is compromised – over the rail area - the isolation valve on 2nd floor sprinkler fire system valve for the overpass above the trolley power lines has been turned off). The existing leaking fire pipes failed after 35 years of service and have begun leaking on multiple times in the past 3 years. The existing leaking pipes are part of the section that protects and provides fire protection for the entire underpass section for the building. The valve itself is controlled by an electronic actuator which controls the discharge of water located on the 2n floor fire riser. | 72           |
| <b>Work in progress:</b>                 |  | <b>Job #</b> |
| 1  | <b>Upgrade Fire Control Panel</b>  | 045          |
| 2  | Caulking of expansion joints Contract awarded. Continued safety precaution for caulking of expansion joints for clock tower plaza.   | 048          |
| 3  | HVAC implementation of fresh air intake and exhaust fans on the roof per consultant report due to the age of the asset, combined with restroom remodel.  | 059          |
| 4  | <b>EMS Software upgrade</b> - Emergency management proprietary system complete   | 064          |
| 5  | <b>Doors &amp; Frames parking Garage (3) (Job #070):</b> the pedestrian doors to be replaced and card access to tbe installed. Added 2025/2026 firepump room and MPOE new doors; will not be completed (due to the rebid) but work in progress.  | 070          |
| 6  | <b>Bullet Resistent 1st floor glass/windows replacement</b>  | 071          |
| 7  | <b>EV Charging station &amp; Roof Top Solar Panels:</b> To add additional charging stations to the Auto Park and rooftop solar panels. In order to make this improvements, we will need a consultant to research electrical and structural requirements completed. 6 EV charging stations to be installed. 2 on the first floor and the balance on the second floor with the existing two. (we had to upgrade (upsized the transformer and the electrical panel) the power in the garage to accommodate this)  | 024          |
| <b>Completed</b>                         |  | <b>Job #</b> |
| 1  | <b>Clock tower refurbishment</b> - Clock movements and face to be refurbished.   | 029          |
| 2  | <b>EMERGENCY MANAGEMENT SYSTEM</b>   | 037          |
| 3  | <b>Paint Fire Pump room</b> – floors and walls painted   | 041          |
| 4  | <b>Paint Chiller room</b> - floors and walls painted   | 041          |
| 5  | <b>HVAC for the Fire control room</b> – add supply and return to this room   | 042          |
| 6  | <b>Landscape Monument</b> – to add directory signage and lighting and California Native plant material. (Contract executed, work in progress)  | 043          |
| 7  | <b>Monument Plaza Upgrade Landscape, Lighting And Way Finding:</b> upgrade existing monument to mirror new image and brands.   | 043          |
| 8  | <b>Auto Park Security Camera</b> Install   | 060          |
| 9  | <b>Asset assessment consultant review</b> - Per SDRBA full overview of asset and recommendations for ten year capital plan. Awaiting County invoice.   | 062          |
| 10                                       | <b>Upgrade Allerton EMS System-</b> Eliminate All Time Clocks.   | 064          |
| 11                                       | <b>Electrical Tracing of Individual Floors To Identify Floor Breakers</b>  | 067          |
| 12                                       | <b>Engineering Consultant to remove Concrete stairs (at the pedestrian gate)</b> - Hiring a consultant to review security challenges of loitering and better pedestrian traffic analysis to remove these concrete stairs ingress and egress at the pedestrian walkthrough at the auto park. Revisiting this project. VOIDED  | 063          |
| 13                                       | <b>Additional FLS (Fire Life Safety) code compliance</b> - annual allowance for Fire Marshall inspections  | 010          |
| 14                                       | <b>Fencing For Auto park Exterior Transformer</b> - SW Side Of Auto park- Security fence needed. VOIDED  | to assign    |
| 15                                       | <b>Auto Park Signage &amp; Paint Program:</b> to re-brand the garage with MTS updated imagery.   | 004          |
| 16                                       | <b>Exterior landscape auto park</b> – Upgrade the exterior landscape of the garage for a more cohesive design with all California Native plant material.   | 052          |
| 17                                       | <b>Building restrooms hands free faucets , hands free flush valves</b> – Additional funds to complete auto flush and hands free sinks for floors 2,3,4 and 5   | 039          |

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# San Diego Regional Building Authority (SDRBA)

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## Agenda Item No. 4

May 28, 2026

**SUBJECT:**

REMOVAL OF SDRBA FROM MILLS BUILDING LEASE AGREEMENTS

**RECOMMENDATION:**

That the SDRBA Board of Directors authorize the Executive Director of the SDRBA take the following actions:

1. Effectuate the transfer of title of the County Improvements and MTDB Improvements (as defined in the SDRBA Lease) from SDRBA to San Diego Metropolitan Transit System (MTS)<sup>1</sup> and the County of San Diego (County) as required by Section 3.01 of the SDRBA Lease; and
2. Upon approval of new Mills Building Lease and Sublease agreements by and between MTS and County, terminate the (a) SDRBA Ground Lease between MTS and SDRBA and (b) SDRBA Lease between SDRBA and County.
3. Upon approval of new Mills Building Lease and Sublease agreements by and between MTS and County, assign SDRBA's rights and obligations under any other Mills Building related agreement to MTS and/or County.

**BUDGET IMPACT:**

None. The SDRBA-issued certificates of participation related to construction of the Mills Building were fully paid off in 2019. Under the current Mills Building lease documents, all costs related to the Mills Building are paid for by County and MTS. Today's proposed action would restructure the Mills Building lease documents to remove SDRBA while maintaining the existing rent formulas and other terms and conditions governing the obligations and rights of County and MTS. This would eliminate the SDRBA's role in approving the annual Mills Building budget.

**DISCUSSION:**

MTS and County jointly own and occupy the Mills Building located at 1255 Imperial Avenue through a joint powers agency formed in 1987, the SDRBA.

The Mills Building construction was completed in 1989. The office building was constructed on property owned by MTS and ground leased to the SDRBA.<sup>2</sup> The SDRBA separately purchased the parking structure parcel. The SDRBA then leased the entire project, including the office building and the Parking Structure, to the County.<sup>3</sup> Finally, the County subleased portions of the

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<sup>1</sup> MTS is also known as San Diego Metropolitan Transit Development Board or "MTDB".

<sup>2</sup> See Amended and Restated Ground Lease dated as of May 1, 2011 between MTS and SDRBA, recorded in the Official Records of San Diego County as Document No. 2011-0225737 as amended by amendments effective July 1, 2021 and January 1, 2024 (collectively the "SDRBA Ground Lease").

<sup>3</sup> See Lease dated as of May 1, 2011 between County and SDRBA, recorded in the Official Records of San Diego County as Document No. 2011-0225739 as amended by amendments effective July 1, 2021 and January 1, 2024 (collectively the "SDRBA Lease").

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project to MTS, including: the 1<sup>st</sup> floor retail spaces, portions of the 8<sup>th</sup> floor, 9<sup>th</sup> floor, 10<sup>th</sup> floor, and the right to use up to 220 parking spaces in the garage.<sup>4</sup>

The leases carry a 99-year term, for a period of November 3, 1987 to November 1, 2086. Beginning on November 1, 2042, and every ten (10) years thereafter, County has the right to terminate the leases.<sup>5</sup>

Construction of the project was funded jointly by MTS and County, through a series of certificates of participation (COP) transactions. The COPs were paid off in November 2019.

Under the SDRBA Ground Lease, SDRBA Lease, and SDRBA Sublease, MTS and County have assigned various cost and ownership shares to each party.

The current underlying real property & improvement ownership shares are as follows:

|   | <b>MTS Share</b> | <b>County Share</b> |
|---|------------------|---------------------|
| <b>Office Building and Rail Facilities</b><br><br>(subject to County's rights to use Office Building under Ground Lease/Lease transaction)  | 100%             | 0%                  |
| <b>Parking Structure</b><br><br>(defined in Lease as "the parking structure having 1002 designated spaces and which is located on the parcel(s) described in Exhibit A-2 hereto, including the land upon which it is located.") | 21.96%           | 78.04%              |

The SDRBA Lease expressly contemplates untangling the SDRBA from the ownership of the property and improvements once the COPs were paid off. Section 3.01 of the SDRBA Lease states that, upon the earlier of the (a) Lease expiration date, or (b) the last payment of the bonds used to finance the construction, that "(i) title to the County Improvements<sup>6</sup> and any improvements thereon or additions thereto shall be transferred to the County, or its successors and assigns, (ii) title to the MTDB Improvements<sup>7</sup> and any improvements thereon or additions thereto shall be transferred to MTDB, or its successors or assigns, subject only to the rights of the County [under the Lease] for the remaining term of this Lease." (emphasis added.)

On May 24, 2021 (Agenda Item (AI) 5), a similar agenda item was presented to the SDRBA Board, with the Board authorizing the Executive Director of the SDRBA "to effectuate the

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<sup>4</sup> See Sublease dated as of May 1, 2011 between County and MTS, recorded in the Official Records of San Diego County as Document No. 2011-0225740 as amended by amendments effective July 1, 2021 and January 1, 2024 (collectively the "SDRBA Sublease").

<sup>5</sup> Pursuant to Sections 3.01 and 3.02 of the SDRBA Lease, if the County elects to terminate the leases, ownership of the Mills Building would revert to MTS and MTS has an option to purchase the County's share of the Mills Building Parking garage.

<sup>6</sup> The SDRBA Lease defines "County Improvements" as "an undivided 78.04% interest in the Parking Structure.

<sup>7</sup> The SDRBA Lease defines "MTDB Improvements" as "the Office Building, the Third Rail, and a 21.96% undivided interest in the Parking Structure."

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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 [SDRBA Lease].”

Since that time, MTS and County staff and legal counsel have held off on effectuating this title transfer because it would potentially void some of the existing lease documents as SDRBA would no longer own the improvements that were subject to the SDRBA Lease. MTS and County staff have an outline of future lease documents to take to the MTS and County boards to effectuate the title transfer and resolve the SDRBA lease issue:

- A. Concurrent with approval of new direct agreements between MTS and County, terminate the (i) Mills Building Ground Lease between MTS and SDRBA, (ii) Mills Building Lease between SDRBA and County, (iii) Mills Building Sublease between County and MTS, and (iv) assign SDRBA’s rights and obligations under any other Mills Building related agreement to MTS and/or County.
- B. Approve new direct agreements between MTS and County regarding the Mills Building, including: (i) Lease of Office Building from MTS (as lessor) to County (as lessee) according to same financial terms set forth in the existing SDRBA Ground Lease and SDRBA Lease; (ii) Sublease of portions of Office Building from County (as sublessor) to MTS (as sublessee) according to the same financial terms set forth in the existing SDRBA Sublease; and (iii) Joint Use, Operation, and Maintenance Agreement providing for the use and operation of the Parking Structure as part of the Mills Building complex and according to the same terms as the new Lease and Sublease between MTS and County.

## Proposed Action – Title Transfer (Staff Recommendation #1)

Although the SDRBA Board previously authorized a title transfer consistent with the Section 3.01 of the SDRBA Lease, that agenda item focused on the “Mills Building Parking Structure land and improvements”. Because this could potentially be narrowly read to only authorize transfer of the Parking Structure to MTS and County, but not including the transfer of title of the Office Building to MTS, staff recommendation #1 would clarify that the title transfer would accomplish ALL of transfers required by Section 3.01 of the SDRBA Lease.

Grant Deeds and/or quitclaim deeds will be prepared after consultation with legal counsel and title professionals. The timing of the transfer would coincide with the approval and execution of the SDRBA lease terminations and replacement with new direct agreements between MTS and County.

## Proposed Action – Termination of SDRBA Ground Lease and SDRBA Lease (Staff Recommendation #2)

In order to avoid any lapses in authority for use, operation, or maintenance of the Mills Building complex, the proposed action in today’s agenda item would be contingent upon the MTS Board of Directors and the County Board of Supervisor approving the termination of the relevant SDRBA lease documents and the concurrent execution of direct agreements between MTS and County to take over the rights and obligations set forth in the SDRBA lease documents.

If such actions are approved, then the SDRBA Executive Director would be authorized to execute any documents necessary to terminate the SDRBA Ground Lease and the SDRBA Lease. SDRBA is not a party to the SDRBA Sublease, so no authorization related to that agreement is necessary from the SDRBA Board.

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## Proposed Action – Assignment of Other SDRBA Agreements to MTS and/or County (Staff Recommendation #3)

Many of the agreements related to day-to-day operation and maintenance of the Mills Building complex are executed by the SDRBA or in the name of the SDRBA. Today's proposed action would also authorize the SDRBA Executive Director to take all action to untangle SDRBA from the Mills Building, including by assigning SDRBA's rights and obligations under any other Mills Building related agreement to MTS and/or County.

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# San Diego Regional Building Authority (SDRBA)

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## Agenda Item No. 5

May 28, 2026

**SUBJECT:**

Adoption of Meeting Schedule for 2027

**RECOMMENDATION:**

That the Board of Commissioners adopt Resolution No. 2026-01 designating dates and times for regular meetings of The San Diego Regional Building Authority in 2027.

**DISCUSSION:**

The San Diego Regional Building Authority (SDRBA) bylaws require that the SDRBA Commission either hold its regular meeting on the same day as the County Board of Supervisor's first Land Use session (Wednesday) meeting in May of each year, or that it adopts a regular meeting schedule. (See Article II, Section 5.)

Because of historical schedule conflicts and time constraints for commissioners on the designated County Board of Supervisor's May Land Use meeting dates,<sup>1</sup> the following regular meeting schedule is proposed for the SDRBA Commission's 2027 calendar via Resolution No. 2026-01:

|  |
|--|
| <p style="text-align: center;"><b>2027 SDRBA MEETING SCHEDULE</b></p> <p style="text-align: center;">In-person and teleconference participation will be posted on the agenda of each respective meeting.</p> <p style="text-align: center;"><b>Thursday, May 13, 2027, at 8:30am, at MTS offices,<br/>1255 Imperial Avenue, Suite 1000, San Diego, CA 92101</b></p> <p style="text-align: center;">In the event a quorum cannot be reached on the above date, the Clerk of the SDRBA shall have the right to identify and publicly notice an alternate meeting date in May or June 2027 and/or location, so long as such actions comply with the Brown Act</p> |
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The proposed SDRBA meeting date coincides with the anticipated MTS Board of Directors meeting date for May 2027. The official MTS board meeting schedule will not be adopted until November or December 2026. MTS board meetings start at 9:00am, so the SDRBA meeting on this date would take place at the MTS offices during the thirty (30) minutes before the MTS meeting.

Attachments:     A. Resolution No. 2026-01

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<sup>1</sup> The Board of Supervisors meeting schedule for 2027 is not expected to be adopted until December 2026.

RESOLUTION NO. 2026-01

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE SAN DIEGO REGIONAL BUILDING AUTHORITY DESIGNATING DATES AND TIMES FOR REGULAR MEETINGS OF THE SAN DIEGO REGIONAL BUILDING AUTHORITY IN 2027

WHEREAS, the San Diego Regional Building Authority (the "Authority") is a joint powers authority the County of San Diego (the "County") and San Diego Metropolitan Transit System (the "MTS") created to jointly finance, construct and manage the Mills Building property located at 1255 Imperial Avenue and as a means to finance other public capital improvements for its members; and

WHEREAS, section 2.04 (a) of the Joint Powers Agreement requires the Authority to have one regular meeting each year. The date, hour and place of the holding of regular meetings must be fixed by resolution;

NOW, THEREFORE, BE IT RESOLVED, that the Authority approves the proposed 2027 Meeting Schedule, to include one meeting on May 13, 2027 at 8:30 am, at MTS offices located at 1255 Imperial Avenue, Suite 1000, San Diego, California 92101 or on another date in May or June 2027 and/or location to be identified and publicly noticed by the Clerk of the Authority in compliance with the Brown Act.

PASSED AND ADOPTED, by the Authority this 28<sup>th</sup> day of May 2026, by the following vote:

AYES: Montgomery Steppe, Goble

NAYS: NA

ABSENT: NA

ABSTAINING: NA

Attested:

/s/ Monica Montgomery Steppe  
Chairperson  
San Diego Regional Building  
Authority

/s/ Joann Delgado  
Secretary/Clerk of the Board  
San Diego Regional Building  
Authority