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Memorandum

TO: Bay Area Headquarters Authority (BAHA)

DATE: December 14, 2011

FR: Executive Director

RE: BAHA FY2011-12 Budget

Attached is the capital and operating budget for BAHA for FY2011-12.

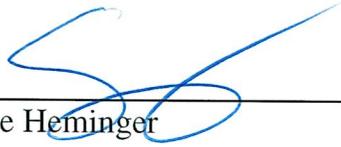
In October 2011, the Bay Area Toll Authority (BATA) approved a transfer of \$167,026,515 to BAHA to plan, acquire and develop office space and facilities and undertake related activities to acquire a regional headquarters office facility.

The capital budget includes the purchase of 390 Main Street and costs for building improvements along with a contingency. The budget also includes the salaries and benefits of two employees and a project based employee, all of whom will be directing the work for the building improvements and the office relocation.

The operating budget includes rental income, common area maintenance expenses, and payment to a property management firm. Property Management services are billed at \$20,000 per month which includes the fulltime Facilities Manager, part-time HVAC Technician, as well as accounting and legal services.

Recommendation:

Staff recommends that this Authority approve BAHA Resolution 3, BAHA's capital and operating budget for FY2011-12.



Steve Heminger

BM : ES

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Date: December 21, 2011

ABSTRACT

BAHA Resolution No. 3

This resolution approves the Operating and Capital Budgets for FY 2011-12 for the Bay Area Headquarters Authority (BAHA).

Further discussion of the FY 2011-12 budgets are contained in the Executive Director's Memorandum to BAHA dated December 7, 2011.

Date: December 21, 2011

Re: Bay Area Headquarters Authority's Capital and Operating Budgets for FY 2011-12

BAY AREA HEADQUARTERS AUTHORITY
RESOLUTION No. 3

WHEREAS, the Metropolitan Transportation Commission ("MTC") and the Bay Area Toll Authority ("BATA") have executed a joint exercise of powers agreement dated September 28, 2011 which creates and establishes the Bay Area Headquarters Authority ("BAHA"): and

WHEREAS, the BAHA staff has prepared a budget setting forth the anticipated revenues and expenditures and capital expenditures of BAHA for FY2011-12 according to generally accepted accounting principles; now, therefore, be it

RESOLVED, that the BAHA staff may approve adjustments among line items in the BAHA Budgets for FY2011-12 providing that there shall be no increase in the overall budget without prior approval of the BAHA Committee; and, be it further

RESOLVED, that the Executive Director or designee shall submit written requests to BAHA for approval of funds to contract for applicable consultant and professional services; and, be it further

RESOLVED, that the BAHA staff shall furnish BAHA with at minimum, at least quarterly, a financial report to reflect estimated and actual income, expenditures, obligations for professional and consultant services, cash flow projections and such other information as may be requested by BAHA .

BAY AREA HEADQUARTERS AUTHORITY

Adrienne J. Tissier, Chair

The above resolution was entered into by the
Bay Area Headquarters Authority at a special meeting
of the Authority held in Oakland, California,
on December 21, 2011.

Date: December 21, 2011

Attachments
BAHA Resolution No. 3

FY 2011-12 BAHA
Operating and Capital Budgets

Attachment A: FY 2011-12 BAHA Operating Budget

Attachment B: BAHA Capital Budget

BAHA OPERATING BUDGET

Attachment A

Proposed FY 2011-12

Revenue:

Rental Income	\$1,120,437
Total Operating Revenue	\$1,120,437

Expenses:

Operating Expenses

Cleaning Services	\$37,773
Repairs and Maintenance	\$203,877
Supplies/Hardware	\$11,600
Utilities	\$227,259
Security	\$144,846
Total Operating Expenses	\$625,355

General & Administration Expenses

Property Management Fees	\$180,414
Business Insurance	\$250,000
Other G & A Expenses	\$12,110
Total General & Administration Expenses	\$442,524

Total Operating Expenses	\$1,067,879
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Net Revenue	\$52,558
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BAHA CAPITAL BUDGET

Attachment B

Approved FY 2011-12

Revenue:

Transfer in from BATA	\$167,026,515
Total Revenue	\$167,026,515

Expenses:

Purchase Building	\$93,000,000
Building Improvements	\$25,160,723
Total Building Cost	\$118,160,723
Tenant Improvements	\$23,865,792
Total Development	\$142,026,515
Development Contingency	\$15,000,000
Optional Exterior Enhancement	\$8,300,000
Staff Cost	\$1,700,000
Total Expenses	\$167,026,515