

# 375 Beale Condominium Corporation



Date: June 04, 2024

FY 2024-25 Operating Budget and Assessments



# 375 Beale Condominium Corporation Overview

- The Bay Area Headquarters Authority (BAHA) purchased 375 Beale Street (Bay Area Metro Center, “BAMC”) in 2011
- In 2017, BAHA, BAAQMD, and ABAG established 375 Beale Condominium Corporation (375 Beale Condo) to manage the condominium interest at BAMC
- The condo owners established a Declaration of Covenants, Conditions and Restrictions (CC&R’s) which provides policy and operating guidance of 375 Beale Condo
- 375 Beale Condo is authorized to assess fees to the condo owners for common area and shared service expenses

# 375 Beale FY 2024-25 Assessment Distribution

**Total Assessments - \$9.7 million +11% (\$987k)**

Assessments are increased proportionally with expenses

## Distribution of Condo Area Fees

<b>Common Area</b>	FY 2023-24	Draft FY 2024-25	Change \$	Change %
BAAQMD	\$ 2,107,138	\$ 2,234,762	\$ 127,624	6%
ABAG	221,556	207,295	(14,262)	-6%
BAHA	2,314,627	2,482,497	167,871	7%
<b>Total</b>	<b>\$ 4,643,321</b>	<b>\$ 4,924,554</b>	<b>\$ 281,233</b>	<b>6%</b>
<b>Shared Services</b>				
BAAQMD	\$ 1,865,772	\$ 2,185,903	\$ 320,131	17%
ABAG	186,822	202,762	15,941	9%
BAHA	2,058,847	2,428,222	369,374	18%
<b>Total</b>	<b>\$ 4,111,441</b>	<b>\$ 4,816,887</b>	<b>\$ 705,446</b>	<b>17%</b>
<b>Grand Total</b>	<b>\$ 8,754,762</b>	<b>\$ 9,741,441</b>	<b>\$ 986,679</b>	<b>11%</b>

# 375 Beale FY 2024-25 Expenses

	Adopted FY 2023-24	Draft FY 2024-25	Change \$ Increase/(Decrease)	Change % Increase/(Decrease)
<b>Expense:</b>				
Salaries and Benefits	\$1,214,238	\$1,589,907	\$375,669	30.9%
Overhead	557,119	721,249	164,130	29.5%
Postage Meter and Direct TV	15,000	18,000	3,000	20.0%
Supplies	132,000	145,000	13,000	9.8%
Contractual Services	4,643,321	4,924,554	281,233	6.1%
Information Technology (IT) Licenses/Maintenance	1,644,984	1,903,468	258,484	15.7%
Other/Miscellaneous	548,100	439,262	(108,838)	-19.9%
<b>Total Expense</b>	<b>\$8,754,762</b>	<b>\$9,741,441</b>	<b>\$986,678</b>	<b>11.3%</b>

# Budget Challenges

- 375 Beale requires ongoing capital maintenance to maintain a safe and functional building, and to make the building desirable to future tenants
- Capital projects are not currently funded by assessments
- Existing tenants have not renewed leases and a competitive office rental market is directly affecting rental income
- Staff is working with owners to evaluate an additional assessment for capital improvements