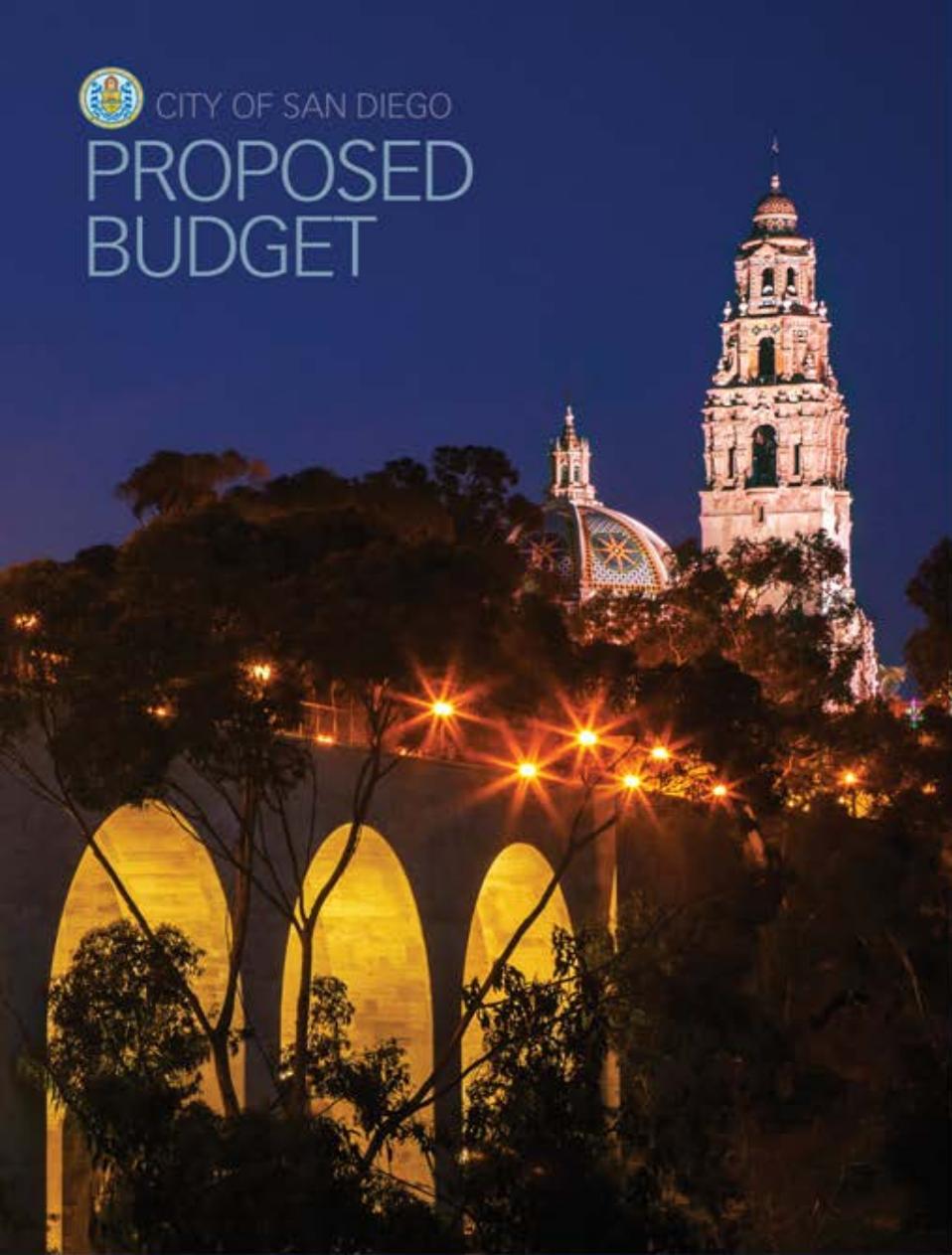




CITY OF SAN DIEGO

PROPOSED BUDGET



Real Estate Assets

May 8, 2015

FY: **2016**

Fiscal Year 2016 Proposed Budget

General Fund Department Summary

General Fund	FY 2015		FY 2016		Change from FY	
	FTE	Adopted Budget	FTE	Proposed Budget	FTE	2015 Adopted Budget
Real Estate Assets	28.00	\$4,669,197	33.00	\$6,184,525	5.00	\$1,515,328
Total	28.00	\$4,669,197	33.00	\$6,184,525	5.00	\$1,515,328



Fiscal Year 2016 Proposed Budget

Non-General Fund Department Summary

Non-General Fund	FY 2015		FY 2016		Change from FY	
	FTE	Adopted Budget	FTE	Proposed Budget	FTE	2015 Adopted Budget
Concourse and Parking Garages Operating Fund	2.00	\$2,709,263	2.00	\$4,439,184	0.00	\$1,729,921
Total	2.00	\$2,709,263	2.00	\$4,439,184	0.00	\$1,729,921



Summary of Major Changes General Fund

- Addition of \$1.0 million in non-personnel expenditures for office relocations and tenant improvements
- Addition of 5.00 FTE positions— (4) CIP Support, (1) Appraisal Services, \$429,876 in expenditures and associated revenue of \$338,873
- Addition of \$40,000 in non-personnel expenditures for Outside Appraisal Services
- Addition of \$30,000 in non-personnel expenditures to support Engineering services provided by Public Works-Engineering & Capital Projects

Summary of Major Changes Non-General Funds

Concourse and Parking Garages Operating Fund

- Addition of \$1.1 million in revenue from rent provided by Civic Center Plaza and King Chavez High School and associated transfer of that \$1.1 million to the General Fund from the lease-to-own agreement
- Addition of \$567,645 to reflect the increase in the transfer to the General Fund, primarily as a result of a one-time return of funds related to a cancelled CIP project.
- Addition of \$174,658 in non-personnel expenditures to support the parking and facility management contractual expenditures

FY16 Proposed User Fees

- Last revised in Fiscal Year 2013
- Total number of user fees in department: 10
 - Number of user fees proposed to increase: 5
 - Number of user fees proposed to be eliminated: 2
 - Number of user fees that fall within Category II: 8

User Fees as a Percentage of READ's Total General Fund Revenue

Fiscal Year	User Fee Revenue	General Fund Revenue	User Fees as % of General Fund Revenue
2012	\$57,310	\$42,615,032	0.13%
2013	\$84,852	\$45,691,542	0.19%
2014	\$88,601	\$45,611,320	0.19%

FY 2016 Proposed User Fees

Fee Title	Current Fee	Proposed Fee	Proposed Cost Recovery %	Fee Variance	% Change
Consent to Assignment of Leasehold Interest - Long Term Agreements	\$ 2,000.00	\$ 2,000.00	61%	n/a	n/a
Consent to Assignment of Leasehold Interest - Short Term or Non Revenue Agreements	\$ 670.00	\$ 670.00	59%	n/a	n/a
Consent to Sublease	\$ 727.00	\$ 990.00	62%	\$ 263.00	4%
Easement or Rights on City Property	\$ 1,750.00	\$ 1,830.00	56%	\$ 80.00	5%
Leases-New, Renewed or Amended - Long Term Agreements	\$ 4,454.00	\$ 4,920.00	78%	\$ 466.00	10%
Leases-New, Renewed or Amended - Short Term or Non Revenue Agreements	\$ 727.00	\$ 960.00	52%	\$ 233.00	3%
Permits, Rights of entry and other Temporary Uses	\$ 727.00	\$ 980.00	61%	\$ 253.00	3%
Valuation Processing Fee	\$ 1,200.00	\$ 1,200.00	30%	n/a	n/a

FY 2016 Proposed User Fees

- Fee methodology:

Only User Fees that require additional staff time due to new regulations will be increased (*NORA, Prevailing Wage requirements, opinions of value for non-revenue leases and easements with nominal value*)

- No impact on community

Why are READ's User Fees Proposed to be Less than 100% Cost Recoverable?

- Every transaction varies substantially in the amount of time required and READ has attempted to keep user fees at a reasonable level as 100% cost recovery would be a financial burden to smaller and non-profit tenants
- The vast majority of revenue which READ generates comes through lease revenue, not user fees (\$88,601 in FY14 which was .19% of total revenue)
- READ does not want to discourage potential lessees from securing long term leases with the City which produce the real value for taxpayers
- Non-profit tenants pay only the short term rental user fee of \$727, even when signing a long term lease, which would normally cost \$4,454.

Council Direction

Feedback and direction requested from the City Council:

- User Fees