

Real Estate Assets Department

Fiscal Year 2017 Proposed Budget

May 9, 2016

City Council Budget Review Committee Hearing

budget.sandiego.gov



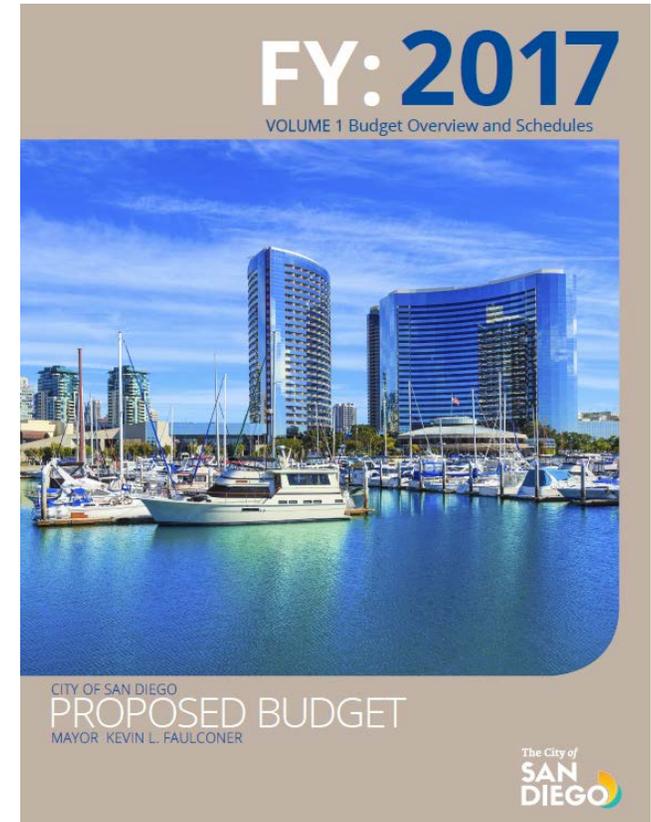


Mission Statement

To serve the San Diego community through excellence in stewardship of the City's real estate assets.

Goals

1. Maximize revenue and benefit of the City's real estate assets through leasing and disposition.
2. Attract and retain top quality staff.
3. Support the real estate needs of City departments in an effective and timely manner.
4. Enhance information management about the City's real estate assets to support decision-making initiatives.





FY 2016 Accomplishments

Real Estate Assets Department

1. The City's lease-to-own deal for CCP was listed by the SDBJ as the County's largest office lease in 2015 and will save the City over \$9 million in rent over the next 20 years.
2. Reduced the number of month-to-month agreements to 35% of all agreements in 2015 and will reduce this number to less than 20% in FY 2017.
3. The Belmont Park lease was renegotiated and extended to provide for additional rent revenue to the City of over \$11 million during the lease term.
4. Signed five year management agreement with Ace Parking at Parkade which provides for improved cleaning standards, improved customer service and installation of automated equipment which could improve City parking revenue in the future.
5. Obtained City Council approval to sell four excess properties which have the potential to bring an additional \$8.4 million to the Capital Outlay Fund.



FY 2016 Accomplishments

QUALCOMM Stadium

1. Started a new partnership with Delaware North as exclusive food & beverage provider for the Stadium. Sales have increased in every revenue category.
2. Recruited an Event Coordinator to target higher revenue generating events. Bookings have increased for the stadium, parking lot and practice field.
3. Partnered with Live Nation to present two major concert events, One Direction and Beyoncé. Also have booked Guns N Roses for August 2016. The success of recent events have generated interest from major talent agencies for additional shows. Each major concert garners the City approximately \$300,000-\$350,000 in direct revenues.
4. *Sports Illustrated* magazine ranked Qualcomm Stadium turf as the 4th best out of all turf in the 31 NFL stadiums.



FY 2016 Accomplishments

Airports

Montgomery-Gibbs Executive Field Airport (MYF)

1. Have nearly completed Runway 5/23 and Taxiway Golf Rehabilitation project.
2. Initiated the ADA Barrier Removal Construction project.
3. Repaired numerous asphalt sections around MYF.
4. Completed terminal office remodel and upgrade project.
5. Renamed Montgomery Field to Montgomery-Gibbs Executive Airport (Approved by City Council on January 12, 2016).
6. Hosted an internship for San Diego Metropolitan Regional & Technical School.
7. Implemented credit card payment option in Airport Operations, per Office of City Auditor Performance Audit recommendation.



FY 2016 Accomplishments

Airports

Brown Field Airport (SDM)

1. Initiated SDM Runway 8L/26R Re-pavement Construction Phase 1 Project.
2. Completed ADA Barrier Removal and Bathroom Renovation project.
3. Initiated the U.S. Customs and Border Protection Module Building Design and Construction.
4. Installed grounding system for SDM Terminal building switch gear.
5. Asphalt repairs on airport access roads: Curran and Sikorsky.
6. Installed credit card machine at operations office payment window, per Office of City Auditor Performance Audit recommendation.



GENERAL FUND EXPENDITURES SUMMARY

Department Name	FY 2016 Adopted		FY 2017 Proposed		Change from FY 2016 Adopted to FY 2017 Proposed	
	FTE	Budget	FTE	Budget	FTE	Budget
Real Estate Assets	33.00	\$6,181,599	34.00	\$8,006,436	1.00	\$1,824,837
TOTAL	33.00	\$6,181,599	34.00	\$8,006,436	1.00	\$1,824,837



GENERAL FUND

HIGHLIGHTS OF SIGNIFICANT BUDGET ADJUSTMENTS

Significant Budget Adjustments	FTE	Expenditures	Revenue
Tenant Improvements and Office Relocation: Addition of one-time non-personnel expenditures for tenant improvements and office relocation of various departments.	0.00	\$2,631,193	-
Addition of Property Agent: Addition of 1.00 Property Agent position to manage city leases.	1.00	83,811	-
Appraisal Services: Addition of non-personnel expenditures for third-party appraisal services.	0.00	50,000	-
Revised Revenue: Adjustment to reflect Fiscal Year 2017 revenue projections.	0.00	-	\$3,885,365
One-Time Reductions and Annualizations: Adjustment to reflect the removal of one-time revenues and expenditures implemented in Fiscal Year 2016.	0.00	(1,000,000)	-

Footnote: complete list of significant budget adjustments available at www.sandiego.gov/fm/proposed



NON-GENERAL FUNDS EXPENDITURES SUMMARY

Fund Name	FY 2016 Adopted		FY 2017 Proposed		Change from FY 2016 Adopted to FY 2017 Proposed	
	FTE	Budget	FTE	Budget	FTE	Budget
Concourse and Parking Garages Operating Fund	2.00	\$4,439,017	2.00	\$3,323,231	0.00	(\$1,115,786)
QUALCOMM Stadium Operations Fund	38.00	\$19,347,918	38.00	\$20,441,056	0.00	\$1,093,138
PETCO Park Fund	1.00	\$16,353,469	1.00	\$16,330,479	0.00	(\$22,990)
Airports Enterprise Fund	19.00	\$5,301,907	22.00	\$5,081,800	3.00	(\$220,107)
TOTAL	60.00	\$45,442,311	63.00	\$45,176,566	3.00	(\$265,745)



CONCOURSE & PARKING GARAGES OPERATING FUND HIGHLIGHTS OF SIGNIFICANT BUDGET ADJUSTMENTS

Significant Budget Adjustments	FTE	Expenditures	Revenue
Central Power Plant: Addition of non-personnel expenditures to support the maintenance and operations of the Concourse central power plant.	0.00	\$13,000	-
Reduction of Disposal Services: Reduction of non-personnel expenditures to align the budget with current spending trends.	0.00	(11,000)	-
General Fund Transfer: Adjustment to reflect the reduction in the transfers to the General Fund.	0.00	(439,320)	-
Revised Revenue: Adjustment to reflect Fiscal Year 2017 revenue projections.	0.00	-	(\$454,198)
One-Time Reductions and Annualizations: Adjustment to reflect the removal of one-time revenues and expenditures implemented in Fiscal Year 2016.	0.00	(668,000)	-

Footnote: complete list of significant budget adjustments available at www.sandiego.gov/fm/proposed



QUALCOMM Stadium Operations Fund HIGHLIGHTS OF SIGNIFICANT BUDGET ADJUSTMENTS

Significant Budget Adjustments	FTE	Expenditures	Revenue
Police Department Services: Addition of non-personnel expenditures and revenues for Police Department services during QUALCOMM Stadium events.	0.00	\$1,550,000	\$566,149
Event Services: Addition of non-personnel expenditures for janitorial, waste disposal, and field maintenance for events hosted at QUALCOMM Stadium.	0.00	94,956	-
Americans with Disabilities Act Compliance: Addition of non-personnel expenditures for ADA sign language and shuttle service requirements.	0.00	45,000	-
Revised Revenue: Adjustment to reflect Fiscal Year 2017 revenue projections.	0.00	-	1,300,000

Footnote: complete list of significant budget adjustments available at www.sandiego.gov/fm/proposed



PETCO PARK FUND

HIGHLIGHTS OF SIGNIFICANT BUDGET ADJUSTMENTS

Significant Budget Adjustments	FTE	Expenditures	Revenue
Police Department Services: Addition of non-personnel expenditures for Police Department services during PETCO Park events.	0.00	\$600,000	-
Joint Ballpark Operating Expense: Addition of non-personnel expenditures related to the joint ballpark operating expense per contractual agreement.	0.00	81,054	-
Revised Revenue: Adjustment to reflect Fiscal Year 2017 revenue projections.	0.00	-	\$250,000

Footnote: complete list of significant budget adjustments available at www.sandiego.gov/fm/proposed

AIRPORTS ENTERPRISE FUND

HIGHLIGHTS OF SIGNIFICANT BUDGET ADJUSTMENTS

Significant Budget Adjustments	FTE	Expenditures	Revenue
Brown Field Terminal: Addition of non-personnel expenditures for structural repair of the Brown Field Airport terminal.	0.00	\$225,000	-
Montgomery Field Terminal: Addition of non-personnel expenditures for structural repair of the Montgomery Field Airport terminal.	0.00	200,000	-
Contractual Services: Addition of non-personnel expenditures for architectural and engineering services for operating and maintenance projects.	0.00	150,000	-
Safety and Operational Support: Addition of 1.00 Airport Operations Assistant and 1.00 Property Agent to maintain current service levels.	2.00	137,767	-
Environmental Support: Description. Addition of 1.00 Biologist 3 specialized in State and Federal airport requirements to conduct mandated environmental studies.	1.00	86,692	-
Reduction of Non-Personnel Expenditures: Reduction of non-personnel expenditures related to services for maintenance, repairs, and security.	0.00	(500,000)	-

Footnote: complete list of significant budget adjustments available at www.sandiego.gov/fm/proposed



AIRPORTS ENTERPRISE FUND (continued)

HIGHLIGHTS OF SIGNIFICANT BUDGET ADJUSTMENTS

Significant Budget Adjustments (continued)	FTE	Expenditures	Revenue
Revised Revenue: Adjustment to reflect Fiscal Year 2017 revenue projections.	0.00	-	\$140,477

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