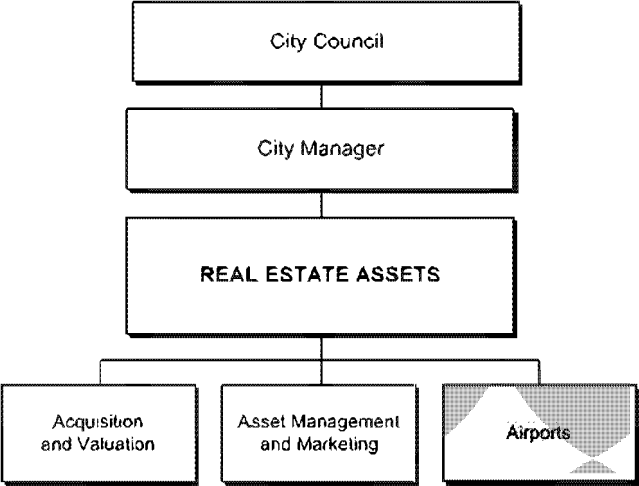


# Real Estate Assets

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# Real Estate Assets



## Mission Statement

To manage the City's real estate activities for the greatest benefit to the residents of San Diego, to manage the municipal airports to provide safe and efficient operations, and to meet the aviation needs of San Diego.

## Department Description

The Real Estate Assets Department provides real estate services for the City of San Diego including property management, leasing, marketing, easements, permits for access, appraisals, valuations, relocations and acquisitions. The Department also manages two general aviation airports for the residents of San Diego.

## Division/Major Program Description

### Acquisition and Valuation

The Acquisition and Valuation Division provides complete valuation, acquisition and relocation services for the City of San Diego, including appraisal and acquisition of sites for public facilities, parks, open space and rights-of-way for Street Division's utility purposes. Services provided by this Division include appraisals for lease and/or sale of City properties, estimates of value for feasibility studies, estimates of land and rights-of-way acquisition costs, relocation of households and businesses displaced by public projects, and consultation and expert witness services to the City Attorney's Office in connection with condemnation actions and other litigation issues.

# Real Estate Assets

## Division/Major Program Description

### Airports

The Airports Division manages two general aviation airports: Montgomery Field and Brown Field. This Division provides safety, security and emergency response for aviation activities; coordinates special events; and maintains buildings, grounds and other airport facilities. The Airport Operations section patrols aircraft operating areas, collects airport user fees and administers airport improvement programs. The Noise Abatement Program attempts to minimize aircraft noise impacts on surrounding communities by monitoring aircraft noise levels, enforcing airport noise regulations, educating local and transient pilots, and resolving citizen noise complaints. The Budget and Administration section is responsible for preparation of the Division's budget, overseeing revenues and expenditures and providing administrative support for all of the airport operations at Montgomery Field and Brown Field Airports.

### Asset Management and Marketing

The Asset Management and Marketing Division is responsible for managing and leasing City owned property; acquiring property leaseholds for municipal purposes; marketing and managing industrial and excess City owned property; granting easements and permits to public and private entities for needed utilities and other uses; dedicating and designating City owned parcels for specific uses; and performing special projects.

## Service Efforts and Accomplishments

Real Estate Assets has again reached a number of milestones. These include generating over \$49 million in lease revenue for Fiscal Year 2004; acquiring or having possession of all necessary rights-of-way required for State Route 56 to assure opening the freeway by July 2004; initiating the restoration of De Anza Mobile Home Park to park land; completing binding arbitration on the Sea World lease; obtaining real property rights for numerous sewer group projects; and completing a \$2 million project to upgrade the electrical system at Montgomery Field Airport.

## Future Outlook

For Fiscal Year 2005, Real Estate Assets will acquire land for several new fire stations, libraries, and parks; will continue to assist in obtaining real estate property rights for sewer group jobs including relocation of utilities from canyon areas; will continue to manage 674 leases in the current portfolio; and will complete a security fencing project at Montgomery Field Airport.

## Budget Dollars at Work

\$49 Million in Citywide lease revenue

674 Leases covering 19,905 acres

693 Aircrafts based at Montgomery Field and Brown Field Airports

# Real Estate Assets

Real Estate Assets				
	FY 2003 BUDGET	FY 2004 BUDGET	FY 2005 FINAL	FY 2004-2005 CHANGE
Positions	70.39	69.14	<b>65.14</b>	(4.00)
Personnel Expense	\$ 5,016,620	\$ 5,370,379	\$ <b>5,496,141</b>	\$ 125,762
Non-Personnel Expense	\$ 2,114,575	\$ 2,109,078	\$ <b>2,059,807</b>	\$ (49,271)
<b>TOTAL</b>	\$ 7,131,195	\$ 7,479,457	\$ <b>7,555,948</b>	\$ 76,491

## Department Staffing

	FY 2003 BUDGET	FY 2004 BUDGET	FY 2005 FINAL
<b>GENERAL FUND</b>			
<b>Real Estate Assets</b>			
Asset Management & Marketing	27.23	26.35	<b>24.10</b>
Management	3.34	3.34	<b>2.74</b>
Real Estate Acquisition/Valuation	17.32	16.95	<b>16.30</b>
<b>Total</b>	<b>47.89</b>	<b>46.64</b>	<b>43.14</b>
<b>CITY AIRPORT FUND</b>			
<b>Airports</b>			
Airport Management	6.00	6.00	<b>5.50</b>
Brown Field	8.75	8.75	<b>8.75</b>
Montgomery Field	6.75	6.75	<b>6.75</b>
Noise Abatement	1.00	1.00	<b>1.00</b>
<b>Total</b>	<b>22.50</b>	<b>22.50</b>	<b>22.00</b>

## Department Expenditures

	FY 2003 BUDGET	FY 2004 BUDGET	FY 2005 FINAL
<b>GENERAL FUND</b>			
<b>Real Estate Assets</b>			
Asset Management & Marketing	\$ 2,293,080	\$ 2,372,178	\$ <b>2,321,482</b>
Management	\$ 345,997	\$ 363,140	\$ <b>332,619</b>
Real Estate Acquisition/Valuation	\$ 1,460,075	\$ 1,544,515	\$ <b>1,560,137</b>
<b>Total</b>	\$ <b>4,099,152</b>	\$ <b>4,279,833</b>	\$ <b>4,214,238</b>
<b>CITY AIRPORT FUND</b>			
<b>Airports</b>			
Airport Management	\$ 543,105	\$ 599,851	\$ <b>592,927</b>
Brown Field	\$ 1,223,993	\$ 1,267,061	\$ <b>1,348,204</b>
Montgomery Field	\$ 1,186,252	\$ 1,249,731	\$ <b>1,310,607</b>
Noise Abatement	\$ 78,693	\$ 82,981	\$ <b>89,972</b>
<b>Total</b>	\$ <b>3,032,043</b>	\$ <b>3,199,624</b>	\$ <b>3,341,710</b>

# Real Estate Assets

## Significant Budget Adjustments

### GENERAL FUND

Real Estate Assets	Positions	Cost
<p><b>Salary and Benefit Adjustments</b></p> <p>Adjustments to reflect the annualization of the Fiscal Year 2004 negotiated salary compensation schedule, Fiscal Year 2005 negotiated salaries and benefits, changes to average salaries, retirement contributions and other benefit compensation.</p>	0.00	\$ 353,300
<p><b>Non-Discretionary</b></p> <p>Adjustments to reflect expenses that are determined outside of the Department's direct control. Examples of these adjustments include utilities, insurance, and rent.</p>	0.00	\$ (7,374)
<p><b>Support for Information Technology</b></p> <p>Funding has been reallocated according to a Citywide review of information technology budget requirements and priority analyses.</p>	0.00	\$ (78,847)
<p><b>Reduction of an Associate Property Agent</b></p> <p>Reduction of 1.00 Associate Property Agent will result in a reduction in services to client departments, lessees, tenants, and members of the public.</p>	(1.00)	\$ (81,207)
<p><b>Citywide Personnel Reductions</b></p> <p>Reduction of 1.00 Supervising Property Agent, 1.00 Supervising Management Analyst, and 0.50 Information Systems Analyst II.</p>	(2.50)	\$ (251,467)

### CITY AIRPORT FUND

Airports	Positions	Cost
<p><b>Salary and Benefit Adjustments</b></p> <p>Adjustments to reflect the annualization of the Fiscal Year 2004 negotiated salary compensation schedule, Fiscal Year 2005 negotiated salaries and benefits, changes to average salaries, retirement contributions and other benefit compensation.</p>	0.00	\$ 151,966
<p><b>Non-Discretionary</b></p> <p>Adjustments to reflect expenses that are determined outside of the Department's direct control. Examples of these adjustments include utilities, insurance, and rent.</p>	0.00	\$ 60,349
<p><b>Support for Memorandum of Understanding (MOU) with the Office of the City Attorney</b></p> <p>Annual funding increase for an ongoing MOU between Airports Division and the Office of the City Attorney, for legal support provided for Montgomery Field and Brown Field airports.</p>	0.00	\$ 11,203

# Real Estate Assets

## Significant Budget Adjustments

### CITY AIRPORT FUND

Airports	Positions	Cost
<b>Support for Information Technology</b>	0.00	\$ (35,781)
Funding has been reallocated according to a Citywide review of information technology budget requirements and priority analyses.		
<b>Citywide Personnel Reductions</b>	(0.50)	\$ (45,651)
Reduction of 0.50 Information System Analyst II.		

## Expenditures by Category

	FY 2003 BUDGET	FY 2004 BUDGET	FY 2005 FINAL
<b>PERSONNEL</b>			
Salaries & Wages	\$ 3,852,967	\$ 3,957,944	\$ 3,874,842
Fringe Benefits	\$ 1,163,653	\$ 1,412,435	\$ 1,621,299
<b>SUBTOTAL PERSONNEL</b>	\$ 5,016,620	\$ 5,370,379	\$ 5,496,141
<b>NON-PERSONNEL</b>			
Supplies & Services	\$ 1,526,219	\$ 1,546,649	\$ 1,597,045
Information Technology	\$ 297,800	\$ 282,887	\$ 218,803
Energy/Utilities	\$ 266,706	\$ 255,692	\$ 220,109
Equipment Outlay	\$ 23,850	\$ 23,850	\$ 23,850
<b>SUBTOTAL NON-PERSONNEL</b>	\$ 2,114,575	\$ 2,109,078	\$ 2,059,807
<b>TOTAL</b>	\$ 7,131,195	\$ 7,479,457	\$ 7,555,948

## Revenues by Category

	FY 2003 BUDGET	FY 2004 BUDGET	FY 2005 FINAL
<b>GENERAL FUND</b>			
Revenue from Money & Property	\$ 24,734,600	\$ 26,251,000	\$ 29,214,000
Charges for Current Services	\$ 1,290,000	\$ 1,373,000	\$ 1,830,000
<b>TOTAL</b>	\$ 26,024,600	\$ 27,624,000	\$ 31,044,000

# Real Estate Assets

## Key Performance Measures

	FY 2003 BUDGET	FY 2004 BUDGET	FY 2005 FINAL
Average cost per aircraft operation facilitated at Brown Field <sup>(1)</sup>	\$5.40	\$4.62	<b>\$4.68</b>
Average cost per aircraft operation facilitated at Montgomery Field <sup>(1)</sup>	\$1.90	\$2.34	<b>\$2.54</b>
Average cost per lease	\$2,215	\$2,212	<b>\$2,425</b>
Average cost per acquisition	\$5,239	\$5,512	<b>\$5,637</b>
Average cost per relocation	\$3,955	\$4,133	<b>\$4,300</b>

## Salary Schedule

### GENERAL FUND

#### Real Estate Assets

<i>Class</i>	<i>Position Title</i>	<i>FY 2004 Positions</i>	<i>FY 2005 Positions</i>	<i>Salary</i>	<i>Total</i>
1104	Account Clerk	0.50	<b>0.50</b>	\$ 34,764	\$ 17,382
1107	Administrative Aide II	1.00	<b>1.00</b>	\$ 46,227	\$ 46,227
1218	Assoc Management Analyst	1.00	<b>1.00</b>	\$ 58,748	\$ 58,748
1228	Assoc Property Agent	13.00	<b>12.00</b>	\$ 59,610	\$ 715,322
1237	Payroll Specialist I	1.00	<b>1.00</b>	\$ 35,977	\$ 35,977
1348	Info Systems Analyst II	1.00	<b>0.50</b>	\$ 59,624	\$ 29,812
1532	Intermediate Stenographer	1.00	<b>1.00</b>	\$ 35,733	\$ 35,733
1746	Word Processing Operator	2.00	<b>2.00</b>	\$ 34,856	\$ 69,712
1756	Property Agent	12.00	<b>12.00</b>	\$ 66,004	\$ 792,052
1776	Public Information Clerk	2.00	<b>2.00</b>	\$ 34,874	\$ 69,747
1844	Sr Account Clerk	1.00	<b>1.00</b>	\$ 39,954	\$ 39,954
1876	Executive Secretary	1.07	<b>1.07</b>	\$ 48,365	\$ 51,751
1917	Supv Management Analyst	1.00	<b>0.00</b>	\$ -	\$ -
1929	Supv Property Agent	6.00	<b>5.00</b>	\$ 74,509	\$ 372,543
2111	Asst City Manager	0.01	<b>0.01</b>	\$ 179,900	\$ 1,799
2153	Deputy City Manager	0.06	<b>0.06</b>	\$ 170,983	\$ 10,259
2177	Real Estate Assets Director	1.00	<b>1.00</b>	\$ 128,995	\$ 128,995
2214	Deputy Director	2.00	<b>2.00</b>	\$ 115,104	\$ 230,208
	<b>Total</b>	46.64	<b>43.14</b>		<b>\$ 2,706,221</b>

### CITY AIRPORT FUND

#### Airports

<i>Class</i>	<i>Position Title</i>	<i>FY 2004 Positions</i>	<i>FY 2005 Positions</i>	<i>Salary</i>	<i>Total</i>
1105	Administrative Aide I	1.00	<b>1.00</b>	\$ 40,043	\$ 40,043
1116	Noise Abatement Officer	1.00	<b>1.00</b>	\$ 60,176	\$ 60,176

<sup>(1)</sup> The number of aircraft operations continues to fluctuate from year-to-year due to tighter FAA restrictions on general aviation and volatile enrollment in flight training programs.



# Real Estate Assets

## Salary Schedule

### CITY AIRPORT FUND

#### Airports

<i>Class</i>	<i>Position Title</i>	<i>FY 2004 Positions</i>	<i>FY 2005 Positions</i>	<i>Salary</i>	<i>Total</i>
1117	Airport Operations Assistant	4.00	<b>4.00</b>	\$ 37,287	\$ 149,146
1118	Airport Manager	2.00	<b>2.00</b>	\$ 56,943	\$ 113,886
1218	Assoc Management Analyst	1.00	<b>1.00</b>	\$ 58,746	\$ 58,746
1228	Assoc Property Agent	1.00	<b>1.00</b>	\$ 59,610	\$ 59,610
1348	Info Systems Analyst II	1.00	<b>0.50</b>	\$ 59,626	\$ 29,813
1535	Clerical Assistant II	1.00	<b>1.00</b>	\$ 32,749	\$ 32,749
1746	Word Processing Operator	1.00	<b>1.00</b>	\$ 34,857	\$ 34,857
1756	Property Agent	2.00	<b>2.00</b>	\$ 66,006	\$ 132,012
1808	Sr Airport Operations Asst	2.00	<b>2.00</b>	\$ 42,200	\$ 84,400
1855	Sr Civil Engineer	0.50	<b>0.50</b>	\$ 85,564	\$ 42,782
1879	Sr Clerk/Typist	1.00	<b>1.00</b>	\$ 39,789	\$ 39,789
1929	Supv Property Agent	1.00	<b>1.00</b>	\$ 74,508	\$ 74,508
1979	Utility Worker II	2.00	<b>2.00</b>	\$ 36,600	\$ 73,200
2214	Deputy Director	1.00	<b>1.00</b>	\$ 115,075	\$ 115,075
	Ex Perf Pay-Classified	0.00	<b>0.00</b>	\$ -	\$ 2,595
	Overtime Budgeted	0.00	<b>0.00</b>	\$ -	\$ 25,234
	<b>Total</b>	<u>22.50</u>	<u><b>22.00</b></u>		<b>\$ 1,168,621</b>
<b>REAL ESTATE ASSETS TOTAL</b>		69.14	<b>65.14</b>		<b>\$ 3,874,842</b>

# Real Estate Assets

## Five-Year Expenditure Forecast

	FY 2005 FINAL	FY 2006 FORECAST	FY 2007 FORECAST	FY 2008 FORECAST	FY 2009 FORECAST	FY 2010 FORECAST
Positions	65.14	68.64	68.64	68.64	68.64	68.64
Personnel Expense	\$ 5,496,141	\$ 5,878,848	\$ 6,055,214	\$ 6,236,870	\$ 6,423,976	\$ 6,616,695
Non-Personnel Expense	\$ 2,059,807	\$ 2,321,601	\$ 2,391,249	\$ 2,462,986	\$ 2,536,876	\$ 2,612,982
TOTAL EXPENDITURES	\$ 7,555,948	\$ 8,200,449	\$ 8,446,463	\$ 8,699,856	\$ 8,960,852	\$ 9,229,677

### Real Estate Assets

#### Fiscal Year 2006

Addition of 2.00 Associate Property Agents to restore service levels. One agent is specifically identified to take over responsibilities of the Community Concourse from the San Diego Convention Center Corporation.

The addition of 0.50 Account Clerk and 1.00 Clerical Assistant II will replace positions lost to budget cuts in Fiscal Year 2003.

The addition of \$200,000 for consultant fees will allow the Department to contract services related to appraisals, as needed.

#### Fiscal Years 2007-2010

No major projected requirements.

# Real Estate Assets

## Revenue and Expense Statement

CITY AIRPORT FUND 41100

	FY 2003*	FY 2004*	FY 2005*
	BUDGET	BUDGET	FINAL
<b>BEGINNING BALANCE AND RESERVE</b>			
Balance from Prior Year	\$ 5,757,371	\$ 6,621,503	\$ 7,133,756
Prior Year Reserves	\$ 711,656	\$ 711,656	\$ 686,000
<b>TOTAL BALANCE</b>	<b>\$ 6,469,027</b>	<b>\$ 7,333,159</b>	<b>\$ 7,819,756</b>
<b>REVENUE</b>			
Airport Fees	\$ 359,804	\$ 396,482	\$ 469,262
CIP Grants	\$ -	\$ 400,000	\$ -(1)
Fund Interest	\$ 280,000	\$ 200,000	\$ 300,000
Leases - Aviation/Non-Aviation	\$ 2,776,146	\$ 2,641,588	\$ 2,975,845
Leases to Other City Departments	\$ 265,248	\$ 265,923	\$ 295,169
Miscellaneous Revenue	\$ 95,023	\$ 272,228	\$ 20,000
<b>TOTAL REVENUE</b>	<b>\$ 3,776,221</b>	<b>\$ 4,176,221</b>	<b>\$ 4,060,276</b>
<b>TOTAL BALANCE AND REVENUE</b>	<b>\$ 10,245,248</b>	<b>\$ 11,509,380</b>	<b>\$ 11,880,032</b>
<b>CAPITAL IMPROVEMENTS PROGRAM (CIP)</b>			
Capital Improvements Program	\$ 490,000	\$ 490,000	\$ 490,000
<b>TOTAL CIP EXPENSE</b>	<b>\$ 490,000</b>	<b>\$ 490,000</b>	<b>\$ 490,000</b>
<b>OPERATING EXPENSE</b>			
Non-Personnel Expense	\$ 1,093,262	\$ 1,092,887	\$ 1,128,830(2)
Personnel Expense	\$ 1,448,781	\$ 1,616,737	\$ 1,722,880
<b>TOTAL OPERATING EXPENSE</b>	<b>\$ 2,542,043</b>	<b>\$ 2,709,624</b>	<b>\$ 2,851,710</b>
<b>TOTAL EXPENSE</b>	<b>\$ 3,032,043</b>	<b>\$ 3,199,624</b>	<b>\$ 3,341,710</b>
<b>RESERVE</b>			
Continuing Appropriations Encumbered	\$ 845,862	\$ -	\$ -
Reserve for Continuing Appropriations - CIP	\$ 550,000	\$ 550,000	\$ -
Reserve for Encumbrances	\$ 350,000	\$ 136,000	\$ -
<b>TOTAL RESERVE</b>	<b>\$ 1,745,862</b>	<b>\$ 686,000</b>	<b>\$ -</b>
<b>TOTAL RESERVE</b>	<b>\$ 1,745,862</b>	<b>\$ 686,000</b>	<b>\$ -</b>
<b>BALANCE</b>	<b>\$ 5,467,343</b>	<b>\$ 7,623,756</b>	<b>\$ 8,538,322</b>
<b>TOTAL EXPENSE, RESERVE AND BALANCE</b>	<b>\$ 10,245,248</b>	<b>\$ 11,509,380</b>	<b>\$ 11,880,032</b>

\* At the time of publication audited financial statements for Fiscal Year 2003 were not available. Therefore, the Fiscal Years 2003 and 2004 columns reflect final budget amounts from the Fiscal Year 2003 and 2004 Annual Budgets. As such, balances and reserves do not reflect carryover from the previous fiscal year.

(1) CIP grant revenues cannot be determined until grants are applied for, approved and accepted for FY 2005.

(2) \$400,000 of non-personnel expense is used to pay the City share of reimbursable grant funded projects and the full cost of all non-reimbursable CIP projects.