

## **Real Estate Assets**



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# Real Estate Assets



## Description

The Real Estate Assets Department (READ) manages the City's real estate portfolio and provides direction for the operations of the City's Airports Division, the City Concourse, and Stadium Operations. It also manages the City's role in the Joint Use Management Agreement for PETCO Park. READ's downtown group is organized to reflect its core business functions. The Acquisition Division acquires property for City needs such as sites for new fire stations, parks, and libraries, as well as the right-of-way for numerous City projects. The Disposition Division evaluates City assets to determine which properties are essential for the City's core mission and which may be considered surplus and then handles the disposition of properties that are determined to be surplus. The Asset Management Division manages the City's diverse agreement portfolio of more than 500 leased properties. Corporate Services administers the City's facility space needs. Additionally, READ's Valuation section provides appraisal services to support these core business units, as well as a number of other City departments.

For more information on department programs, please visit the Real Estate Assets Department website (<https://www.sandiego.gov/real-estate-assets>).

***The mission is:***

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

***The vision is:***

To be a nationally recognized model for municipal real estate services

# Real Estate Assets

## Goals and Objectives

*Goal 1: Maximize revenue and overall benefit of the City's real estate assets*

- Secure maximum revenue due to the City for leasehold agreements
- Ensure the best return for the City through long-term agreements where appropriate
- Identify underutilized assets for potential disposition

*Goal 2: Attract and retain top quality staff*

- Provide a productive, cohesive work atmosphere
- Create opportunities for career growth and advancement
- Support and enhance staff education and training

*Goal 3: Support the real estate needs of City departments in an effective and timely manner*

- Provide support to City departments to ensure quality, consistency, and compliance in projects that involve City real estate assets
- Provide high-quality valuation and consulting services in a timely manner when requested
- Support City departments in planning their future real estate needs

*Goal 4: Enhance information management about the City's real estate assets decision-making initiatives*

- Inform decision makers regarding the state of the City's real estate assets
- Publish and enhance open data regarding the City's real estate assets on the City website

## Key Performance Indicators

Performance Indicator	FY2018 Target	FY2018 Actual	FY2019 Target	FY2019 Estimate	FY2020 Target
Number of properties reviewed for potential disposition per year <sup>1</sup>	50	672	50	908	25
Percentage of appraisals completed within 90 days of commencement <sup>2</sup>	90%	70%	85%	75%	80%
Percentage of lease agreements on a month-to-month holdover status <sup>3</sup>	20%	25%	20%	24%	20%
Percentage of rent reviews completed on time per fiscal year <sup>4</sup>	90%	87%	90%	85%	90%

1. City Councilmembers and the Mayor's office requested that City-owned property be reviewed to determine potential use for affordable housing purposes.

2. There were a number of highly complex appraisals required for projects in FY 2018. Completion of appraisals is influenced by the complexity of the assignment and the availability of independent appraisers.

3. Vacant staff positions made it difficult to reach target.

4. Refer to footnote #3.

# Real Estate Assets

## Department Summary

	FY2018 Actual	FY2019 Budget	FY2020 Proposed	FY2019-2020 Change
FTE Positions (Budgeted)	34.00	34.00	33.00	(1.00)
Personnel Expenditures	\$ 3,949,568	\$ 4,111,545	\$ 4,189,988	\$ 78,443
Non-Personnel Expenditures	10,057,348	7,653,093	6,898,272	(754,821)
<b>Total Department Expenditures</b>	<b>\$ 14,006,916</b>	<b>\$ 11,764,638</b>	<b>\$ 11,088,260</b>	<b>\$ (676,378)</b>
<b>Total Department Revenue</b>	<b>\$ 57,476,242</b>	<b>\$ 55,283,164</b>	<b>\$ 59,348,517</b>	<b>\$ 4,065,353</b>

## General Fund

### Department Expenditures

	FY2018 Actual	FY2019 Budget	FY2020 Proposed	FY2019-2020 Change
Real Estate Assets	\$ 8,873,392	\$ 7,962,132	\$ 6,765,959	\$ (1,196,173)
<b>Total</b>	<b>\$ 8,873,392</b>	<b>\$ 7,962,132</b>	<b>\$ 6,765,959</b>	<b>\$ (1,196,173)</b>

### Department Personnel

	FY2018 Budget	FY2019 Budget	FY2020 Proposed	FY2019-2020 Change
Real Estate Assets	32.00	32.00	31.00	(1.00)
<b>Total</b>	<b>32.00</b>	<b>32.00</b>	<b>31.00</b>	<b>(1.00)</b>

### Significant Budget Adjustments

	FTE	Expenditures	Revenue
<b>Relocation to 101 Ash Street</b> Addition of one-time non-personnel expenditures related to relocation into the 101 Ash Street building.	0.00	\$ 689,152	-
<b>Central Plant Maintenance</b> Addition of non-personnel expenditures related to the General Fund portion of maintenance expenditures at the Central Plant (San Diego Civic Theatre).	0.00	180,786	-
<b>Salary and Benefit Adjustments</b> Adjustments to reflect savings resulting from vacant positions for any period of the fiscal year, retirement contributions, retiree health contributions, and labor negotiations.	0.00	145,749	-
<b>Addition of Property Agent</b> Addition of 1.00 Property Agent in the Asset Management Division.	1.00	90,082	-
<b>Support for Information Technology</b> Adjustment to expenditure allocations according to a zero-based annual review of information technology funding requirements.	0.00	25,694	-
<b>Pay-in-Lieu of Annual Leave Adjustments</b> Adjustment to expenditures associated with projected compensation to employees in-lieu of the use of annual leave.	0.00	21,974	-
<b>Non-Discretionary Adjustment</b> Adjustment to expenditure allocations that are determined outside of the department's direct control. These allocations are generally based on prior year expenditure trends and examples of these include utilities, insurance, and rent.	0.00	12,345	-

# Real Estate Assets

## Significant Budget Adjustments

	FTE	Expenditures	Revenue
<b>Reduction of Associate Management Analyst</b> Reduction of 1.00 Associate Management Analyst associated with tracking City-owned land inventory.	(1.00)	(83,752)	-
<b>Reduction of Property Agent</b> Reduction of 1.00 Property Agent in the Acquisitions Division.	(1.00)	(103,203)	-
<b>One-Time Additions and Annualizations</b> Adjustment to reflect one-time revenues and expenditures, and the annualization of revenues and expenditures, implemented in Fiscal Year 2019.	0.00	(2,175,000)	-
<b>Revised Revenue</b> Adjustment to reflect revised revenue projections related to increased activity at Mission Bay hotels, RV park, and Sea World.	0.00	-	3,221,057
<b>Revised Revenue</b> Adjustment to reflect revised revenue projections related to increased activity at Torrey Pines hotels and for Pueblo Land Leases.	0.00	-	663,252
<b>Revised Revenue</b> Adjustment to reflect revised revenue projections related to Surf Camp activity.	0.00	-	50,020
<b>Revised Revenue</b> Adjustment to reflect revised revenue projections related to a decrease in telecommunication and rental leases.	0.00	-	(119,476)
<b>Total</b>	<b>(1.00) \$</b>	<b>(1,196,173) \$</b>	<b>3,814,853</b>

## Expenditures by Category

	FY2018 Actual	FY2019 Budget	FY2020 Proposed	FY2019-2020 Change
<b>PERSONNEL</b>				
Personnel Cost	\$ 2,333,882	\$ 2,444,716	\$ 2,571,640	126,924
Fringe Benefits	1,406,427	1,454,990	1,398,916	(56,074)
<b>PERSONNEL SUBTOTAL</b>	<b>3,740,309</b>	<b>3,899,706</b>	<b>3,970,556</b>	<b>70,850</b>
<b>NON-PERSONNEL</b>				
Supplies	\$ 45,657	\$ 25,908	\$ 26,103	195
Contracts	2,718,359	3,264,090	2,567,034	(697,056)
Information Technology	244,035	134,877	160,571	25,694
Energy and Utilities	12,385	6,551	12,695	6,144
Other	12,647	31,000	29,000	(2,000)
Transfers Out	2,100,000	600,000	-	(600,000)
<b>NON-PERSONNEL SUBTOTAL</b>	<b>5,133,082</b>	<b>4,062,426</b>	<b>2,795,403</b>	<b>(1,267,023)</b>
<b>Total</b>	<b>\$ 8,873,392</b>	<b>\$ 7,962,132</b>	<b>\$ 6,765,959</b>	<b>(1,196,173)</b>

## Revenues by Category

	FY2018 Actual	FY2019 Budget	FY2020 Proposed	FY2019-2020 Change
Charges for Services	\$ 1,773,785	\$ 1,370,000	\$ 1,370,000	-
Licenses and Permits	272,481	283,724	333,744	50,020
Other Revenue	142,282	-	-	-
Rev from Money and Prop	51,382,025	49,635,714	53,400,547	3,764,833
<b>Total</b>	<b>\$ 53,570,573</b>	<b>\$ 51,289,438</b>	<b>\$ 55,104,291</b>	<b>3,814,853</b>

# Real Estate Assets

## Personnel Expenditures

Job Number	Job Title / Wages	FY2018 Budget	FY2019 Budget	FY2020 Proposed	Salary Range	Total
<b>FTE, Salaries, and Wages</b>						
20000011	Account Clerk	1.00	1.00	1.00	\$ 33,605 - 40,459	\$ 39,852
20000119	Associate Management Analyst	1.00	1.00	1.00	57,691 - 69,723	68,677
20000134	Associate Management Analyst	1.00	1.00	0.00	57,691 - 69,723	-
20000163	Associate Property Agent	2.00	2.00	2.00	57,691 - 69,723	124,974
20001168	Deputy Director	1.00	1.00	1.00	50,128 - 184,332	135,515
20000924	Executive Assistant	1.00	1.00	1.00	46,475 - 56,208	55,365
20001222	Program Manager	5.00	5.00	5.00	50,128 - 184,332	592,231
20000768	Property Agent	10.00	10.00	10.00	63,342 - 76,578	739,137
20000783	Public Information Clerk	1.00	1.00	1.00	33,605 - 40,459	39,852
20001137	Real Estate Assets Director	1.00	1.00	1.00	33,863 - 185,643	165,402
20000869	Senior Account Clerk	1.00	1.00	1.00	38,482 - 46,432	45,736
20000970	Supervising Management Analyst	1.00	1.00	1.00	71,249 - 86,311	86,311
20001003	Supervising Property Agent	5.00	5.00	5.00	71,249 - 86,311	419,471
20001005	Supervising Property Agent	1.00	1.00	1.00	71,249 - 86,311	83,290
	Bilingual - Regular					2,912
	Budgeted Vacancy Savings					(57,691)
	Right Of Way Cert					8,632
	Vacation Pay In Lieu					21,974
<b>FTE, Salaries, and Wages Subtotal</b>		<b>32.00</b>	<b>32.00</b>	<b>31.00</b>		<b>\$ 2,571,640</b>

	FY2018 Actual	FY2019 Budget	FY2020 Proposed	FY2019-2020 Change
<b>Fringe Benefits</b>				
Employee Offset Savings	\$ 15,572	\$ 16,428	\$ 14,460	(1,968)
Flexible Benefits	362,136	372,747	361,042	(11,705)
Medicare	34,976	34,402	35,720	1,318
Other Post-Employment Benefits	181,928	183,720	185,520	1,800
Retiree Medical Trust	3,755	4,208	4,402	194
Retirement 401 Plan	1,746	1,900	2,060	160
Retirement ADC	597,701	576,619	557,383	(19,236)
Retirement DROP	1,654	-	2,632	2,632
Risk Management Administration	29,953	31,590	36,480	4,890
Supplemental Pension Savings Plan	159,557	174,525	181,454	6,929
Unemployment Insurance	4,226	4,093	3,961	(132)
Workers' Compensation	13,222	54,758	13,802	(40,956)
<b>Fringe Benefits Subtotal</b>	<b>\$ 1,406,427</b>	<b>\$ 1,454,990</b>	<b>\$ 1,398,916</b>	<b>(56,074)</b>
<b>Total Personnel Expenditures</b>			<b>\$ 3,970,556</b>	

## Concourse and Parking Garages Operating Fund

### Department Expenditures

	FY2018 Actual	FY2019 Budget	FY2020 Proposed	FY2019-2020 Change
Concourse & Parking Garage	\$ 5,133,525	\$ 3,802,506	\$ 4,322,301	\$ 519,795
<b>Total</b>	<b>\$ 5,133,525</b>	<b>\$ 3,802,506</b>	<b>\$ 4,322,301</b>	<b>\$ 519,795</b>

# Real Estate Assets

## Department Personnel

	FY2018 Budget	FY2019 Budget	FY2020 Proposed	FY2019-2020 Change
Concourse & Parking Garage	2.00	2.00	2.00	0.00
<b>Total</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>0.00</b>

## Significant Budget Adjustments

	FTE	Expenditures	Revenue
<b>City Employee Parking Needs</b> Addition of non-personnel expenditures and revenue related a new lease of parking spaces in the Horton Plaza garage that supports City personnel parking needs.	0.00 \$	234,000 \$	76,500
<b>Non-Discretionary Adjustment</b> Adjustment to expenditure allocations that are determined outside of the department's direct control. These allocations are generally based on prior year expenditure trends and examples of these include utilities, insurance, and rent.	0.00	115,185	-
<b>Miscellaneous Professional Services</b> Addition of non-personnel expenditures related to parking structure management, audio visual services, gate repair, door repairs, window cleaning, and other miscellaneous services.	0.00	50,000	-
<b>Central Plant Operations</b> Addition of non-personnel expenditures related to projects and monthly maintenance at Central Plant (San Diego Civic Theatre).	0.00	37,000	-
<b>Support for Information Technology</b> Adjustment to expenditure allocations according to a zero-based annual review of information technology funding requirements.	0.00	24,717	-
<b>Security Services Annual Increase</b> Addition of non-personnel expenditures related to security around the Concourse building during Golden Hall events and monthly Naturalization Ceremonies.	0.00	23,000	-
<b>Power Washing Services</b> Addition of non-personnel expenditures related to bi-weekly power washing services around the Concourse building and Evan V. Jones Parkade.	0.00	12,000	-
<b>Salary and Benefit Adjustments</b> Adjustments to reflect savings resulting from vacant positions for any period of the fiscal year, retirement contributions, retiree health contributions, and labor negotiations.	0.00	7,593	-
<b>Low Value Assets and Supplies</b> Addition of non-personnel expenditures related to low value assets and miscellaneous supplies.	0.00	7,000	-
<b>Concourse Contracts</b> Addition of non-personnel expenditures related to asbestos inspections, abatement work, and supplies around City Concourse.	0.00	5,000	-
<b>Trash Compactor Oil</b> Addition of non-personnel expenditures related to oil to keep the Concourse trash compactor operational.	0.00	1,300	-
<b>Cell Phone Services</b> Addition of non-personnel expenditures related to wireless phone expenses.	0.00	1,200	-



# Real Estate Assets

## Significant Budget Adjustments

	FTE	Expenditures	Revenue
<b>Asbestos Inspection and Supplies</b> Addition of non-personnel expenditures related to asbestos inspections, abatement work, and supplies.	0.00	1,000	-
<b>Sign Materials</b> Addition of non-personnel expenditures related to supplies necessary for creating signs.	0.00	500	-
<b>Miscellaneous Clothing and Accessories</b> Addition of non-personnel expenditures related to miscellaneous clothing and accessories for Concourse staff.	0.00	300	-
<b>Revised Revenue</b> Adjustment to reflect revised revenue projections related to ACE parking revenue and updated lease information.	0.00	-	258,000
<b>Revised Revenue</b> Adjustment to reflect revised revenue projections related to events at Golden Hall.	0.00	-	(84,000)
<b>Total</b>	<b>0.00 \$</b>	<b>519,795 \$</b>	<b>250,500</b>

## Expenditures by Category

	FY2018 Actual	FY2019 Budget	FY2020 Proposed	FY2019-2020 Change
<b>PERSONNEL</b>				
Personnel Cost	\$ 122,960	\$ 126,779	\$ 130,856	4,077
Fringe Benefits	86,299	85,060	88,576	3,516
<b>PERSONNEL SUBTOTAL</b>	<b>209,259</b>	<b>211,839</b>	<b>219,432</b>	<b>7,593</b>
<b>NON-PERSONNEL</b>				
Supplies	\$ 59,505	\$ 65,400	\$ 61,800	(3,600)
Contracts	1,963,341	2,014,267	2,385,735	371,468
Information Technology	13,872	13,139	37,856	24,717
Energy and Utilities	87,107	97,361	216,978	119,617
Other	441	500	500	-
Transfers Out	2,800,000	1,400,000	1,400,000	-
<b>NON-PERSONNEL SUBTOTAL</b>	<b>4,924,265</b>	<b>3,590,667</b>	<b>4,102,869</b>	<b>512,202</b>
<b>Total</b>	<b>\$ 5,133,525</b>	<b>\$ 3,802,506</b>	<b>\$ 4,322,301</b>	<b>\$ 519,795</b>

## Revenues by Category

	FY2018 Actual	FY2019 Budget	FY2020 Proposed	FY2019-2020 Change
Charges for Services	\$ 75	\$ -	\$ -	-
Rev from Money and Prop	3,905,050	3,993,726	4,244,226	250,500
Transfers In	543	-	-	-
<b>Total</b>	<b>\$ 3,905,669</b>	<b>\$ 3,993,726</b>	<b>\$ 4,244,226</b>	<b>\$ 250,500</b>

## Personnel Expenditures

Job Number	Job Title / Wages	FY2018 Budget	FY2019 Budget	FY2020 Proposed	Salary Range	Total
<b>FTE, Salaries, and Wages</b>						
20000011	Account Clerk	1.00	1.00	1.00	\$ 33,605 - 40,459	\$ 39,043
20001003	Supervising Property Agent	1.00	1.00	1.00	71,249 - 86,311	84,585
	Bilingual - Regular					2,912
	Right Of Way Cert					4,316
<b>FTE, Salaries, and Wages Subtotal</b>		<b>2.00</b>	<b>2.00</b>	<b>2.00</b>		<b>\$ 130,856</b>

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	FY2018 Actual	FY2019 Budget	FY2020 Proposed	FY2019-2020 Change
<b>Fringe Benefits</b>				
Employee Offset Savings	\$ 394	\$ 392	\$ 405	13
Flexible Benefits	23,410	23,410	23,410	-
Medicare	2,032	1,781	1,897	116
Other Post-Employment Benefits	12,533	12,248	12,368	120
Retiree Medical Trust	212	219	226	7
Retirement 401 Plan	847	875	904	29
Retirement ADC	40,673	39,339	42,504	3,165
Risk Management Administration	2,064	2,106	2,432	326
Supplemental Pension Savings Plan	2,313	2,375	2,450	75
Unemployment Insurance	217	201	193	(8)
Workers' Compensation	1,604	2,114	1,787	(327)
<b>Fringe Benefits Subtotal</b>	<b>\$ 86,299</b>	<b>\$ 85,060</b>	<b>\$ 88,576</b>	<b>3,516</b>
<b>Total Personnel Expenditures</b>		<b>\$</b>	<b>219,432</b>	

# Real Estate Assets

## Revenue and Expense Statement (Non-General Fund)

Concourse and Parking Garages Operating Fund	FY2018 Actual	FY2019* Budget	FY2020 Proposed
<b>BEGINNING BALANCE AND RESERVES</b>			
Balance from Prior Year	\$ 1,213,646	\$ 93,181	\$ 170,527
<b>TOTAL BALANCE AND RESERVES</b>	<b>\$ 1,213,646</b>	<b>\$ 93,181</b>	<b>\$ 170,527</b>
<b>REVENUE</b>			
Charges for Services	\$ 75	\$ -	\$ -
Revenue from Use of Money and Property	3,905,050	3,993,726	4,244,226
Transfers In	543	-	-
<b>TOTAL REVENUE</b>	<b>\$ 3,905,669</b>	<b>\$ 3,993,726</b>	<b>\$ 4,244,226</b>
<b>TOTAL BALANCE, RESERVES, AND REVENUE</b>	<b>\$ 5,119,314</b>	<b>\$ 4,086,907</b>	<b>\$ 4,414,753</b>
<b>OPERATING EXPENSE</b>			
Personnel Expenses	\$ 122,960	\$ 126,779	\$ 130,856
Fringe Benefits	86,299	85,060	88,576
Supplies	59,505	65,400	61,800
Contracts	1,963,341	2,014,267	2,385,735
Information Technology	13,872	13,139	37,856
Energy and Utilities	87,107	97,361	216,978
Other Expenses	441	500	500
Transfers Out	2,800,000	1,400,000	1,400,000
<b>TOTAL OPERATING EXPENSE</b>	<b>\$ 5,133,525</b>	<b>\$ 3,802,506</b>	<b>\$ 4,322,301</b>
<b>TOTAL EXPENSE</b>	<b>\$ 5,133,525</b>	<b>\$ 3,802,506</b>	<b>\$ 4,322,301</b>
<b>BALANCE</b>	<b>\$ (14,210)</b>	<b>\$ 284,401</b>	<b>\$ 92,452</b>
<b>TOTAL BALANCE, RESERVES, AND EXPENSE</b>	<b>\$ 5,119,314</b>	<b>\$ 4,086,907</b>	<b>\$ 4,414,753</b>

\* At the time of publication, financial statements for Fiscal Year 2019 were not available. Therefore, the Fiscal Year 2019 Revenues, Expenditures, and Fund Balances reflect those amounts as published in the Fiscal Year 2019 Adopted Budget. Fiscal Year 2020 Beginning Fund Balance reflects the projected Fiscal Year 2019 Ending Fund Balance based on updated Revenue and Expenditure Projections for Fiscal Year 2019.