



A G E N D A

Wednesday, October 28, 2015
10:45 a.m.

Board of Supervisors Chambers
175 Fulweiler Avenue
Auburn, California 95603

- A. Flag Salute**
- B. Roll Call**
- C. Approval of Minutes: August 26, 2015** **Action**
Pg. 1
- D. Agenda Review**
- E. Public Comment**
- F. Selection of Chair and Vice Chair for 2016** **Action**
Pg. 2
- G. Nevada Station Operating Budget** **Action**
Pg. 3
- H. Executive Director's Report**
- I. Board Direction to Staff**
- J. Informational Items**

**SOUTH PLACER REGIONAL TRANSPORTATION AUTHORITY
MINUTES
August 26, 2015**

The regular meeting of the South Placer Regional Transportation Authority met on Wednesday, August 26, 2015 at 10:45 a.m. at the Placer County Board of Supervisors Chambers, 175 Fulweiler Avenue, Auburn, California.

ATTENDANCE: Gabriel Hydrick Celia McAdam
 Susan Rohan Luke McNeel-Caird
 Diana Ruslin Solvi Sabol
 Kirk Uhler

APPROVAL OF MINUTES

With a motion by Uhler and second by Rohan the minutes of June 24, 2015 were unanimously approved.

**REGIONAL TRANSPORTATION AND AIR QUALITY MITIGATION FEE PROGRAM
MODIFICATION REQUEST FOR SIERRA COLLEGE BOULEVARD FROM SR 193 TO
ENGLISH COLONY WAY**

Luke McNeel-Caird explained that this item is being brought to the Board as a modification to the Regional SPRTA Fee Program. The Fee Program currently includes widening Sierra College Boulevard from two to four lanes from SR 193 to English Colony with the adjacent developer required to fund the third lane and SPRTA funding the fourth.

Luke McNeel-Caird stated the proposed modification would require adjacent development to fund all four lanes from SR 193 to Twelve Bridges Drive with the SPRTA Fee Program responsible for funding the four lanes from Twelve Bridges Drive to English Colony, as referenced the exhibit provided to the Board. The result is a functional four lane roadway, while remaining revenue neutral. McNeel-Caird added that the SPRTA Technical Advisory Committee (TAC) concurred with the proposed modification.

With a motion by Uhler and second by Rohan the Board unanimously adopted Resolution #15-04, modifying the Regional Transportation and Air Quality Mitigation Fee Program for Sierra College Boulevard from SR 193 to English Colony Way in Placer County.

PUBLIC COMMENT

Chair Ruslin adjourned the meeting at 10:52 a.m.

Celia McAdam, Executive Director

Diana Ruslin, Chair



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TO: SPRTA Board of Directors **DATE: October 12, 2015**

FROM: Celia McAdam, Executive Director

SUBJECT: SELECTION OF CHAIR AND VICE CHAIR FOR 2016

Action Requested

Designate the representative from the City of Roseville to act as Chair and the representative from Placer County to act as Vice Chair for the 2016 calendar year, effective January 1, 2016.

Discussion

Subsection c.(1) of Section 7 of the Joint Exercise of Powers Agreement among the Authority's member entities provides that a Chairperson shall be elected from among the membership of the Board to preside over the meetings of the Board.

At the February 2008 SPRTA Board meeting the following officer rotation schedule was adopted:

- Placer County
- City of Lincoln
- City of Rocklin
- City of Roseville

Under this adopted rotation, the representative from the City of Roseville and Placer County would become Chair and Vice Chair respectively, effective January 1, 2016.

CM:ss



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TO: Board of Directors

DATE: October 14, 2015

FROM: Celia McAdam, Executive Director

SUBJECT: NEVADA STATION OPERATING BUDGET

ACTION REQUESTED

Approve Nevada Station Building budget for 2016 and 2017 as shown in Attachment 1 and certify that this budget includes required bond payments.

BACKGROUND

In December 2003, PCTPA completed the purchase of the Nevada Station office building at 299 Nevada Street in Auburn to house the Agency's operations. In doing so, the Agency has also become a landlord, charged with the responsibility of operating and maintaining the building, negotiating commercial leases and resolving property and tenant issues.

Because of certain powers needed to obtain bond financing that are not specifically held by PCTPA, the South Placer Regional Transportation Authority (SPRTA) agreed to be the conduit for the financing of the purchase of the Nevada Station. Under this arrangement, SPRTA is listed as the official owner of the building and fully leases it to PCTPA. PCTPA, in turn, handles all management, operations, maintenance, rental collection, and bond payments. Once the bonds have been fully repaid, SPRTA will sell the building to PCTPA for \$10.

Under the terms of the ownership arrangement, the budget is approved by both SPRTA and PCTPA.

DISCUSSION

The budget to actual figures for 2014 and 2015 (as estimated through 12/31/2015), as well as the proposed annual budgets for January-June 2016 and Fiscal Year 2016/17, are shown in Attachment 1.

In the past, the budget for the operations of the Nevada Station property has been on a calendar year basis, adopted biannually, but staff is recommending the budget be aligned with the PCTPA and SPRTA accounting calendar with the fiscal ending date of June 30th. The prior approved budget covered January 1, 2014 through December 31, 2015. The current proposed budget covers the period of January 1, 2016 through June 30, 2017.

Budget History

2014 and 2015 Budget Recap

Although slowly improving, the overall economy has continued to affect the Nevada Station. While nine of the ten office suites are currently leased, the lease rates have remained at or

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Nevada Station Operating Budget
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slightly below market rate to attract and retain building tenants. Calendar 2014 and 2015 revenues were slightly less than budgeted.

In July 2014, the PCTPA and SPRTA Boards approved the refinancing of the original 2003 property lease revenue bonds. These 2014 lease revenue bonds assume the final amortization dates of the original loan and interest payment on the remaining term of the debt has been reduced by nearly 50%.

While cash transfers to improvements were suspended in 2014 and 2015, operating expenses were higher due to unforeseen elevator and plumbing repairs, and attorney fees related to the refinancing of the lease revenue bonds.

2016 and 2017 Budget Outlook

The financial outlook for Nevada Station has improved significantly with operating surpluses being projected for both years of the proposed budget, including the reestablishment of maintenance reserves and repayment of obligations.

As the Board is aware, the economic downturn affected the Nevada Station budget. A number of vacancies, particularly in 2009-2011, depleted the building's cash reserves for required debt service payments. We now have long term tenant leases on nine of the ten office suites. Moreover, the 2014 bond financing has resulted in a net decrease in debt service payments of about \$35,000 per year.

The budget conservatively projects FY 2016 and 2017 rental revenue remaining flat, with minor increases, and with the one unoccupied office vacancy, assuming a 2016 occupancy, at reduced market rates.

Over the years, PCTPA had transferred a total of \$165,000 from agency reserves and has uncollected property management expenses of \$64,000. Cash reserves for major maintenance, including exterior painting and parking lot paving, were put on hold for the past six years.

With reduced debt service payments and a stable occupancy level, we are now in the position to re-establish cash transfers to major maintenance reserves and staff recommends the repayment to PCTPA by \$30,000 per year and maintenance reserves by \$12,500 per year.

Union Bank, which services the bonds, requires that the Agency certify that bond payments are included in the building's operating budget. These are included accordingly, and staff recommends the Board's certification and approval of the Nevada Station Operating Budget.

CM:sl:ss

NEVADA STATION - OPERATING BUDGET
 2014 & 2015 - BUDGET TO ACTUAL
 JANUARY 1, 2016 - JUNE 30, 2017 - PROPOSED BUDGET

	Calendar 2014		Calendar 2015		PROPOSED BUDGET	
	BUDGET	ACTUAL	BUDGET	Projected	1/16-6/16	7/16-6/17
GROSS INCOME - PROJECTED						
TENANT RENTAL INCOME	278,396	263,071	285,256	258,577	140,893	287,290
INTEREST INCOME	-	957	-	1,513	500	1,000
LESS: 5% VACANCY & CREDIT LOSS	(6,910)	-	(7,066)	-	(3,399)	(6,887)
TOTAL EFFECTIVE INCOME	271,486	264,028	278,190	260,090	137,993	281,403
OPERATING EXPENSES - PROJECTED						
ACCOUNTANT/ATTORNEY	500	15,324	500	-	250	500
CARPET CLEANING	200	-	200	-	100	200
ELEVATOR MAINT/LICENSE	3,500	3,297	3,500	3,297	1,000	4,500
FIRE EXTINGUISHERS	100	-	100	-	50	100
GARBAGE DISPOSAL	3,600	3,630	3,700	3,651	1,900	3,800
GUTTER CLEANING	250	-	250	-	-	-
HVAC MAINTENANCE	1,000	600	1,000	618	500	1,000
INSURANCE	3,500	3,792	3,750	3,792	-	3,800
JANITORIAL SERVICE	3,000	2,600	3,500	2,640	1,750	3,500
LANDSCAPING SERVICE	5,100	5,125	5,500	5,125	2,750	5,500
LIGHTING	100	72	100	72	500	500
LOCKSMITH	150	589	150	-	75	150
MANAGEMENT FEE (PCTPA ADMIN)	6,500	-	7,000	-	8,500	17,000
MISC REPAIRS & EXPENSES	4,000	13,854	3,000	7,547	1,500	3,000
PAINTING - EXTERIOR	-	-	-	-	7,500	7,500
PARKING LOT PAVING	-	-	-	-	5,000	5,000
PCWA	2,000	2,075	2,250	2,367	1,250	2,500
PG&E	2,250	1,793	2,500	1,794	1,250	2,500
PHONE (ELEVATOR)	400	378	450	412	250	500
PLUMBING / ELECTRICAL	1,000	266	1,000	759	2,000	2,000
REAL ESTATE TAXES	2,500	2,340	2,500	2,367	-	2,500
RESTROOM SUPPLIES	1,800	1,154	2,000	900	1,000	2,000
ROOFING	150	-	150	-	250	250
SECURITY	600	504	650	1,565	675	1,000
SEWER FEES	3,100	3,974	3,250	3,102	-	3,500
WINDOW WASHING	650	-	650	-	325	650
TOTAL OPERATING EXPENSES	45,950	61,367	47,650	40,008	38,375	73,450
NET INCOME	225,536	202,661	230,540	220,082	99,618	207,953
NON-OPERATING EXPENSES						
DEBT SERVICE (Principal + Interest)	226,238	189,438	230,038	191,677	32,619	189,724
BOND TRUSTEE ADMIN FEE	2,200	-	2,200	2,815	2,900	2,900
MISC. NON-OPERATING	750	728	750	-	375	750
LEASE COMMISSIONS	1,250	-	1,250	-	625	1,250
TENANT IMPROVEMENTS	1,500	1,500	1,500	-	750	1,500
BOND COUNSEL	500	-	500	-	250	500
TOTAL NON-OPERATING EXPENSES	232,438	191,666	236,238	194,492	37,519	196,624
TRANSFER FROM PCTPA RESERVES	-	-	-	-	-	-
DUE TO PCTPA - PROPERTY MGMT.	-	-	-	-	10,000	10,000
DUE TO PCTPA - NOTE PAYABLE	-	-	-	-	20,000	20,000
NET OPERATING CASH FLOW	(6,901)	10,995	(5,698)	25,590	42,099	(8,671)
CUMULATIVE CASH FLOW RESERVE			25,590		67,688	59,017