



CRC Item No. 5 – August 31, 2017

Update on Transit Center Operations

TJPA
TRANSIT JOINT POWER AUTHORITY





Transbay Program

Naming and Signage Rights Agreement





Agreement Key Terms

Agreement between TJPA and salesforce.com

25-Year Term – Projected more than \$110,000,000

- \$1,010,000 upon signing
- \$9,112,700 on the commencement date
- \$3,278,181 starting in year 4 – escalated by 3% each year thereafter
- Additional 20% increase in annual payments when Caltrain service begins in Phase 2



Naming Rights Valuation

Master Lessee/Asset Manager Proposals:

	CUSHMAN & WAKEFIELD	LINCOLN	YOUNGWOON & ASSOC.
Total Projected Naming Rights Revenue	\$2.00 M	\$2.29 M*	\$1.07 M
% Transit Center Naming Rights Shared with TJPA	85%	85%	**
Total Projected Naming Rights Revenue to TJPA	\$1.70 M	\$2.18 M	< \$1.07 M

* This is the lower end of the range presented by the proposer. TJPA found the upper end of the range (\$5.34M) to be overly optimistic. The low range was used to develop facility revenues included in the agreement approved by the TJPA Board.

** Proposer did not propose to share promotional platform revenues directly, but rather as part of an overall participation rent.



Agreement Terms

Salesforce gets exclusive naming rights to:

- Transit Center **“Salesforce Transit Center”**
- Rooftop Park **“Salesforce Park”**
- Amphitheater **“Salesforce Amphitheater”**

Salesforce may also name the following components:

- Rooftop Park Children's Playground
- Grand Hall



Transbay Program

Transit Center Operations Costs





Operations Costs

Projected Operations Funding Strategy: Operating Reserve and Naming Rights Agreement

	FY 17 - 18	FY 18 - 19	FY 19 - 20	FY 20 – 21 ¹
Transit Center Operating Gap	(\$6,565,500)	(\$15,666,300)	(\$9,246,800)	(\$9,293,800)
TJPA Operating Reserve (Funding Source)	2,151,100	6,356,500	500,000	500,000
Naming Rights Agreement	-	-	-	3,278,200
Total Remaining Funding Need	(\$4,414,400)	(\$9,309,800)	(\$8,746,800)	(\$5,515,600)
Potential Operator Contributions				
AC Transit (66.2%)	\$2,890,824	\$6,163,088	\$5,790,382	\$3,651,327
Greyhound (4.4%)	186,505	409,631	384,859	242,686
Amtrak (2.0%)	93,253	186,196	174,936	110,312
WestCAT Lynx (2.0%)	93,253	186,196	174,936	110,312
SF Municipal Transportation Agency (20.4%)	887,123	1,899,199	1,784,347	1,125,182
Golden Gate Transit (4.0%)	175,155	372,392	349,872	220,624
SamTrans (1.0%)	88,288	93,098	87,468	55,156
Total Potential Operator Contributions	\$4,414,400	\$9,309,800	\$8,746,800	\$5,515,600



Transbay Program

Operations Status and Retail Tenant Improvements





Asset Manager Lincoln Property Company—with team members Colliers International, Biederman Redevelopment Ventures, and Pearl Media—joined the Program in March

Janitorial and Building Maintenance Services

- Lincoln issued RFP in June
- Four responses received
- Township Building Services selected
- Building chief engineer to begin work in August

Leasing

- Retail merchandising plan approved by TJPA Board in July
- Colliers developing marketing materials and continues outreach to potential tenants

Tenant Improvements

- MBH Architects selected as A/E
- General Contractor RFP to be issued in August

Early Activation & Pop-up Retail: Projections on revenue (Pearl, BRV & Colliers) due in September

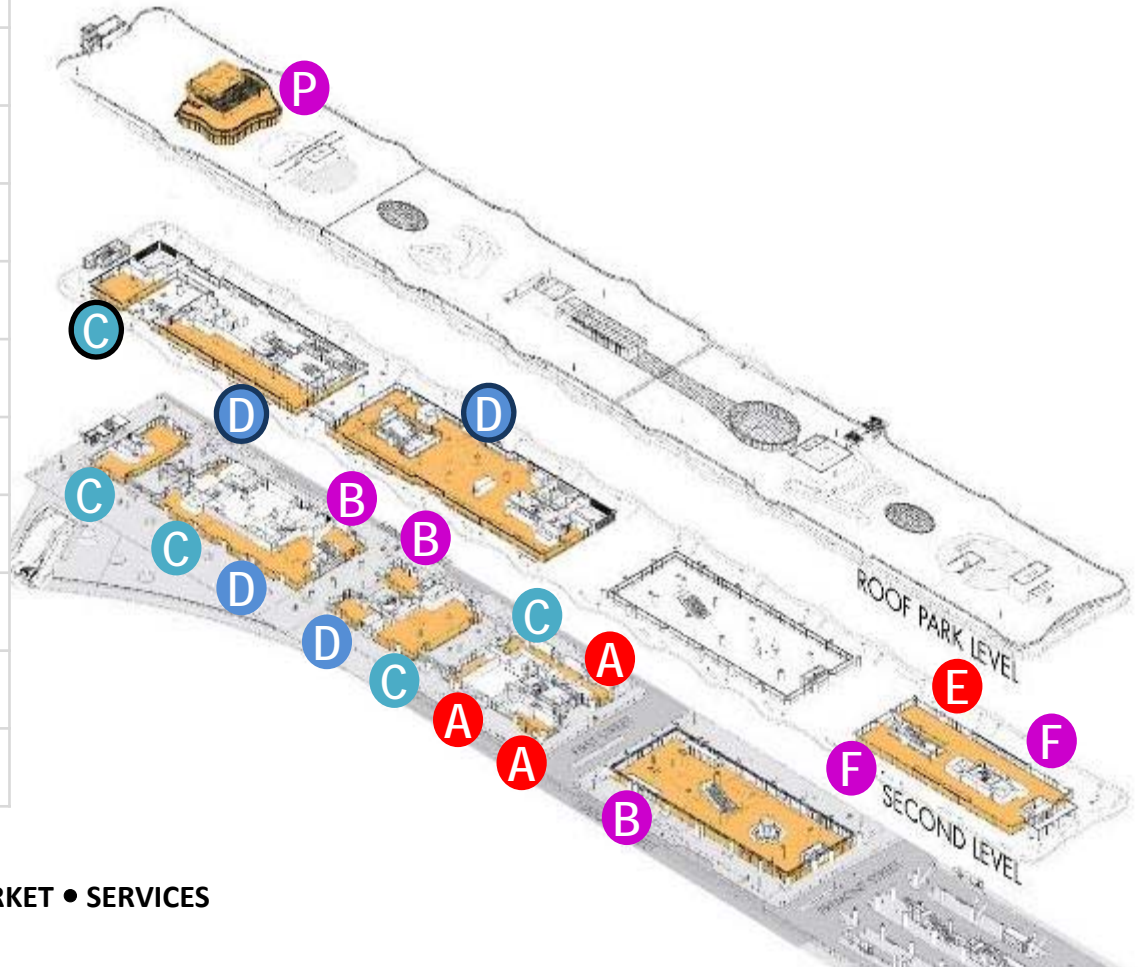


Transbay Program

Retail Tenant Improvements

Lincoln request work commencement December 2017

	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019
A			●●●●			
B			●●●●●			
C			●●●●●●●●			
C				●		
D				●●●●●●●		
D					●●	
E			●●●			
F			●●●●●●			
P				●●		
TOTAL			13 SPACES	14 SPACES	8 SPACES	
% OPEN			40%	80%	100%	



- A B C D ENTERTAINMENT • FOOD • MARKET • SERVICES
- E F FITNESS • SERVICES
- P ROOFTOP PARK RESTAURANT & CAFE

GROUND LEVEL