

**STAFF REPORT FOR CALENDAR ITEM NO.: 12
FOR THE MEETING OF: June 13, 2019**

TRANSBAY JOINT POWERS AUTHORITY

BRIEF DESCRIPTION:

Adoption of Fiscal Year 2019-20 (FY 2019-20) Operating Budget in an amount not to exceed \$38,719,021 and FY 2019-20 Capital Budget in an amount not to exceed \$100,067,175.

SUMMARY:

The Joint Powers Agreement creating the Transbay Joint Powers Authority (TJPA), dated April 4, 2001, establishes that the fiscal year of the TJPA begins on July 1 and ends on June 30, and provides the TJPA Board with the authority to adopt a multi-year budget, or an annual budget before the beginning of each fiscal year. In accordance with TJPA's Policy No. 003: Budget Policy, adopted by the Board on June 23, 2004, staff has prepared the attached proposed fiscal year budgets for review and approval by the Board.

At the May 2019 Board meeting, the draft budgets for FY 2019-20 were presented. No public comments on the budget line items or amounts were received. However, some revisions have been made to both budgets as explained below, to account for further refinement as additional information became available.

The proposed operating budget for FY 2019-20 totals \$38,719,021 (versus the \$38,384,827 presented in May). The operating budget includes expenses and revenues for full operations at the transit center. The proposed capital budget for FY 2019-20 totals \$100,067,175 (versus the \$99,067,175 presented in May). The capital budget includes work for both Phase 1 (\$80.1 million, an increase of \$1M from the Draft Budget) and Phase 2 (\$19.9 million, unchanged from the Draft Budget).

FY 2019-20 OPERATING BUDGET:

The FY 2019-20 Operating Budget assumes the Transit Center will be in full operations for the entirety of the fiscal year (July 1 through June 30). The Final budget includes two significant refinements compared to the Draft Budget presented in May.

FY 2019-20 Final Budget Intergovernmental Revenue Refinements

The FY 2019-20 Final Operating Budget modifies two Intergovernmental Revenues. The Community Benefits District Park Payments has been reduced by \$152,130 to correspond the East Cut CBD's annual budget allocation for park maintenance. The other modification is an increase of \$486,323 from contributions from the Transit Center primary tenants, AC Transit and San Francisco Municipal Transportation Agency (SFMTA). The increase corresponds with an increase in expenses solely due to insurance premium related to the Transit Center. All other revenue sources remain unchanged from the Draft Budget.

FY 2019-20 Intergovernmental and Operating Revenues Review

The FY 2019-20 operating budget includes revenues from Regional Measure 2 (RM-2) and Regional Measure 3 (RM-3) bridge toll funds, Community Benefit District assessments, Net Tax Increment revenues, contributions from various transit operators, Naming Rights, retail, advertising, and sponsorship revenues from the transit center operations, cellular antennae fees, and small amounts of miscellaneous revenue. These are described further below along with the previously approved Transit Center Rental and Fee Schedule as Attachment 4.

Intergovernmental Revenue

- TJPA receives an annual allocation of RM-2 bridge toll funds for operations. The allocation for FY 2019-20 is based upon the approved expenditure plans. The budget also includes RM-3 funds. However, MTC has not yet allocated these bridge toll funds as pending lawsuits are yet to be fully resolved. This year the TJPA expects to receive \$8.2M in RM-2 and \$1.62M in RM-3.
- Regional Operator Contributions are derived from any differential between operating costs and operating revenues, per the Lease and Use Agreements, which is anticipated to be covered by the transit operators utilizing the transit center facilities. The primary tenants are AC Transit and the San Francisco Municipal Transportation Agency (SFMTA). As transit center revenues are not expected to be maximized and stabilized until at least the third year of operations, the burden on the transit operators to cover deficits could be substantial. **This budget includes \$5.3M in Regional Operator Contributions, which is an increase of approximately \$486,000 from the May 2019 Draft Budget (\$3.9M for AC Transit and \$1.3M for SFMTA).**
- The East Cut Community Benefit District (CBD) was formed in 2015 (as the Greater Rincon Hill CBD) as a special assessment district to fund specified services to improve quality of life in the neighborhood surrounding the transit center, including operation and maintenance of green spaces in the district. Under the CBD Management Plan, the CBD will provide up to 79.18% of the annual budget to operate and maintain the rooftop park. For FY19-20 TJPA expects to be reimbursed for \$1.6M. **This is a decrease of \$152,130 from the May Draft Budget to match the amount allocated in the CBD's proposed budget.**
- Net tax increment revenue generated by the former State-owned parcels is pledged for debt service (\$6.5M).

Operating revenue

- Salesforce payments for naming rights received in previous years will be used to support transit center operations. This fiscal year \$4.92M will be allocated.
- Retail revenue including leases, pop-up retail, sponsorship, and events are projected at \$3.8M. The amount is based on the current retail leasing schedule which contemplates the retail space to be fully leased by the 3rd quarter of the fiscal year and fully occupied by the end of the fiscal year.

- Advertising revenue is anticipated at \$2M. This amount is based on the transit center being operational for the full year and fully occupied by the end of the fiscal year. This \$2M is a significant increase (127%) from projections last fiscal year, but a decrease of \$173,000 from the February 2019 preliminary projection.
- Boingo Wireless is installing the neutral host distributed antennae system (cellular DAS) in the transit center. The FY19-20 budget includes one new agreement and the full minimum annual revenue guarantee for a total amount of \$625,000.
- TJPA will continue to collect rent from Greyhound and Amtrak at the transit center for a total amount of \$319,500.
- TJPA will sublease its office space in the 201 Mission building after moving to offices in the transit center. The 201 Mission office lease term is through March of 2021. TJPA expects 100% cost recovery. FY 2019-20 budget assumes \$780,000.

Operating Contingency and Reserve

The TJPA Reserve Policy establishes three types of reserves: Emergency Reserve, Fiscal Reserve, and an Operations and Maintenance (O&M) Reserve. The Emergency Reserve is set at \$500,000 by the policy and would be used in extraordinary events such as a natural disaster. If needed, it would be funded with existing unrestricted fund balance. The O&M Reserve and the Fiscal Reserve have similar purposes; thus, just one line item for Operating Contingency, at 15% of the transit center operating budget line items, has been included in the final operating budget, and if needed would be funded with existing O&M Reserve funds.

In November 2017, the Board approved updates to the Reserve Policy that included establishing a goal to hold an amount equal to 25% of the operating budget in the O&M Reserve. This approximates three months of operating expenses and is intended to be available in the event of unanticipated revenue shortfalls and/or unavoidable expenses. However, with the adoption of the FY2018-19 budget the Board directed staff to fund the reserve at 7.5% of operating expenses versus 25% of operating expenses in consideration of the Operators. For FY 2019-20, the reserve balance at the end of FY18-19 is anticipated to be \$6.7 million or 23% of the FY19-20 budget. \$3.3 million is included in the FY19-20 budget, which would bring the reserve balance to \$3.9 million at the end of FY19-20, or 15% of the FY19-20 budget.

In May, The Board asked Staff to determine the impact on the Budget if the contributions from the Regional Operators were reduced by \$1.3M in consideration of additional reserves being allocated. Staff reviewed the request and considering the uncertainty of the impact of full operations, this budget does not include any refinements to increase the use of the reserve amount. Additionally, any reductions in the reserves in FY19-20 has a long-term effect on the financial health of the TJPA, as seen in the 3yr Operations projection (Attachment 5). However, Staff will be very diligent in monitoring expenses and will come back to the Board for approval before utilizing any of the Contingencies beyond 50%.

FY 2019-20 Final Operating Expense Refinements

The TJPA FY 2019-20 Final operating budget totals \$38,719,021. It includes two refinements that are equal to the refinements in revenue. The park maintenance amount has been reduced by \$152,130, due to lower anticipated revenue. The Transit Center will keep its park maintenance

costs in sync with the amounts that are eligible to be reimbursed. Additionally, the Transit Center insurance cost has increased significantly by \$486,323. This cost represents a 75% increase in premium from the previous year. The increased cost for insurance is due to several market factors. There have been a large number of natural disasters all across the United States to include multiple hurricanes, wildfires, and tornadoes. The insurance market has had to issue out a record number of claims in a short period and the results of that are now being reflected in new insurance premiums. All other expense items remain unchanged.

FY 2019-20 Operating Expenses Review

The final operating budget includes various TJPA salary, benefits, and administrative costs, as we move into operations and as Phase 1 closes out. Some of these costs were previously capitalized as part of the cost to construct the transit center; however, they are now more appropriately included in the operating budget. As Phase 1 closeout may stretch several months and because work on Phase 2 will continue to be capitalized, the operating budget includes an appropriate apportionment of the total TJPA salaries, benefits, and administrative expenses.

- TJPA staff salaries & benefits (\$1.6 million)
- TJPA administration, including office expenses and the other administrative categories included in the operations budget (\$1.4 million)
- CBD special tax assessments (\$225,000)
- A portion of legislative advocacy costs, the other portion being carried in the Phase 2 capital budget (\$138,625)
- Debt service costs for the fiscal year, fully covered by Net Tax Increment revenue. (\$6.5 million)

For costs that are allocated between operating and capital, the apportionment is generally 50% Operations, 25% Phase 1 and 25% Phase 2. There are some personnel and costs that are 100% Operations based on the job functions as noted in the following table. As a note, the allocations are subject to change based on need, function, and available funding.

| <u>Position</u> | <u>Allocation</u> | | | |
|---|-------------------|----------------|----------------|--------------|
| | <i>Operating</i> | <i>Phase 1</i> | <i>Phase 2</i> | <i>Total</i> |
| Executive Director | 50% | 25% | 25% | 100% |
| Chief of Staff/Board Secretary | 50% | 25% | 25% | 100% |
| Financial & Systems Accountant/HR Analyst | 50% | 25% | 25% | 100% |
| Financial Reporting Accountant | 50% | 25% | 25% | 100% |
| Chief Security Officer | 100% | 0% | 0% | 100% |
| Deputy Chief Security Officer | 100% | 0% | 0% | 100% |
| Facility Manager | 100% | 0% | 0% | 100% |
| Chief Financial Officer | 50% | 25% | 25% | 100% |
| Contract Compliance Officer (Vacant) | 50% | 25% | 25% | 100% |
| Accountant | 50% | 25% | 25% | 100% |
| Executive Assistant | 50% | 25% | 25% | 100% |
| IT Director | 80% | 10% | 10% | 100% |

Salaries are based on position ranges in the pay schedule last approved by the TJPA Board in

January 2017. California Code of Regulations requires all employers contracting with CalPERS to have a pay schedule that has been approved and adopted by its governing body. Staff has revised TJPA's pay schedule to use broad ranges for classifications, instead of a narrow range for a specific title. This offers flexibility in hiring staff with various titles. Funding for positions at particular salary levels is still subject to the Board's annual budget approval process. A resolution approving the proposed pay schedule is attached, separate from the resolution approving the proposed fiscal year budget, as required by CalPERS. In addition to employee benefits, the Benefits line item includes amounts for workers compensation premiums, CalPERS liability payments, and an annual contribution to the OPEB trust.

The administration category includes the expenditures associated with operating the TJPA on a day-to-day basis, such as insurance premiums; communications; office supplies, equipment and furniture; professional development; meeting expenses; and human resources/payroll administration.

Transit Center Operations

The final transit center operating budget includes estimated costs for operations and maintenance, security, and insurance as follows:

- Transit center O&M, including janitorial, maintenance, and utilities (\$7.6M)
- Transit center physical security (\$7.2M)
- Cybersecurity and IT (\$1.2M)
- Transit center marketing costs and leasing commissions (\$2.6M)
- Transit center property management staffing, administrative costs, and fee (\$1.9M)
- Rooftop park maintenance, programming and management fee (\$1.4M)
- Digital content / wayfinding systems development and maintenance (\$800K)
- Transit Center Insurance (\$1.5M)

Total: \$24.6 million

TJPA staff has worked with the asset manager, Lincoln Property Company (LPC), to refine the operating budget for the transit center. In many lines there have been reductions as we have identified savings. However, some items including leasing commissions have increased.

Overall, the transit center operations have increased approximately \$334K from the May Draft operating budget.

Security at the transit center includes the San Francisco Police Department (SFPD), private security guards, and ambassadors under the contract with Allied Universal. Security levels will be sufficient to secure the building, implement the public safety and security concept of operations; deter, respond to, manage and recover from all security or safety events and contingencies; and manage the Security Operations Center.

The estimate for Transit Center insurance reflects current market conditions for all-risk and terrorism coverage for basic insurance against damage and loss of use resulting from most insurable events, except for flood and earthquake.

FY2019-20 3-Year Operating Projection

For future planning, a 3-year Operating Projection is included with this Final Budget and Staff Report (Attachment 5). The 3-year projection looks at Operating Revenues and Expenses to project the necessary contributions from the Regional Operators and to review the effects on the reserve. The revenues are projected based on known escalations of intergovernmental revenue allocations and generally a 3% increase in expenses accounting for known escalations or reductions based on contracts. Additionally, as Phase 1 comes to a close, administrative expenses increase significantly in future years.

FY 2019-20 CAPITAL BUDGET:

The Final FY2019-20 Capital Budget is \$100,067,175 and includes only one refinement for \$1M in CFD revenues and Construction expenses. This adjustment is due to additional needs for construction testing. All other categories remain unchanged and detailed discussion is below for review.

Final FY 2019-20 Capital Funding Sources Review

For the purposes of the annual budget, the TJPA's funding sources are divided into two categories:

- Committed Funding Sources, which have already been allocated to the Transbay Program by one of the TJPA's funding partner agencies or represent available reimbursement funding.
- Planned Funding Sources, which are anticipated to be made available during FY 2019-20 but have not yet been received by the TJPA.

Committed Funding Sources

Committed funding sources consist of existing sources that have already been allocated or are otherwise available. These include existing allocation balances from the Federal Transit Administration (FTA), RM-2, AB 1171 Bridge Tolls, and San Francisco Proposition K (Prop K) sales tax; the Transportation Infrastructure Finance and Innovation Act (TIFIA) loan; TJPA's reimbursement from proceeds from the City's Community Facilities District (CFD) bond sales; reimbursement from other entities such as utilities and insurance; and lease and interest/investment income, in the following approximate amounts:

CFD Reimbursements: \$63.5M
Reimbursements: \$2.8M
TIFIA: \$587K
AB 1171 Bridge Tolls: \$436K
Lease, interest & investment income: \$533K

Planned Funding Sources

The CFD generates revenues from two sources: special tax assessments that the City utilizes to secure bond issuances, and impact fees paid by developers. In FY 2019-20, TJPA should receive approximately \$12 million in open space impact fees towards construction of the rooftop park and \$16 million in transportation impact fees for Phase 2. Additionally, TJPA plans to receive funds from Prop K sales tax (\$9M) and an amount from RM-3.

Final FY 2019-20 Capital Expenditures

The TJPA’s capital expenditure budget is organized into three categories:

- Salaries and Benefits for TJPA staff
- Administration
- Professional & Specialized Services, including construction (99% of budgeted expenditures)

Salaries and Benefits

The TJPA’s proposed capital salaries and benefits expenditure for FY 2019-20 is approximately \$1.9M. The TJPA’s strategy has been to keep its in-house staffing level small, and to use its staff to manage contractors and consultants who undertake a variety of tasks on behalf of the TJPA. The TJPA’s proposed budget is consistent with this approach for this fiscal year. However, it is anticipated that an increased level of in-house staffing will need to be implemented in FY20-21 based on recommendations from the Peer Review by the American Public Transportation Association. In the coming months, staff will present to the Board a detailed staffing plan for Phase 2. The capital budget includes staff time for Phase 1 and 2; there is also staff time in the operating budget. The positions are allocated between the budgets as follows, although the allocations are subject to change based on need, function, and available funding:

| <u>Position</u> | <u>Allocation</u> | | | |
|--|-------------------|----------------|----------------|--------------|
| | <i>Operating</i> | <i>Phase 1</i> | <i>Phase 2</i> | <i>Total</i> |
| Executive Director | 50% | 25% | 25% | 100% |
| Senior Program Manager (Vacant) | 0% | 0% | 100% | 100% |
| Senior Design & Engineering Manager (Vacant) | 0% | 0% | 100% | 100% |
| Senior Construction Manager | 0% | 100% | 0% | 100% |
| Engineering Manager | 0% | 80% | 20% | 100% |
| Chief of Staff/Board Secretary | 50% | 25% | 25% | 100% |
| Financial & Systems Accountant/HR Analyst | 50% | 25% | 25% | 100% |
| Financial Reporting Accountant | 50% | 25% | 25% | 100% |
| Chief Financial Officer | 50% | 25% | 25% | 100% |
| Contract Compliance Officer (Vacant) | 50% | 25% | 25% | 100% |
| Accountant | 50% | 25% | 25% | 100% |
| Executive Assistant | 50% | 25% | 25% | 100% |
| IT Director | 80% | 10% | 10% | 100% |

Administrative Expenditures

This category includes apportioned amounts of the expenditures associated with operating the TJPA on a day-to-day basis, based on the staffing assigned to Phase 1 and Phase 2 such as professional development, meeting expenses, etc. For FY 2019-20, staff proposes to budget approximately \$400K for Administrative expenses, for Phase 1 and Phase 2. It is anticipated that these costs will require a transfer from the Program Reserves to cover Phase 1 costs.

Administrative Professional Services

The budget includes \$10.5M of expenditures for other professional services required for the continued operation of the TJPA and the advancement of the Transbay Program, including legal services, financial advisors, legislative advocates, auditing, and other services as itemized in the attached budget request. The largest line item in this section is legal services for \$9.6M calculated at the current average monthly expense. These costs included are for ongoing

litigation with 301 Mission, construction claims and for routine matters. Funding legal services will require a transfer from Program Reserves.

Professional and Specialized Services

As noted above, rather than hire a large in-house staff during design and construction, the TJPA utilizes consultants and contractors to provide services in support of the Transbay Program. As a result, approximately \$86.1 million of the final FY 2019-20 capital budget is devoted to Professional and Specialized Services, the majority of which is allocated to construction.

The Professional and Specialized Services budget is categorized by engineering and design services, permits and fees, real estate services, construction management, construction, and planning and environmental analysis. The major professional and specialized services that will be undertaken during FY 2019-20 under each sub-category are described below.

Engineering and Design Services (\$18.3 million)

- Program Management & Program Controls (PM/PC) (\$4.5 million)
The PM/PC team's work in the first half of FY 2019-20 will focus on resolution of issues to close out. The PM/PC consultant also provides Downtown Rail Extension (DTX) project management. A Request for Proposals for PM/PC services for Phase 2/DTX is expected to be released once funding becomes available. Funding for PM/PC services for Phase 1 will require a transfer from Program Reserves.
- DTX Preliminary Engineering and Design (\$12.7 million)
Contingent upon receiving funding, the focus for Phase 2 will be continuing to advance engineering work for the DTX to a complete 30% preliminary engineering and drawings level. An RFP is expected to be released for this work once funding is available.

Permits and Fees (\$35K)

- The FY 2019-20 budget includes costs for services provided by the San Francisco Department of Building Inspection and other related fees, for closeout of the transit center construction.

Construction Management (\$3.2 million)

- Construction management responsibilities involve monitoring, inspection, and interface with the construction contractors; administrative tasks; claims management; and dispute resolution assistance. Budget for staffing from both the Construction Management Oversight consultant and San Francisco Public Works is included in this line item. Construction management is necessary for closeout. Funding for construction management for Phase 1 will require a transfer from Program Reserves.

Construction (\$64.4 million)

- Transit Center & Ramp (\$42 million)
Phase 1 construction is anticipated be complete September 2019 as per Webcor's schedule, with punch-list work and closeout as the focus. The fiscal year budget includes amounts for each trade package based on the current cash flow projections for the period.
- Tenant Improvements (\$22.4 million)
The current cost estimate for tenant improvements plus tenant improvement allowances is \$35.5 million, \$22.4 million of which is projected to be spent in FY 2019-20. It is assumed that all of the remaining amount will be expensed during this fiscal year. Additionally, these

costs will require a request from the Program Reserves.

Real Estate Services (\$109K);

- The primary professional and specialized services related to real estate in the FY 2019-20 budget include property management of the TJPA-owned property leased out at 580 Howard Street, and potential real estate studies for Phase 2.

Planning and Environmental Analysis (\$1M)

- The budget includes \$1 million for scoping for the Pennsylvania Avenue Extension (PAX) contingent upon the Board approving inclusion of the PAX into the Transbay Program.

Program Reserves

As Phase 1 of the Transbay Program ends, there are several categories in which a transfer from Program Reserves is necessary to complete this budget. The total amount needed from the Program Reserve to complete FY18-19 and to fund FY2019-20 is \$31,267,000. The table below shows the specific amounts and needs for the Program Reserve draw. Attachment 6 provides a full analysis of Program Reserve transfers.

| Program Reserve Requests Associated with Budget | | | | Reserve Total |
|---|---------------------|--|--|-------------------|
| | | | Beginning Balance | 56,614,553 |
| FY18/19 | (2,000,000) | PCPA-Design Services related to Non-Conforming Steel Girders | | 54,614,553 |
| FY19/20 | (2,300,000) | Pelli Clarke Pelli Architects | | 52,314,553 |
| FY19/20 | (10,500,000) | Tenant Improvements | | 41,814,553 |
| FY19/20 | (3,200,000) | Turner Construction Mgmt. Oversight/ Dispute Resolution | | 38,614,553 |
| FY19/20 | (750,000) | PMPC Extension thru 12/2019 | | 37,864,553 |
| FY19/20 | (10,500,000) | Legal and Admin Professional Services | | 27,364,553 |
| FY19/20 | (2,017,000) | TJPA Admin | | 25,347,553 |
| | (31,267,000) | | Total Remaining Program Reserves 7/1/2019 | 25,347,553 |

Currently the balance in the Program Reserve Budget is \$56.6M and would be reduced to \$25.3M. These draws would complete Phase 1 taking us to a final closeout date of December 2019.

BOARD RESOLUTION AUTHORIZATION:

The TJPA Board provides expenditure authorization to staff in several ways. For most expenditures, the Board approves a contract with a vendor that governs the duration and cost of the goods and services to be provided. However, not all expenditures are based on contracts. In general, these expenditures pay for administrative items such as salaries, benefits, office supplies, professional memberships, and meeting expenses. These items in the proposed budgets are designated as the several line items in italics. By approving the budget request, the Board would provide authorization for those line items that are not based on contracts.

Some of the TJPA’s funding partners require that funding applications be approved by the TJPA Board, such as MTC. Others do not include this requirement. For clarification, and as in previous fiscal years, the FY 2019-20 budget resolution includes language authorizing the TJPA’s Executive Director to apply for, accept, and expend funds for Board-approved expenditures in the annual budget.

BOARD BUDGET REVIEW PROCESS:

Staff will return to the Board on a quarterly basis to report on the status of “budget vs. actual” expenditures and revenues. Staff may also return to the Board for review and approval of one or more budget amendments, if changes in circumstances warrant.

RECOMMENDATION:

Approve the FY 2019-20 Operating and Capital Budgets, Pay Schedule, Rental and Fee Schedule, and Program Reserve Transfers.

ENCLOSURES:

1. FY 2019-20 Budget Resolution
2. FY 2019-20 Final Operating Budget (Attachment 1)
3. FY 2019-20 Final Capital Budget (Attachment 2)
4. Rental and Fee Schedule (Attachment 3)
5. Operating Budget Projections Through FY 2022-23 (Attachment 4)
6. Program Reserve Analysis (Attachment 5)
7. Pay Schedule Resolution & Proposed Pay Schedule

**TRANSBAY JOINT POWERS AUTHORITY
FY2019-2020 FINAL OPERATING BUDGET**

ATTACHMENT 1

| Description | FY19-20 Preliminary Operations Budget (February) | FY19-20 Draft Operations Budget | FY19-20 Final Operations Budget | \$ Change from FY2019-20 Draft (May) | % Change from FY2019-20 Draft (May) |
|--|--|---------------------------------------|---------------------------------------|--|---|
| REVENUES AND SOURCES | | | | | |
| INTERGOVERNMENTAL REVENUES | | | | | |
| Regional Measure 2 | 8,202,000 | 8,201,958 | 8,201,958 | - | 0% |
| Regional Measure 3 | 1,625,600 | 1,625,600 | 1,625,600 | - | 0% |
| Community Benefit District Park Payments | 1,757,900 | 1,757,900 | 1,605,770 | (152,130) | -9% |
| Net Tax Increment Revenue | - | 6,538,828 | 6,538,828 | - | 0% |
| AC Transit (74%) | 3,873,974 | 3,562,571 | 3,922,450 | 359,879 | 10% |
| SF Municipal Transportation Agency (26%) | 1,361,126 | 1,251,714 | 1,378,158 | 126,444 | 10% |
| Subtotal, Other Regional Contributions | 5,235,100 | 4,814,285 | 5,300,608 | 486,323 | 10% |
| Subtotal, Intergovernmental Revenue | 16,820,600 | 22,938,571 | 23,272,764 | 334,193 | 2% |
| OPERATING REVENUES | | | | | |
| Naming Rights | 4,928,300 | 4,928,300 | 4,928,300 | - | 0% |
| Transit Center Retail Revenue | 2,921,800 | 3,269,469 | 3,269,469 | - | 0% |
| Transit Center Sponsorship / Events | 614,500 | 614,500 | 614,500 | - | 0% |
| Transit Center Advertising & Miscellaneous Revenue | 2,237,300 | 2,064,623 | 2,064,623 | - | 0% |
| Neutral Host DAS Licensing Fees | 625,000 | 625,000 | 625,000 | - | 0% |
| Temporary Terminal Rents | - | - | - | - | 0% |
| Other Operator Rents | 319,500 | 319,500 | 319,500 | - | 0% |
| AC Transit (Bus Storage Facility and Bart Bridge Security) | 281,000 | 325,165 | 325,165 | - | 0% |
| 201 Mission Office Sublease | 578,300 | 780,000 | 780,000 | - | 0% |
| Subtotal, Operating Revenue | 12,505,700 | 12,926,557 | 12,926,557 | - | 0% |
| OTHER SOURCES | | | | | |
| Use of Fund Balance | 500,000 | 500,000 | 500,000 | 0 | 0% |
| Use of Operating & Maintenance Reserve | 2,019,700 | 2,019,700 | 2,019,700 | 0 | 0% |
| Subtotal, Other Sources | 2,519,700 | 2,519,700 | 2,519,700 | 0 | 0% |
| TOTAL REVENUE AND OTHER SOURCES | \$31,846,000 | \$38,384,827 | \$38,719,020 | \$334,193 | 1% |
| EXPENSES AND CONTINGENCIES | | | | | |
| Salaries, Fringe Benefits, & Admin | 3,889,700 | 3,123,511 | 3,123,511 | - | 0% |
| Debt Service/City Financing Interest | - | 6,538,828 | 6,538,828 | - | 0% |
| Professional Services | | | | | |
| Legal Counsel (City Attorney, Outside Counsel) | - | 303,000 | 303,000 | - | 0% |
| Accounting Software Installation & Maintenance | - | 30,350 | 30,350 | - | 0% |
| Audits | - | 24,000 | 24,000 | - | 0% |
| Credit Rating Analysis | - | 30,000 | 30,000 | - | 0% |
| Trustee Account Services | - | 1,100 | 1,100 | - | 0% |
| Community & Public Relations | - | 9,000 | 9,000 | - | 0% |
| Legislative Services | - | 138,625 | 138,625 | - | 0% |
| Other Intergovernmental Agmts / Consulting Svcs | - | 30,000 | 30,000 | - | 0% |
| Subtotal, Professional Services | - | 566,075 | 566,075 | - | 0% |
| Total Administrative Budget | 3,889,700 | 10,228,414 | 10,228,414 | - | 0% |
| Contingencies | | | | | |
| Emergency Reserve | 500,000 | 500,000 | 500,000 | - | 0% |
| O&M Reserve/ Fiscal Reserve | 3,401,400 | 3,334,749 | 3,334,749 | - | 0% |
| Subtotal, Contingencies | 3,901,400 | 3,834,749 | 3,834,749 | - | 0% |
| Temporary Terminal | | | | | |
| Temp Terminal Facility Management, Security & Utilities | - | - | - | - | 0% |
| Parking Control Officers | - | - | - | - | 0% |
| Insurance | - | - | - | - | 0% |
| Subtotal, Temporary Terminal | - | - | - | - | 0% |
| Transit Center | | | | | |
| Transit Center Maintenance | 3,080,000 | 2,965,049 | 2,965,049 | - | 0% |
| Transit Center Janitorial | 2,583,900 | 2,505,128 | 2,505,128 | - | 0% |
| Transit Center Utilities | 2,204,200 | 2,182,896 | 2,182,896 | - | 0% |
| Park Maintenance & Programming | 683,600 | 683,600 | 531,470 | (152,130) | -22% |
| Park Management Fee & Administration | 798,000 | 798,000 | 798,000 | - | 0% |
| Digital Content Management & Wayfinding Systems | 720,700 | 696,359 | 696,359 | - | 0% |
| Wayfinding Gap Analysis | 100,000 | 100,000 | 100,000 | - | 0% |
| Marketing & Leasing Commissions | 1,624,900 | 2,623,952 | 2,623,952 | - | 0% |
| Cybersecurity/IT | 1,084,100 | 1,293,671 | 1,293,671 | - | 0% |
| Bus Storage Facility and Bart Bridge Security | 281,000 | 325,165 | 325,165 | - | 0% |
| Asset Management Fee & Administration | 2,108,000 | 1,912,483 | 1,912,483 | - | 0% |
| Security | 7,586,500 | 7,222,585 | 7,222,585 | - | 0% |
| Insurance | 1,200,000 | 1,012,777 | 1,499,100 | 486,323 | 48% |
| Transit Center Temporary Closure | - | - | - | - | 0% |
| Subtotal, Transit Center | 24,054,900 | 24,321,665 | 24,655,858 | 334,193 | 1% |
| TOTAL EXPENSES AND CONTINGENCIES | \$31,846,000 | \$38,384,827 | \$38,719,021 | \$334,193 | 1% |
| Difference | \$0 | \$0 | \$0 | \$0 | |

**TRANSBAY JOINT POWERS AUTHORITY
FY2019-2020 FINAL CAPITAL BUDGET**

| Description | FY19-20 Final Capital Budget | Phase 1 | Phase 2 |
|--|---------------------------------|----------------------|----------------------|
| REVENUES | | | |
| COMMITTED REVENUES | | | |
| Regional Measure 2 | 179,000 | 179,000 | - |
| AB 1171 Bridge Tolls | 436,000 | 436,000 | - |
| Proposition K San Francisco Sales Tax | 20,250 | 20,250 | - |
| TIFIA | 587,000 | 587,000 | - |
| Mello-Roos Community Facilities District Bond Reimbursements | 63,544,413 | 63,544,413 | - |
| Transit Center District Impact Fees-IPIC | 850,839 | - | 850,839 |
| Lease Income | 95,000 | 95,000 | - |
| Interest Income | 438,000 | 438,000 | - |
| Reimbursements by Others (Utilities, Adjacent Properties) | 2,799,720 | 2,799,720 | - |
| | - | - | - |
| Subtotal, Committed Revenue | 68,950,222 | 68,099,383 | 850,839 |
| PLANNED REVENUES | | | |
| Transit Center District Impact Fees-IPIC/ RM-3 | 21,924,953 | 12,044,000 | 9,880,953 |
| Proposition K San Francisco Sales Tax | 9,192,000 | - | 9,192,000 |
| | - | - | - |
| Subtotal, Planned Revenue | 31,116,953 | 12,044,000 | 19,072,953 |
| TOTAL REVENUES | 100,067,175 | 80,143,383 | 19,923,792 |
| EXPENSES | | | |
| Salaries, Fringe Benefits, & Admin | 2,389,142 | 1,119,275 | 1,269,867 |
| Professional Services | | | |
| Legal Counsel | 9,672,000 | 9,672,000 | - |
| Financial and Grant Management | 575,000 | 455,000 | 120,000 |
| Audits | 28,000 | 28,000 | - |
| Economic and Real Estate Analysis(Seifel & Concord Group) | 50,000 | 50,000 | - |
| Community & Public Relations | 21,000 | 10,500 | 10,500 |
| Legislative Services | 138,625 | - | 138,625 |
| Other Intergovernmental Agmts / Consulting Svcs | 60,000 | 30,000 | 30,000 |
| | - | - | - |
| Subtotal, Professional Services | 10,544,625 | 10,245,500 | 299,125 |
| Total Administrative Budget | 12,933,767 | 11,364,775 | 1,568,992 |
| Professional & Specialized Services | | | |
| <i>Engineering & Design Services</i> | | | |
| Program Management / Program Controls | 4,510,000 | 750,000 | 3,760,000 |
| Downtown Extension Preliminary Engineering & Design | 12,770,000 | - | 12,770,000 |
| Downtown Extension Interagency Coordination | 300,000 | - | 300,000 |
| Transit Center Traffic Signals | 100,000 | 100,000 | - |
| Transit Center Overhead Lines | 50,000 | 50,000 | - |
| Transit Center Commissioning Agent | 60,000 | 60,000 | - |
| Public Art Program | 21,000 | 21,000 | - |
| Other Engineering & Design Services | 535,500 | 134,700 | 400,800 |
| | - | - | - |
| <i>Permits and Fees</i> | | | |
| Transit Center Building & Ramps Permits & Fees | 5,000 | 5,000 | - |
| Other Plan Checks / Permit Fees | 30,000 | 15,000 | 15,000 |
| | - | - | - |
| <i>Real Estate Services</i> | | | |
| Property Management | 9,000 | - | 9,000 |
| Real Estate Valuation Services | 100,000 | - | 100,000 |
| | - | - | - |
| <i>Construction Management</i> | | | |
| Construction Management Oversight for Transit Center | 3,000,000 | 3,000,000 | - |
| Construction Dispute Resolution Services | 200,000 | 200,000 | - |
| | - | - | - |
| <i>Construction</i> | | | |
| Transit Center Building & Ramps Construction | 42,000,000 | 42,000,000 | - |
| Base Building Improvements / Tenant Improvements | 22,442,908 | 22,442,908 | - |
| | - | - | - |
| <i>Planning & Environmental Analysis</i> | | | |
| Phase 3 Scoping | 1,000,000 | - | 1,000,000 |
| | - | - | - |
| Subtotal, Professional & Specialized Services | 87,133,408 | 68,778,608 | 18,354,800 |
| TOTAL EXPENSES | \$ 100,067,175 | \$ 80,143,383 | \$ 19,923,792 |
| Difference | (0) | (0) | (0) |

NON-PUBLIC RENTAL AND FEE SCHEDULE

I. Purpose

TJPA's transit center is a more than 1,250,000-square-foot public facility, spread over three city blocks, with four levels above ground and two levels below ground. The facility is designed to serve diverse purposes, including transit, recreation, commercial, and administrative purposes. More than 37,000 people are expected to visit and use the facility each week day when Phase 1 of the Transbay Program is fully operational. At completion, the Transbay Program is expected to connect eight Bay Area counties and the State of California through 11 transit systems.

The primary purpose of TJPA property is to provide a public transportation facility. TJPA expects that TJPA property will also provide an important service for passengers, neighbors, workers, and tourists, providing retail, professional services, commercial outlets, and dining; as well as leisure, recreational, and other amenities.

TJPA may choose to make limited, designated areas and limited uses of TJPA property available to individuals and entities for non-public rentals and uses.

In keeping with its proprietary function as a provider of a public transportation facility, TJPA does not intend, by accepting non-public uses, to convert TJPA property into an open public forum for public discourse, debate, or expressive activity. Rather, TJPA's fundamental purpose is to provide a public transportation facility, and TJPA accepts such non-public uses as a means of generating revenue to support its primary functions.

In furtherance of this discrete and limited objective, TJPA retains control over the nature of non-public uses of TJPA property. TJPA finds that certain restrictions on non-public uses will allow the TJPA property to fulfill its primary function as a public transportation facility; guard the health, safety, and security of the public; and promote revenue generation for the Transbay Program. Among other things, non-public uses shall be consistent with TJPA's goals to:

- (1) Prioritize the public transit purpose of TJPA property, TJPA programming designed to engage and serve the public, and public access to TJPA property over non-public uses.
- (2) In light of the public investment in TJPA property, and to minimize the need for public sources to pay for operations, ensure at least full cost-recovery from non-public uses of the facility and, where appropriate, maximize revenue from non-public uses of TJPA property.
- (3) Maintain a safe and welcoming environment for passengers using TJPA property and riding the public transportation systems that use TJPA property.
- (4) Maintain TJPA's position of neutrality on issues not directly related to the Transbay Program, and avoid the appearance of the TJPA's involvement in favoring or opposing political parties, issues, or candidates.

II. Non-Public Rentals

Non-public rentals include events sponsored by any entity other than TJPA, and which are closed to the public, invitation only, or open to the public only with purchase of a ticket or payment of an entrance fee, and where the renter has the temporary right to exclude the public from the rented space. Proposed events and activities sponsored by any entity other than TJPA but which are free and open to the public are separately regulated under TJPA's promotional platform. Spaces available for rent under TJPA's retail and pop-up leasing program are separately regulated by TJPA.

A. Spaces Available for Rent

TJPA has determined that the following areas of TJPA property may be available for non-public rent at the rental rates described herein, and subject to such other terms, conditions, and requirements as may be specified by and in the discretion of the Executive Director:

- (1) Amphitheater in Salesforce Park, and
- (2) Café Pad in Salesforce Park.

At this time, no other portions of TJPA property are available for non-public rental. TJPA may evaluate whether other portions of TJPA property are viable options for non-public rentals in the future, and TJPA reserves the right to change this determination in its sole discretion.

The specified TJPA property is generally available for non-public rental on a first-come, first-served basis, based on satisfaction/completion of all TJPA prerequisites (including contract signed and payment received). Notwithstanding the foregoing, TJPA expressly reserves the right to restrict or prohibit non-public rentals during such periods, on such days, or at such times that the Executive Director determines would conflict with TJPA's objectives to prioritize the public transit purpose of TJPA property, TJPA programming designed to engage and serve the public, and public access to TJPA property.

B. Rental Rates

TJPA has determined that the following rental rates apply to non-public rentals of TJPA property:

| Amphitheater in Salesforce Park Rental Rate | | |
|--|---------------------------|---------------------------------|
| | Stage + Lawn Only* | Entire Amphitheater Area |
| 1 – 250 attendees | \$1,200/hr | \$2,200/hr |
| 251-500 attendees | \$2,600/hr | \$3,600/hr |
| 501+ attendees | -- | \$5,000/hr |

* Enclosed with barricades/stanchions, leaving west elevator, gardens, and walking path open to public.

| Café Pad in Salesforce Park Rental Rate |
|--|
| \$500/hr |

| Additional Rental Rates |
|---|
| 1.5 times the applicable hourly rate for each hour or portion thereof outside the reserved period |

TJPA reserves the right to revise the above rental rates in its sole discretion. TJPA anticipates that the TJPA Board will update the rental rates each fiscal year.

C. Fees and Expenses

The non-public rental rates specified above include basic building services but do not include labor, insurance, equipment, security, and other charges. In addition to the above rental rates, TJPA charges the following fees and expenses:

| Fees and Expenses | |
|---|---------|
| Processing fee to cover administrative costs per event (for events with 501+ attendees) | \$500 |
| Connectivity fee to cover costs for standard use of building power (for events greater than 4 hours) | \$500 |
| Late fee where either (a) materials submitted less than 2 weeks prior to event (as required) (for rental of entire amphitheater), or (b) electrical plans submitted less than 5 days prior to event (as required) | \$250 |
| Deactivation fee to cover costs where renter causes activation of facility life system alarm | \$5,000 |
| Waste services fee where renter does not comply with obligation to appropriately segregate waste produced by its event | \$1,000 |
| Amplified sound fee to cover additional processing and evaluation (as requested by renter) | \$560 |
| Branded/promotional/commercial display fee (such as corporate sponsor banners or giveaways) | \$1,500 |

TJPA may charge additional fees and expenses as necessary to ensure full cost recovery associated with any non-public rental as specified by and in the discretion of the Executive Director. Such fees and expenses may include, but are not limited to: damage deposit; actual time of TJPA labor at established hourly rates, which may include overtime, night, weekend, or holiday rates (e.g., facility and event managers, engineers, laborers, electricians, security staff, sound monitors, janitorial, landscaping/grounds, dock master); services provided by/incurred by TJPA associated with the event to the extent the usage exceeds standard amounts or amounts specified above (e.g., waste disposal, electricity, water, security, Wi-Fi); equipment provided by TJPA associated with the event; special requests such as specialty lighting; and repair of damages associated with event.

TJPA may also impose conditions and requirements on non-public rentals which may result in additional costs for the permittee (e.g., requirement to maintain insurance; requirement to contract with Emergency Medical Technician; requirement to secure necessary permits; requirement to hire private security).

III. Film & Photo

TJPA expressly reserves the right to restrict or prohibit film/photo shoots during such periods, on such days, or at such times that the Executive Director determines would conflict with TJPA’s objectives to prioritize the public transit purpose of TJPA property, TJPA programming designed to engage and serve the public, and public access to TJPA property.

A. Professional Photographers and Videographers

TJPA requires all professional photographers and videographers to secure a film/photo permit from TJPA and pay the following film/photo fee prior to shooting on TJPA property:

| Film/Photo Fees | |
|---|---|
| Still photography -- no exclusive use of TJPA property (e.g., wedding photography, family portraits) | \$100/day |
| Still photography -- requesting exclusive use of TJPA property (e.g., print advertising) | negotiated based on market value and extent of interference with public use |
| Commercial, corporate media, videos (including music videos, web videos, and short subject), TV series, movie, pilot, web series, documentary | negotiated based on market value and extent of interference with public use |

TJPA reserves the right to revise the film/photo fees in its sole discretion.

In addition to the above film/photo fees, TJPA may charge fees and expenses as necessary to ensure full cost recovery associated with any film/photo shoot as specified by and in the discretion of the Executive Director. Such fees and expenses may include, but are not limited to: actual time of TJPA labor at established hourly rates (e.g., facility manager, engineers, laborers, electricians, security staff, sound monitors, landscaping/grounds); services provided by/incurred by TJPA associated with the event (e.g., waste disposal, electricity, water, security, Wi-Fi); equipment provided by TJPA associated with the event; and repair of damages associated with event.

TJPA may also impose conditions and requirements on film/photo shoots which may result in additional costs for the permittee (e.g., requirement to maintain insurance; requirement to contract with Emergency Medical Technician; requirement to secure necessary permits; requirement to hire private security).

B. News Media, Student, Government, and Nonprofit Projects

TJPA requires all news media, student, government, and nonprofit projects to secure a film/photo permit from TJPA prior to shooting on TJPA property. As a courtesy to news media, students, government agencies, and nonprofits, TJPA will waive the film/photo fee; such entities will still be required to pay any fees/expenses as necessary to ensure TJPA's full cost recovery associated with the project and to meet TJPA's minimum conditions and requirements.

A "news media project" is defined as news reporting coverage conducted by credentialed media with issued press cards. A "student project" is defined as a class assignment that is covered under insurance coverage by a college/university; if the college/university is not able to provide the student project with the required insurance coverage, the standard film/photo fees apply. A "government project" is defined as a film/photo project created by or for a government entity and that advances specific government purposes. A "nonprofit project" is defined as a project created by or for a nonprofit corporation that is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code, and that is directed to the general public or a significant segment of the public. Proof of nonprofit status may be required.

IV. Prohibited Uses of TJPA Property

TJPA property is not available for non-public rentals or film/photo shoots for the following purposes:

- (1) Safety and Security. Rentals for events or film/photo shoots that TJPA determines are reasonably likely to result in material risk to safety and security of participants, or TJPA property.
- (2) Illegal Goods or Services, or Unlawful Behavior. Rentals for events or film/photo shoots that advocate or promote the use of illegal goods or services, or unlawful conduct, or otherwise conflicts with the requirements of TJPA's funding partners, including the U.S. Department of Transportation.
- (3) Tobacco, Firearms, or Cannabis. Rentals for events or film/photo shoots that advocate or promote tobacco, firearms, or cannabis products, businesses, or services.
- (4) Adverse to TJPA or Public Agency Partners. Rentals for events or film/photo shoots that are directly adverse to the commercial or administrative interests of TJPA or its public agency partners, or that tend to disparage the quality of service provided by TJPA or its public agency partners, or that tend to disparage public transportation generally.
- (5) Political Events. Rentals for events or film/photo shoots that either (a) promote or oppose a political party; a state or local ballot measure; or the election of any candidate or group of candidates for federal, state, judicial, or local government offices; or (b) solicit, accept, or reward donors for contributions of any funds that the person or organization soliciting or accepting the funds will use, directly or indirectly, to support or oppose any of the items specified in (a).

| TRANSBAY JOINT POWERS AUTHORITY | | | | |
|---|-------------------------|-----------------------------|-----------------------------|-----------------------------|
| 3-YEAR OPERATING BUDGET PROJECTIONS | | | | |
| | Final FY19-20 Budget | Projected FY20-21 Budget | Projected FY21-22 Budget | Projected FY22-23 Budget |
| BEGINNING BALANCE | 6,477,831 | 3,958,131 | 3,958,131 | 3,958,131 |
| Revenues | | | | |
| Regional Measure 2 | 8,201,958 | 8,384,000 | 8,572,500 | 8,572,500 |
| Regional Measure 3 | 1,625,600 | 1,625,600 | 2,438,400 | 2,438,400 |
| Community Benefit District Park Payments | 1,605,770 | 1,653,943 | 1,703,561 | 1,754,668 |
| AC Transit (74%) | 3,922,450 | 5,787,903 | 1,446,989 | 1,770,698 |
| SF Municipal Transportation Agency (26%) | 1,378,158 | 2,033,587 | 508,402 | 622,137 |
| Naming Rights | 4,928,300 | - | 3,278,200 | 3,278,200 |
| Transit Center Retail Revenue | 3,269,469 | 5,695,100 | 5,862,300 | 5,862,300 |
| Transit Center Sponsorship / Events | 614,500 | 1,119,700 | 1,153,100 | 1,153,100 |
| Transit Center Advertising & Miscellaneous Revenue ³ | 2,064,623 | 3,404,300 | 4,985,100 | 4,985,100 |
| Neutral Host DAS Licensing Fees | 625,000 | 125,000 | 125,000 | 125,000 |
| Other Operator Rents | 319,500 | 339,000 | 349,200 | 349,200 |
| AC Transit (Bus Storage Facility and Bart Bridge Security) | 325,165 | 334,920 | 344,968 | 355,317 |
| Use of Fund Balance | 500,000 | - | - | - |
| Contribution to Capital Replacement Reserve | - | - | - | - |
| Use of / (Additions to) Operating & Maintenance Reserve | 2,019,700 | - | - | - |
| TOTAL REVENUES | 32,180,193 | 30,893,053 | 30,767,720 | 31,266,620 |
| Salaries, Fringe Benefits, & Admin | 3,123,511 | 4,296,216 | 4,425,103 | 4,557,856 |
| Legal Counsel (City Attorney, Outside Counsel) | 303,000 | 312,090 | 321,453 | 331,096 |
| Accounting Software Installation & Maintenance | 30,350 | 31,261 | 32,198 | 33,164 |
| Audits | 24,000 | 24,720 | 25,462 | 26,225 |
| Credit Rating Analysis | 30,000 | 30,900 | 31,827 | 32,782 |
| Trustee Account Services | 1,100 | 1,133 | 1,167 | 1,202 |
| Community & Public Relations | 9,000 | 9,270 | 9,548 | 9,835 |
| Other Intergovernmental Agmts / Consulting Svcs | 30,000 | 30,900 | 31,827 | 32,782 |
| Transit Center Maintenance | 2,965,049 | 3,691,000 | 3,794,900 | 3,908,747 |
| Transit Center Janitorial | 2,505,128 | 2,724,400 | 2,806,100 | 2,890,283 |
| Transit Center Utilities | 2,182,896 | 2,292,400 | 2,361,200 | 2,432,036 |
| Park Maintenance & Programming | 531,470 | 1,079,100 | 1,111,450 | 1,144,794 |
| Park Management Fee & Administration | 798,000 | 798,000 | 798,000 | 798,000 |
| Digital Content Management & Wayfinding Systems | 696,359 | 751,600 | 774,100 | 797,300 |
| Wayfinding Gap Analysis | 100,000 | - | - | - |
| Marketing & Leasing Commissions | 2,623,952 | 331,600 | - | - |
| Cybersecurity/IT | 1,293,671 | 1,332,481 | 1,372,456 | 1,413,629 |
| Bus Storage Facility and Bart Bridge Security | 325,165 | 334,920 | 344,968 | 355,317 |
| Asset Management Fee & Administration | 1,912,483 | 2,675,600 | 2,849,868 | 2,935,364 |
| Security | 7,222,585 | 7,439,263 | 7,662,440 | 7,892,314 |
| Insurance | 1,499,100 | 1,063,416 | 1,116,587 | 1,172,416 |
| Contingency | 3,834,749 | 1,500,000 | 750,000 | 350,000 |
| TOTAL EXPENSES | 32,180,193 | 30,893,053 | 30,767,720 | 31,266,620 |
| Difference Revenues vs. Expenses | - | - | - | - |
| ENDING BALANCE | 3,958,131 | 3,958,131 | 3,958,131 | 3,958,131 |
| RESERVE ANALYSIS | | | | |
| Annual Variable Operating Budget | 27,247,444 | 28,295,053 | 28,919,720 | 29,818,620 |
| Emergency Reserve | 500,000 | 500,000 | 500,000 | 500,000 |
| Projected Reserve Balance | 3,958,131 | 3,958,131 | 3,958,131 | 3,958,131 |
| 25% Required Reserve Calculated | 6,811,861 | 7,073,763 | 7,229,930 | 7,454,655 |
| Difference | (2,853,730) | (3,115,632) | (3,271,799) | (3,496,524) |
| % of Reserve Funded | 15% | 14% | 14% | 13% |
| Operator Contribution in Dollars | 5,300,608 | 7,821,490 | 1,955,391 | 2,392,835 |
| Operator Contribution Percentage of Total Revenues | 16% | 25% | 6% | 8% |

| TRANSBAY JOINT POWERS AUTHORITY PROGRAM RESERVE TRANSFERS ABBREVIATED HISTORY | | | | |
|--|----------------------|---|--|-------------------|
| <u>Date</u> | <u>Amount</u> | <u>Description</u> | <u>Resolution</u> | <u>Remaining</u> |
| | | 2016 Starting Program Reserve Balance | | 116,968,375 |
| | 7,923,599 | CMGC Modification Net Experts | 16-026 | 124,891,974 |
| Oct-16 | 1,421,299 | Webcor AV Equipment Amendment | 16-029 | 126,313,273 |
| Oct-16 | (500,000) | 301 Mission Litigation - Jones Day Legal Services | 16-036 | 125,813,273 |
| Dec-16 | (440,000) | Airspace Lease with Caltrans during Bus Storage Construction | 17-008 | 125,373,273 |
| Mar-17 | (1,588,720) | Bus Storage Facilities Construction - award value higher than budgeted amount | 17-009 | 123,784,553 |
| Mar-17 | (3,640,000) | URS Contract Phase 1 Increase | 17-010 | 120,144,553 |
| May-17 | (1,500,000) | 301 Mission Litigation - Jones Day Legal Services- | 17-017 | 118,644,553 |
| Sep-17 | (1,500,000) | 301 Mission Litigation - Jones Day Legal Services | 17-036 | 117,144,553 |
| Dec-17 | (25,000,000) | Tenant Improvements | 17-048 | 92,144,553 |
| Feb-18 | (2,200,000) | 301 Mission Litigation - Jones Day Legal Services | 18-005 | 89,944,553 |
| Apr-18 | (2,500,000) | CMO 1 Yr Extension | 18-013 | 87,444,553 |
| Jun-18 | (5,000,000) | 301 Mission Litigation - Jones Day Legal Services | 18-026 | 82,444,553 |
| Jul-18 | (200,000) | PMPC Extension thru 1/2019 | 18-033 | 82,244,553 |
| Sep-18 | (5,000,000) | 301 Mission Litigation - Jones Day Legal Services | 18-036 | 77,244,553 |
| Sep-18 | (900,000) | Legal Bench | 18-037 | 76,344,553 |
| Sep-18 | (11,200,000) | Construction Contingency | 18-039 | 65,144,553 |
| Sep-18 | (2,500,000) | Admin and Interest | 18-039 | 62,644,553 |
| Sep-18 | (1,300,000) | Extended Construction Admin | 18-039 | 61,344,553 |
| Nov-18 | (510,000) | MTC Peer Review | 18-041 | 60,834,553 |
| Dec-18 | (720,000) | PMPC Extension thru 7/2019 | 18-051 | 60,114,553 |
| Feb-19 | (3,000,000) | CMO 1 Yr Extension-thru 7/2020 | 19-004 | 57,114,553 |
| Feb-19 | (500,000) | MTC Peer Review | 19-003 | 56,614,553 |
| Balance After Approved Program Reserve Transfers | | | | 56,614,553 |
| Program Reserve Requests Associated with Budget | | | Reserve Total | |
| | | | Beginning Balance | 56,614,553 |
| FY18/19 | (2,000,000) | PCPA-Design Services related to Non-Conforming Steel Girders | | 54,614,553 |
| FY19/20 | (2,300,000) | Pelli Clarke Pelli Architects | | 52,314,553 |
| FY19/20 | (10,500,000) | Tenant Improvements | | 41,814,553 |
| FY19/20 | (3,200,000) | Turner Construction Mgmt. Oversight/ Dispute Resolution | | 38,614,553 |
| FY19/20 | (750,000) | PMPC Extension thru 12/2019 | | 37,864,553 |
| FY19/20 | (10,500,000) | Legal and Admin Professional Services | | 27,364,553 |
| FY19/20 | (2,017,000) | TJPA Admin | | 25,347,553 |
| | (31,267,000) | | Total Remaining Program Reserves 7/1/2019 | 25,347,553 |
| Estimate At Completion | | | | |
| | 2,159,000,000 | Estimate At Completion (EAC) 9-2018 | | |
| | 2,000,000 | PCPA-Design Services related to Non-Conforming Steel Girders | | |
| | 2,300,000 | Pelli Clarke Pelli Architects | | |
| | 3,200,000 | Turner Construction Mgmt. Oversight/ Dispute Resolution | | |
| | 750,000 | PMPC Extension thru 12/2019 | | |
| | 2,016,000 | Legal and Admin Professional Services | | |
| | 2,017,000 | TJPA Admin | | |
| | 2,171,283,000 | Estimate At Completion (EAC) 12-2019 | | |

TRANSBAY JOINT POWERS AUTHORITY
FY2019-2020 PH1 CAPITAL BUDGET PROGRAM RESERVE NEEDS ANALYSIS

| Description | Current Program Budget as of 7/1/17 | PH1 Actuals Thru 6/30/18 | FY18-19 Budget Yr-End Estimate | FY19-20 Final Capital Budget PH1 | Surplus/(Need from Reserve) |
|--|--|-----------------------------|--------------------------------------|--|--------------------------------|
| EXPENSES | | | | | |
| Salaries, Fringe Benefits, & Admin | 43,240,393 | 40,392,414 | 3,746,020 | 1,119,275 | (2,017,316) |
| Debt Service/City Financing Interest | 19,229,094 | 19,228,997 | 97 | - | - |
| Professional Services | | | | | |
| Legal Counsel | 19,041,985 | 31,371,592 | 9,782,395 | 9,672,000 | (9,810,002) |
| Financial and Grant Management | 9,509,472 | 8,982,748 | 738,750 | 455,000 | (667,026) |
| Audits | 705,600 | 677,600 | 28,000 | 28,000 | (28,000) |
| Economic and Real Estate Analysis(Seifel & Concord Group) | 1,164,969 | 1,155,502 | 9,467 | 50,000 | (50,000) |
| Community & Public Relations | 2,669,111 | 2,575,024 | 111,220 | 10,500 | (27,633) |
| Legislative Services | 4,692,933 | 4,692,933 | - | - | - |
| Other Prof Services | 10,153,449 | 9,706,818 | 304,330 | - | 142,301 |
| Other Intergovernmental Agmts / Consulting Svcs | incl above | - | 30,000 | 30,000 | (60,000) |
| Subtotal, Professional Services | 69,911,519 | 59,162,217 | 11,004,162 | 10,245,500 | (10,500,360) |
| Total Administrative Budget | 132,381,006 | 118,783,628 | 14,750,279 | 11,364,775 | (12,517,676) |
| Professional & Specialized Services | | | | | |
| <i>Engineering & Design Services</i> | | | | | |
| Program Management / Program Controls | 105,964,357 | 103,454,361 | 2,509,996 | 750,000 | (750,000) |
| Downtown Extension Preliminary Engineering & Design | - | - | - | - | - |
| Downtown Extension Interagency Coordination | - | - | - | - | - |
| Transit Center & Ramps Engineering & Design | 158,603,509 | 157,878,572 | 5,024,937 | - | (4,300,000) |
| Transit Center Traffic Signals | incl above | incl above | incl above | 100,000 | (100,000) |
| Transit Center Overhead Lines | incl above | incl above | incl above | 50,000 | (50,000) |
| Transit Center Commissioning Agent | 828,196 | 541,804 | 76,392 | 60,000 | 150,000 |
| Public Art Program | 2,597,000 | 2,549,668 | 26,332 | 21,000 | - |
| Other Facilities Engineering & Design | 18,907,956 | 18,796,942 | 111,014 | - | - |
| Other Engineering & Design Services | 134,700 | - | - | 134,700 | - |
| <i>Permits and Fees</i> | | | | | |
| Transit Center Building & Ramps Permits & Fees | 6,429,528 | 6,151,698 | 272,830 | 5,000 | - |
| Other Plan Checks / Permit Fees | 944,703 | 901,273 | 28,430 | 15,000 | - |
| <i>Real Estate Services</i> | | | | | |
| Property Management | - | - | - | - | - |
| Real Estate Valuation Services | - | - | - | - | - |
| <i>Construction Management</i> | | | | | |
| Construction Management Oversight for Transit Center | 76,982,350 | 73,025,110 | 3,957,240 | 3,000,000 | (3,000,000) |
| Construction Dispute Resolution Services | 361,955 | 317,719 | 44,236 | 200,000 | (200,000) |
| Other Facilities CM and DPW PM Services | 5,690,921 | 4,576,221 | 1,114,700 | - | - |
| <i>Construction</i> | | | | | |
| Transit Center Building & Ramps Construction incl Contingencies | 1,432,627,065 | 1,371,490,564 | 40,136,501 | 42,000,000 | - |
| Base Building Improvements / Tenant Improvements | 25,000,000 | 789,828 | 12,267,264 | 22,442,908 | (10,500,000) |
| Other Facilities Construction, Pre-Construction, Reimbursables, Bond | 152,660,322 | 141,329,884 | 11,330,438 | - | - |
| FF&E and other Owners Costs and 301 Mission Settlements | 3,294,219 | 1,321,865 | 1,972,354 | - | - |
| Program Reserve | 56,614,553 | - | - | - | - |
| Transit Center Temp Closure | 2,810,000 | - | 2,810,000 | - | - |
| <i>Planning & Environmental Analysis</i> | | | | | |
| Phase 3 Scoping | - | - | - | - | - |
| Subtotal, Professional & Specialized Services | 2,127,018,994 | 1,959,684,503 | 81,691,330 | 68,778,608 | (18,750,000) |
| TOTAL EXPENSES | \$ 2,259,400,000 | \$ 2,078,468,131 | \$ 96,441,609 | \$ 80,143,383 | (31,267,676) |

**TRANSBAY JOINT POWERS AUTHORITY
BOARD OF DIRECTORS**

Resolution No. _____

WHEREAS, The Transbay Joint Powers Authority (TJPA) is a joint powers agency responsible for the planning, design, construction, operation and management of the Transbay Program; and

WHEREAS, Pursuant to the Joint Powers Agreement creating the TJPA, dated April 4, 2001, the TJPA Board of Directors has the authority to adopt an annual or multi-year budget; and

WHEREAS, The TJPA Board of Directors has reviewed and considered the annual capital and operating budgets for FY 2019-20 shown in Attachment No. 1 and Attachment No. 2 incorporated herein by reference; and

WHEREAS, The TJPA Board of Directors has reviewed and considered an annual update to the rental and fee schedule as an attachment to the annual operating budget; now, therefore, be it

RESOLVED, That the TJPA Board of Directors hereby approves the annual operating budget and related appropriations for FY 2019-20 in an amount not to exceed \$38,719,021; and, be it

FURTHER RESOLVED, That the TJPA Board of Directors hereby approves the annual capital budget and related appropriations for FY 2019-20 in an amount not to exceed \$100,067,175; and, be it

FURTHER RESOLVED, That the TJPA Board of Directors hereby approves the Rental and Fee Schedule; and, be it

FURTHER RESOLVED, That the TJPA Board of Directors hereby approves the transfer of Program Reserves in the amount of \$31,267,000 in support of the FY2019-20 Capital Budget; and, be it

FURTHER RESOLVED, That the TJPA Board of Directors hereby authorizes the Executive Director to apply for, accept, and expend revenues in accordance with the annual capital and operating budgets for FY 2019-20 and the implementation of the Transbay Program.

I hereby certify that the foregoing resolution was adopted by the Transbay Joint Powers Authority Board of Directors at its meeting of June 13, 2019.

Secretary, Transbay Joint Powers Authority

**TRANSBAY JOINT POWERS AUTHORITY
BOARD OF DIRECTORS**

Resolution No. _____

WHEREAS, The Transbay Joint Powers Authority (TJPA) is a joint powers agency responsible for the planning, design, construction, operation and management of the Transbay Program; and

WHEREAS, Pursuant to the Joint Powers Agreement creating the TJPA, dated April 4, 2001, the TJPA Board of Directors has the authority to employ agents and employees, and make and enter into contracts; and

WHEREAS, In December 2011, the TJPA Board approved a contract with the California Public Employees' Retirement System (CalPERS) for the continued participation of TJPA employees in CalPERS; and

WHEREAS, The California Code of Regulations (CCR) Section 570.5 requires that all employers reporting compensation to CalPERS have a publicly available pay schedule that meets the requirements set forth in the regulation; and

WHEREAS, In July 2013, the TJPA Board adopted a pay schedule meeting the requirements set forth in the regulation, and in September 2015 and June 2017 approved updates to the pay schedule; and

WHEREAS, Changes in salary ranges due to cost-of-living adjustments need to be reflected on the pay schedule; and

WHEREAS, TJPA has developed the attached pay schedule through research of other agencies' salary schedules and consideration of current employees' compensation levels as well as historical consumer price index increases; now, therefore, be it

RESOLVED, That TJPA Board adopts the pay schedule attached hereto; and, be it

FURTHER RESOLVED, That this pay schedule is effective as of January 1, 2019; and, be it

FURTHER RESOLVED, That this pay schedule shall remain in effect until such time as the TJPA Board adopts a schedule that amends or replaces the attached.

I hereby certify that the foregoing resolution was adopted by the Transbay Joint Powers Authority Board of Directors at its meeting of June 13, 2019.

Secretary, Transbay Joint Powers Authority

Transbay Joint Powers Authority
Pay Schedule
Effective January 1, 2019

| Class Titles | Hourly Pay Range (Low) | Hourly Pay Range (High) |
|-----------------------|-------------------------------|--------------------------------|
| Executive | 105.00 | 145.00 |
| Manager III | 98.00 | 124.00 |
| Manager II | 75.00 | 103.00 |
| Manager I | 63.00 | 84.00 |
| Associate IV | 57.00 | 78.00 |
| Associate III | 47.00 | 63.00 |
| Associate II | 41.00 | 54.00 |
| Associate I | 34.00 | 49.00 |
| Administrative | 28.00 | 36.00 |