

**STAFF REPORT FOR CALENDAR ITEM NO.: 10  
FOR THE MEETING OF: May 14, 2020**

**TRANSBAY JOINT POWERS AUTHORITY**

**BRIEF DESCRIPTION:**

Presentation of and Public Hearing for draft budgets for Fiscal Year 2020-2021 (FY 20-21) Operating Budget in the amount of \$22,125,369 and FY 20-21 Capital Budget for Phase 1, Phase 2, and Tenant Improvements in an amount of \$81,532,269 and FY 20-21 Debt Service Budget in the amount of \$18,226,495.

**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 budgets for review by the Board and the public.

Staff presented a budget outlook at the April 2020 Board meeting. Following this May Board presentation and public hearing on the proposed budgets, staff will seek Board approval of final FY 20-21 budgets at the June Board meeting. As noted in April, the TJPA Budget Policy allows for the submission of the budget outlook and the draft budget to a Finance Committee of the TJPA Board. For the past several budget years and continuing for this year, staff is presenting these items to the TJPA Board as a whole in lieu of holding a separate meeting of a Finance Committee of the Board.

The staff-proposed draft operating budget totals \$22,125,369. The operating budget includes expenses and revenues for full operations at the transit center. The draft capital budget for Phase 1 totals \$27,570,000. The draft capital budget for Phase 2 totals \$23,822,689 and the draft capital budget for Tenant Improvements totals \$30,139,580 and is based on overall Program Budgets. The debt service budget is \$18,226,495 and includes the anticipated principal and interest payments based on successful bond sale. All budgets are itemized in Attachments and are subject to further refinements and feedback from the Board and public before presentation of the final proposed budgets in June.

**DRAFT FY 20-21 OPERATING BUDGET:**

The FY 20-21 Operating Budget detailed below is an overall reduction of \$6.3M or -22% from the Preliminary Budget presented in January 2020. The reductions take into consideration reduced revenues and reduced operations from the effect of the Covid-19 Pandemic and the adjustments required as a result of the Shelter in Place orders. The revenues have been reduced by the known impacts and expenses are commiserate with lower revenues to produce a balanced budget. We have been in discussions with AC Transit, MTC, and SFMTA staff to develop appropriate revenue projections and mitigate costs.

## **FY 20-21 Intergovernmental and Operating Revenues**

The FY 20-21 operating budget includes revenues from Regional Measure 2 (RM-2) and Regional Measure 3 (RM-3) bridge toll funds, Community Benefit District assessments, Contributions from various transit operators, Naming Rights, retail leases, advertising and sponsorship revenues from the transit center operations, cellular antennae fees, and small amounts of miscellaneous revenue. These are described further below:

### Intergovernmental Revenue

- TJPA receives an annual allocation of RM-2, bridge toll funds, for operations. The allocation for FY 20-21 is based upon the regional plans, however, according to MTC TJPA's allocations are expected to be reduced by 15% to \$7.1M based on decreased toll revenue collection. The budget also includes RM-3 funds, TJPA expects to receive \$1.62M. However, MTC has not yet allocated these bridge toll funds as pending lawsuits are yet to be fully resolved, Additionally, we will seek approval from MTC to receive future reimbursement if the litigation extends past FY 20-21.
- Regional Operator Contributions is derived from any differential between operating costs and operating revenues, per the Lease and Use Agreements. It 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 still in infancy stage and severely affected by the pandemic, the burden on the transit operators to cover deficits is substantial. This budget includes \$6.7M in Regional Operator Contributions, which is an increase of approximately \$1.4M from the January 2020 preliminary projection.
- 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 FY 20-21 TJPA expects to be reimbursed for \$1.2M, a decrease of 24%. This assumes the park will function as a passive park and activities and programming on the park will not resume before 2021.

### Operating Revenue

- Salesforce payments for naming rights received in previous years will be used to support transit center operations. This fiscal year \$3.0M will be realized from deferred revenue.
- Retail revenue including leases is projected at \$1.9M. The amount is based on the current retail tenants that occupy the transit center. This revenue is reduced from the preliminary budget by \$1.9M or 50% based on delayed occupancy schedules as a result of delayed construction timetables and the leasing schedule which now contemplates the retail space to be occupied at the end of fiscal year versus the end of the calendar year.
- Advertising revenue, sponsorship, and events is anticipated at \$1.86M. This amount is

based on the guaranteed advertising revenue and residual collections from the current year. This \$300K is a decrease of 16% from projections in the January 2020.

- The transit center has a neutral host distributed antennae system (cellular DAS) installed throughout the transit center to support consistent wireless service. The FY 20-21 budget includes the full minimum annual revenue guarantee for a total amount of \$125,000.
- TJPA will continue to collect rent from Greyhound at the transit center for a total amount of \$218K.

### **Transfers to Operating Reserves**

The FY 20-21 draft budget includes a transfer to the O&M Reserve from revenues to replenish the reserve. The reserve transfer is contemplated at \$3,242,000 to fund the reserve at 19% of variable operating expenses; bringing it closer to the policy goal of 25%.

### **FY 20-21 Operating Expenses**

The TJPA FY 20-21 draft operating budget as proposed by staff totals \$22,125,369. The proposed operating budget includes various TJPA salary, benefits, and administrative costs, shared with Phase 2 as an appropriate apportionment. As Phase 1 closes out and minimal activity remains, administrative expense will be allocated to other areas unless it is directly related.

- TJPA staff salaries & benefits (\$2.1 million)
- TJPA administration, including office expenses and the other administrative categories included in the operations budget (\$192,000)
- CBD special tax assessments (\$225,000)

For costs that are allocated between operating and capital, the apportionment is generally 50% Operations, and 50% 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>TI</i>	<i>Phase 2</i>	<i>Total</i>
Executive Director	50%	0%	50%	100%
Chief Financial Officer	50%	0%	50%	100%
Chief of Staff/Board Secretary	50%	0%	50%	100%
Chief Security Officer	100%	0%	0%	100%
Facility Director (Facility Manager)	100%	0%	0%	100%
IT Director	100%	0%	0%	100%
Finance Manager (F&HR Analyst)	50%	0%	50%	100%
Physical Security Manager (DSCO)	100%	0%	0%	100%
Field Operations Security Manager (Vacant)	100%	0%	0%	100%
Communications and Legislative Affairs Manager (Vacant)	50%	0%	50%	100%
Financial Reporting Accountant (Vacant)	50%	0%	50%	100%
Management Assistant (Vacant)	50%	0%	50%	100%
Accountant (Vacant)	50%	0%	50%	100%
Management Analyst (Contract Compliance- Vacant)	50%	0%	50%	100%
Accountant	50%	0%	50%	100%
Executive Assistant	50%	0%	50%	100%

Salaries are based on position ranges in the pay schedule effective January 1, 2019, previously approved by the TJPA Board. 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. Funding for positions at particular salary levels is still subject to the Board's annual budget approval process. All TJPA employees receive a cost-of-living adjustment (COLA) each year based on the CPI under their employment agreements. Thus, staff believes that the COLAs, and the commensurate pay schedule adjustments, are appropriate. A resolution approving the proposed pay schedule will be presented in June, separate from the resolution approving the proposed fiscal year budget, as required by CalPERS. The proposed Pay Schedule is provided as Attachment 3. 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

TJPA staff has worked with the asset manager, Lincoln Property Company (LPC), to refine the operating budget for the transit center and have reduced expenses by \$4.2M to a very lean budget. Only two areas saw increases; insurance and IT costs. We have added a new category of expenses, Major Maintenance/Repair/Replacement and segmented the operations and maintenance costs of the park to the Park Maintenance and Programming line. Additionally, this operating budget includes a new maintenance contracts for the Physical Security Systems and

Landscaping Maintenance, and several computer software and hardware maintenance agreements. All the additions have been offset with savings in other areas.

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

- Transit center O&M, including janitorial, building maintenance, and utilities (\$5.5M)
- Transit center physical security (\$5.9M)
- Cybersecurity and IT (\$1.7M)
- Transit center property management staffing, administrative costs, and fee (\$1.7M)
- Rooftop park maintenance, programming and management fee (\$1.5M)
- Digital content / wayfinding systems development and maintenance (\$600K)
- Transit Center Major Maintenance/Repair/Replacement (\$114K)
- Transit Center Insurance (\$2.3M)

Total: **\$19.6 million**

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 increases of \$506,000 or 27% increase from the preliminary budget due to claims and current market conditions. The coverage is 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.

### **Operating Reserves**

The Emergency Reserve is set at \$500,000 by the policy and would be used in extraordinary events such as a natural disaster. It is currently funded in the Transit Center Operating Fund at the policy set amount of \$500,000.

The Operating and Maintenance Reserve is to be funded at 25% of variable operating expenses. This approximates three months of operating expenses and is intended to be available in the event of unanticipated revenue shortfalls and/or unavoidable expenses. It is currently funded in the Transit Center Operating Fund at \$328,049 or 2%. If Item 12 on the Board Agenda for May 14, 2020, is approved, the O&M Reserve would be funded at \$1,190,346 or 5%. At the end of FY 20-21, including the transfer, the O&M reserve would be funded at \$4,432,346 or 20%. This amount makes significant progress towards the policy goal.

### **DRAFT FY 20-21 CAPITAL BUDGETS:**

The FY 20-21 Capital Budget for Phase 1 is proposed at \$27,570,000. It is a minimal budget only focusing on the close-out of construction claims and minimal administrative costs to support the claims close-out. This annual budget allocation falls within the overall Program budget of \$2,259.4B.

### **Proposed FY 20-21 Capital Funding Sources for Phase 1**

For the purposes of the annual budget, distinguishing from the program budget, the TJPA's funding sources consist of existing sources that have already been allocated or are otherwise available. These include existing balances of the Transportation Infrastructure Finance and Innovation Act (TIFIA) loan, TJPA's reimbursement from proceeds from the City's Community Facilities District (CFD) bond sales; TJPA anticipated bond proceeds, reimbursement from other entities such as utilities and insurance; and interest/investment income, in the following approximate amounts:

- CFD Reimbursements: \$16.2M
- TJPA Bond Proceeds: \$5.5M
- TIFIA: \$3.4M
- Reimbursements: \$1.2M
- Bridge Loan Proceeds: \$703K
- Lease, interest & investment income, miscellaneous: \$520K

### **Proposed FY 20-21 Capital Expenditures for Phase 1**

The TJPA's capital expenditure budget is organized into two categories:

- Professional, Specialized Services, and others: \$2.57M
- Construction Closeout: \$25M

These costs included are for direct administrative support, ongoing litigation, construction claims and for routine matters. Funding will require a transfer from Program Reserves.

### **Proposed FY 20-21 Capital Budget for Phase 2**

The FY 20-21 Capital Budget for Phase 2 is proposed at \$23,882,689. This budget includes various TJPA salary, benefits, and administrative costs, shared with Operating Budget. This budget advances the preliminary engineering and design for the Downtown Extension (DTX). It adds in-house staff based on recommendations from the APTA Peer Review and retains consultants to support the efforts of the Executive Streeting Committee established by the San Francisco Peninsula Rail Program MOU approved by the Board in April. This amount will be further refined in the June budget based on the availability of CFD reimbursements and refined Phase 2 workplan for next fiscal year.

### **Proposed FY 20-21 Capital Funding Sources for Phase 2**

Phase 2 has a variety of sources slated for the overall Program Budget of \$3,995B. For the purposes of the annual budget, distinguishing from the program budget, the TJPA's funding sources consist of existing sources that have already been allocated or are otherwise available. These include existing allocation balances from San Francisco Proposition K (Prop K) sales tax; TJPA's expected reimbursement from proceeds from the City's CFD bond sales; Transit Center District Impact Fees, and interest/investment income, in the following approximate amounts:

- Prop K Allocation: \$11.9M
- CFD Reimbursements: \$10.8M
- Transit District Impact Fees (IPIC): \$625K
- Miscellaneous and interest income: \$400K

## Proposed FY 20-21 Capital Expenses for Phase 2

### Salaries and Benefits

The TJPA's proposed capital salaries and benefits expense for FY 20-21 is approximately \$1.9M. 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>TI</i>	<i>Phase 2</i>	<i>Total</i>
Executive Director	50%	0%	50%	100%
Project Director (Vacant)	0%	0%	100%	100%
Senior Program Manager (Vacant)	0%	0%	100%	100%
Senior Design & Engineering Manager	0%	0%	100%	100%
Engineering Manager	0%	80%	20%	100%
Chief Financial Officer	50%	0%	50%	100%
Chief of Staff/Board Secretary	50%	0%	50%	100%
Finance Manager (F&HR Analyst)	50%	0%	50%	100%
Communications and Legislative Affairs Manager (Vacant)	50%	0%	50%	100%
Financial Reporting Accountant (Vacant)	50%	0%	50%	100%
Administrative Assistant (ESC/PD)	0%	0%	100%	100%
Management Assistant (Vacant)	50%	0%	50%	100%
Accountant (Vacant)	50%	0%	50%	100%
Management Analyst (Contract Compliance -Vacant)	50%	0%	50%	100%
Accountant	50%	0%	50%	100%
Executive Assistant	50%	0%	50%	100%

### Administrative Expenses

This category includes apportioned amounts of the expenditures associated with operating the TJPA on a day-to-day basis, based on the staffing assigned for Phase 2 such as professional development, meeting expenses, etc. For FY 20-21, staff proposes to budget approximately \$668K for administrative expenses such as insurance premiums; communications; office supplies, equipment and furniture; professional development; meeting expenses; and human resources/payroll administration.

### Administrative Professional Services

The budget includes \$1.5M 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.

### Professional and Specialized Services

The Professional and Specialized Services budget is categorized by engineering and design services, project management, permits and fees, and real estate services. As a result, approximately \$17.2M of the proposed FY 20-21 capital budget is devoted to Professional and Specialized Services, the majority of which is allocated to Engineering and Design. The major professional and specialized services that will be undertaken during FY 20-21 under each sub-category are described below.

*Engineering and Design Services (\$17.23 million)*

- Program Management & Program Controls (PM/PC) (\$3.76 million)  
The PM/PC consultant provides Downtown Rail Extension (DTX) project management.
- DTX Preliminary Engineering and Design (\$12.7 million)  
The focus will be continuing to advance engineering work for the DTX to a complete 30% preliminary engineering and drawings level. An RFP for preliminary engineering is expected to be released for this work shortly.

*Real Estate Services (\$109K);*

- The primary professional and specialized services related to real estate in the FY 20-21 budget include property management of the TJPA-owned property leased out at 580 Howard Street, and potential real estate studies for Phase 2.

*Other Activities (\$2.3 million)*

**Proposed FY 20-21 Capital Budget for Tenant Improvements Budget**

The FY 20-21 Capital Budget for Tenant Improvements is proposed at \$30,139,580. This budget includes TJPA salary and benefits, dedicated to Tenant Improvements successful completion. It also includes construction management cost, leasing commissions, tenant allowances provided in the executed leases and construction costs and contemplates a transfer from the fiscal reserve. This budget stands alone from the Phase 1 and Phase 2 budgets and provides more visibility on the overall value of the tenant improvements.

**Proposed FY 20-21 Capital Funding Sources for Tenant Improvements Budget**

The overall Tenant Improvement budget has been set at \$35.5M. For the purposes of the annual budget, distinguishing from the overall budget, Tenant Improvements will be funded in its entirety with TJPA Bond proceeds at the conclusion of the bond sale.

- Bond Proceeds: \$19M
- Interest income: \$185K

**Proposed FY 20-21 Capital Expenses for Tenant Improvements**

Salaries and Benefits

The TJPA's proposed capital salaries and benefits expense for FY 20-21 is approximately \$505K. There are no administrative expenses allocated to the Tenant Improvements budget and the positions dedicated to Tenant Improvements are shown below:

<u>Position</u>	<u>Allocation</u>			
	<i>Operating</i>	<i>TI</i>	<i>Phase 2</i>	<i>Total</i>
Senior Construction Manager	0%	100%	0%	100%
Engineering Manager	0%	80%	20%	100%

LPC, the asset manager for the transit center provides construction/project management oversight for tenant improvements and acts as a leasing manager. They also assist with



analyzing the value of tenant allowances in combination with lease negotiations. TJPA staff coordinates with LPC to ensure proper integration with the overall design of the facility and to determine the appropriate levels of FF&E to stay on schedule and in budget. The expenses in the Tenant Improvement budget plans for the expense of the committed tenant construction allowances and the construction of the landlord's work. Project management costs are a percentage of construction costs.

- Commissions and Project Management: \$2.4M
- Tenant Allowances \$9.9M
- Tenant Improvement Construction \$14.7M

## **DRAFT FY 20-21 DEBT SERVICE BUDGET**

As a result of the anticipated Bond Sale in June that refinances the TIFIA loan and repays the City Financing, TJPA expects in FY 20-21 that debt service will be approximately \$15.5M for principal and interest payments due in October and April paid with net tax increment revenues. The actual debt repayment schedule will be determined as the offering documents get finalized and presented with the Final Budget. The net tax increment proceeds are pledged to the tax allocation bonds and these funds cannot be used for any operational costs. Net tax increment revenue generated by the former State-owned parcels is pledged for debt service (\$18.1M).

## **CAPITAL RESERVES**

### Fiscal Reserves

The Fiscal Reserve is a part of all the capital budgets and covers both Phase 1 and Phase 2 of the Transbay Program and Tenant Improvements. The Fiscal Reserve provides working capital and contingency. Use of the Fiscal Reserve requires Board Action. Action on the FY 20-21 Capital Budgets assumes transfers from the Fiscal Reserve to various aspects of the budgets. Upon finalizing the specific categories and determining the final amounts, staff will include a detailed request itemizing the costs and categories as part of the approval for the final adoption of the budgets in June.

### Capital Replacement Reserve

The Capital Replacement Reserve is a reserve to address the lifecycle needs of the transit center. It is targeted to be funded at a minimum of \$29M with the successful completion of the 2020 Bond Sale. The final amount will be presented with the Final Budget in June.

## **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 vendor contracts—generally administrative items such as salaries, benefits and other office expenses are not. By approving the budget request, the Board would provide expenditure authorization for those line items that are not based on contracts.

In some cases, the TJPA's funding partners require that funding applications be approved by the TJPA Board. Others do not include this requirement. For clarification, and as in previous fiscal years, the FY 20-21 budget resolution will include 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.

**ENCLOSURES:**

1. FY 20-21 Draft Operating Budget (Attachment 1)
2. FY 20-21 Draft Capital Budgets (Attachment 2)
3. Proposed and Current Pay Schedules (Attachment 3)
4. Rental and Fee Schedule (Attachment 4)

**RECOMMENDATION:**

Information only; Final Budget to be presented for approval at June Board meeting.

<b>FY20-21 Proposed Operating Budget</b>	<b>FY19-20 Approved Budget</b>	<b>FY20-21 Preliminary Budget (January 2020)</b>	<b>FY20-21 Draft Budget (May 2020)</b>	<b>\$ Change from Preliminary FY20-21</b>	<b>% Change from Preliminary FY20-21</b>
<b>Beginning Reserves</b>					
Emergency Reserve	500,000	500,000	500,000		
O&M Reserve	1,953,049	1,953,049	328,049		
<b>Beginning Balance and Reserves</b>	<b>2,453,049</b>	<b>2,453,049</b>	<b>828,049</b>	<b>(1,625,000)</b>	<b>-66%</b>
<b>Reimbursements</b>					
Regional Measure 2	8,201,958	8,448,017	7,158,017	(1,290,000)	-15%
Regional Measure 3	1,625,600	1,625,600	1,625,600	0	0%
STA (Wayfinding) Grant	0	50,000	50,000	0	0%
Community Benefit District Park Payments	1,605,770	1,588,067	1,211,830	(376,237)	-24%
<b>Subtotal Reimbursements</b>	<b>11,433,328</b>	<b>11,711,684</b>	<b>10,045,447</b>	<b>(1,666,237)</b>	<b>-14%</b>
<b>Revenues</b>					
Lease and Use Payments	5,300,608	5,395,632	6,790,956	1,395,324	26%
AC Transit (74%)	3,922,450	3,992,768	5,025,307	1,032,540	26%
SF Municipal Transportation Agency (26%)	1,378,158	1,402,864	1,765,649	362,784	26%
AC Transit (Bus Storage Facility and Bart Bridge Security)	325,165	278,632	168,000	(110,632)	-40%
Other Operator Rents	319,500	218,400	218,400	0	0%
Naming Rights	3,546,600	3,037,567	3,037,567	0	0%
Transit Center Rental Retail Revenue	3,269,469	3,954,094	1,992,000	(1,962,094)	-50%
Transit Center Advertising	2,064,623	1,953,000	1,645,000	(308,000)	-16%
Transit Center Sponsorship / Events	614,500	240,000	220,000	(20,000)	-8%
Neutral Host DAS Licensing Fees	625,000	125,000	125,000	0	0%
Office Sublease	780,000	349,313	0	(349,313)	-100%
AC Transit Capital Contributions	0	1,000,000	1,000,000	0	0%
Net Tax Increment (Moved to Separate Budget)	6,538,828	0	0	0	0%
Miscellaneous	0	65,000	65,000	0	0%
Interest Earnings	0	138,256	60,000	(78,256)	-57%
<b>Subtotal Revenues</b>	<b>23,384,292</b>	<b>16,754,894</b>	<b>15,321,923</b>	<b>(1,432,971)</b>	<b>-9%</b>
<b>Transfers From/(To)</b>					
Transfer From Reserves/Fund Balance	2,519,700	0	0	0	0%
Transfer (To) Reserves/Fund Balance	0	0	(3,242,000)	(3,242,000)	0%
<b>Subtotal Transfers</b>	<b>2,519,700</b>	<b>0</b>	<b>(3,242,000)</b>	<b>(3,242,000)</b>	<b>0%</b>
<b>TOTAL RESOURCES</b>	<b>37,337,320</b>	<b>28,466,578</b>	<b>22,125,369</b>	<b>(6,341,209)</b>	<b>-22%</b>
<b>Expenses</b>					
ADMIN	3,689,586	4,617,793	2,517,406	(2,100,387)	-45%
Asset Management Fee & Administration	1,912,483	1,863,606	1,761,799	(101,807)	-5%
Security	7,222,585	6,858,588	5,740,068	(1,118,520)	-16%
Bus Storage Facility and Bart Bridge Security	325,165	278,632	168,000	(110,632)	-40%
Transit Center General Maintenance	2,965,049	2,965,049	2,416,113	(548,936)	-19%
Transit Center Janitorial	2,505,128	2,611,018	1,649,022	(961,996)	-37%
Transit Center Utilities	2,182,896	2,182,896	1,494,793	(688,103)	-32%
Cybersecurity/IT	1,293,671	1,693,671	1,775,182	81,511	5%
Park Management Fee & Administration	798,000	798,000	133,000	(665,000)	-83%
Park Maintenance & Programming	531,470	622,796	1,397,487	774,691	124%
Capital Maintenance/ Repair/ Replacement	0	1,128,170	114,500	(1,013,670)	-90%
Digital Content Management & Wayfinding Systems	696,359	696,359	552,000	(144,359)	-21%
Wayfinding Enhancements	100,000	50,000	50,000	0	0%
Insurance	1,499,100	1,850,000	2,356,000	506,000	27%
Contingency / Use of Fund Balance	2,453,049	250,000	0	(250,000)	-100%
Marketing & Leasing Commissions (Moved to Tenant Improvement Budget)	2,623,952	0	0	0	0%
Debt Service (Moved to Separate Budget)	6,538,828	0	0	0	0%
<b>TOTAL EXPENSES</b>	<b>37,337,320</b>	<b>28,466,578</b>	<b>22,125,369</b>	<b>(6,341,209)</b>	<b>-22%</b>
<b>DIFFERENCE</b>	<b>(0)</b>	<b>0</b>	<b>0</b>		
<b>Ending Reserve Amounts</b>					
Emergency Reserve	500,000	500,000	500,000	0	0%
O&M Reserve	1,953,049	1,953,049	3,570,049	1,617,000	83%
<b>Totals</b>	<b>2,453,049</b>	<b>2,453,049</b>	<b>4,070,049</b>	<b>1,617,000</b>	<b>66%</b>
<b>Reserve Percentage</b>	9%	9%	19%		
<b>Variable Expense Budget</b>	27,247,444	27,368,578	21,662,369		

<b>FY20-21 Proposed Debt Service Budget</b>	<b>FY20-21 Draft Budget</b>
<b>Revenues</b>	
Net Tax Increment Revenue	18,101,495
Interest Earned	125,000
<b>TOTAL RESOURCES</b>	<b>18,226,495</b>
<b>Expenses</b>	
2020 TAB Principal and Interest	18,101,495
Account Service Fees	125,000
<b>TOTAL EXPENSES</b>	<b>18,226,495</b>
<b>DIFFERENCE</b>	<b>0</b>
<b>Ending Reserve Amounts</b>	
Debt Service Reserve (1.25%)	18,584,000
<b>Ending Balance and Reserves</b>	<b>18,584,000</b>

<b>FY20-21 Proposed Phase 1 Budget</b>	<b>FY20-21 Draft Budget</b>
<b>Revenues</b>	
CFD Reimbursements	16,234,856
TJPA Bond Proceeds	5,500,000
TIFIA Loan Proceeds	3,411,333
Reimbursements	1,200,000
Bridge Loan Proceeds	703,811
Miscellaneous & Interest Income	520,000
<b>TOTAL RESOURCES</b>	<b>27,570,000</b>
<b>Transfers From/(To)</b>	
Transfer From/(To) Program Reserve/Fiscal Reserve	0
<b>Subtotal Transfers</b>	<b>0</b>
<b>Expenses</b>	
Legal Counsel	1,200,000
Construction Dispute Resolution Services	200,000
Program Management / Program Controls	370,000
Construction Management Oversight for Transit Center	800,000
Transit Center Building & Ramps Construction	25,000,000
<b>TOTAL EXPENSES</b>	<b>27,570,000</b>
Program Reserve	31,000,000
<b>Difference</b>	<b>0</b>

<b>FY20-21 Proposed Phase 2 Budget</b>	<b>FY20-21 Draft Budget</b>
<b>Revenues</b>	
Proposition K San Francisco Sales Tax	11,906,558
Transit Center District Impact Fees-IPIC	625,000
Interest Income	400,000
<b>TOTAL REVENUES</b>	<b>12,931,558</b>
<b>Transfers From/(To)</b>	
Transfer From/(To) Program Reserve/Fiscal Reserve	10,891,131
<b>Subtotal Transfers</b>	<b>10,891,131</b>
<b>TOTAL RESOURCES</b>	<b>23,822,689</b>
<b>Expenses</b>	
<b>Salaries, Fringe Benefits, &amp; Admin</b>	2,622,632
<b>Professional Services</b>	
Audits	24,000
Other Intergovernmental Agmts / Consulting Svcs	30,000
Economic and Real Estate Analysis	30,000
Legislative Services	138,625
Legal Counsel (City Attorney, Outside Counsel)	800,032
Financial and Grant Management	500,000
<b>Engineering &amp; Design Services</b>	
Downtown Extension Interagency Coordination	300,000
Other Engineering & Design Services	400,800
Program Management / Program Controls	3,760,000
Downtown Extension Preliminary Engineering & Design	12,770,000
<b>Permits and Fees</b>	
Other Plan Checks / Permit Fees	15,000
<b>Real Estate Services</b>	
Property Management	9,000
Real Estate Valuation Services	100,000
<b>Other Professional Services</b>	2,322,600
<b>TOTAL EXPENSES</b>	<b>23,822,689</b>
Program Reserve Balance	24,608,869
<b>Difference</b>	<b>(0)</b>

<b>FY20-21 Proposed Tenant Improvements Budget</b>	<b>FY20-21 Draft Budget</b>
<b>Revenues</b>	
Bond Proceeds	19,000,000
Interest Income	185,000
<b>TOTAL REVENUES</b>	<b>19,185,000</b>
<b>Transfers From/(To)</b>	
Transfer From/(To) Program Reserve/Fiscal Reserve	10,954,580
<b>Subtotal Transfers</b>	<b>10,954,580</b>
<b>TOTAL RESOURCES</b>	<b>30,139,580</b>
<b>Expenses</b>	
Salaries	394,874
Benefits	110,357
Marketing and Leasing Commissions	1,608,799
Project Management Overhead	1,334,550
Base Building	1,000,000
Tenant Improvements Allowance	9,984,000
Tenant Improvement Construction	15,707,000
<b>TOTAL EXPENSES</b>	<b>30,139,580</b>
Fiscal Reserve Balance	4,045,420
<b>Difference</b>	<b>0</b>

**Transbay Joint Powers Authority**  
**Pay Schedule**  
Effective January 1, 2019

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



**Transbay Joint Powers Authority**  
**Pay Schedule**  
Effective December 1, 2019

<b>Class   Titles</b>	<b>Hourly Pay Range (Low)</b>	<b>Hourly Pay Range (High)</b>
<b>Executive</b>	109.00	150.00
<b>Manager III</b>	101.00	128.00
<b>Manager II</b>	78.00	107.00
<b>Manager I</b>	65.00	87.00
<b>Associate IV</b>	59.00	81.00
<b>Associate III</b>	49.00	65.00
<b>Associate II</b>	43.00	56.00
<b>Associate I</b>	36.00	51.00
<b>Administrative</b>	29.00	38.00

## 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:

<b>Amphitheater in Salesforce Park Rental Rate</b>		
	<b>Stage + Lawn Only*</b>	<b>Entire Amphitheater Area</b>
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.

<b>Café Pad in Salesforce Park Rental Rate</b>
\$500/hr

<b>Additional Rental Rates</b>
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:

<b>Fees and Expenses</b>	
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:

<b>Film/Photo Fees</b>	
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).