

**STAFF REPORT FOR CALENDAR ITEM NO.: 10  
FOR THE MEETING OF: June 25, 2020**

**TRANSBAY JOINT POWERS AUTHORITY**

**BRIEF DESCRIPTION:**

Adoption of Fiscal Year 2020-2021 (FY 20-21) Operating Budget in the amount of \$22,425,369 and FY 20-21 Capital Budget for Phase 1, Phase 2, and Tenant Improvements in an amount of \$90,626,061 and FY 20-21 Debt Service Budget in the amount of \$21,123,458.

**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 2020 Board meeting, the draft budgets for FY 2020-21 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 2020-21 totals \$22,425,369 (versus the \$22,125,369 presented in May). The operating budget is reduced overall by 21% compared to current year amended budget and includes expenses and revenues that takes into account ongoing COVID-19 impacts on operations at the transit center. The proposed capital budgets for FY 2020-21 totals \$90,626,061 (versus the \$81,532,269 presented in Draft May Budget). The capital budget includes work for Phase 1 (\$48.9 million, an increase of \$21.4M from the Draft May Budget), Phase 2 (\$11.6 million, a decrease of \$12.1M from the Draft May Budget) and Tenant Improvements (\$29.9M, a decrease of \$177K from the Draft May Budget) Finally, the Debt Service budget totals \$21,123,458, an increase of \$2.8M from the Draft May Budget.

**FY 2020-21 OPERATING BUDGET:**

The FY 2020-21 Final Operating Budget is scaled down from the current year and assumes the Transit Center will gradually return to healthy operations beginning January 2021 as the Shelter-in-Place restrictions are eased and activity increases as a result. The Transit Center is committed to providing a clean and safe environment for the riders and community and will slowly increase operations as direction is received from the local authorities and as necessary to serve bus operations and the community at large. The Final Budget includes minor refinements compared to the Draft Budget presented in May resulting in an overall increase of \$300,000. **This budget is a 21% or \$6.0M reduction from the current year amended budget.**

**FY 2020-21 Final Budget Intergovernmental Revenue Refinements**

As federal funding and guidance materializes for lost revenues as a result of the global pandemic, the Metropolitan Transportation Commission (MTC) has been continually revising the Bay Area revenue loss projections and funding distribution methodology. MTC has advised TJPA to revise our projection of RM-2 allocations to 30% reduction versus a 40% reduction included in the

Draft Budget presented in May. This revision allows for TJPA to anticipate an additional \$300,000 in RM2 allocations for FY20-21. An allocation request to MTC in the updated amount is a companion item on the Board Agenda for June 25, 2020. The overall Transit Center budget has increased accordingly.

### **FY 2020-21 Intergovernmental and Operating Revenues Review**

The FY 20-21 Final 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 12% (compared to current fiscal year budget) to \$7.4M 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. Similar to current fiscal year, 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 or 26% from the FY 2019-20 budget.
- 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%. The decrease is based upon several factors. First, the CBD has budgeted for and anticipates lower assessment revenues as a result of the Shelter-in-Place restriction due to COVID-19. We have taken a conservative approach to revenue availability across the board. With reduced revenues available to TJPA and to the CBD, this budget assumes the park will function as a passive park through the December 2020 and activities and programming on the park will not resume before 2021 taking into consideration all relevant health orders.

## 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.

## **Operating Reserve Transfers**

The FY 20-21 Final 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 22% of variable operating expenses; bringing it closer to the policy goal of 25%.

## **FY 2020-21 Final Operating Expense Refinements**

The TJPA FY 2020-21 Final operating budget totals \$22,425,369, an increase of \$300,000. It includes several adjustments amongst categories that are self-contained. Furthermore, the additional revenue identified has been offset with an expense contingency line item. One of the major refinements was in insurance cost for the Transit Center. TJPA was successful in obtaining property insurance at a significantly lower premium from a new carrier and as a result the final budget decreases insurance by \$722,000. The savings was spread amongst a few other lines that items that after further analysis needed adjustments upwards. The physical security budget items were increased by \$240,000 and a new line item of Security Systems was added for \$560,000. The new line item of Security Systems had been encompassed in the line item of Security and Administration but is now being culled out. Also, Janitorial and Maintenance line items were increased by \$50,000 and \$100,000, respectively, from saving in Utilities. Digital Content Management was increased by \$50,000 based on refined historical usage numbers. Finally, a Title VI Implementation and Translation line item has been added for \$50,000 to provide training, signage, and translations as required by FTA. All other expense items remain unchanged.

## **FY 2020-21 Operating Expenses Review**

The TJPA FY 20-21 Final operating budget totals \$22,425,369. The 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.

<b>Position</b>	<b>Allocation</b>			
	<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, that was presented in May, is attached, separate from the resolution approving the proposed fiscal year budget, as required by CalPERS. The proposed Pay Schedule is provided as Attachment 5. 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. Almost all line items have been reduced to match reduced revenues. However, IT costs saw an increase. We have added new categories of expenses, Major Maintenance/ Repair/ Replacement, Title VI Implementation and Translation, 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 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 (\$5.3M)
- Transit center physical security (\$5.9M)
- Transit Center Security Systems (\$560K)
- 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 (\$602K)
- Transit Center Major Maintenance/Repair/Replacement (\$114K)
- Transit Center Insurance (\$1.6M)
- Contingency (\$360K)

Total: **\$19.8 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. **Overall, the transit center operations have increased \$300K from the May Draft operating budget, presented in Attachment 1.**

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.

## **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 \$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 22%. This amount makes significant progress towards the policy goal.

### **FY2020-21 3-Year Operating Projection**

For future planning, a 3-year Operating Projection is included with this Final Budget and Staff Report (Attachment 2). 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. Considering the economic retraction and uncertainty, these estimates assume a slow recovery or moreover a worst-case scenario rather than a quick recovery.

### **FY 2020-21 CAPITAL BUDGET:**

The Final FY2020-21 Capital Budget is \$90,626,061 for Phases 1 and 2 and Tenant Improvements. It includes several refinements totaling \$9,093,792 as an increase over the Draft Budget presented in May. Each Phase is discussed separately below and presented in Attachment 3.

#### **FY 20-21 Capital Budget Refinements for Phase 1**

The FY 20-21 Capital Budget for Phase 1 has been refined to \$48,986,000 versus \$27,570,000 in the Draft Budget presented in May, an increase of \$21,416,000. While it is a minimal budget only focusing on the close-out of construction claims and minimal administrative costs to support the claims close-out effort, the increase is due wholly to requests in dollars from the Program Reserve to close-out the project. The refinement has been made in conjunction with updated claims exposure assessments. This annual budget allocation falls within the overall Program Budget of \$2,259.4B.

#### **Final FY 2020-21 Capital Budget for Phase 1 Funding Review**

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 Series 2020 TAB bond proceeds, reimbursement from other entities such as utilities and insurance; and interest/investment income, in the following approximate amounts:

- CFD Reimbursements: \$16.9M
- TJPA Bond Proceeds: \$5.5M
- TIFIA: \$3.4M
- Reimbursements: \$1.2M
- Bridge Loan Proceeds: \$703K
- Lease, interest & investment income, miscellaneous: \$520K

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

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

- Professional, Specialized Services, and others: \$3.38M
- Construction Closeout: \$45.6M

The costs included are for direct administrative support, ongoing litigation, construction claims and for routine matters. This budget requires a transfer of \$20,709,231 from Program Reserves.

**Program Reserves Phase 1**

As Phase 1 of the Transbay Program ends, a transfer from Program Reserves is necessary to complete this budget. The table below shows the specific amounts and needs for the Program Reserve draw as well as historical adjustments during the current fiscal year.

Program Reserve Draws and Requests	Date	Amount	Running Balance	Approval
URS PMPC Extended Services	1/20/2020	(497,000.00)	25,756,365.00	Administrative
Turner CMO Extended Services	2/18/2020	(165,000.00)	25,591,365.00	Administrative
Turner Girder Remediation Services	2/18/2020	(100,000.00)	25,491,365.00	Administrative
Turner Office Move Costs	2/18/2020	(235,000.00)	25,256,365.00	Administrative
Construction Contingency for Turner Girder Remediation Services	3/23/2020	(1,200,000.00)	24,056,365.00	Res. 20-006
Legal	6/25/2020	(2,016,000.00)	22,040,365.00	Proposed
Construction Contingency	6/25/2020	(16,496,231.85)	5,544,133.15	Proposed
<b>TOTAL</b>		<b>(20,709,231.85)</b>		

The beginning balance from July 2019 in the Program Reserve Budget was \$25.7M and would be reduced to \$5.5M.

**FY 20-21 Capital Budget Refinements for Phase 2**

The FY 20-21 Capital Budget for Phase 2 has been refined to \$11,677,001 versus \$23,822,689, a decrease of \$12,145,688. The refinement aligns this budget to the planned effort for the fiscal year and available funding and cash flow of the Prop K dollars allocated from SFCTA according to the Notice’s to Proceed (NTP) #'s 1 and 2. The significant adjustments are a reduction of \$9.77M for preliminary engineering and design and a decrease of \$2.1M in other professional services.

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

The FY 20-21 Capital Budget for Phase 2 is at \$11,677,001. 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 supports the efforts of the Executive Streeting Committee established by the San Francisco Peninsula Rail Program MOU approved by the Board in April. **The budget also assumes a transfer from fiscal reserves to fund administrative costs in the amount of \$3,214,711.**

**FY 20-21 Capital Budget for Phase 2 Funding Review**

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: \$7.65M
- CFD Reimbursements: \$3.2M
- Transit District Impact Fees (IPIC): \$385K
- Miscellaneous and interest income: \$425K

**FY 20-21 Capital Expenses for Phase 2 Review**

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:

<b>Position</b>	<b>Allocation</b>			
	<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, and real estate services. As a result, approximately \$7.2M 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 (\$7.27 million)*

- Program Management & Program Controls (PM/PC) (\$3.91 million)  
The PM/PC consultant provides Downtown Rail Extension (DTX) project management.
- DTX Preliminary Engineering and Design (\$2.9 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, and potential real estate studies for Phase 2.

#### *Other Activities (\$150K)*

- The primary activity is Outreach and branding for the DTX

### **TENANT IMPROVEMENTS**

The original capital budget for Tenant Improvements at the Salesforce Transit Center was approved in July 2017 which had the specific line items identified in the following table.

<b>Item</b>	<b>Cost (\$millions)</b>
Base Building Improvements (Direct Construction Costs)	16.23
Allowance for Tenant Improvements*	12.59
<b>Subtotal Improvements</b>	<b>\$28.82</b>
Soft costs (architect, etc.)	2.43
AMA CM Fee (3.5%)	1.01
Contingency (10%)	3.23
<b>Total</b>	<b>\$35.49</b>

Over the past fiscal year, several issues have risen as obstacles to moving forward with the retail program without some additional building modifications to complete the approved tenant improvement and landlord's work. The issues stem from the underestimating of the amount of work required to implement the change in direction from the original retail plan that identified spaces as services as compared to the market driven demand for restaurants requires significant additional base building modifications. In being responsive to the demand for restaurant space and capturing higher rents, the retail plan was modified understanding the building modifications

would be necessary for implementation. The largest impact has been the additional work associated with creation of smaller spaces which required reallocating utilities to smaller retail spaces and to different parts of the transit center along with the added build out of the Type 1 kitchen exhaust systems that supports the additional restaurant spaces. The accommodation of the add-ons has had a budgetary impact of approximately \$10.6M.

**Summary of Changes to the TI Budget (Cost Drivers)**

Table 1 summarizes the changes to the tenant improvement capital budget. Each line item is discussed in detail in this staff report.

<b>Scope/Cost Driver</b>	<b>Original Budget</b>	<b>Revised Budget</b>	<b>Variance</b>	<b>Notes</b>
<b>Expenditures</b>				
Kitchen Exhaust Completion	\$4,000,000	\$10,100,000	\$6,100,000	Work from shell core to retail
Exhaust Louvers	n/a	\$400,000	\$400,000	Work from shell core to retail
Utility Reallocation	\$2,500,000	\$4,600,000	\$2,100,000	Change spaces to restaurant services
TJPA Offices	\$1,100,000	\$2,100,000	\$1,000,000	Common area adds and changes to layout
Retail Common Areas	n/a	\$1,500,000	\$1,500,000	Work from shell core to final public-ready areas
Base Building Modifications	n/a	\$2,700,000	\$2,700,000	Modifications identified post-opening for center functionality
<b>Opportunities</b>				
Retail Topping Slab/Demising Walls	\$5,000,000	\$2,400,000	(\$2,600,000)	Combining areas to reduce mobilizations
Water Source Heat Pumps	\$1,000,000	\$400,000	(\$600,000)	Combining purchase and storing on site
<b>TOTALS</b>	<b>\$13,600,000</b>	<b>\$24,200,000</b>	<b>\$10,600,000</b>	

**Retail Area**

A retail plan was created at the time of the transit center’s design well over 10 years ago. Assumptions were based on anticipated market conditions relative to size, location and intended use of commercial spaces, which in turn affected where utilities were installed during construction. Webcor/Obayashi’s base construction contract called for a cold shell for all commercial spaces; future tenancies would dictate what was additionally needed to open the particular business.

Once under contract in March 2017, the Asset Management team determined that the commercial property environment had changed significantly. One example is the second level food court concept in the original plan, which was no longer viable in the current market. The Asset Manager’s retail expert, Colliers International, adopted a new strategy and created a merchandising plan aligned with market expectation. This merchandising plan was approved by the TJPA board in July 2017, with a budget \$35.5 million for tenant improvements for the anticipated retail buildout.

The plan required more demising walls to create smaller spaces, locating restaurant tenants on the ground level, and increasing the number spaces for Type 1 kitchen restaurants (full service hoods/cooktops); these types of spaces garner more interest and higher rent than spaces that accommodate only Type 2 restaurant (no hood/exhaust food preparation). Figure 1 shows the number of Type I and Type II units in the current ground level retail program.

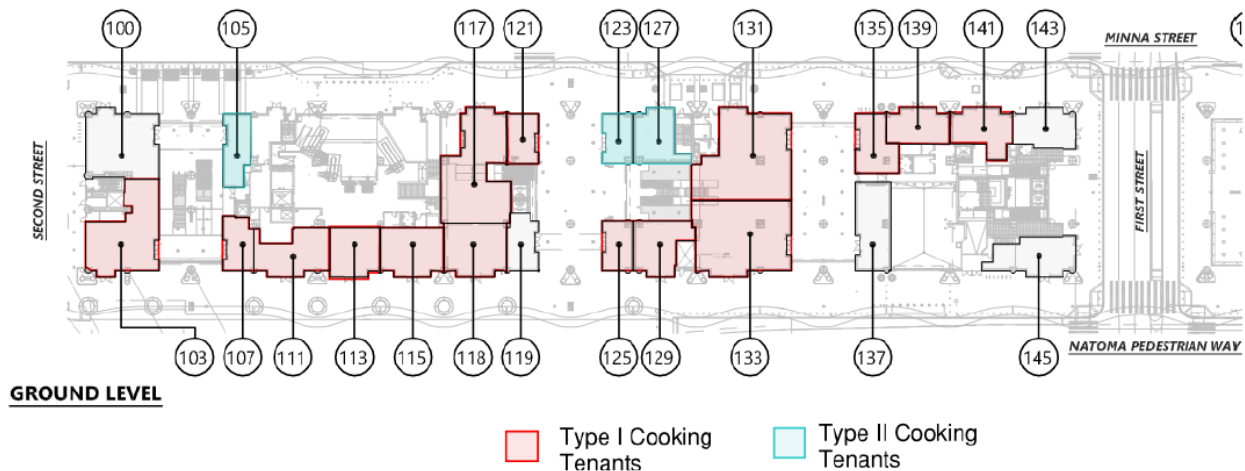


Figure 1. Type I and Type II Facilities — Ground Level Retail Program

Installation of the primary exhaust loops servicing the retail area was the responsibility of Webcor/Obayashi as part of the base building contract; these were purposely left only partially complete to ensure that they could be modified to the final connection needs of each retail tenant.

In preparing the merchandizing plan and associated budget, however, the Asset Manager assumed that a more complete type 1 kitchen exhaust and utility distribution system had been constructed under the base building contract. Therefore, additional infrastructure work is needed for implementation of the retail strategy envisioned by the merchandizing plan, as discussed in the following sections.

## Kitchen Exhaust Completion

The Asset Manager developed a scope of work to provide all-inclusive grease ductwork infrastructure to integrate the exhaust hood equipment for all Type I retail tenants. Multiple kitchen exhaust systems will treat and vent cooking hood waste from certain restaurants for their operations by either venting the exhaust (a) toward one of two base building shafts that open upward to the roof away from public exposure, via a scrubber room that services multiple units, or (b) directly toward the sidewalk with an inline air cleaning/scrubber system, similar to many downtown restaurants. The work includes installing scrubber room equipment, modifications to and extending existing grease ducts, and stubbing grease ductwork into the premises of each retail space designated as Type I. The inline scrubber system will dramatically reduce smoke and odors emanating from restaurants, potentially creating a nuisance for other tenants, their customers and patrons of the center. Figure 2 depicts an air scrubber kitchen exhaust system.

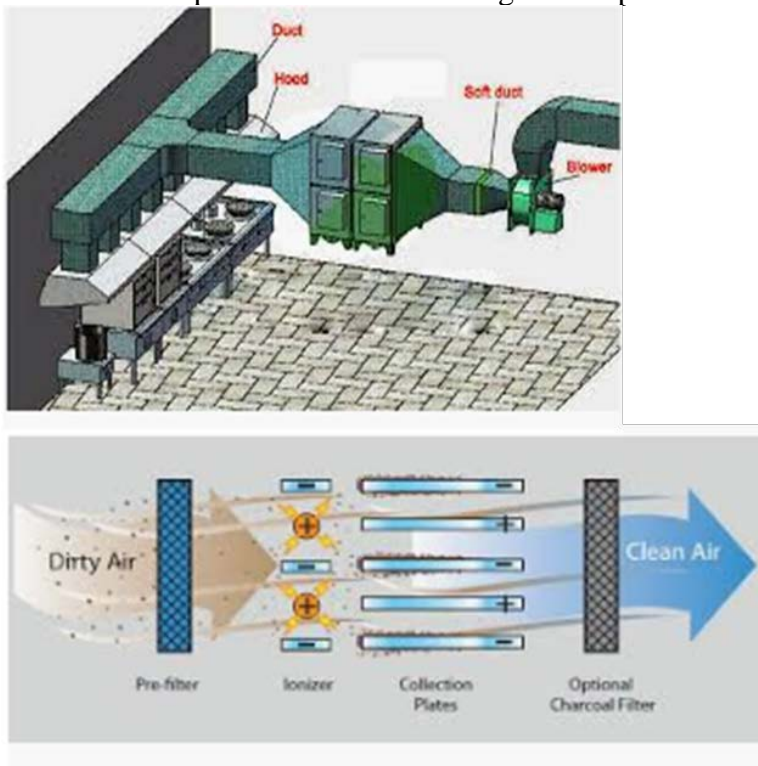


Figure 2. Air Scrubber Kitchen Exhaust

In February 2020, the Asset Manager issued procurement documents for this scope of work. Four firms attended a pre-bid conference, and all were deemed qualified and free of conflicts of interest:

- Barron Builders
- M.A. Steiner Construction, Inc.
- Teamwrkx Construction
- Turner Construction

As this is a design-build contract, the procurement was structured in a way to provide the best value for the lowest price. Bidders had the option of submitting value engineering proposals prior to the bid date. No value engineering proposals were received. On April 22, 2020, two bids were received, opened and evaluated. Below is a summary of the bid result:

<b>Bidder Name</b>	<b>M.A. Steiner</b>	<b>Teamwrkx</b>
<b>Bid Amount</b>	\$8,767,669	\$8,559,807

As Teamwrkx submitted scope exclusions associated with their bid, the lowest responsive bidder based on its base bid amount and a clean bid submission is M.A. Steiner. With contingency and soft costs, the total cost for the kitchen exhaust scope is \$10.1 million.

### **Utility Reallocation**

The Utility Reallocation project will provide industry standard utility stub-ins to all the retail tenants, establishing a warm-shell condition. The scope of work includes rerouting low pressure gas lines and installing exhaust and makeup air mechanical ductwork to individual retail spaces, installing electrical riser conduit and electrical subpanels, pulling feeder to the subpanels, extending the sanitary sewer under the retail space footprint, installing domestic water line stub-ins, hanging water source heat pumps with seismic bracing, and extending condenser water loop stub-ins at various locations.

In February 2020, the Asset Manager issued procurement documents for this scope of work. Three firms attended a pre-bid conference. All were deemed qualified and free of conflicts of interest:

- Angotti & Reilly, Inc.
- Turner Construction
- Teamwrkx Construction

The bid documents included one additive alternate to purchase additional spare parts at the same or lower cost as the bid price within 90 days. Bidders had the option of submitting value engineering proposals prior to the bid date. No value engineering proposals were received.

On April 22, 2020, one bid was received. Teamwrkx submitted a bid based on a lump sum amount of \$3,998,238. Accounting for contingency and soft costs, the total cost for utility reallocation is \$4.6 million.

### **Exhaust Louvers**

Three of the exhaust systems will vent directly to the sidewalk, as opposed to venting into a common shaft up to the roof. Installation of these systems includes replacing glass panels in the building's glazing system with louvers for ventilation. This work will be undertaken by the contractor that installed the glazing system, Crown Corr. By using this same contractor, the TJPA preserves the warranty of the surrounding glazing components. This portion of the kitchen exhaust system scope of work is approximately \$400,000.

### **TJPA Offices**

A budget of \$1.1 million for TJPA's main office layout was identified early in the budget process. The layout was later modified to better accommodate the TJPA's main office needs related to staffing and functionality, adding \$1 million to the budget. The decision to increase the budget for the TJPA office buildout was made contemporaneously with reporting by the Asset Manager that there would be significant savings from the retail topping slabs/demising wall scope and before the need for additional funds for the exhaust system and utility reallocation were identified.

### **Retail Common Areas**

The TI budget did not include any work in the common areas of the second floor above the bus plaza, but work deemed necessary to add to the tenant improvements for the public's needs. This scope included the area in front of the east end elevators, the additional public conference room, and the archaeological display public area. Although it was not in the original budget, there was value in doing this work at the same time as the TJPA main offices to receive the best price at \$1.5 million. Again, the decision to incur this cost was made when savings from the retail topping slab/demising wall scope of work was being reported and before the need for additional funds to increase the capacity of the exhaust system and utility reallocation was known.

### **Base Building Modifications**

As the transit center has been open to the public for enough time to identify various items that require modification or need to be added. The following are examples of the varied scope: 1) mail room modifications for security; 2) upgrades to the HVAC systems in various critically-sensitive rooms such as the grand hall display board control room and the Asset Manager's offices, both on the lower concourse; 3) street-level bollard upgrades to current passageway standards and current usage in accordance with the Mayor's Office on Disability and the San Francisco Public Works ADA advisor; 4) public common area improvements in various locations throughout the center; 5) bus ramp signage upgrades to address comments from AC Transit after the ramp was put into operation; and 6) flashing beacon electrical fuse and wiring additions by Caltrans at the Essex Street onramp to finalize the project-specific maintenance agreement with Caltrans. In summary, there are approximately fifty-five minor projects throughout the center totaling up to \$2.6 million that have greatly improved the functionality of the facility.

### **Opportunities Realized for Cost Savings**

#### **Retail Topping Slabs/Demising Walls**

A change in construction concept for the retail topping slab/demising wall work provided significant budget savings. Originally, the strategy was to construct each unit one at a time, based on timing of retail tenant readiness. However, it was determined that combining units to reduce the cost of remobilizing crews for each unit would be more efficient and cheaper. This cost savings strategy was implemented with a savings of \$2.6 million.

### **Water Source Heat Pumps**

A change in construction procurement provided a significant budget savings for the water source heat pumps. Originally, the strategy was to purchase each pump one at a time based on timing of retail tenant readiness. However, it was determined that a bulk purchase and storing the equipment on-site would be more efficient and cheaper, with a savings of \$0.6 million.

### **Overall Review of Retail Strategy**

The Asset Manager has provided to TJPA staff a fiscal analysis of the proposed improvements, which considers the increased cost burden and recalculated Net Present Value (NPV) and Net Cash Flow (NCF) to the project as a result. Staff requested the analysis on both a holistic basis (across the entire retail/commercial portfolio in the Salesforce Transit Center) and on an individual suite-by-suite basis. Staff wanted to be assured that this proposed additional capital investment still had appropriate financial yield for TJPA. On a holistic basis, the NPV will be reduced from an original estimate of \$11.6 million (previously referred to as the “pro-forma” target), to a new estimate of \$7.4 million. All spaces, on an individual basis, still show positive NCF over the term, when considering this new TI capital investment.

Staff discussed with the Asset Manager the efficacy of proceeding with these capital investments, in light of the possibility that some tenancies may not come to fruition due to COVID-19 related financial pressures. The Asset Manager has a number of clients across California facing similar questions and challenges. Their advice is that these improvements provide the TJPA with the best opportunity to either lock in the existing tenancies or secure strong replacement tenancies with terms most favorable to the TJPA. Without these improvements, the uses of some of these spaces will be severely limited, which in turn will result in a noticeable reduction in income from retail rent to the TJPA.

### **FY 20-21 Capital Budget Refinements for Tenant Improvements**

In summary, after comprehensive review, Staff recommends increasing the overall Tenant Improvement budget from \$35.49 M to \$49.54M to allow for the funding and award of the kitchen exhaust, utility reallocation and louver scopes of work to implement the current retail strategy, capture savings from tenant allowances, increase landlord’s work improvements, allocating proportionate TJPA salary and benefit costs, leasing commissions, and perform certain base building modifications. This request increases the overall budget by \$14M or 28%. The FY 20-21 Capital Budget for Tenant Improvements has been refined to \$29,963,060 from \$30,139,580 a decrease of \$176,520 from the May Draft Budget. Significant adjustments have been made as more information has been analyzed. The adjustments were to decrease the Base Building Construction/Landlord’s Work by culling out work that is more nuanced as Base Building Additions, adjusting the contingency for the remaining construction value, adjusting the “soft costs” to match the remaining construction value and showing savings in the Tenant Allowances that have been negotiated in the existing leases. The refinements are more indicative of the appropriate categories in which actual work comports.

### **FY 20-21 Capital Budget for Tenant Improvements Budget Review**

The FY 20-21 Capital Budget for Tenant Improvements is \$29,963,060. 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 related to landlord’s work and base building additions.

Finally, it contemplates a transfer of \$13.8M from the fiscal reserve complete the planned build-out. This budget stands alone from the Phase 1 and Phase 2 budgets and provides more visibility on the overall value of the tenant improvements.

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

The overall Tenant Improvement budget has been set at \$35.49M and is recommended to increase to \$49.54M. For the purposes of the annual budget, distinguishing from the overall budget, Tenant Improvements will be funded in FY20-21 at \$29,963,060 and in its entirety with TJPA Bond proceeds.

- Bond Proceeds: \$29.7M (portion transferred from Fiscal Reserves)
- 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: \$1.6M
- Project Management (Softs Costs): \$3.3M
- Contingency: \$1.8M
- Base Building Additions: \$2.0M
- Tenant Allowances \$7.0M
- Base Building Construction/Landlord’s Work \$13.6M

**FY 20-21 DEBT SERVICE BUDGET**

TJPA’s successful sale of Series 2020 Tax Allocation Bonds refinanced the TIFIA loan and generated new money proceeds. The corresponding FY 20-21 debt service is \$15,890,032 for principal and interest payments due in October and April paid with net tax increment revenues. Additionally, the bonds have a mandatory redemption of bonds from excess pledged revenues in



each October. The mandatory redemption captures the full net tax increment generated. The debt service payments will be equal to the total net tax increment generated in every year while the turbo bonds are outstanding. Net tax increment revenue generated by the former State-owned parcels, pledged for debt service and projected for this fiscal year, is \$21,098,458. The net tax increment cannot be used for any operational costs. The full debt service repayment schedule is attached (Attachment 4).

**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. 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 2020-21 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 2020-21 Operating and Capital Budgets, Pay Schedule, Rental and Fee Schedule, and Program Reserve Transfers.

**ENCLOSURES:**

1. FY 2020-21 Budget Resolution
2. FY 2020-21 Final Operating Budget (Attachment 1)
3. Operating Budget Projections Through FY 2022-24 (Attachment 2)
4. FY 2020-21 Final Capital Budgets (Attachment 3)
5. FY 2020-21 Final Debt Service Budget (Attachment 4)
6. Pay Schedule Resolution and Proposed Pay Schedule (Attachment 5)
7. Rental and Fee Schedule (Attachment 6)

**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 new Transbay Transit Center 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 operating, capital and debt budgets for Fiscal Year 2020-2021 (FY 20-21) shown in Attachment No. 1, Attachment No. 3, and Attachment No. 4 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 20-21 in an amount not to exceed \$22,425,369; and, be it

FURTHER RESOLVED, That the TJPA Board of Directors hereby approves the annual debt service budget and related appropriations for FY 20-21 in an amount not to exceed \$21,123,458; and, be it

FURTHER RESOLVED, That the TJPA Board of Directors hereby approves the annual capital budget and related appropriations for FY 20-21 in an amount not to exceed \$90,626,061; 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 Phase 1 Program Reserves in the amount of \$20,709,231.85 in support of the FY 20-21 Phase 1 Capital Budget; and, be it

FURTHER RESOLVED, That the TJPA Board of Directors hereby approves the transfer of Fiscal Reserves in the amount of \$3,214,711 in support of the FY 20-21 Phase 2 Capital Budget; and, be it

FURTHER RESOLVED, That the TJPA Board of Directors hereby approves the transfer of Fiscal Reserves in the amount of \$13,871,075 in support of the FY 20-21 Tenant Improvement 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 20-21 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 25, 2020.

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Secretary, Transbay Joint Powers Authority

<b>FY20-21 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>FY20-21 Final Budget (June 2020)</b>	<b>\$ Change from Draft FY20-21</b>	<b>% Change from Draft FY20-21</b>
<b>Beginning Reserves</b>						
Emergency Reserve	500,000	500,000	500,000	500,000	0	0%
O&M Reserve	1,953,049	1,953,049	328,049	1,190,346	862,297	263%
<b>Beginning Balance and Reserves</b>	<b>2,453,049</b>	<b>2,453,049</b>	<b>828,049</b>	<b>1,690,346</b>	<b>862,297</b>	<b>104%</b>
<b>Reimbursements</b>						
Regional Measure 2	8,201,958	8,448,017	7,158,017	7,458,017	300,000	4%
Regional Measure 3	1,625,600	1,625,600	1,625,600	1,625,600	0	0%
STA (Wayfinding) Grant	0	50,000	50,000	50,000	0	0%
Community Benefit District Park Payments	1,605,770	1,588,067	1,211,830	1,211,830	0	0%
<b>Subtotal Reimbursements</b>	<b>11,433,328</b>	<b>11,711,684</b>	<b>10,045,447</b>	<b>10,345,447</b>	<b>300,000</b>	<b>3%</b>
<b>Revenues</b>						
Lease and Use Payments	5,300,608	5,395,632	6,790,956	6,790,956	0	0%
<i>AC Transit (74%)</i>	<i>3,922,450</i>	<i>3,992,768</i>	<i>5,025,307</i>	<i>5,025,307</i>	<i>0</i>	<i>0%</i>
<i>SF Municipal Transportation Agency (26%)</i>	<i>1,378,158</i>	<i>1,402,864</i>	<i>1,765,649</i>	<i>1,765,649</i>	<i>0</i>	<i>0%</i>
<i>AC Transit (Bus Storage Facility and Bart Bridge Security)</i>	<i>325,165</i>	<i>278,632</i>	<i>168,000</i>	<i>168,000</i>	<i>0</i>	<i>0%</i>
<i>Other Operator Rents</i>	<i>319,500</i>	<i>218,400</i>	<i>218,400</i>	<i>218,400</i>	<i>0</i>	<i>0%</i>
Naming Rights	3,546,600	3,037,567	3,037,567	3,037,567	0	0%
Transit Center Rental Retail Revenue	3,269,469	3,954,094	1,992,000	1,992,000	0	0%
Transit Center Advertising	2,064,623	1,953,000	1,645,000	1,645,000	0	0%
Transit Center Sponsorship / Events	614,500	240,000	220,000	220,000	0	0%
Neutral Host DAS Licensing Fees	625,000	125,000	125,000	125,000	0	0%
Office Sublease	780,000	349,313	0	0	0	0%
AC Transit Capital Contributions	0	1,000,000	1,000,000	1,000,000	0	0%
Net Tax Increment ( <i>Moved to Separate Budget</i> )	6,538,828	0	0	0	0	0%
Miscellaneous	0	65,000	65,000	65,000	0	0%
Interest Earnings	0	138,256	60,000	60,000	0	0%
<b>Subtotal Revenues</b>	<b>23,384,292</b>	<b>16,754,894</b>	<b>15,321,923</b>	<b>15,321,923</b>	<b>0</b>	<b>0%</b>
<b>Transfers From/(To)</b>						
Transfer From Reserves/Fund Balance	2,519,700	0	0	0	0	0%
Transfer (To) Reserves/Fund Balance	0	0	(3,242,000)	(3,242,000)	0	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>0%</b>
<b>TOTAL RESOURCES</b>	<b>37,337,320</b>	<b>28,466,578</b>	<b>22,125,369</b>	<b>22,425,369</b>	<b>300,000</b>	<b>1%</b>
<b>Expenses</b>						
ADMIN	3,689,586	4,617,793	2,517,406	2,532,503	15,097	1%
Asset Management Fee & Administration	1,912,483	1,863,606	2,015,115	1,761,799	(253,316)	-13%
Physical Security	7,222,585	6,858,588	5,740,068	5,980,068	240,000	4%
Security Systems	0	0	0	560,000	560,000	0%
Bus Storage Facility and Bart Bridge Security	325,165	278,632	168,000	168,000	0	0%
Transit Center General Maintenance	2,965,049	2,965,049	2,162,797	2,212,797	50,000	2%
Transit Center Janitorial	2,505,128	2,611,018	1,649,022	1,749,022	100,000	6%
Transit Center Utilities	2,182,896	2,182,896	1,494,793	1,344,793	(150,000)	-10%
Cybersecurity/IT	1,293,671	1,693,671	1,775,182	1,775,182	0	0%
Park Management Fee & Administration	798,000	798,000	133,000	133,000	0	0%
Park Maintenance & Programming	531,470	622,796	1,397,487	1,397,487	0	0%
Capital Maintenance/ Repair/ Replacement	0	1,128,170	114,500	114,500	0	0%
Digital Content Management & Wayfinding Systems	696,359	696,359	552,000	602,000	50,000	9%
Wayfinding Enhancements	100,000	50,000	50,000	50,000	0	0%
Insurance	1,499,100	1,850,000	2,356,000	1,634,000	(722,000)	-31%
Title VI and Translations	0	0	0	50,000	50,000	0%
Contingency	2,453,049	250,000	0	360,219	360,219	0%
Marketing & Leasing Commissions ( <i>Moved to Tenant Improvement Budget</i> )	2,623,952	0	0	0	0	0%
Debt Service ( <i>Moved to Separate Budget</i> )	6,538,828	0	0	0	0	0%
<b>TOTAL EXPENSES</b>	<b>37,337,320</b>	<b>28,466,578</b>	<b>22,125,369</b>	<b>22,425,369</b>	<b>300,000</b>	<b>1%</b>
<b>DIFFERENCE</b>	<b>(0)</b>	<b>0</b>	<b>0</b>	<b>0</b>		
<b>Ending Reserve Amounts</b>						
Emergency Reserve	500,000	500,000	500,000	500,000	0	0%
O&M Reserve	1,953,049	1,953,049	3,570,049	4,432,346	862,297	44%
<b>Totals</b>	<b>2,453,049</b>	<b>2,453,049</b>	<b>4,070,049</b>	<b>4,932,346</b>	<b>862,297</b>	<b>35%</b>
<b>Reserve Percentage</b>	9%	9%	19%	22%		
<b>Variable Expense Budget</b>	27,247,444	27,368,578	21,662,369	21,962,369		

<b>3-Year Operating Budget Projection</b>	<b>FY20-21 Final Budget</b>	<b>FY21-22 Projected Budget</b>	<b>FY22-23 Projected Budget</b>	<b>FY23-24 Projected Budget</b>
<b>Beginning Reserves</b>				
Emergency Reserve	500,000	500,000	500,000	500,000
O&M Reserve	1,190,346	4,432,346	5,456,487	5,730,930
<b>Beginning Balance and Reserves</b>	<b>1,690,346</b>	<b>4,932,346</b>	<b>5,956,487</b>	<b>6,230,930</b>
<b>Reimbursements</b>				
Regional Measure 2	7,458,017	7,618,758	8,684,321	5,854,851
Regional Measure 3	1,625,600	1,625,600	1,625,600	1,625,600
STA (Wayfinding) Grant	50,000	0	0	0
Community Benefit District Park Payments	1,211,830	1,588,067	1,605,770	1,605,770
<b>Subtotal Reimbursements</b>	<b>10,345,447</b>	<b>10,832,425</b>	<b>11,915,691</b>	<b>9,086,221</b>
<b>Revenues</b>				
Lease and Use Payments	6,790,956	5,495,299	4,414,105	6,474,334
<i>AC Transit (74%)</i>	<i>5,025,307</i>	<i>4,066,521</i>	<i>3,266,438</i>	<i>4,791,007</i>
<i>SF Municipal Transportation Agency (26%)</i>	<i>1,765,649</i>	<i>1,428,778</i>	<i>1,147,667</i>	<i>1,683,327</i>
<i>AC Transit (Bus Storage Facility and Bart Bridge Security)</i>	<i>168,000</i>	<i>176,400</i>	<i>176,400</i>	<i>176,400</i>
<i>Other Operator Rents</i>	<i>218,400</i>	<i>218,400</i>	<i>218,400</i>	<i>218,400</i>
Naming Rights	3,037,567	3,037,567	3,037,567	3,037,567
Transit Center Rental Retail Revenue	1,992,000	2,988,000	3,984,000	5,976,000
Transit Center Advertising	1,645,000	1,645,000	1,645,000	1,645,000
Transit Center Sponsorship / Events	220,000	220,000	220,000	220,000
Neutral Host DAS Licensing Fees	125,000	625,000	125,000	125,000
AC Transit Capital Contributions	1,000,000	250,000	250,000	250,000
Miscellaneous	65,000	65,000	65,000	65,000
Interest Earnings	60,000	60,000	60,000	60,000
<b>Subtotal Revenues</b>	<b>15,321,923</b>	<b>14,780,666</b>	<b>14,195,472</b>	<b>18,247,701</b>
<b>Transfers From/(To)</b>				
Transfer From Reserves/Fund Balance	0	0	0	0
Transfer (To) Reserves/Fund Balance	(3,242,000)	(1,024,141)	(274,443)	(299,440)
<b>Subtotal Transfers</b>	<b>(3,242,000)</b>	<b>(1,024,141)</b>	<b>(274,443)</b>	<b>(299,440)</b>
<b>TOTAL RESOURCES</b>	<b>22,425,369</b>	<b>24,588,949</b>	<b>25,836,719</b>	<b>27,034,481</b>
<b>Expenses</b>				
ADMIN	2,532,503	2,659,130	2,792,086	2,931,690
Asset Management Fee & Administration	1,761,799	1,814,653	1,869,092	1,925,165
Physical Security	5,980,068	6,279,071	6,593,025	6,922,676
Security Systems	560,000	560,000	560,000	560,000
Bus Storage Facility and Bart Bridge Security	168,000	176,400	176,400	176,400
Transit Center General Maintenance	2,212,797	2,212,797	2,212,797	2,212,797
Transit Center Janitorial	1,749,022	2,133,807	2,347,188	2,581,906
Transit Center Utilities	1,344,793	1,640,648	1,804,713	1,985,185
Cybersecurity/IT	1,775,182	1,775,182	1,775,182	1,775,182
Park Management Fee & Administration	133,000	433,000	583,000	583,000
Park Maintenance & Programming	1,397,487	1,397,487	1,537,236	1,690,959
Capital Maintenance/ Repair/ Replacement	114,500	250,000	250,000	250,000
Digital Content Management & Wayfinding Systems	602,000	602,000	602,000	602,000
Wayfinding Enhancements	50,000	300,000	0	0
Insurance	1,634,000	1,732,040	1,784,001	1,837,521
Title VI and Translations	50,000	0	0	50,000
Contingency	360,219	622,735	950,000	950,000
<b>TOTAL EXPENSES</b>	<b>22,425,369</b>	<b>24,588,949</b>	<b>25,836,719</b>	<b>27,034,482</b>
<b>DIFFERENCE</b>	<b>0</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>
<b>Ending Reserve Amounts</b>				
Emergency Reserve	500,000	500,000	500,000	500,000
O&M Reserve	4,432,346	5,456,487	5,730,930	6,030,370
<b>Totals</b>	<b>4,932,346</b>	<b>5,956,487</b>	<b>6,230,930</b>	<b>6,530,370</b>
<b>Reserve Percentage</b>	22%	25%	25%	25%
<b>Variable Expense Budget</b>	21,962,369	23,825,949	24,923,719	26,121,482

<b>FY20-21 Phase 1 Budget</b>	<b>FY20-21 Draft Budget</b>	<b>FY20-21 Final Budget</b>	<b>\$ Change from Draft FY20-21</b>	<b>% Change from Draft FY20-21</b>
<b>Revenues</b>				
CFD Reimbursements	16,234,856	16,941,625	706,769	4%
TJPA Bond Proceeds	5,500,000	5,500,000	0	0%
TIFIA Loan Proceeds	3,411,333	3,411,333	0	0%
Reimbursements	1,200,000	1,200,000	0	0%
Bridge Loan Proceeds	703,811	703,811	0	0%
Miscellaneous & Interest Income	520,000	520,000	0	0%
<b>TOTAL RESOURCES</b>	<b>27,570,000</b>	<b>28,276,769</b>	<b>706,769</b>	<b>3%</b>
<b>Transfers From/(To)</b>				
Transfer From/(To) Program Reserve/Fiscal Reserve	0	20,709,231	20,709,231	0%
<b>Subtotal Transfers</b>	<b>0</b>	<b>20,709,231</b>	<b>20,709,231</b>	<b>0%</b>
<b>Expenses</b>				
Legal Counsel	1,200,000	2,016,000	816,000	68%
Construction Dispute Resolution Services	200,000	200,000	0	0%
Program Management / Program Controls	370,000	370,000	0	0%
Construction Management Oversight for Transit Center	800,000	800,000	0	0%
Transit Center Building & Ramps Construction	25,000,000	45,600,000	20,600,000	82%
<b>TOTAL EXPENSES</b>	<b>27,570,000</b>	<b>48,986,000</b>	<b>21,416,000</b>	<b>78%</b>
Program Reserve	31,000,000	5,544,134	(25,455,866)	-82%
<b>Difference</b>	<b>0</b>	<b>0</b>	<b>0</b>	

<b>Program Reserve Draws and Requests</b>	<b>Date</b>	<b>Amount</b>	<b>Running Balance</b>	<b>Approval</b>
URS PMPC Extended Services	1/20/2020	(497,000.00)	25,756,365.00	Administrative
Turner CMO Extended Services	2/18/2020	(165,000.00)	25,591,365.00	Administrative
Turner Girder Remediation Services	2/18/2020	(100,000.00)	25,491,365.00	Administrative
Turner Office Move Costs	2/18/2020	(235,000.00)	25,256,365.00	Administrative
Construction Contingency for Turner Girder Remediation Services	3/23/2020	(1,200,000.00)	24,056,365.00	Res. 20-006
Legal	6/25/2020	(2,016,000.00)	22,040,365.00	Proposed
Construction Contingency	6/25/2020	(16,496,231.85)	5,544,133.15	Proposed
<b>TOTAL</b>		<b>(20,709,231.85)</b>		

<b>FY20-21 Phase 2 Budget</b>	<b>FY20-21 Draft Budget</b>	<b>FY20-21 Final Budget</b>	<b>\$ Change from Draft FY20-21</b>	<b>% Change from Draft FY20-21</b>
<b>Revenues</b>				
Proposition K San Francisco Sales Tax	11,906,558	7,652,001	(4,254,557)	-56%
Transit Center District Impact Fees-IPIC	625,000	385,000	(240,000)	-62%
Interest Income	400,000	425,289	25,289	6%
<b>TOTAL REVENUES</b>	<b>12,931,558</b>	<b>8,462,290</b>	<b>(4,469,268)</b>	<b>-53%</b>
<b>Transfers From/(To)</b>				
Transfer From/(To) Program Reserve/Fiscal Reserve	10,891,131	3,214,711	(7,676,420)	-239%
<b>Subtotal Transfers</b>	<b>10,891,131</b>	<b>3,214,711</b>	<b>(7,676,420)</b>	<b>-239%</b>
			0	
			0	
<b>TOTAL RESOURCES</b>	<b>23,822,689</b>	<b>11,677,001</b>	<b>(12,145,688)</b>	<b>-104%</b>
<b>Expenses</b>				
<b>Salaries, Fringe Benefits, &amp; Admin</b>	2,622,632	2,622,632	-	0%
<b>Professional Services</b>				
Audits	24,000	24,000	-	0%
Other Intergovernmental Agmts / Consulting Svcs	30,000	30,000	-	0%
Economic and Real Estate Analysis	30,000	30,000	-	0%
Legislative Services	138,625	138,625	-	0%
Legal Counsel (City Attorney, Outside Counsel)	800,032	800,032	-	0%
Financial and Grant Management	500,000	500,000	-	0%
<b>Engineering &amp; Design Services</b>				
Downtown Extension Interagency Coordination	300,000	239,000	(61,000)	-26%
Other Engineering & Design Services	400,800	126,989	(273,811)	-216%
Program Management / Program Controls	3,760,000	3,911,001	151,001	4%
Downtown Extension Preliminary Engineering & Design	12,770,000	2,995,722	(9,774,278)	-326%
<b>Permits and Fees</b>				
Other Plan Checks / Permit Fees	15,000	-	(15,000)	0%
<b>Real Estate Services</b>	109,000	109,000	-	0%
<b>Other Professional Services</b>	2,322,600	150,000	(2,172,600)	-1448%
Outreach and Branding		-		
<b>TOTAL EXPENSES</b>	<b>23,822,689</b>	<b>11,677,001</b>	<b>(12,145,688)</b>	<b>-104%</b>
Program/Fiscal Reserve Balance	24,608,869	32,285,289	7,676,420	24%
<b>Difference</b>	<b>(0)</b>	<b>(0)</b>	<b>0</b>	<b>(0)</b>



<b>FY20-21 Debt Service Budget</b>	<b>FY20-21 Draft Budget</b>	<b>FY20-21 Final Budget</b>	<b>\$ Change from Draft FY20-21</b>	<b>% Change from Draft FY20-21</b>
<b>Revenues</b>				
Net Tax Increment Revenue	18,101,495	21,098,458	2,996,963	14%
Interest Earned	125,000	25,000	(100,000)	-400%
<b>TOTAL RESOURCES</b>	<b>18,226,495</b>	<b>21,123,458</b>	<b>2,896,963</b>	<b>14%</b>
<b>Expenses</b>				
2020 TAB Principal and Interest	18,101,495	20,998,458	2,896,963	14%
Account Service Fees	125,000	125,000	0	0%
<b>TOTAL EXPENSES</b>	<b>18,226,495</b>	<b>21,123,458</b>	<b>2,896,963</b>	<b>14%</b>
<b>DIFFERENCE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>
<b>Ending Reserve Amounts</b>				
Debt Service Reserve (1.50%)	18,584,000	17,141,583	(1,442,417)	-8%
<b>Ending Balance and Reserves</b>	<b>18,584,000</b>	<b>17,141,583</b>	<b>(1,442,417)</b>	<b>-8%</b>





TRANSBAY JOINT POWERS AUTHORITY  
Series 2020 Tax Allocation Bonds  
Annual Debt Service

Period Ending	Senior Tax Allocation Bonds, Series 2020A (Tax-Exempt)	Senior Tax Allocation Bonds, Series 2020A-T (Federally Taxable)	Subordinate Tax Allocation Bonds, Series 2020B (Tax-Exempt)	Total	(Bond Year) Annual Total	(Fiscal Year) Annual Total	Fiscal Year
10/01/2020	4,261,400	3,977,742.40	1,642,994.67	9,882,137.07	9,882,137.07	15,890,032.32	2020-21
04/01/2021	4,693,625	380,655.25	933,615.00	6,007,895.25			
10/01/2021	4,693,625	2,295,655.25	1,483,615.00	8,472,895.25	14,480,790.50	14,447,411.75	2021-22
04/01/2022	4,693,625	361,026.50	919,865.00	5,974,516.50			
10/01/2022	4,693,625	2,316,026.50	1,494,865.00	8,504,516.50	14,479,033.00	14,443,446.25	2022-23
04/01/2023	4,693,625	339,814.75	905,490.00	5,938,929.75			
10/01/2023	4,693,625	3,089,814.75	1,655,490.00	9,438,929.75	15,377,859.50	15,327,072.00	2023-24
04/01/2024	4,693,625	307,777.25	886,740.00	5,888,142.25			
10/01/2024	4,693,625	3,852,777.25	1,821,740.00	10,368,142.25	16,256,284.50	16,190,015.00	2024-25
04/01/2025	4,693,625	264,882.75	863,365.00	5,821,872.75			
10/01/2025	8,023,625	1,294,882.75	1,993,365.00	11,311,872.75	17,133,745.50	17,009,473.50	2025-26
04/01/2026	4,610,375	252,110.75	835,115.00	5,697,600.75			
10/01/2026	8,110,375	1,307,110.75	2,020,115.00	11,437,600.75	17,135,201.50	16,999,192.00	2026-27
04/01/2027	4,522,875	233,226.25	805,490.00	5,561,591.25			
10/01/2027	8,197,875	1,323,226.25	2,050,490.00	11,571,591.25	17,133,182.50	16,990,671.50	2027-28
04/01/2028	4,431,000	213,715.25	774,365.00	5,419,080.25			
10/01/2028	8,286,000	1,348,715.25	2,084,365.00	11,719,080.25	17,138,160.50	16,988,719.00	2028-29
04/01/2029	4,334,625	193,398.75	741,615.00	5,269,638.75			
10/01/2029	8,384,625	1,368,398.75	2,111,615.00	11,864,638.75	17,134,277.50	16,977,745.00	2029-30
04/01/2030	4,233,375	172,366.25	707,365.00	5,113,106.25			
10/01/2030	8,488,375	1,387,366.25	2,147,365.00	12,023,106.25	17,136,212.50	16,972,089.00	2030-31
04/01/2031	4,127,000	150,617.75	671,365.00	4,948,982.75			
10/01/2031	8,592,000	1,410,617.75	2,186,365.00	12,188,982.75	17,137,965.50	16,965,911.50	2031-32
04/01/2032	4,015,375	128,063.75	633,490.00	4,776,928.75			
10/01/2032	8,705,375	1,428,063.75	2,223,490.00	12,356,928.75	17,133,857.50	16,953,587.50	2032-33
04/01/2033	3,898,125	104,793.75	593,740.00	4,596,658.75			
10/01/2033	8,823,125	1,454,793.75	2,258,740.00	12,536,658.75	17,133,317.50	16,941,230.00	2033-34
04/01/2034	3,775,000	77,456.25	552,115.00	4,404,571.25			
10/01/2034	8,945,000	1,482,456.25	2,302,115.00	12,729,571.25	17,134,142.50	16,932,691.25	2034-35
04/01/2035	3,645,750	49,005.00	508,365.00	4,203,120.00			
10/01/2035	9,075,750	1,509,005.00	2,348,365.00	12,933,120.00	17,136,240.00	16,924,925.00	2035-36
04/01/2036	3,510,000	19,440.00	462,365.00	3,991,805.00			
10/01/2036	9,770,000	979,440.00	2,392,365.00	13,141,805.00	17,133,610.00	16,909,420.00	2036-37
04/01/2037	3,353,500		414,115.00	3,767,615.00			
10/01/2037	10,928,500		2,439,115.00	13,367,615.00	17,135,230.00	16,895,230.00	2037-38
04/01/2038	3,164,125		363,490.00	3,527,615.00			
10/01/2038	11,114,125		2,493,490.00	13,607,615.00	17,135,230.00	16,900,650.00	2038-39
04/01/2039	2,965,375		327,660.00	3,293,035.00			
10/01/2039	11,315,375		2,522,660.00	13,838,035.00	17,131,070.00	16,895,980.00	2039-40
04/01/2040	2,756,625		301,320.00	3,057,945.00			
10/01/2040	11,521,625		2,551,320.00	14,072,945.00	17,130,890.00	16,884,765.00	2040-41
04/01/2041	2,537,500		274,320.00	2,811,820.00			
10/01/2041	11,742,500		2,579,320.00	14,321,820.00	17,133,640.00	16,875,855.00	2041-42
04/01/2042	2,307,375		246,660.00	2,554,035.00			
10/01/2042	11,972,375		2,606,660.00	14,579,035.00	17,133,070.00	16,863,125.00	2042-43
04/01/2043	2,065,750		218,340.00	2,284,090.00			
10/01/2043	12,215,750		2,633,340.00	14,849,090.00	17,133,180.00	16,850,450.00	2043-44
04/01/2044	1,812,000		189,360.00	2,001,360.00			
10/01/2044	12,467,000		2,664,360.00	15,131,360.00	17,132,720.00	16,836,645.00	2044-45
04/01/2045	1,545,625		159,660.00	1,705,285.00			
10/01/2045	12,735,625		2,694,660.00	15,430,285.00	17,135,570.00	16,825,400.00	2045-46
04/01/2046	1,265,875		129,240.00	1,395,115.00			
10/01/2046	13,015,875		2,724,240.00	15,740,115.00	17,135,230.00	16,810,340.00	2046-47
04/01/2047	972,125		98,100.00	1,070,225.00			
10/01/2047	13,307,125		2,758,100.00	16,065,225.00	17,135,450.00	16,795,155.00	2047-48
04/01/2048	663,750		66,180.00	729,930.00			
10/01/2048	13,613,750		2,791,180.00	16,404,930.00	17,134,860.00	16,778,410.00	2048-49
04/01/2049	340,000		33,480.00	373,480.00			
10/01/2049	13,940,000		2,823,480.00	16,763,480.00	17,136,960.00	16,763,480.00	2049-50
	<b>380,648,900</b>	<b>35,074,442.90</b>	<b>83,115,774.67</b>	<b>498,839,117.57</b>	<b>498,839,117.57</b>	<b>498,839,117.57</b>	

**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 Transit Center 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, June 2017, and January 2019 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 December 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 25, 2020.

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Secretary, Transbay Joint Powers Authority

**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).