

**STAFF REPORT FOR CALENDAR ITEM NO.: 9
FOR THE MEETING OF: June 13, 2024**

TRANSBAY JOINT POWERS AUTHORITY

BRIEF DESCRIPTION:

Adoption of Fiscal Year (FY) 2024-25 Operating Budget in the amount of \$27,616,660 and FY 2024-25 Capital Budget for The Portal, Tenant Improvements, and Capital Maintenance, Repair, and Replacement in the amount of \$99,006,700 and FY 2024-25 Debt Service Budget in the amount of \$15,702,535.

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, and amended on November 9, 2017, staff has prepared the attached proposed budgets for adoption by the Board.

Staff presented draft budgets at the May 2024 Board meeting. No public comments were received. Based on the Metropolitan Transportation Commission (MTC)'s bridge toll revenue projections and renewal of the lease agreements, the operating revenue projection has changed slightly with no impact on the overall budget.

The proposed operating budget totals \$27,616,660 and includes expenses and revenues associated with operation of the Transit Center. The capital budget encompasses The Portal budget of \$89,279,200, the Tenant Improvements budget of \$3,353,600, and the Capital Maintenance, Repair, and Replacement budget of \$6,373,900. The debt service budget is \$15,702,535. All budgets are itemized in the Attachments.

FY 2024-25 OPERATING BUDGET:

There is no change in the total FY 2024-25 Operating Budget from the Draft Budget presented in May 2024. The slight decrease in MTC's projection of bridge toll funds allocation is offset by an increase in transferring funds from the fund balance. The O&M reserve is increased to 25% of operating budget using a one-time transfer of fund balance to the reserve.

FY 2024-25 Intergovernmental and Operating Revenues

The FY 2024-25 operating budget includes revenues from Regional Measure 2 (RM-2) and Regional Measure 3 (RM-3) bridge toll funds, Community Benefit District (CBD) assessments, contributions from transit operators, naming rights, retail lease income, advertising and sponsorship revenues from the Transit Center operations, cellular antennae fees, and small amounts of miscellaneous revenue. These are described further below. In addition, the Non-Public Rental and Fee Schedule included as Attachment 4, was originally adopted by the Board in May 2018 and amended in June 2023.

Intergovernmental Revenue

- TJPA receives an annual allocation of RM-2 and RM-3 bridge toll funds for operations, estimated at \$12.26M, which is \$56K less than the May Draft Budget. The MTC's programming of FY 2024-25 operating funds includes \$6.18M the annual allocation of RM-2 funding escalated at 3.5% as set forth in the RM-2 legislation; \$2.53M from the

anticipated continuation of additional RM-2 funds to assist with funding operations prior to the full activation of the Transit Center, which has been delayed by the Covid-19 pandemic and resulting economic impact to downtown San Francisco; and \$3.55M in RM-3 funds, which are allocated to TJPA based as a percentage of the actual bridge toll collections. The FY 2024-25 RM-3 includes a \$1 bridge toll increase scheduled for January 2025. MTC's supplemental RM-2 funding is a temporary measure subject to MTC Commission approval. FY 2024-25 is the last year of the RM-2 supplemental funds, though MTC staff have indicated that the assistance could be continued following a staff review of the Transit Center's financial situation. TJPA staff will request a continuation of the supplemental assistance to reduce future transit operator contributions. Following TJPA's application submittal, MTC staff will bring the bridge toll allocation requests to the Commission for approval.

- Transit Operators' Contributions are derived from any differential between operating costs and operating revenues per the Lease and Use Agreements with AC Transit and the San Francisco Municipal Transportation Agency (SFMTA). The continuation of supplemental RM-2 funding in FY 2024-25 offsets the contributions from the transit operators. The operating budget includes \$4.85M in Transit Operators Contributions, which maintains the amount from the May 2024 Draft 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 the 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 some portions of the annual budget to operate and maintain the Transit Center's rooftop park. For FY 2024-25, the operating budget includes \$1.6M reimbursement from the CBD.

Operating Revenue

- Salesforce's payment for naming rights for this fiscal year is expected to be \$3.59M.
- Retail revenue, including leases, is projected at \$2.59M. The amount is based on the current retail leases, rent abatement amendments to those leases, and current estimated tenant opening dates.
- Advertising revenue, sponsorship, and events are anticipated at \$742K. This amount includes the expected revenue from a new program in the Transit Center's rooftop park for private events in the amount of \$127K for the first year of the program. The new program would maintain public access to the park while generating additional revenue.
- The Transit Center has a neutral host distributed antennae system (cellular DAS) installed throughout the Transit Center to support consistent wireless service, through which \$125K is included in the FY 2024-25 budget.
- TJPA will continue to collect rent from Greyhound at the Transit Center for a total amount of \$253K.

FY 2024-25 Operating Expenses

The TJPA FY 2024-25 operating budget as proposed by staff totals \$27,616,660. The proposed operating budget includes various TJPA salary, benefits, and administrative costs, shared with The Portal at an appropriate apportionment.

The \$3.6M administration category includes the expenditures associated with operating the TJPA on a day-to-day basis. The FY 2024-25 expenses include:

- TJPA staff salaries & benefits (\$2.9M)
- TJPA administration, including general office expenses, Worker’s compensation and employee liability insurance, professional development, travel and meeting expenses, and payroll services (210K)
- CBD special tax assessments (\$127K, shared with The Portal)
- Legal, financial, audit, public relations, and other specialized services (\$394K)

For costs that are allocated between operating and capital, the apportionment is generally 50% Operations and 50% Capital. There are some personnel and costs that are 100% Operations or 100% Capital. The allocations are subject to change based on need, function, and available funding.

Table 1: TJPA Allocation of Full-Time Equivalents by Job Classifications

Classification	Full Time Equivalent (FTE) Allocation		
	<i>Operating</i>	<i>The Portal</i>	<i>Total</i>
Executives/Senior Managers	1.50	2.50	4.00
Managers	5.00	5.00	10.00
Associates/ Administrative Staff	6.00	3.00	9.00
TOTAL	12.50	10.50	23.00

Salaries and Benefits

Salaries are based on position ranges in the pay schedule effective July 1, 2023, previously approved by the TJPA Board. The 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. 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.

Transit Center Operations

TJPA staff has worked with the asset manager, Lincoln Property Company (LPC), to refine the operating budget for the Transit Center to streamline activities for efficient operations. The operating budget also includes maintenance contracts for the physical security systems, general maintenance, and several computer software and hardware maintenance agreements.

The FY 2024-25 Transit Center operating budget includes estimated operations and maintenance costs as follows:

- Transit Center O&M, including janitorial, building maintenance, utilities (\$6.7M)
- Transit Center physical security and security systems (\$8.6M)
- Cybersecurity and IT (\$1.6M)
- Transit Center property management staffing, administrative costs, and fee (\$1.3M)
- Digital content development and maintenance (\$344K)

- Bus Storage Facility (\$633K)
- Transit Center Insurance (\$2.6M)

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

The operating budget includes \$633K for maintenance and security of the Bus Storage Facility, funded by AC Transit.

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

Park Operations

Park-related operating expenses that are reimbursable by the East Cut CBD assessment are categorized separately, according to the Memorandum of Understanding (MOU) between the East Cut CBD and TJPA. The operating budget includes \$2M for park operating costs shared with the East Cut CBD as follows:

- Park Management and Administration: \$536K
- Park Programming: \$390K
- General Maintenance: \$564K
- Janitorial Services: \$226K
- Crowd Control: \$15K
- Utilities: \$319K

Based on an understanding with the East Cut CBD, the FY 2024-25 park budget includes \$15K for security services for crowd control at large events at the park. Day-to-day security services are not included as shared expenses in the park MOU.

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 Board adopted Reserve Policy established the Operating and Maintenance (O&M) reserve at 25% of the annual budgeted operations and maintenance 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. For FY 2024-25, staff recommend funding the reserve with a one-time transfer of \$1.78M from the fund balance to bring the O&M reserve to 25% of the operating budget to adhere to the Board Reserve Policy.

FY 2024-25 CAPITAL BUDGETS:

The FY 2024-25 Capital budgets for The Portal, Tenant Improvements, and Capital Maintenance, Repair and Replacement total \$99,006,700.

FY 2024-25 Capital Budget for The Portal

The FY 2024-25 Capital Budget for The Portal is proposed at \$89,279,200. This budget is based on a work plan that assumes the anticipated availability of the local matching funds required under the Federal New Starts process and entering into a Full Funding Grant Agreement (FFGA) no sooner than July 2027.

The budget provides program and construction management services, advances design and construction procurements, supports coordination with other public agencies and third parties, and continues right-of-way related activities. TJPA will continue working closely with the Federal Transit Administration and their Project Management Oversight Contractor review team to advance through the New Starts program.

The budget includes funds associated with activities necessary to issue the Civil and Tunnel Progressive Design Build (PDB) Request for Proposal (RFP), onboard the PDB contractor, advance design, manage risk, and develop the requisite trust and partnership prior to the start of general civil construction.

Revenue

The FY 2024-25 budget includes funding sources programmed or already allocated to the project, as well as pending funding sources. Staff are actively working with funding partners to secure the necessary funding. The funding sources include:

- Transit Center District CFD funds: \$12.0M
- State Transit and Intercity Rail Capital Program (TIRCP): \$14.3M
- RM-3 capital funds: \$50.1M
- San Francisco Proposition K and L Sales Tax: \$10.8M
- Caltrain contribution for engineering: \$1.6M
- Miscellaneous Revenue: \$346K

Staff continue to seek discretionary funding from various sources, including programs funded under the Federal Bipartisan Infrastructure Law (BIL). Should TJPA receive an award for these funds, the budget will be revised to incorporate any new grants.

Salaries and Benefits

The TJPA's proposed FY 2024-25 salaries, benefits, and administrative expenses for The Portal is \$3.0M. The staff costs are allocated between the Operating and The Portal budgets, as shown in Table 1 on page 3 of this report.

Administrative expenses are the apportioned amounts of the expenditures associated with day-to-day operation of the TJPA.

Professional and Specialized Services

The budget includes \$2.4M of expenditures for professional services required for the advancement of the Transbay Program, including legal services, financial advisors, economic and real estate analysis, legislative advocacy, auditing, and public relations.

Engineering and Design Services

The Engineering and Design Services budget encompasses:

- Program Management & Construction Management (PM/CM) (\$15.7M). Provides staff supplementation to TJPA in support of The Portal project requirements, including project

controls and reporting, grant application development, design management, agency and third-party coordination, environmental consultancy, value engineering, risk management, integration, procurement and preconstruction support, and community and industry outreach and engagement support.

- General Engineering and Design (\$12.5M). Includes design work for the following scopes:
 - Utility relocation, including slot trenching
 - Fourth and King Yard Preparation Package A
 - Fourth and King Yard Preparation Package B
 - Track and systems (alignment study to include update property line survey)
 - Continued technical support for coordination with the operators, utilities (public and private), and other Authorities Having Jurisdiction (AHJ)
- Interagency Coordination (\$4.9M). Includes continued work with Caltrain under the Interim Agreement (IA) and on the development of the future Master Cooperative Agreement (MCA); and continued coordination with CCSF departments on design reviews for advancing final design from 10 Interagency Cooperative Agreement (ICA) departments.

Right-of-Way

The Right-of-Way acquisition and related professional services necessary for the implementation of The Portal. The TJPA Board would take actions separate from the adoption of the annual budget to approve any Right-of-Way acquisitions. The proposed budget includes:

- Right-of-Way Acquisition (\$49.5M)
- Right-of-Way Professional and Specialized Services for Appraisal, Relocation, Environmental and Site Survey, and Archeological Services (\$580K)

FY 2024-25 Capital Budget for Tenant Improvements

The FY 2024-25 Capital Budget for Tenant Improvements is proposed at \$3,353,600.

Revenue

The FY 2024-25 Tenant Improvements Budget is to be funded with TJPA unrestricted funds. In addition, the FY 2024-25 budget incorporates the non-cash transactions for the Barebottle lease, which allows for the tenant to reduce its rent payments each month to offset the tenant improvement allowance due under the lease.

- TJPA Unrestricted Funds: \$3.3M
- Credit to Tenant Improvement Allowance In Lieu of Rent: \$46K

Construction and Project Management

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 stay on schedule and on budget.

The Tenant Improvement budget plans for expenses for the committed and potential tenant construction allowances and the construction of the landlord's work. The planned landlord's work includes the "warm up" of the rooftop restaurant space. The commitment of new tenant improvement allowances would be included in the leases presented to the Board for approval or

approved by the Executive Director as permitted by TJPA Board policy.

- Marketing and Leasing Commissions: \$135K
- Project Management / Engineering and Design: \$296K
- Landlord's Work / Base Building Construction: \$900K
- Tenant Improvements Allowance \$2.0M

FY 2024-25 Budget for Capital Maintenance, Repair and Replacement

Staff continues to develop a Capital Improvement Plan (CIP) to ensure that TJPA's assets are maintained in a state of good repair, and to plan for future projects and facility enhancements as funding allows. In this effort, staff will likely recommend updates to the CIP Policy adopted in November 2022, to allow for a 5-Year financially constrained CIP and a 20-Year long-range capital plan. Staff are developing evaluation tools to ensure that the TJPA's limited financial resources are used efficiently and effectively.

The FY 2024-25 budget includes a one-year Capital Maintenance, Repair and Replacement Budget that incorporates the necessary capital repairs and replacements to ensure the Transit Center and associated facilities are kept in a state of good repair. Funding is provided from several sources, including a Federal community projects award secured by Speaker Emerita Pelosi; Federal Transit Security Grant Program funds from a previous award and a new application; CBD funds for park improvements; developer contributions for work related to Parcel F; and the Capital Replacement Reserve.

Expenditures will primarily be related to Information Technology (IT), wayfinding improvements, security systems, and the transit center facility and park. The FY 2024-25 Capital Maintenance, Repair and Replacement budget totals \$6,373,900, and includes the following expenses:

- Facility Maintenance: \$235K
- Wayfinding Improvements: \$1M
- Security Maintenance: \$690K
- Park Maintenance: \$375K
- IT Infrastructure Maintenance: \$3.5M
- Parcel F: \$611K

Capital Replacement Reserve

The Capital Replacement Reserve addresses the lifecycle needs of the Transit Center. This reserve balance is approximately \$28 million from the 2020 bond sale and interest earnings.

Staff will continue to seek discretionary funding to maintain the Transit Center and facilities in a state of good repair and support the Capital Replacement Reserve balance.

Fiscal Reserve

The Fiscal Reserve is the balance held in TJPA capital and operating funds equal to 60 days of working capital to ensure that TJPA can meet its short-term financial obligations. The Chief Financial Officer may authorize the temporary use of cash from the Fiscal Reserve for cash flow purposes and must report quarterly to the Board on the status of the Fiscal Reserve.

FY 2024-25 DEBT SERVICE BUDGET:

The FY 2024-25 Debt Service Budget expenses of \$15,702,535 include scheduled principal and interest payments to the tax allocation bonds issued in June 2020, due on October 1 and April 1, paid with net tax increment revenues. The net tax increment revenue generated by the former State-owned parcels is pledged to the tax allocation bonds, thus these funds cannot be used for operational costs. Under the structure of the 2020 tax allocation bonds, any excess net tax increment revenues that are collected were used for the mandatory redemption of subordinate lien turbo bonds. The turbo bonds were repaid in full in October 2023. Any excess net tax increment revenues are distributed to the TJPA for the Transbay Program.

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 2024-25 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 quarterly to report on the status of “budget vs. actual” expenditures and revenues. If circumstances warrant, staff may also return to the Board for review and approval of budget amendments.

ENCLOSURES:

1. FY 2024-25 Budget Resolution
2. FY 2024-25 Operating Budget (Attachment 1)
3. FY 2024-25 Capital Budgets (Attachment 2)
4. FY 2024-25 Debt Service Budget (Attachment 3)
5. Non-Public Rental and Fee Schedule (Attachment 4)

RECOMMENDATION:

Approve the Fiscal Year (FY) 2024-25 Operating Budget in the amount of \$27,616,660 and FY 2024-25 Capital Budget for The Portal, Tenant Improvements, and Capital Maintenance, Repair, and Replacement in the amount of \$99,006,700 and FY 2024-25 Debt Service Budget in the amount of \$15,702,535.

**TRANSBAY JOINT POWERS AUTHORITY
BOARD OF DIRECTORS**

Resolution No. _____

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

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

WHEREAS, The TJPA Board of Directors has reviewed and considered the annual operating, capital, and debt budgets for Fiscal Year (FY) 2024-25 shown in Attachment No. 1, Attachment No. 2, and Attachment No. 3 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 Attachment No. 4 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 2024-25 in an amount not to exceed \$27,616,660; and, be it

FURTHER RESOLVED, That the TJPA Board of Directors hereby approves the annual capital budget and related appropriations for FY 2024-25 in an amount not to exceed \$99,006,700; and, be it

FURTHER RESOLVED, That the TJPA Board of Directors hereby approves the use of capital replacement reserves for FY 2024-25 in an amount not to exceed \$3,820,975; and, be it

FURTHER RESOLVED, That the TJPA Board of Directors hereby approves the annual debt service budget and related appropriations for FY 2024-25 in an amount not to exceed \$15,702,535; 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 2024-25 and the implementation of the Transbay Program.

I hereby certify that the foregoing resolution was adopted by the Transbay Joint Powers Authority Board of Directors at its meeting of June 13, 2024.

Secretary, Transbay Joint Powers Authority

2024-25 Operating Budget	2023-24 Budget Amendment 1	2024-25 Draft Budget (May 2024)	2024-25 Final Budget (June 2024)	Difference From May Draft Budget in \$'s	Difference From May Draft Budget in %
Beginning Reserves					
Emergency Reserve	500,000	500,000	500,000	0	0%
O&M Reserve	5,123,277	5,123,277	5,123,277	0	0%
Beginning Balance and Reserves	5,623,277	5,623,277	5,623,277	0	0%
Reimbursements					
Regional Measure 2	8,404,025	8,578,000	8,711,000	133,000	2%
Regional Measure 3	2,700,000	3,738,000	3,549,000	(189,000)	-5%
Community Benefit District Park Payments	1,566,952	1,622,129	1,622,129	0	0%
Subtotal Reimbursements	12,670,977	13,938,129	13,882,129	(56,000)	-0.4%
Revenues					
Lease and Use Payments	5,050,699	4,851,000	4,851,000	0	0%
AC Transit (74%)	3,737,517	3,589,700	3,589,700	0	0%
SF Municipal Transportation Agency (26%)	1,313,182	1,261,300	1,261,300	0	0%
AC Transit (Bus Storage Facility)	619,500	633,000	633,000	0	0%
General Fund Revenues	7,775,187	7,427,000	7,433,000	6,000	0%
Other Operator Rents	247,365	253,000	253,000	0	0%
Naming Rights	3,477,822	3,582,000	3,582,000	0	0%
Transit Center Rental Retail Revenue	2,500,000	2,589,000	2,595,000	6,000	0%
Transit Center Advertising	1,000,000	445,000	445,000	0	0%
Transit Center Sponsorship / Events	160,000	297,000	297,000	0	0%
Neutral Host DAS Licensing Fees	125,000	125,000	125,000	0	0%
Miscellaneous	35,000	36,000	36,000	0	0%
Interest Earnings	230,000	100,000	100,000	0	0%
Subtotal Revenues	13,445,386	12,911,000	12,917,000	6,000	0.0%
Transfers From/(To)					
Transfer From/(To) Fund Balance	1,513,381	1,845,000	2,598,000	753,000	40.8%
Transfer From/(To) Reserves	0	(1,077,469)	(1,780,469)	(703,000)	65.2%
Subtotal Transfers	1,513,381	767,531	817,531	50,000	6.5%
Total Revenue	27,629,744	27,616,660	27,616,660	0	0.0%
Expenses					
Salesforce Transit Center	25,650,770	25,568,000	25,568,000	0	0%
TJPA Administration	3,697,000	3,656,000	3,656,000	0	0%
Asset Management Fee & Administration	1,582,000	1,284,000	1,284,000	0	0%
Private Events Management (New Program)	0	118,000	118,000	0	0%
Physical Security	7,733,000	7,895,000	7,895,000	0	0%
Security Systems	828,429	680,000	680,000	0	0%
Cybersecurity/IT	1,546,565	1,566,000	1,566,000	0	0%
Transit Center General Maintenance	3,173,746	3,590,000	3,590,000	0	0%
Transit Center Janitorial	1,789,260	1,570,000	1,570,000	0	0%
Transit Center Utilities	1,630,120	1,555,000	1,555,000	0	0%
Digital Content Management	602,000	344,000	344,000	0	0%
Insurance	2,414,500	2,639,000	2,639,000	0	0%
Bus Storage Facility	619,500	633,000	633,000	0	0%
Transit Center Building Occupancy Resumption Program	34,650	38,000	38,000	0	0%
Salesforce Transit Center Park	1,978,974	2,048,660	2,048,660	0	0%
Park Management & Administration	520,000	535,600	535,600	0	0%
Park Programming	330,000	389,600	389,600	0	0%
Park General Maintenance	547,354	563,500	563,500	0	0%
Park Janitorial	247,740	226,430	226,430	0	0%
Park Crowd Control	0	15,000	15,000	0	0%
Park Utilities	333,880	318,530	318,530	0	0%
Total Expenditure	27,629,744	27,616,660	27,616,660	0	0.0%
Difference	0	0	0	0	
Ending Reserve Amounts					
Emergency Reserve	500,000	500,000	500,000	0	0%
O&M Reserve	5,123,277	6,200,746	6,903,746	703,000	11%
Totals	5,623,277	6,700,746	7,403,746	703,000	10%
Reserve Percentage	19%	22%	25%		

<p align="center">2024-25 Capital Budget The Portal</p>	<p align="center">2024-25 Final Budget (June 2024)</p>
<p>Revenues</p>	
Transit Center CFD Funds	11,989,100
Propositions K and L San Francisco Sales Tax	10,840,400
Transit and Intercity Rail Capital Program (TIRCP)	14,348,700
Caltrain Contribution for Engineering	1,655,000
Regional Measure 3 (RM3)	50,100,000
Unrestricted	346,000
Total Revenue	89,279,200
<p>Expenses</p>	
<p>Right of Way 50,110,000</p> <p><i>Property Acquisition</i> 49,530,000</p> <p><i>Professional Services (Appraisal, Property Mgmt., Environmental Conslt., Relocation Conslt., etc.)</i> 580,000</p>	
<p>Engineering and Design Services 33,234,900</p> <p><i>Program Management / Construction Management</i> 15,748,400</p> <p><i>E&D Interagency Coordination</i> 4,970,500</p> <p><i>General Engineering and Design</i> 12,516,000</p>	
<p>Permits and Fees 150,000</p> <p><i>Design & Construction Permits and Fees</i> 150,000</p>	
<p>TJPA Admin 5,416,300</p> <p><i>Salaries, Fringe Benefits, Administration</i> 3,013,200</p> <p><i>Professional and Specialized Services (Financial, Legislative, Legal, Communications, etc.)</i> 2,403,100</p>	
<p>IT/Communication/Cybersecurity 368,000</p> <p><i>Program Management Information Services</i> 100,000</p> <p><i>Information Technology and Communications</i> 268,000</p>	
Total Expenditure	89,279,200

<p align="center">2024-25 Capital Budget Tenant Improvements</p>	<p align="center">2024-25 Final Budget (June 2024)</p>
<p><u>Revenues</u></p>	
Unrestricted	3,307,300
In Lieu Rent for Tenant Improvements	46,300
Total Revenue	3,353,600
<p><u>Expenses</u></p>	
Leasing Commissions	135,000
Project Management / Engineering & Design	296,300
Landlord's Work/ Base Building Construction	900,000
Tenant Improvements Allowance	2,022,300
Total Expenditure	3,353,600

2024-25 Capital Budget Capital Maintenance, Repair and Replacement	2024-25 Final Budget (June 2024)
<u>Revenues</u> San Francisco Prop AA Federal Community Projects Grant Federal Transit Security Grant Program CBD Park Payments Capital Replacement Reserve Developer Contributions	15,000 1,000,000 630,000 296,925 3,820,975 611,000
Total Revenue	6,373,900
<u>Expenses</u> Facility Maintenance Security Maintenance Park Maintenance IT Infrastructure Maintenance Wayfinding Improvements Parcel F	235,000 690,000 375,000 3,447,900 1,015,000 611,000
Total Expenditure	6,373,900

2024-25 Debt Service Budget	2024-25 Final Budget (June 2024)
Debt Service Fund Beginning Balance	10,769,737
<u>Revenues</u>	
Net Tax Increment Revenue	27,208,507
Interest Earned	840,790
Total Revenue	28,049,297
<u>Expenses</u>	
2020 TAB Principal and Interest	15,502,535
Post Issuance Administration	200,000
Total Expenditure	15,702,535
<u>Transfers Out</u>	
Distribution of Excess Net Tax Increment from Debt Service Fund	14,458,309
<u>Ending Fund/Reserve Amounts</u>	
Debt Service Fund Ending Balance	8,658,190
Debt Service Reserve Ending Balance	16,453,250
Ending Balance and Reserve	25,111,440

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 nonpublic 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 nonpublic uses of the facility and, where appropriate, maximize revenue from nonpublic 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) Central Lawn, and
- 2) Wetlands garden

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:

Location	Capacity	Pricing
Central Lawn	150	\$5,500 (non-peak); \$6,500 (peak*)
Wetland Garden	50	\$3,500 (non-peak); \$4,500 (peak*)

**Peak Pricing applies on Tuesday, Wednesday, and Thursday.*

Eligible California 501(c)(3)’s qualify for a \$500 discount per event. To be considered an eligible 501(c)(3), the non-profit must provide the organization’s Exemption Determination Letter from the IRS, be consistent with the TJPA’s Mission, and meet TJPA’s Code of Conduct, and Rules and Regulations.

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 all basic building services, such as labor, equipment, and security, but does not include insurance and other charges, like food and beverage. In addition to the above rental rates, 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 reasonable 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:

Type	Pricing
Still photography – Personal (e.g., wedding photography, family portraits) *No exclusive use of TJPA property.	\$100 (1 hour)
Still photography – Business (e.g., corporate portraits, company photos) *No exclusive use of TJPA property.	\$250 (1 hour)
Still photography – Commercial use (e.g., print advertising) Exclusive use of TJPA property	Market Rate
Film – Commercial use (e.g., commercial, music video, television, or movie) Exclusive use of TJPA property	Market Rate

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).

FY 2024-25 Final Operating and Capital Budgets

TJPA Board
June 13, 2024



Budget Timeline

- Preliminary Operating Budget: January Board meeting
- Budget Outlook: April Board meeting
- Draft Budget: May Board meeting
- **Final Budget: June Board meeting**

FY 2024-25 Final Budget

	2024-25 Draft Budget (May 2024)	2024-25 Final Budget (June 2024)	\$ Change from 2024-25 Draft Budget	% Change from 2024-25 Draft Budget
Operating Budget	\$27,616,660	\$27,616,660	\$0	0%
Capital Budget	\$99,066,700	\$99,066,700	\$0	0%
<i>The Portal</i>	<i>\$89,279,200</i>	<i>\$89,279,200</i>	<i>\$0</i>	<i>0%</i>
<i>Tenant Improvement</i>	<i>\$3,353,600</i>	<i>\$3,353,600</i>	<i>\$0</i>	<i>0%</i>
<i>Capital Maintenance, Repair and Replacement</i>	<i>\$6,373,900</i>	<i>\$6,373,900</i>	<i>\$0</i>	<i>0%</i>
Debt Service	\$15,702,535	\$15,702,535	\$0	0%
Total Budget	\$142,325,895	\$142,325,895	\$0	0%

FY 2024-25 Operating Revenue Adjustments

	2024-25 Draft Budget (May 2024)	2024-25 Final Budget (June 2024)	\$ Change from 2024-25 Draft Budget	% Change from 2024-25 Draft Budget
Revenues:				
Reimbursements	\$13,938,129	\$13,882,129	(\$56,000)	(0.4%)
Operating Revenues	\$12,911,000	\$12,917,000	\$6,000	0.1%
Transfer from fund balance	\$767,531	\$817,531	\$50,000	7%
Total Resources:	\$27,616,660	\$27,616,660	\$0	0%
Adjustment Details:				
Regional Measure 2 (RM-2)	\$8,578,000	\$8,711,000	\$133,000	0%
Regional Measure 3 (RM-3)	\$3,738,000	\$3,549,000	(\$189,000)	0%
Rental Retail Revenue	\$2,589,000	\$2,595,000	\$6,000	0%

FY 2024-25 Operating Reserve Adjustments

	2024-25 Draft Budget (May 2024)	2024-25 Final Budget (June 2024)	\$ Change from 2024-25 Draft Budget	% Change from 2024-25 Draft Budget
Emergency Reserve	\$500,000	\$500,000	\$0	0%
O&M Reserve	\$6,200,746	\$6,903,746	\$703,000	11%
Transfer From Fund Balance	\$1,077,469	\$1,780,469	\$703,000	65%
Reserve Percentage of Budget	22%	25%		

Recommendation

- Approve FY 2024-25
 - Operating Budget: \$27,616,660
 - Capital Budget: \$99,066,700
 - ✓ The Portal: \$89,279,200
 - ✓ Tenant Improvements: \$3,353,600
 - ✓ Capital Maintenance, Repair, and Replacement: \$6,373,900
 - Debt Service Budget: \$15,702,535
 - One-time transfer of \$1.78 M from the fund balance to the O&M reserve



Questions?

TJPA
TRIANGLE JOINT POWER AUTHORITY

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