



Phase 1 Budget Update

September 8, 2015

Transbay Transit Center

TJPA





- **Phase 1 Construction Cost Update**
- **Draft MTC Cost Review**
- **Funding**
- **Next Steps**

Phase 1 Construction Cost Update (\$millions)

Awarded to Date (direct cost)*

Transit Center	\$ 1,028.43
Utility Relocation	\$ 20.84
Demolition Old Terminal	\$ 15.48
Temporary Terminal	\$ 20.65
Bus Ramp	\$ 56.23
Subtotal Awards through July 2015	\$ 1,141.63
Recommended for Award Sept 2015	\$ 27.68
Total Awards through September 2015	\$ 1,169.31

*Amounts include executed change orders



Remaining Construction Work to be Awarded (\$millions)

TTC Construction	July 2015 Costs	Current Costs
TG 7.6 Concrete Topping Slabs	\$ 27.68	\$ 27.68
Metal Column Covers* (CCO)	\$ 6.50	\$ 6.59
TG 8.6 Metal Ceiling*	\$ 28.30	\$ 26.41**
TG8.7 Glass Floors* (CCO to TG8.11R)	\$ 10.00	\$ 16.80
TG 13.1 Roof Top Park Landscaping/Hardscaping	\$ 33.28	\$ 32.28
Roof Top Park/ Electrical/Mechanical (CCO)	\$ 13.50	\$ 22.00
TG 17.1 Signage/Graphics/Directory System*	\$ 3.47	\$ 3.47
Overhead Contact System (MUNI) (CCO)	\$ 7.85	\$ 7.85
IP Network	\$ 20.00	\$ 20.00
Art	\$ 2.18	\$ 2.18
Total To Complete	\$ 152.76	\$ 165.25
Remaining TTC Trade Packages Budget:		\$ 11.61
Additional Need-direct cost		(\$ 153.64)

*Design Build/Assist trade package (v. hard bid)

** Amount does not include \$1.9M for advanced work



**Phase 1 Budget - 30% Confidence Level
(FTA Model)**

	Budget (as of Aug 2015)	Revised Budget	Delta
TTC Construction*	\$ 1,039.96	\$ 1,193.60	\$ (153.64)
Bus Ramp*	\$ 56.23	\$ 56.23	\$ 0.00
Temp Terminal	\$ 20.65	\$ 20.65	\$ 0.00
Bus Storage*	\$ 15.95	\$ 19.45	\$ (3.50)
Utility Relocation	\$ 20.84	\$ 20.84	\$ 0.00
Demolition	\$ 16.48	\$ 16.48	\$ 0.00
CM/GC Costs	\$ 89.77	\$ 111.63	\$ (21.86)
Subtotal Construction	\$ 1,259.88	\$ 1,438.88	\$ (179.00)
Soft Costs			
Design	\$ 188.66	\$ 178.28	\$ 10.39
Construction Mgmt	\$ 53.83	\$ 75.98	\$ (22.15)
Pre-Construction	\$ 31.27	\$ 31.27	\$ 0.00
Art	\$ 2.00	\$ 2.00	\$ 0.00
ROW	\$ 76.71	\$ 76.71	\$ 0.00
PMPC	\$ 101.45	\$ 101.45	\$ 0.00
Admin/Legal/Financial/etc.	\$ 124.05	\$ 121.69	\$ 2.35
Subtotal Soft Costs	\$ 577.96	\$ 587.37	\$ (9.41)
CM/GC Contingency	\$ 18.99	\$ 32.80	\$ (13.81)
Construction Contingency	\$ 34.03	\$ 67.45	\$ (35.31)
Program Reserve	\$ 8.54	\$ 17.93	\$ (9.39)
Subtotal Contingencies & Reserve	\$ 61.56	\$ 118.18	\$ (58.51)
Total Phase 1 Program	\$ 1,899.40	\$ 2,146.32	\$ (246.92)

*Budgets include design contingency and escalation

Contingencies & Reserve

- Recommended total contingencies and reserve consistent with 30% FTA Risk Model confidence level
- This will replenish the current contingency amount by \$58.5 M, to a total amount of \$118.2M
- Recommended contingency level constitutes approximately 15% of remaining work after all existing known exposure is accounted for
- Recommended construction contingency level is consistent with CM/GC's assessment and CMO's recommendation
- Recommended construction contingency is reasonable given that bidding risk is minimal moving forward, construction is more than 50% complete, foundation work and train box construction is complete, and structural fabrication and erection risks are quantified



MTC's Draft Cost Review

Scope of Review (Phase 1)

- Identification of scope of work included in or removed from Phase 1
- Review of anticipated costs for construction packages not yet awarded
- Review of Phase 1 budget commitments and expenditures to-date, including change orders and cost trends
- Review of project risk management plan, risk processes, risk analysis methodologies
- Evaluation of adequacy of program contingencies



Funding



Funding Plan (\$millions)

Sources	Committed Funds	Potential Funds
Land Sales	\$ 510.0	\$ TBD
FRA Grants	\$ 402.7	
TIFIA/Bridge Loan	\$ 171.0	
FTA Grants	\$ 62.4	
FEMA Grants	\$ 0.1	
Regional Measures 1 & 2	\$ 197.4	
AB 1171	\$ 150.0	
San Francisco Prop K	\$ 139.0	
AC Transit Capital Contribution	\$ 39.0	
RTIP	\$ 10.2	
Miscellaneous Local	\$ 12.7	
One Bay Area Grant	\$ 6.0	
San Mateo Sales Tax	\$ 4.5	
Transit Center District Plan (Mello-Roos)	\$ 194.5	\$ TBD
Additional Net Tax Increment-financed Debt	-	\$ TBD
Sponsorship	\$ -	\$ TBD
Total Funds	\$ \$1,899.4	\$ TBD

Potential Funding Options

- Unsecured loan from funder to be repaid with surplus (excess) net tax increment
- Subordinate loan from funder secured with subordinate (to TIFIA) lien on net tax increment
- Secured loan from funder to be repaid with Mello Roos bond proceeds forecast to be available FY2018-19 or later
- TJPA-issued private security to be purchased by funder and repaid with surplus net tax increment or future Mello Roos bond proceeds
- Funder provides credit guarantee to another lender that lends based on one of the structures above



Next Steps

September 2015

- Award Topping Slab, Bus Crash Rails & Expansion Joints (\$27.68M)
- Execute a CCO for Metal Column Covers (\$ 6.59M)
 - Uses same subcontractor but saves markup costs of \$1.63M
- Adopt a fiscal year budget (action item) based on current \$1.899B budget
 - Can be amended as necessary later in the fiscal year
- Augment CMO contract by \$11.2M for FY16 (action item)

October –November 2015

- Continue to work with local and regional partners to develop a funding plan for Phase 1
- Continue to work with MTC to complete the cost review for Phases 1 & 2
- Adopt Final Program budget for Phase 1
- Award remaining construction work
 - Except IT Network and Bus Storage, planned for 2016



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Questions?

