

**STAFF REPORT FOR CALENDAR ITEM NO.: 8**  
**FOR THE MEETING OF: April 8, 2021**

**TRANSBAY JOINT POWERS AUTHORITY**

**BRIEF DESCRIPTION:**

Approval of Fiscal Year 2020-2021 (FY 2020-21) Capital Budget Amendment No. 1 to increase the Phase 2 Capital Budget by \$2,314,557 to \$13,991,558 and increasing the overall Capital Budget from \$90,626,061 to \$92,940,618.

**SUMMARY:**

The TJPA Board of Directors approved the FY 2020-21 Capital Budget for a total of \$90,626,061 for Phase 1, Phase 2, and Tenant Improvements in June 2020. The Phase 2 portion of the capital budget was \$11,677,001 and included \$7,652,001 of the San Francisco County Transportation Authority (SFCTA) Proposition K (Prop K) Sales Tax Grant Allocation, based on the cashflow for FY 2020-21.

The total Prop K Allocation of \$11,906,558 spanned three fiscal years based on the original work plan for the Downtown Rail Extension (DTX) project that plans for Federal Transit Administration (FTA) funding submission in August 2024. At the request of TJPA staff, the SFCTA increased the available amount of the Prop K Sales Tax in the current fiscal year from \$7,652,001 to \$9,966,558 for the advancement of DTX. The Integrated Program Management Team (IPMT) and Executive Steering Committee (ESC) of the San Francisco Peninsula Rail Program Memorandum of Understanding, have supported an accelerated work plan that targets an FTA funding submission in August 2023. Based on the IPMT and ESC support, the SFCTA has accelerated the available funding to support the recommended accelerated work plan that allows for FTA funding submission in August 2023.

**BACKGROUND:**

In April 2020, through Resolution 20-49, the SFCTA Board allocated \$11,906,558 in Prop K local transportation sales tax funds, with conditions, to the TJPA for DTX Phasing and Partial 15% Design. The April 2020 allocation to TJPA was broken into two Notices to Proceed (NTPs), with the first NTP (NTP #1), valued at \$3,052,001, to be initiated immediately and the second NTP (NTP #2), valued at \$8,854,557, to be subject to later action by the SFCTA Board to release reserved funds. The release of \$8,854,557 in NTP #2 funds was originally to be conditioned on acceptance by the SFCTA Board of the Project Phasing Strategy and Interim Budget and Schedule for DTX, and the identification of a new DTX Project Director. The DTX development activities within NTP #1 that are proceeding, include the Project Phasing Study, Operations Analysis Study, Preliminary Real Estate Management Plan, Configuration Management Plan, Project Re-branding Study, and other work.

In December 2020, the SFCTA administratively transferred remaining amounts from previous allocations related to DTX Preliminary Engineering in the amount of \$492,000 to support these specific activities in NTP#1, Operations Analysis, PMIS Software Implementation and Outreach and Branding. Also, in December 2020, the TJPA Board of Directors approved the DTX Comprehensive Work Plan, as prepared by the IPMT and recommended by the ESC.

The largest single source of planned funding for DTX is the FTA New Starts program, which receives funding submission on an annual basis in August of each year. TJPA Staff has prepared a potential accelerated schedule for DTX that would target advancing the FTA funding submission by one year from August 2024 to August 2023.

The SFCTA received a request from TJPA Staff to amend the scope and schedule of NTP #2 to identify a distinct NTP #2A and NTP #2B to release \$6,210,000 in previously allocated NTP #2 funds to undertake the NTP #2A scope of work. The request provided for accelerated development of DTX, to advance project readiness, prepare for near-term funding opportunities, and enable targeting the 2023 FTA funding submission date and the scope of NTP #2A is limited to those activities not dependent on acceptance of the DTX Phasing Strategy.

After reviewing the request, SFCTA staff recommended amending the scope and schedule of NTP #2 and releasing \$6,210,000 in previously allocated funds.

The amendment was introduced to the SFCTA Board on March 9, 2021 and approved by the SFCTA Board on March 23, 2021.

**RECOMMENDATION:**

Approve the FY 2020-21 Capital Budget Amendment No. 1 increasing the Phase 2 Budget by \$2,314,557 to \$13,991,558 increasing the available Prop K funding to advance the DTX according to the accelerated work plan and increasing the overall capital budget to \$92,940,618.

**ENCLOSURES:**

1. Resolution
2. FY 2020-21 Phase 2 Capital Budget Amendment No. 1

**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 (Agreement), the TJPA Board of Directors has the authority to adopt an annual or multi-year budget; and

WHEREAS, The TJPA Board of Directors approved the Fiscal Year (FY) 2020-21 Capital Budget in June 2020; and

WHEREAS, The TJPA Board of Directors approved the DTX Comprehensive Work Plan in December 2020; and

WHEREAS, The TJPA Board of Directors has reviewed and considered the FY 2020-21 Capital Budget Amendment No. 1; now, therefore, be it

RESOLVED, That the TJPA Board of Directors hereby approves the FY 2020-21 Capital Budget Amendment No. 1 attached hereto to increase the Phase 2 Capital Budget by \$2,314,557 to \$13,991,558 and increasing the overall Capital Budget from \$90,626,061 to \$92,940,618.

I hereby certify that the foregoing resolution was adopted by the Transbay Joint Powers Authority Board of Directors at its meeting of April 8, 2021.

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Interim Secretary, Transbay Joint Powers Authority

<b>FY20-21 Phase 2 Budget</b>	<b>FY20-21 Final Budget</b>	<b>FY20-21 Amendment</b>	<b>FY20-21 Budget Amendment</b>
<b>Revenues</b>			
Proposition K San Francisco Sales Tax	7,652,001	2,314,557	9,966,558
Transit Center District Impact Fees-IPIC	385,000	0	385,000
CFD Reimbursements	3,214,711	0	3,214,711
Interest Income	425,289	0	425,289
<b>TOTAL REVENUES</b>	<b>11,677,001</b>	<b>2,314,557</b>	<b>13,991,558</b>
<b>Expenses</b>			
<b>Admin &amp; Professional Services</b>	4,244,333	112,000	4,356,333
<b>Engineering &amp; Design Services</b>			-
Downtown Extension Interagency Coordination	239,000	180,000	419,000
Other Engineering & Design Services	126,989		126,989
Program Management / Program Controls	3,911,001	1,822,557	5,733,558
Downtown Extension Preliminary Engineering & Design	2,995,722		2,995,722
			-
<b>Real Estate Services</b>			-
Property Management	9,000		9,000
Real Estate Valuation Services	100,000		100,000
			-
<b>Other Professional Services</b>			-
Outreach and Branding	150,000	200,000	350,000
<b>TOTAL EXPENSES</b>	<b>11,677,001</b>	<b>2,314,557</b>	<b>13,991,558</b>
Fiscal Reserve Balance	32,285,289	32,285,290	32,285,291
<b>Difference</b>	<b>(0)</b>	<b>0</b>	<b>(0)</b>