

FY 21-22 Draft Operating and Capital Budgets

May 11, 2021



Budget Timeline

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

FY 21-22 Draft Operating Budget

Operating Budget Highlights

- Covid-19 and Recovery
 - Federal relief funding available (\$3.3 million)
 - Continued reductions in market-based revenue
 - Tenant Occupancy increasing
 - Increasing Activity throughout Transit Center
 - Reserve Status

- Potential Changes
 - East Cut CBD MOU
 - Unarmed Security contract
 - American Rescue Plan Act funding (summer)

FY 21-22 Draft Operating Budget

| | FY21-22 Preliminary Operations Budget (January) | FY21-22 Draft Operations Budget | \$ Change from FY21-22 Preliminary (January) | % Change from FY21-22 Preliminary (January) |
|-----------------------|--|------------------------------------|---|--|
| <u>REVENUES</u> | | | | |
| REIMBURSEMENTS | \$10,832,425 | \$15,623,609 | \$4,791,1984 | 44% |
| OPERATING REVENUES | \$15,363,499 | \$13,590,921 | -\$1,772,578 | -12% |
| <u>TRANSFERS</u> | \$0 | \$0 | \$0 | |
| TOTAL REVENUES | \$26,195,923 | \$29,214,530 | \$3,018,606 | 12% |
| <u>EXPENSES</u> | | | | |
| ADMINISTRATION | \$2,493,568 | \$2,876,224 | \$382,656 | 15% |
| PARK | \$1,827,679 | \$2,920,179 | \$1,092,500 | 60% |
| <u>TRANSIT CENTER</u> | <u>\$21,874,676</u> | <u>\$23,418,127</u> | <u>\$1,543,450</u> | <u>7%</u> |
| TOTAL EXPENSES | \$26,195,923 | \$29,214,530 | \$3,018,606 | 12% |

REVENUES

FY 21-22 Draft Budget Operating Revenues

- Overall Increase of \$3.5 million from FY 20-21 Operating Budget
 - Federal Relief Funding +\$3.3 million
 - RM-2 Bridge Tolls +\$0.7 million
 - Retail Leases +\$0.2 million
 - Advertising, Sponsorships, DAS Fees -\$0.3 million
 - CBD Park Payments +\$0.4 million
 - Wayfinding Request +\$1.0 million
 - Other Sources +\$0.5 million
 - *Operator Contributions -\$2.3 million*
- Potential Changes
 - CBD Park Payments
 - Federal American Rescue Plan Act

FY 21-22 Draft Budget Operating Revenues

| FY21-22 Draft Operating Budget | FY21-22 Preliminary Budget Projection | FY21-22 Draft Budget | Difference From Preliminary in \$'s | Difference From Preliminary in %'s |
|--|---------------------------------------|----------------------|-------------------------------------|------------------------------------|
| <u>Beginning Reserves</u> | | | | |
| Emergency Reserve | 500,000 | 500,000 | 0 | 0% |
| O&M Reserve | 1,190,346 | 1,190,346 | 0 | 0% |
| Beginning Balance and Reserves | 1,690,346 | 1,690,346 | 0 | 0% |
| <u>Reimbursements</u> | | | | |
| Regional Measure 2 | 7,618,758 | 8,122,468 | 503,710 | 7% |
| Regional Measure 3 | 1,625,600 | 1,625,600 | 0 | 0% |
| Federal CRRSAA Grant | 0 | 3,287,474 | 3,287,474 | |
| Wayfinding Request | 0 | 1,000,000 | 1,000,000 | |
| Community Benefit District Park Payments | 1,588,067 | 1,588,067 | 0 | 0% |
| Subtotal Reimbursements | 10,832,425 | 15,623,609 | 4,791,184 | 44% |
| <u>Revenues</u> | | | | |
| Lease and Use Payments | 6,190,384 | 4,473,637 | (1,716,747) | -28% |
| AC Transit (74%) | 4,580,884 | 3,310,491 | (1,270,393) | -28% |
| SF Municipal Transportation Agency (26%) | 1,609,500 | 1,163,146 | (446,354) | -28% |
| AC Transit (Bus Storage Facility) | 560,000 | 560,000 | 0 | 0% |
| Other Operator Rents | 223,314 | 323,314 | 100,000 | 45% |
| Naming Rights | 3,278,181 | 3,278,181 | 0 | 0% |
| Transit Center Rental Retail Revenue | 2,775,392 | 2,194,562 | (580,830) | -21% |
| Transit Center Advertising | 1,250,000 | 1,000,000 | (250,000) | -20% |
| Transit Center Sponsorship / Events | 220,000 | 220,000 | 0 | 0% |
| Neutral Host DAS Licensing Fees | 125,000 | 500,000 | 375,000 | 300% |
| AC Transit Capital Contributions | 550,000 | 550,000 | 0 | 0% |
| Miscellaneous | 65,000 | 365,000 | 300,000 | 462% |
| Interest Earnings | 126,227 | 126,227 | (0) | 0% |
| Subtotal Revenues | 15,363,499 | 13,590,921 | (1,772,578) | -12% |
| TOTAL RESOURCES | 26,195,923 | 29,214,530 | 3,018,606 | 12% |

EXPENSES

FY 21-22 Draft Budget Operating Expenses

■ Planning for Recovery

- Maintenance/Janitorial/Utilities increasing by 15%
- TJPA Administrative expense shared across Transbay Program
- Wayfinding Improvements: \$1.3 million

■ Budgetary and Other Changes

- Separate Identification of Park Costs: \$2.9 million
- Capital Maintenance/Repairs/Replacements: \$0.5 million
- Contingency equal to RM-3: \$1.6 million
- Unarmed Security contract savings
- No budgeted transfer to O&M Reserve

■ Overall Increase of \$6.8 million vs. FY20-21

FY 21-22 Draft Budget Transit Center Operations

| FY21-22 Draft Operating Budget | FY21-22 Preliminary Budget Projection | FY21-22 Draft Budget | Difference From Preliminary in \$'s | Difference From Preliminary in %'s |
|---|---------------------------------------|----------------------|-------------------------------------|------------------------------------|
| <u>Expenses</u> | | | | |
| ADMIN | 2,493,568 | 2,876,224 | 382,656 | 15% |
| Asset Management Fee & Administration | 1,783,753 | 1,591,556 | (192,197) | -11% |
| Physical Security | 6,279,071 | 7,988,670 | 1,709,599 | 27% |
| Security Systems | 560,000 | 592,927 | 32,927 | 6% |
| Bus Storage Facility | 560,000 | 560,000 | 0 | 0% |
| Transit Center General Maintenance | 2,722,895 | 2,265,792 | (457,103) | -17% |
| Transit Center Janitorial | 2,133,807 | 1,282,050 | (851,757) | -40% |
| Transit Center Utilities | 1,640,647 | 1,580,128 | (60,519) | -4% |
| Cybersecurity/IT | 1,775,182 | 1,777,363 | 2,181 | 0% |
| Park Management Fee & Administration | 433,000 | 613,153 | 180,153 | 42% |
| Park Programming | 176,300 | 284,250 | 107,950 | 61% |
| Park General Maintenance | 360,605 | 787,754 | 427,149 | 118% |
| Park Janitorial | 244,496 | 719,150 | 474,654 | 194% |
| Park Utilities | 513,278 | 315,872 | (197,406) | -38% |
| Park Capital Maintenance / Repair / Replacement | 100,000 | 200,000 | 100,000 | 100% |
| Capital Maintenance/ Repair/ Replacement | 250,000 | 510,000 | 260,000 | 104% |
| Digital Content Management & Wayfinding Systems | 602,000 | 602,000 | 0 | 0% |
| Wayfinding Enhancements | 0 | 1,300,000 | 1,300,000 | |
| Insurance | 1,732,040 | 1,732,040 | 0 | 0% |
| Title VI and Translations | 0 | 10,000 | 10,000 | |
| Contingency | 1,835,282 | 1,625,600 | (209,682) | -11% |
| TOTAL EXPENSES | 26,195,923 | 29,214,530 | 3,018,606 | 12% |

FY 21-22 Draft Capital Budgets

FY 21-22 Draft Capital Budget- Resources

| FY21-22 Draft Capital Budgets | Total | Phase 1 | Phase 2 | Tenant Improvements |
|--|---------------------|---------------------|---------------------|----------------------------|
| TJPA Bond Proceeds | 19,807,266 | | | 19,807,266 |
| Proposition K San Francisco Sales Tax | 3,994,557 | | 3,994,557 | |
| CFD Reimbursements | 48,160,843 | 22,650,000 | 25,510,843 | |
| Miscellaneous & Interest Income | 369,000 | 50,000 | 269,000 | 50,000 |
| Transit Center District Impact Fees-IPIC | 9,000 | | 9,000 | |
| TOTAL RESOURCES | \$72,340,666 | \$22,700,000 | \$29,783,400 | \$19,857,266 |

FY 21-22 Draft Capital Budget- Expenses

| FY21-22 Draft Capital Budgets | Totals | | Phase 1 | Phase 2 | Tenant Improvements |
|-------------------------------------|---------------------|--|---------------------|---------------------|---------------------|
| Salaries, Fringe Benefits, & Admin | 3,344,768 | | | 2,978,903 | 365,865 |
| Professional Services and Oversight | 6,700,032 | | 3,250,000 | 2,041,049 | 1,408,983 |
| Engineering & Design Services | 28,047,001 | | | 24,763,448 | 3,283,553 |
| Construction | 32,683,822 | | 19,450,000 | | 13,233,822 |
| Contingency / Reserve | 1,565,043 | | | | 1,565,043 |
| TOTAL | \$72,340,666 | | \$22,700,000 | \$29,783,400 | \$19,857,266 |

FY 21-22 Draft Capital Budgets

Phase 1: \$22,700,000

- Capital expenses in two categories:
 - Professional, Specialized Services, and others: \$3.25M
 - Legal and Financial Services
 - Project Management/Project Controls
 - Claims Management
 - Dispute Resolution Assistance

- Construction Closeout: \$19.45M
 - 11 of 49 trade packages to be closed

FY 21-22 Draft Capital Budgets

Tenant Improvements: \$19,857,266

- Continued Expenses

- TJPA Admin, Project Management and Commissions: \$5.1M
- Tenant Improvements Allowances: \$7.0M
- Landlord's Work / Base Building Construction: \$4.0M
- Base Building Misc / Contingency: \$2.2M
- Reserve Balance: \$1.6M

FY 21-22 Draft Capital Budgets

Phase 2: \$29,783,400

- TJPA Administrative Expense \$2.9M
 - New Positions to Support Advancement of DTX
- Professional Services \$2.0M
 - Financial Management
 - Legal Counsel
 - Real Estate Valuation
 - Economic Analysis
 - ROW
- Engineering and Design Services \$24.8M
 - FTA Project Development Activities
 - Program Management & Program Controls (PM/PC)
 - Downtown Rail Extension (DTX) project management
 - DTX Preliminary Engineering and Design
- Seeking Funding Commitments for Project Development

FY 21-22 Draft Debt Service Budget

FY 21-22 Draft Budget

Debt Service Budget: \$30,219,273

- Net Tax Increment pledged to TJPA 2020 Tax Allocation Bonds
- Scheduled principal and interest payments due October 1 and April 1
- Excess Net Tax Increment used for mandatory redemption of subordinate lien turbo bonds



Questions?

TJPA
TRANSBAY JUNE POWER AUTHORITY

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