

**STAFF REPORT FOR CALENDAR ITEM NO.: 10
FOR THE MEETING OF: June 10, 2021**

TRANSBAY JOINT POWERS AUTHORITY

BRIEF DESCRIPTION:

Adoption of Fiscal Year 2021-2022 (FY 21-22) Operating Budget in the amount of \$28,534,490 and FY 21-22 Capital Budget for Phase 1, Phase 2, and Tenant Improvements in an amount of \$72,426,164 and FY 21-22 Debt Service Budget in the amount of \$30,219,279.

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 budgets for review and approval by the Board.

At the May 2021 Board meeting, the draft budgets for FY 21-22 were presented. No public comments on the budget line items or amounts were received. However, some revisions have been made to the budgets as explained below, to account for further refinement as additional information became available.

The proposed operating budget totals \$28,534,490 (versus the \$29,214,530 presented in the May Draft Budget). The Operating Budget includes expenses and revenues for full operations at the Transit Center. The proposed Capital Budget for FY 21-22 totals \$72,426,164 (versus the \$72,340,666 presented in the May Draft Budget). The Capital Budget includes work for Phase 1 (\$22,700,000, unchanged from the May Draft Budget), Phase 2 (\$30,283,400, an increase of \$500,000 from the May Draft Budget), and Tenant Improvements (\$19,442,764, a decrease of \$414,502 from the May Draft Budget). Finally, the Debt Service Budget totals \$30,219,279, unchanged from the May Draft Budget.

FY 21-22 OPERATING BUDGET:

The FY 21-22 Final Operating Budget reflects an increase in activity and revenues based on San Francisco's and the Bay Area's anticipated recovery from the COVID-19 pandemic. The FY 21-22 Operating Budget detailed below is an overall decrease of \$680,040 or 2% from the Draft Budget presented in May 2021.

FY 21-22 Intergovernmental and Operating Revenue Refinements

AC Transit has requested a reduction in their capital contribution from \$550,000 to \$500,000 based on previous discussions with TJPA staff. This change is reflected in the Final FY 21-22 Operating Budget.

FY 21-22 Intergovernmental and Operating Revenue Review

The FY 21-22 Operating Budget includes revenues from Federal Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (CRRSAA), 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 along with the previously approved Transit Center Rental and Fee Schedule as Attachment 5:

Intergovernmental Revenue

- TJPA receives an annual allocation of RM-2, bridge toll funds, for operations. The allocation for FY 21-22 is based upon the regional plans. However, according to MTC, a portion of TJPA's allocations is expected to be reduced by 15% to a total of \$8.1M based on decreased toll revenue collection. The budget also includes \$1.6M in RM-3 funds. However, MTC has not yet allocated these bridge toll funds as pending lawsuits are yet to be fully resolved. Staff will seek approval from MTC to receive future reimbursement if the litigation extends past FY 21-22.
- 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 have been severely affected by the pandemic, the burden on the transit operators to cover deficits is substantial. Due in large part to the recent allocation of Federal CRRSAA funding, this budget includes \$4.5M in Regional Operator Contributions, which is a reduction of approximately \$1.7M from the January 2021 preliminary projection.
- 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 21-22, TJPA currently expects to be reimbursed for nearly \$1.6M, an increase of 30% from FY 20-21. This assumes the activities and programming on the park will resume in the upcoming fiscal year. Staff have negotiated a Memorandum of Understanding (MOU) with the East Cut CBD, which could increase the total reimbursement amount during FY 21-22. The MOU and resulting revenue estimate were not finalized in time to adjust the CBD revenue for the FY 21-22 Operating Budget. Should additional funds become available during the year, they would be transferred to the O&M reserve to the extent feasible.
- In March, MTC allocated nearly \$3.3M of the Bay Area's \$983M Federal CRRSAA funds to the TJPA as part of the Bay Area's second COVID relief funding package. These funds will be used to support the anticipated increase in Transit Center activity as travel to and from downtown San Francisco increases.

Operating Revenue

- Salesforce payment for naming rights for this fiscal year is expected at \$3.3M.
- Retail revenue including leases is projected at \$2.2M. The amount is based on the current retail leases, rent abatement amendments to those leases, and delays to opening dates. To be conservative, no rental income from any new leases is included in the budget estimate.
- Advertising revenue, sponsorship, and events is anticipated at \$1.0M. This amount is based on the anticipated advertising revenue from the Transit Center.
- The Transit Center has a neutral host distributed antennae system (cellular DAS) installed throughout the Transit Center to support consistent wireless service. The FY 21-22 budget includes \$500,000 based on securing two additional service providers as currently anticipated.
- TJPA will continue to collect rent from Greyhound at the Transit Center for a total amount of \$323K.

Transfers to Operating Reserves Refinements

Since the presentation of the Draft Budget, expenses and revenues for the current fiscal year have been further refined. Staff projects a FY 20-21 fund balance of approximately \$764,000 that could be transferred to the Operating and Maintenance (O&M) Reserve at the end of FY 20-21. This amount is included in the projected Beginning Reserves balance in the FY 21-22 budget. In addition, the anticipated savings from the new security contract (described below and in a previous agenda item for today's Board meeting) are now included as a transfer to reserves for FY 21-22. These two changes would result in an O&M Reserve balance of \$2.6 million, or 9% of variable operating expenses; the Board policy goal is 25%.

FY 21-22 Operating Expenses Refinements

Two adjustments have been made to the FY 21-22 operating expenses since the draft budget. The unarmed security contract has resulted in savings of \$690,000 for FY 21-22, and the estimate for the insurance premium has increased by \$9,960 to reflect the most recent policy renewal rates.

FY 21-22 Operating Expenses Review

The TJPA FY 21-22 Operating Budget as proposed by staff totals \$28,534,490. The Operating Budget includes various TJPA salary, benefits, and administrative costs, shared with Phase 2 and Tenant Improvements at an appropriate apportionment. As Phase 1 closes out and minimal activity remains, administrative expense will be allocated to other areas unless work is directly related to Phase 1.

- TJPA staff salaries & benefits (\$1.9 million)
- TJPA administration, including office expenses, IT, and the other administrative categories included in the operations budget (\$374K)
- CBD special tax assessments (\$133K, shared with Phase 2)
- Legal, financial, audit, public relations, and other specialized services (\$466K)

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 based on the job functions as noted in the following table. The allocations are subject to change based on need, function, and available funding.

Position	Allocation			
	Operating	TI	Phase 2	Total
Executive Director	50%	0%	50%	100%
Chief Financial Officer	50%	0%	50%	100%
Chief of Staff	50%	0%	50%	100%
Chief Security Officer	100%	0%	0%	100%
Facility Director	100%	0%	0%	100%
IT Director	75%	0%	25%	100%
Finance Manager	50%	0%	50%	100%
Physical Security Manager	100%	0%	0%	100%
Field Operations Security Manager	100%	0%	0%	100%
Communications and Legislative Affairs Manager	50%	0%	50%	100%
Financial Reporting Accountant	50%	0%	50%	100%
Management Assistant	50%	0%	50%	100%
Accountant II	50%	0%	50%	100%
Management Analyst (Contract Compliance)	50%	0%	50%	100%
Accountant	50%	0%	50%	100%
Office Administrator	50%	0%	50%	100%

Salaries are based on position ranges in the pay schedule effective December 1, 2019, previously approved by the TJPA Board. 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.

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 develop the Operating Budget for the Transit Center and project costs for increasing activity in the upcoming fiscal year. We have added a new category of expenses, Major Maintenance / Repair / Replacement and segmented the operations and maintenance costs of the park to separate budget lines for Park Maintenance, Programming, Janitorial, Utilities, and Management Fee and Administration. In some cases, these park-related costs previously had been shown within other

Transit Center lines. Additionally, this Operating Budget includes new maintenance contracts for the Physical Security Systems and Landscaping Maintenance, and several computer software and hardware maintenance agreements.

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 (\$5.1M)
- Transit Center physical security (\$7.9M)
- Cybersecurity and IT (\$1.8M)
- Transit Center property management staffing, administrative costs, and fee (\$1.6M)
- Rooftop park management fee, programming, maintenance, janitorial, and utilities (\$2.9M)
- Digital content / wayfinding systems development and maintenance (\$600K)
- Wayfinding Enhancements (\$1.3M)
- Transit Center Major Maintenance/Repair/Replacement (\$510K)
- Park Major Maintenance / Repair / Replacements (\$200K)
- Transit Center Insurance (\$1.7M)

Total: **\$23.6 million**

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 final budget incorporates the reduced cost associated with the negotiated unarmed security contract.

The budget includes \$1.3M for Wayfinding Enhancements to implement the planned improvements throughout the Transit Center. Staff are actively seeking funding from local, regional, and Federal sources for this work. Should new sources not become available, staff may propose using reserve funds to conduct this critical work.

The estimate for Transit Center coverage is 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.

The FY 21-22 Operating Budget includes a contingency of \$1.6M, equal to the estimated amount of RM-3 funds that could become available during the fiscal year. If the RM-3 lawsuit is not resolved in MTC's favor, the TJPA may need to use reserves to cover expenditures funded with projected RM-3 funds.

Operating Reserves Refinements

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.

By policy, the goal for the O&M 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. The FY 21-22 budget has been updated to include an estimated \$764,000 transfer to the O&M Reserve at the end of FY 20-21, and an estimated transfer of \$630,040 to the O&M reserve in FY 21-22 based on the projected net savings for the Final FY 21-22 Operating Budget compared to the draft budget. The projected O&M Reserve is \$2,584,386, or 9% of the annual budget. Should additional funds become available during the year, they would be transferred to the O&M reserve to the extent feasible.

FY 21-22 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.

FY 21-22 CAPITAL BUDGETS:

The FY 21-22 Capital budgets for Phase 1, Phase 2, and Tenant Improvements total \$72,426,164, an increase of \$85,498 compared to the May Draft Capital budgets.

Staff is developing a Capital Improvement Program (CIP) budget to incorporate the necessary capital repairs and replacements for the Transit Center and associated facilities. The asset management team is developing the lifecycle maintenance and repair schedule for the building systems, based on manufacturers' maintenance and warranty information. This information will comprise the majority of the CIP, which will be presented to the Board when it has been fully developed. Until the CIP is prepared, replacement and repair items are included in the Capital Maintenance / Repair / Replacement line item of the Operating Budget.

FY 21-22 Capital Budget for Phase 1

The FY 21-22 Capital Budget for Phase 1 is proposed at \$22,700,000, unchanged from the May draft budget. The budget focuses on the close-out of construction claims, and includes legal and dispute resolution services and minimal administrative support for the close-out processes. This annual budget allocation falls within the overall Program budget of \$2,259.4M.

FY 21-22 Capital Funding Sources Review for Phase 1

The FY 21-22 Phase 1 budget will be funded with TJPA's reimbursement from proceeds from the City's Community Facilities District (CFD) bond sales and a small amount of interest income (\$50K).

FY 21-22 Capital Expenditures Review for Phase 1

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

- Professional, Specialized Services, and others: \$3.3M
- Construction Closeout: \$19.4M

These costs included are for direct administrative support, ongoing litigation, construction claims and for routine matters. Funding will require a transfer from Program Reserves.

FY 21-22 Capital Budget Refinements for Phase 2

The FY 21-22 Capital Budget for Phase 2 is proposed at \$30,283,400, an increase of \$500,000 from the May Draft budget. Cost and reimbursement line items for Parcel F activities have been added, with costs fully offset by reimbursements from the developer. The line items have been added to support the necessary accounting transactions until a separate CIP is finalized.

Based on recent financial information for FY 20-21, the Phase 2 final budget includes \$3,951,900 to be transferred from the Program Reserve, with an equal reduction in Transit Center District CFD revenues since the May draft budget. This transfer is planned to fund staff, administration, and professional services costs for the full year. However, these costs are likely to be funded through other sources as additional resources become available during the fiscal year. Any unspent reserve transfers would revert to the Program Reserve at the end of FY 21-22.

This budget includes various TJPA salary, benefits, and administrative costs, shared with the Operating and Tenant Improvements budgets. This budget advances the engineering and design for the Downtown Rail Extension (DTX). It adds in-house staff based on recommendations from the APTA Peer Review and retains consultants to support the efforts of the Executive Streeting Committee established by the San Francisco Peninsula Rail Program MOU approved by the Board in April 2020.

The FY 21-22 Phase 2 budget includes activities related to Project Development, the first phase of the FTA New Starts process. TJPA currently anticipates requesting approval from FTA to formally enter the Project Development phase in Fall 2021. The upcoming scope of Project Development is estimated to be approximately \$27M. The FY 21-22 Phase 2 budget incorporates the first year of Project Development activities, which are anticipated to continue into the FY 22-23 timeframe. For its approval, in addition to technical matters, FTA will require that the TJPA is committed to completing the Project Development phase and that full funding for Project Development has been committed to the TJPA. Staff are currently working with the funding partners to secure the necessary funding commitments.

FY 21-22 Capital Funding Sources Review for Phase 2

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; Transit Center District Impact Fees, and interest/investment income, in the following approximate amounts:

- Prop K Allocation: \$4.0M
- CFD Reimbursements: \$4.2M
- Miscellaneous and interest income: \$278K

The FY 21-22 Phase 2 Budget requires additional sources of funds to complete the work planned for the fiscal year, including cash on hand from the City's Transit Center Community Facilities District

(referred to as pay-go funds) and expected reimbursement from proceeds from a City CFD bond sale. Staff are working with the City to transfer the CFD pay-go funds to TJPA and to prepare for the next bond sale. The draft FY 21-22 Phase 2 budget includes \$21.6M from CFD Pay-Go / Bond Proceeds. Concurrently, TJPA and SFCTA staff have begun discussions with other partner agencies to commit additional funds for the Project Development activities anticipated for the next two years.

FY 21-22 Capital Expenses Review for Phase 2

Salaries and Benefits

The TJPA’s proposed Phase 2 salaries, benefits, and administrative expenses for FY 21-22 is approximately \$2.9M. The staff positions are allocated between the budgets as follows, although the allocations are subject to change based on need, function, and available funding:

Position	Allocation			
	Operating	TI	Phase 2	Total
Executive Director	50%	0%	50%	100%
Project Director	0%	0%	100%	100%
Senior Program Manager	0%	0%	100%	100%
Senior Design & Engineering Manager	0%	0%	100%	100%
Engineering Manager	0%	20%	80%	100%
Chief Financial Officer	50%	0%	50%	100%
Chief of Staff	50%	0%	50%	100%
IT Director	75%	0%	25%	100%
Finance Manager	50%	0%	50%	100%
Communications and Legislative Affairs Manager	50%	0%	50%	100%
Financial Reporting Accountant	50%	0%	50%	100%
Administrative Assistant	0%	0%	100%	100%
Management Assistant	50%	0%	50%	100%
Accountant II	50%	0%	50%	100%
Management Analyst (Contract Compliance)	50%	0%	50%	100%
Accountant	50%	0%	50%	100%
Engineer	0%	0%	100%	100%
Engineer	0%	0%	100%	100%
Office Administrator	50%	0%	50%	100%

Administrative Expenses are the 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, insurance premiums, communications, office supplies, equipment and furniture, 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, economic and real estate analysis, 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, environmental review, real estate services, and other specialized services. As a result, approximately \$26M of the proposed FY 21-22 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 21-22 under each sub-category are described below.

Engineering and Design Services (\$23.25 million)

- Program Management & Program Controls (PM/PC) (\$5.2 million)
The PM/PC consultant provides Downtown Rail Extension (DTX) project management.
- DTX Preliminary Engineering and Design (\$16.8 million)
The focus will be Project Development and continuing to advance engineering work for the DTX to a complete 30% preliminary engineering and drawings level.
- Environmental Review Services (\$1.25 million)
Further environmental review may be required as the design and engineering of DTX advances.

Other Activities (\$2 million)

- Threat and Vulnerability Assessment (\$500K)
- Operations Planning (\$500K)
- Interagency Coordination (\$280K)
- Real Estate Valuation & Appraisals (\$350K)
- Outreach and Branding (\$350K)
- Other Engineering & Design Services (\$200K)

FY 21-22 Capital Budget Refinements for Tenant Improvements

The FY 21-22 Capital Budget for Tenant Improvements is proposed at \$19,442,764, a reduction of \$414,502 from the May Draft budget. The change is primarily due to an adjustment of the Fiscal Reserve Balance from \$1.57 to \$1.13 million based on current accounting information. In addition, the final budget includes an adjustment of \$21,616 to salaries and benefits. Staff are working to reconcile the LPC and TJPA accounting system reports, and do not anticipate any increases to the overall Tenant Improvements budget or FY 21-22 annual budget. However, the amounts for the various line items may change during the fiscal year, and will be included in the quarterly financial reports to the Board.

This budget includes TJPA salary and benefits for staff dedicated to the Tenant Improvements' successful completion. It also includes construction management costs, leasing commissions, tenant allowances provided in the executed leases and construction costs and contemplates a transfer from the fiscal reserve. 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 21-22 Capital Funding Sources Refinement for Tenant Improvements Budget

The overall Tenant Improvement budget has been set at \$50.5M. The FY 21-22 Tenant Improvements Budget will be funded with TJPA Bond proceeds and interest income.

- Bond Proceeds: \$19.4M
- Interest income: \$150K

FY 21-22 Capital Expenses Refinements for Tenant Improvements

Salaries and Benefits

The TJPA's proposed capital salaries and benefits expense for FY 21-22 is approximately \$387K, an increase of almost \$22K from the May draft budget due to changes in CalPERS calculations. There are no administrative expenses allocated to the Tenant Improvements budget and the positions dedicated to Tenant Improvements are shown below:

Position	Allocation			
	<i>Operating</i>	<i>TI</i>	<i>Phase 2</i>	<i>Total</i>
Senior Construction Manager	0%	100%	0%	100%
Engineering Manager	0%	20%	80%	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 and Project Management: \$4.7M
- Tenant Allowances \$7.0M
- Tenant Improvement Construction and Contingency \$6.2M
- Fiscal Reserve \$1.1M

FY 21-22 DEBT SERVICE BUDGET

As a result of the TJPA's bond sale in June 2020 that refinanced the TIFIA loan, the FY 21-22 Debt Service Budget totals \$30.2M, unchanged from the May draft budget. The budget includes scheduled principal and interest payments 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 are pledged to the tax allocation bonds and these funds cannot be used for any operational costs. Under the structure of the 2020 tax allocation bonds, any excess net tax increment revenues that are collected will be used for the mandatory redemption of subordinate lien turbo bonds.

CAPITAL RESERVES

Fiscal Reserves

The Fiscal Reserve is a part of all the capital budgets and covers both Phase 1 and Phase 2 of the Transbay Program and Tenant Improvements. The Fiscal Reserve provides working capital and contingency. Use of the Fiscal Reserve requires Board action. Action on the FY 21-22 Capital Budgets assumes a transfer of \$3,951,900 from the Fiscal Reserve to the Phase 2 budget. This transfer is planned to fund staff, administration, and professional services costs, which may be funded through other sources as additional resources become available during the fiscal year.

Capital Replacement Reserve

The Capital Replacement Reserve is a reserve to address the lifecycle needs of the Transit Center. Following the completion of the 2020 bond sale, the Capital Replacement Reserve has been funded with \$27.5M.

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 21-22 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.

ENCLOSURES:

1. FY 21-22 Budget Resolution
2. FY 21-22 Final Operating Budget (Attachment 1)
3. Operating Budget Projections through FY 2024-25 (Attachment 2)
4. FY 21-22 Final Capital Budgets (Attachment 3)
5. FY 21-22 Final Debt Service Budget (Attachment 4)
6. Rental and Fee Schedule (Attachment 5)

RECOMMENDATION:

Approve the FY 21-22 Operating and Capital Budgets, Rental and Fee Schedule, and Program Reserve Transfers.

**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 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 2021-2022 (FY 21-22) 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 21-22 in an amount not to exceed \$28,534,490; and, be it

FURTHER RESOLVED, That the TJPA Board of Directors hereby approves the annual debt service budget and related appropriations for FY 21-22 in an amount not to exceed \$30,219,279; and, be it

FURTHER RESOLVED, That the TJPA Board of Directors hereby approves the annual capital budget and related appropriations for FY 21-22 in an amount not to exceed \$72,426,164; 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 Fiscal Reserves in the amount of \$3,951,900 in support of the FY 21-22 Phase 2 Capital Budget; and, be it

FURTHER RESOLVED, That the TJPA Board of Directors hereby authorizes the Interim Executive Director to apply for, accept, and expend revenues in accordance with the annual capital and operating budgets for FY 21-22 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 10, 2021.

Interim Secretary, Transbay Joint Powers Authority

FY21-22 Operating Budget	FY20-21 Final Budget	FY21-22 Preliminary Budget (January 2021)	FY21-22 Draft Budget (May 2021)	FY21-22 Final Budget (June 2021)	Difference From Draft in \$'s	Difference From Draft in %'s
Beginning Reserves						
Emergency Reserve	500,000	500,000	500,000	500,000	0	0%
O&M Reserve	1,190,346	1,190,346	1,190,346	1,954,346	764,000	64%
Beginning Balance and Reserves	1,690,346	1,690,346	1,690,346	2,454,346	764,000	45%
Reimbursements						
Regional Measure 2	7,458,017	7,618,758	8,122,468	8,122,468	0	0%
Regional Measure 3	1,625,600	1,625,600	1,625,600	1,625,600	0	0%
Federal CRRSAA Grant		0	3,287,474	3,287,474	0	0%
Wayfinding Request	50,000	0	1,000,000	1,000,000	0	0%
Community Benefit District Park Payments	1,211,830	1,588,067	1,588,067	1,588,067	0	0%
Subtotal Reimbursements	10,345,447	10,832,425	15,623,609	15,623,609	0	0%
Revenues						
Lease and Use Payments	6,790,956	6,190,384	4,473,637	4,473,637	0	0%
AC Transit (74%)	5,025,307	4,580,884	3,310,491	3,310,491	0	0%
SF Municipal Transportation Agency (26%)	1,765,649	1,609,500	1,163,146	1,163,146	0	0%
AC Transit (Bus Storage Facility)	168,000	560,000	560,000	560,000	0	0%
Other Operator Rents	218,400	223,314	323,314	323,314	0	0%
Naming Rights	3,037,567	3,278,181	3,278,181	3,278,181	0	0%
Transit Center Rental Retail Revenue	1,992,000	2,775,392	2,194,562	2,194,562	0	0%
Transit Center Advertising	1,645,000	1,250,000	1,000,000	1,000,000	0	0%
Transit Center Sponsorship / Events	220,000	220,000	220,000	220,000	0	0%
Neutral Host DAS Licensing Fees	125,000	125,000	500,000	500,000	0	0%
AC Transit Capital Contributions	1,000,000	550,000	550,000	500,000	(50,000)	-9%
Miscellaneous	65,000	65,000	365,000	365,000	0	0%
Interest Earnings	60,000	126,227	126,227	126,227	0	0%
Subtotal Revenues	15,321,923	15,363,499	13,590,921	13,540,921	(50,000)	0%
Transfers From/(To)						
Transfer From Reserves/Fund Balance	0	0	0	0	0	0%
Transfer (To) Reserves/Fund Balance	(3,242,000)	0	0	(630,040)	(630,040)	
Subtotal Transfers	(3,242,000)	0	0	(630,040)	(630,040)	
TOTAL RESOURCES	22,425,369	26,195,923	29,214,530	28,534,490	(680,040)	-2%
Expenses						
ADMIN	2,532,503	2,493,568	2,876,224	2,876,224	0	0%
Asset Management Fee & Administration	1,761,799	1,783,753	1,591,556	1,591,556	0	0%
Physical Security	5,980,068	6,279,071	7,988,670	7,298,670	(690,000)	-9%
Security Systems	560,000	560,000	592,927	592,927	0	0%
Bus Storage Facility	400,000	560,000	560,000	560,000	0	0%
Transit Center General Maintenance	2,212,797	2,722,895	2,265,792	2,265,792	0	0%
Transit Center Janitorial	1,517,022	2,133,807	1,282,050	1,282,050	0	0%
Transit Center Utilities	1,344,793	1,640,647	1,580,128	1,580,128	0	0%
Cybersecurity/IT	1,775,182	1,775,182	1,777,363	1,777,363	0	0%
Other Consulting - TT BORP	25,500					
Park Management Fee & Administration	133,000	433,000	613,153	613,153	0	0%
Park Programming	1,397,487	176,300	284,250	284,250	0	0%
Park General Maintenance		360,605	787,754	787,754	0	0%
Park Janitorial	244,496	244,496	719,150	719,150	0	0%
Park Utilities	513,278	513,278	315,872	315,872	0	0%
Park Capital Maintenance / Repair / Replacement	100,000	100,000	200,000	200,000	0	0%
Capital Maintenance/ Repair/ Replacement	114,500	250,000	510,000	510,000	0	0%
Digital Content Management & Wayfinding Systems	602,000	602,000	602,000	602,000	0	0%
Wayfinding Enhancements	50,000	0	1,300,000	1,300,000	0	0%
Insurance	1,634,000	1,732,040	1,732,040	1,742,000	9,960	1%
Title VI and Translations	50,000	0	10,000	10,000	0	0%
Contingency	334,719	1,835,282	1,625,600	1,625,600	0	0%
TOTAL EXPENSES	22,425,369	26,195,923	29,214,530	28,534,490	(680,040)	-2%
DIFFERENCE	0	0	0	0	0	
Ending Reserve Amounts						
Emergency Reserve	500,000	500,000	500,000	500,000	0	0%
O&M Reserve	4,432,346	1,190,346	1,190,346	2,584,386	1,394,040	117%
Totals	4,932,346	1,690,346	1,690,346	3,084,386	1,394,040	82%
Reserve Percentage	22%	6%	6%	11%		87%
Variable Expense Budget	21,962,369	26,195,923	29,214,530	28,534,490	(680,040)	-2%

3-Year Operating Budget Projection	FY21-22 Final Budget	FY22-23 Projected Budget	FY23-24 Projected Budget	FY24-25 Projected Budget
Beginning Reserves				
Emergency Reserve	500,000	500,000	500,000	500,000
O&M Reserve	1,954,346	2,744,386	3,061,053	3,377,719
Beginning Balance and Reserves	2,454,346	3,244,386	3,561,053	3,877,719
Reimbursements				
Regional Measure 2	8,122,468	8,767,504	5,969,367	6,178,295
Regional Measure 3	1,625,600	3,251,200	3,251,200	3,251,200
Federal CRRSAA Grant	3,287,474	0	0	0
STA (Wayfinding) Grant	0	0	0	0
Wayfinding Request	1,000,000	3,300,000	0	0
Community Benefit District Park Payments	1,588,067	1,635,709	1,684,780	1,735,324
Subtotal Reimbursements	15,623,609	16,954,413	10,905,347	11,164,819
Revenues				
Lease and Use Payments	4,473,637	3,312,609	6,440,774	6,354,083
AC Transit (74%)	3,310,491	2,451,331	4,766,173	4,702,022
SF Municipal Transportation Agency (26%)	1,163,146	861,278	1,674,601	1,652,062
AC Transit (Bus Storage Facility and Bart Bridge Security)	560,000	576,800	594,104	611,927
Other Operator Rents	323,314	333,013	343,004	353,294
Naming Rights	3,278,181	3,376,526	3,477,822	3,582,157
Transit Center Rental Retail Revenue	2,194,562	3,984,000	4,200,000	4,500,000
Transit Center Advertising	1,000,000	1,300,000	1,450,000	1,645,000
Transit Center Sponsorship / Events	220,000	150,000	150,000	150,000
Neutral Host DAS Licensing Fees	500,000	125,000	125,000	125,000
AC Transit Capital Contributions	500,000	500,000	500,000	500,000
Miscellaneous	365,000	65,000	65,000	65,000
Interest Earnings	126,227	126,200	126,200	126,200
Subtotal Revenues	13,540,921	13,849,149	17,471,904	18,012,661
Transfers From/(To)				
Transfer From Reserves/Fund Balance	0	0	0	0
Transfer (To) Reserves/Fund Balance	(790,040)	(316,667)	(316,667)	(316,667)
Subtotal Transfers	(790,040)	(316,667)	(316,667)	(316,667)
TOTAL RESOURCES	28,374,490	30,486,896	28,060,585	28,860,813
Expenses				
ADMIN	2,876,224	2,962,511	3,051,386	3,142,928
Asset Management Fee & Administration	1,591,556	1,639,303	1,688,482	1,739,136
Physical Security	7,138,670	7,352,830	7,573,415	7,800,617
Security Systems	592,927	610,715	629,036	647,907
Bus Storage Facility and Bart Bridge Security	560,000	576,800	594,104	611,927
Transit Center General Maintenance	2,265,792	2,333,766	2,403,779	2,475,892
Transit Center Janitorial	1,282,050	1,320,512	1,360,127	1,400,931
Transit Center Utilities	1,580,128	1,627,532	1,676,358	1,726,649
Cybersecurity/IT	1,777,363	1,830,684	1,885,604	1,942,173
Park Management Fee & Administration	613,153	631,548	650,494	670,009
Park Programming	284,250	292,778	301,561	310,608
Park General Maintenance	787,754	811,387	835,728	860,800
Park Janitorial	719,150	740,725	762,946	785,835
Park Utilities	315,872	325,348	335,109	345,162
Park Capital Maintenance	200,000	206,000	212,180	218,545
Capital Maintenance/ Repair/ Replacement	510,000	525,300	541,059	557,291
Digital Content Management & Wayfinding Systems	602,000	620,060	638,662	657,822
Wayfinding Enhancements	1,300,000	3,300,000		
Insurance	1,742,000	1,829,100	1,920,555	2,016,583
Title VI and Translations	10,000	0	50,000	0
Contingency	1,625,600	950,000	950,000	950,000
TOTAL EXPENSES	28,374,490	30,486,896	28,060,585	28,860,813
DIFFERENCE	0	0	0	0
Emergency Reserve	500,000	500,000	500,000	500,000
O&M Reserve	2,744,386	3,061,053	3,377,719	3,694,386
Totals	3,244,386	3,561,053	3,877,719	4,194,386
Reserve Percentage	11%	12%	14%	15%
Variable Expense Budget	28,374,490	30,486,896	28,060,585	28,860,813

FY21-22 Phase 1 Budget	FY21-22 Draft Budget	FY21-22 Final Budget	\$ Change from Draft FY21-22	% Change from Draft FY21-22
Revenues				
CFD Reimbursements	22,650,000	22,650,000	0	0%
Miscellaneous & Interest Income	50,000	50,000	0	0%
TOTAL RESOURCES	22,700,000	22,700,000	0	0%
Transfers From/(To)				
Transfer From/(To) Program Reserve/Fiscal Reserve	0	0	0	0%
Subtotal Transfers	0	0	0	0%
Expenses				
Legal Counsel	2,700,000	2,700,000	0	0%
Financial and Grants Management	50,000	50,000	0	0%
Construction Dispute Resolution Services	500,000	500,000	0	0%
Program Management / Program Controls	50,000	50,000	0	0%
Transit Center Building & Ramps Construction	19,400,000	19,400,000	0	0%
TOTAL EXPENSES	22,700,000	22,700,000	0	0%
Difference	0	0	0	0

FY21-22 Phase 2 Budget	FY21-22 Draft Budget	FY21-22 Final Budget	\$ Change from Draft FY21-22	% Change from Draft FY21-22
Revenues				
Proposition K San Francisco Sales Tax	3,994,557	3,994,557	-	0%
Transit Center District CFD	25,510,843	21,558,943	(3,951,900)	-18%
Transit Center District Impact Fees-IPIC	9,000	9,000	-	0%
Parcel F Reimbursements	0	500,000	500,000	100%
Interest Income	269,000	269,000	-	0%
TOTAL REVENUES	29,783,400	26,331,500	(3,451,900)	-13%
Transfers From/(To)				
Transfer From/(To) Program Reserve/Fiscal Reserve	0	3,951,900	3,951,900	100%
Subtotal Transfers	0	3,951,900	3,951,900	100%
TOTAL RESOURCES	29,783,400	30,283,400	500,000	2%
Expenses				
Salaries, Fringe Benefits, & Admin	2,865,917	2,865,917	-	0%
Professional Services				
Audits	23,049	23,049	-	0%
Economic and Real Estate Analysis	330,000	330,000	-	0%
Legislative Services	269,000	269,000	-	0%
Legal Counsel (City Attorney, Outside Counsel)	365,000	365,000	-	0%
Financial and Grant Management	500,000	500,000	-	0%
Other Intergovernmental Agmts / Consulting Svcs	-	-	-	0%
Engineering & Design Services				
Program Management / Program Controls	5,225,891	5,225,891	-	0%
Downtown Extension Preliminary Engineering & Design	16,807,557	16,807,557	-	0%
Downtown Extension Interagency Coordination	280,000	280,000	-	0%
Environmental Review	1,250,000	1,250,000	-	0%
Operations Planning	500,000	500,000	-	0%
Threat and Vulnerability Assessment	500,000	500,000	-	0%
Other Engineering & Design Services	200,000	200,000	-	0%
Permits and Fees				
Taxes / Other Plan Checks / Permit Fees	112,986	112,986	-	0%
Real Estate Services				
Property Management	9,000	9,000	-	0%
Real Estate Valuation / Appraisal Services	350,000	350,000	-	0%
Other Professional Services				
Parcel F Reimbursables	0	500,000	500,000	100%
Outreach and Branding	195,000	195,000	-	0%
TOTAL EXPENSES	29,783,400	30,283,400	500,000	2%
Program/Fiscal Reserve Balance	32,285,289	29,948,100	(2,337,189)	-8%
Difference	(0)	0	0	0

FY21-22 Tenant Improvements Budget	FY21-22 Draft Budget	FY21-22 Final Budget	\$ Change from Draft FY21-22	% Change from Draft FY21-22	OVERALL TENANT IMPROVEMENT BUDGET
Revenues					
City Financing					19,835,980
Bond Proceeds	19,807,266	19,392,764	(414,502)	-2%	15,654,020
Interest Income	50,000	50,000	0	0%	185,000
TOTAL REVENUES	19,857,266	19,442,764	(414,502)	-2%	35,675,000
Transfers From/(To)					
Transfer From/(To) Program Reserve/Fiscal Reserve			0		13,871,075
Subtotal Transfers	0	0	0		13,871,075
TOTAL RESOURCES	19,857,266	19,442,764	(414,502)	-2%	49,546,075
Expenses					
Salaries & Benefits	365,865	387,481	21,616	6%	505,231
Marketing and Leasing Commissions	1,408,983	1,408,983	0	0%	1,608,799
Project Management / Engineering & Design	3,283,553	3,283,553	0	0%	4,223,586
Base Building- Miscellaneous/Contingency	2,157,615	2,157,615	0	0%	5,398,172
Tenant Improvements Allowance	7,033,690	7,033,690	0	0%	10,666,433
Landlord's Work/ Base Building Construction	4,042,517	4,042,517	0	0%	27,143,854
TOTAL EXPENSES	18,292,224	18,313,839	21,616	0%	49,546,075
Fiscal Reserve Balance	1,565,043	1,128,925	(436,118)	-28%	1,128,925
Difference	(0)	0	0	0	0

FY21-22 Debt Service Budget	FY21-22 Draft Budget	FY21-22 Final Budget	\$ Change from Draft FY21-22 Budget	% Change from Draft FY21-22 Budget
Revenues				
Net Tax Increment Revenue	30,194,279	30,194,279	0	0%
Interest Earned	25,000	25,000	0	0%
TOTAL RESOURCES	30,219,279	30,219,279	0	0%
Expenses				
2020 TAB Principal and Interest	30,094,279	30,094,279	0	0%
Account Service Fees	125,000	125,000	0	0%
TOTAL EXPENSES	30,219,279	30,219,279	0	0%
DIFFERENCE	0	0	0	0%
Ending Reserve Amounts				
Debt Service Reserve (1.25%)	18,584,001	18,584,001	0	0%
Ending Balance and Reserves	18,584,001	18,584,001	0	0%

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:

Amphitheater in Salesforce Park Rental Rate		
	Stage + Lawn Only*	Entire Amphitheater Area
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.

Café Pad in Salesforce Park Rental Rate
\$500/hr

Additional Rental Rates
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:

Fees and Expenses	
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:

Film/Photo Fees	
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).

FY 21-22 Final Operating and Capital Budgets

June 10, 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 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

- **Changes from Draft Budget**
 - Unarmed Security contract savings
 - Net savings in Final Budget and FY 20-21 Fund Balance transferred to reserves

- **Future Changes**
 - East Cut CBD MOU
 - American Rescue Plan Act funding (Summer)

FY 21-22 Draft Operating Budget

	FY21-22 Preliminary Operations Budget (January)	FY21-22 Draft Operations Budget (May)	FY21-22 Final Operations Budget (June)	\$ Change from FY21-22 Draft	% Change from FY21-22 Draft
REVENUES					
REIMBURSEMENTS	\$10,832,425	\$15,623,609	\$15,623,609	\$0	0%
OPERATING REVENUES	\$15,363,499	\$13,590,921	\$13,540,921	(\$50,000)	0%
TRANSFERS	\$0	\$0	(\$630,040)	(\$630,040)	
TOTAL REVENUES	\$26,195,923	\$29,214,530	\$28,534,490	(\$680,040)	-2%
EXPENSES					
ADMINISTRATION	\$2,493,568	\$2,876,224	\$2,876,224	\$0	0%
PARK	\$1,827,679	\$2,920,179	\$2,920,179	\$0	0%
TRANSIT CENTER	\$21,874,676	\$23,418,127	\$22,738,087	(\$680,040)	-3%
TOTAL EXPENSES	\$26,195,923	\$29,214,530	\$28,534,490	(\$680,040)	-2%

REVENUES

FY 21-22 Final Budget Operating Revenues

- Overall Increase of \$3.5 million from FY 20-21 Operating Budget
 - Federal Relief Funding +\$3.3 million
 - *Operator Contributions* -\$2.3 million
 - All other sources +\$2.5 million
- Changes since Draft Budget
 - Reduction of \$50,000 for AC Transit Capital Contribution
 - Net savings in Final Budget and FY 20-21 Fund Balance transferred to reserves
- Future Potential Changes
 - East Cut CBD Park Payments
 - Federal American Rescue Plan Act

FY 21-22 Final Budget Operating Revenues

FY21-22 Operating Budget	FY21-22 Draft Budget (May 2021)	FY21-22 Final Budget (June 2021)	Difference From Draft in \$'s	Difference From Draft in %'s
<u>Beginning Reserves</u>				
Emergency Reserve	500,000	500,000	0	0%
O&M Reserve	1,190,346	1,954,346	764,000	64%
Beginning Balance and Reserves	1,690,346	2,454,346	764,000	45%
<u>Reimbursements</u>				
Regional Measure 2	8,122,468	8,122,468	0	0%
Regional Measure 3	1,625,600	1,625,600	0	0%
Federal CRRSAA Grant	3,287,474	3,287,474	0	0%
Wayfinding Request	1,000,000	1,000,000	0	0%
Community Benefit District Park Payments	1,588,067	1,588,067	0	0%
Subtotal Reimbursements	15,623,609	15,623,609	0	0%
<u>Revenues</u>				
Lease and Use Payments	4,473,637	4,473,637	0	0%
AC Transit (74%)	3,310,491	3,310,491	0	0%
SF Municipal Transportation Agency (26%)	1,163,146	1,163,146	0	0%
AC Transit (Bus Storage Facility)	560,000	560,000	0	0%
Other Operator Rents	323,314	323,314	0	0%
Naming Rights	3,278,181	3,278,181	0	0%
Transit Center Rental Retail Revenue	2,194,562	2,194,562	0	0%
Transit Center Advertising	1,000,000	1,000,000	0	0%
Transit Center Sponsorship / Events	220,000	220,000	0	0%
Neutral Host DAS Licensing Fees	500,000	500,000	0	0%
AC Transit Capital Contributions	550,000	500,000	(50,000)	-9%
Miscellaneous	365,000	365,000	0	0%
Interest Earnings	126,227	126,227	0	0%
Subtotal Revenues	13,590,921	13,540,921	(50,000)	0%
<u>Transfers From/(To)</u>				
Transfer From Reserves/Fund Balance	0	0	0	
Transfer (To) Reserves/Fund Balance	0	(630,040)	(630,040)	
Subtotal Transfers	0	(630,040)	(630,040)	
TOTAL RESOURCES	29,214,530	28,534,490	(680,040)	-2%

EXPENSES

FY 21-22 Budget Operating Expenses

■ Planning for Recovery

- Maintenance/Janitorial/Utilities increasing compared to current fiscal year
- TJPA Administrative expense shared across Transbay Program
- Wayfinding Enhancements: \$1.3 million
- Separate Identification of Park Costs

■ Overall Decrease of \$680,040 vs. Draft Budget

- Unarmed Security contract savings
- Small increase in insurance premium
- Transfer net savings and estimated FY 20-21 fund balance to O&M Reserve: + 1.4 million to \$2.6 million

FY 21-22 Budget Transit Center Operations

FY 21-22 Operating Budget	FY21-22 Draft Budget (May 2021)	FY21-22 Final Budget (June 2021)	Difference From Draft in \$'s	Difference From Draft in %'s
ADMIN	2,876,224	2,876,224	0	0%
Asset Management Fee & Administration	1,591,556	1,591,556	0	0%
Physical Security	7,988,670	7,298,670	(690,000)	-9%
Security Systems	592,927	592,927	0	0%
Bus Storage Facility	560,000	560,000	0	0%
Transit Center General Maintenance	2,265,792	2,265,792	0	0%
Transit Center Janitorial	1,282,050	1,282,050	0	0%
Transit Center Utilities	1,580,128	1,580,128	0	0%
Cybersecurity/IT	1,777,363	1,777,363	0	0%
Park Management Fee & Administration	613,153	613,153	0	0%
Park Programming	284,250	284,250	0	0%
Park General Maintenance	787,754	787,754	0	0%
Park Janitorial	719,150	719,150	0	0%
Park Utilities	315,872	315,872	0	0%
Park Capital Maintenance / Repair / Replacement	200,000	200,000	0	0%
Capital Maintenance/ Repair/ Replacement	510,000	510,000	0	0%
Digital Content Management & Wayfinding Systems	602,000	602,000	0	0%
Wayfinding Enhancements	1,300,000	1,300,000	0	0%
Insurance	1,732,040	1,742,000	9,960	1%
Title VI and Translations	10,000	10,000	0	0%
Contingency	1,625,600	1,625,600	0	0%
TOTAL EXPENSES	29,214,530	28,534,490	(680,040)	-2%

FY 21-22 Capital Budgets

FY 21-22 Capital Budget - Resources

FY21-22 Capital Budgets	Total	Phase 1	Phase 2	Tenant Improvements
TJPA Bond Proceeds	19,392,764			19,392,764
Proposition K San Francisco Sales Tax	3,994,557		3,994,557	
Transit Center District CFD	44,208,943	22,650,000	21,558,943	
Miscellaneous & Interest Income	869,000	50,000	769,000	50,000
Transit Center District Impact Fees-IPIC	9,000		9,000	
Reserve Transfer	3,951,900		3,951,900	
TOTAL RESOURCES	\$72,426,164	\$22,700,000	\$30,283,400	\$19,442,764

FY 21-22 Capital Budget - Expenses

FY21-22 Draft Capital Budgets	Totals	Phase 1	Phase 2	Tenant Improvements
Salaries, Fringe Benefits, & Admin	3,366,384		2,978,903	387,481
Professional Services and Oversight	7,200,032	3,250,000	2,541,049	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	1,128,925			1,128,925
TOTAL	72,426,164	\$22,700,000	\$30,283,400	\$19,442,764

FY 21-22 Capital Budgets

Phase 1: \$22,700,000

- No change from Draft Budget
- 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 Capital Budgets

Tenant Improvements: \$19,442,764

- Change in Reserve Balance since Draft
 - From \$1.6M projected to \$1.1M

- 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

FY 21-22 Capital Budgets

Phase 2: \$30,283,400

- Added Parcel F expenses and reimbursements since Draft Budget
- 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 Debt Service Budget

FY 21-22 Budget

Debt Service Budget: \$30,219,279

- No Change from Draft Budget
- 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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