

# FY 22-23 Draft Operating and Capital Budgets

Citizens Advisory Committee  
May 10, 2022



# Budget Timeline

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

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# **FY 22-23 Draft Operating Budget**

# Operating Budget Highlights

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## ■ Covid-19 and Recovery

- Remaining federal relief funding: \$1.8 million
- Tenant Improvements underway, with several businesses working towards a 2022 opening
- Increasing activity throughout the Transit Center

## ■ Changes from Preliminary Budget

- Anticipated continuation of additional RM-2 funding
- 35% reduction in Transit Operator contribution
- Draft Budget based on current staffing plan and increased operations
- Park budget consistent with MOU with East Cut CBD

# FY 22-23 Draft Operating Budget

	FY22-23 Preliminary Operating Budget (January)	FY22-23 Draft Operating Budget	\$ Change from FY22-23 Preliminary (January)	% Change from FY22-23 Preliminary (January)
<u>REVENUES</u>				
REIMBURSEMENTS	\$15,655,000	\$18,547,000	\$2,892,000	18%
OPERATING REVENUES	\$14,956,000	\$13,222,000	(\$1,734,000)	(12%)
<b>TOTAL REVENUES</b>	<b>\$30,611,000</b>	<b>\$31,769,000</b>	<b>\$1,158,000</b>	<b>4%</b>
<u>EXPENSES</u>				
ADMINISTRATION	\$2,963,000	\$3,507,000	\$544,000	18%
TRANSIT CENTER	\$24,022,000	\$25,129,000	\$1,107,000	5%
PARK	\$2,676,000	\$2,183,000	(\$493,000)	(18%)
CONTINGENCY	\$950,000	\$950,000	\$0	0%
<b>TOTAL EXPENSES</b>	<b>\$30,611,000</b>	<b>\$31,769,000</b>	<b>\$1,158,000</b>	<b>4%</b>

# FY 22-23 Draft Budget Operating Revenues

FY 2022-23 Draft Operating Budget	FY22-23 Preliminary Budget	FY22-23 Draft Budget	Difference in \$'s	Difference in %
<u>Reimbursements</u>				
Regional Measure 2	5,768,000	8,468,000	2,700,000	47%
Regional Measure 3	3,251,000	3,251,000	0	0%
Federal Grants - CARES, CRRSAA and ARPA	1,700,000	1,800,000	100,000	6%
Wayfinding Requests	3,300,000	3,300,000	0	0%
Community Benefit District Park Payments	1,636,000	1,728,000	92,000	6%
<b>Subtotal Reimbursements</b>	<b>15,655,000</b>	<b>18,547,000</b>	<b>2,892,000</b>	<b>18%</b>
<u>Operating Revenues</u>				
Lease and Use Payments	7,093,000	4,580,000	(2,513,000)	-35%
<i>AC Transit (74%)</i>	5,248,820	3,389,200	(1,859,620)	-35%
<i>SF Municipal Transportation Agency (26%)</i>	1,844,180	1,190,800	(653,380)	-35%
AC Transit (Bus Storage Facility)	577,000	590,000	13,000	2%
AC Transit Capital Contributions	500,000	500,000	0	0%
Other Operator Rents	333,000	239,000	(94,000)	-28%
Naming, Advertising, Sponsorships, DAS Fees	4,752,000	4,652,000	(100,000)	-2%
Transit Center Rental Retail Revenue	1,540,000	2,500,000	960,000	62%
Other Revenue	161,000	161,000	0	0%
<b>Subtotal Operating Revenues</b>	<b>14,956,000</b>	<b>13,222,000</b>	<b>(1,734,000)</b>	<b>-12%</b>
<b>Total Revenues</b>	<b>30,611,000</b>	<b>31,769,000</b>	<b>1,158,000</b>	<b>3.8%</b>

# FY 22-23 Draft Budget Operating Revenues

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- Overall Increase of \$3.2 million from FY 21-22 Operating Budget
  - Federal Relief Funding -\$1.5 million
  - RM-2 Bridge Tolls +\$0.3 million
  - RM-3 Bridge Tolls +\$1.6 million
  - Retail Leases +\$1.0 million
  - Advertising, Sponsorships, DAS Fees +\$0.04 million
  - CBD Park Payments +\$0.1 million
  - **Wayfinding Requests +\$2.3 million**
  - Other Sources +\$0.5 million
  - *Operator Contributions +\$0.1 million*

# FY 22-23 Draft Budget Operating Expenses

FY 2022-23 Draft Operating Budget	Preliminary Budget	Draft Budget	Difference in \$'s	Difference in %
<u>Administration</u>	2,963,000	3,507,000	544,000	18%
<u>Salesforce Transit Center</u>				
Asset Management Fee & Administration	1,639,000	1,582,000	(57,000)	-3%
Physical Security & Security Systems	7,964,000	8,599,000	635,000	8%
Cybersecurity/IT	1,831,000	1,381,000	(450,000)	-25%
STC General Maintenance, Janitorial & Utilities	5,600,000	6,547,000	947,000	17%
Digital Content Management & Wayfinding	620,000	602,000	(18,000)	-3%
Capital Maintenance, Repair, Replacement	525,000	510,000	(15,000)	-3%
Bus Storage Facility, Insurance, Other	2,543,000	2,608,000	65,000	3%
Wayfinding Enhancements	3,300,000	3,300,000	0	0%
<b>Subtotal Salesforce Transit Center</b>	<b>24,022,000</b>	<b>25,129,000</b>	<b>1,107,000</b>	<b>5%</b>
<u>Salesforce Transit Center Park</u>				
Park Management & Administration	300,000	520,000	220,000	73%
Park Programming	293,000	317,000	24,000	8%
Park Capital Maintenance	206,000	200,000	(6,000)	-3%
Park General Maintenance, Janitorial & Utilities	1,877,000	1,146,000	(731,000)	-39%
<b>Subtotal Salesforce Transit Center Park</b>	<b>2,676,000</b>	<b>2,183,000</b>	<b>(493,000)</b>	<b>-18%</b>
<u>Contingency</u>	950,000	950,000	0	0%
<b>Total Expenditures</b>	<b>30,611,000</b>	<b>31,769,000</b>	<b>1,158,000</b>	<b>4%</b>

# FY 22-23 Draft Budget Operating Expenses

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- Overall Increase of \$3.2 million from FY 21-22 Operating Budget
  - TJPA Administration: +\$0.6 million
  - Physical Security: +\$0.4 million
  - Security Systems: +\$0.3 million
  - Cybersecurity/IT: -\$0.4 million
  - Maintenance/Janitorial/Utilities increasing by 12%
  - **Wayfinding Enhancements: +\$2 million**
  - Contingency: -\$0.7 million

# FY 22-23 Draft Budget Operating Reserves

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- Emergency Reserve at \$500,000
- Operating & Maintenance (O&M) Reserve increased from \$2.6 million in FY21-22 to \$5.1 million
- O&M Reserve represents 19% of Operating Budget, excluding Wayfinding Enhancements and Contingency.
- RM-3 litigation will have a significant impact on the O&M Reserve

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# **FY 22-23 Draft Capital Budgets**

# FY 22-23 Draft Capital Budget-Resources

<b>FY22-23 Draft Capital Budgets</b>	<b>Total</b>	<b>Phase 1</b>	<b>Phase 2</b>	<b>Tenant Improvements</b>
TJPA Bond Proceeds	6,398,000			6,398,000
Transit Center District CFD and Impact Fee Funds	69,277,000	15,406,000	53,871,000	
Proposition K San Francisco Sales Tax	10,245,000		10,245,000	
Federal Grants	5,156,000		5,156,000	
Other, Miscellaneous & Interest Income	3,790,000	2,469,000	1,271,000	50,000
RM3 / TIRCP / Parcel F/ Other Regional and State Grants	21,641,000		21,641,000	
<b>TOTAL RESOURCES</b>	<b>\$116,507,000</b>	<b>\$17,875,000</b>	<b>\$92,184,000</b>	<b>\$6,448,000</b>

# FY 22-23 Draft Capital Budget-Expenses

FY22-23 Draft Capital Budgets	Totals	Phase 1	Phase 2	Tenant Improvements
Salaries, Fringe Benefits, & Admin	3,392,000		3,004,000	388,000
Professional Services and Oversight	6,875,000	3,270,000	3,105,000	500,000
Engineering & Design Services	42,555,000	75,000	42,320,000	160,000
Right-of-Way Acquisition and Real Estate Services	43,755,000		43,755,000	
Construction	19,930,000	14,530,000		5,400,000
<b>TOTAL</b>	<b>116,507,000</b>	<b>\$17,875,000</b>	<b>\$92,184,000</b>	<b>\$6,448,000</b>

# FY 22-23 Draft Capital Budgets

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Phase 1: \$17,875,000

- Capital expenses in two categories:
  - Professional, Specialized Services, and others: \$3.35M
    - Legal and Financial Services
    - Project Management/Project Controls
    - Claims Management
    - Dispute Resolution Assistance
  
- Construction Closeout: \$14.53M
  - 10 of 49 trade packages to be closed

# FY 22-23 Draft Capital Budgets

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## Phase 2: \$92,184,000

- TJPA Administrative Expense \$3M
  - Includes Positions to Support Advancement of DTX
- Professional Services \$3.1M
  - Financial Management
  - Legal Counsel
  - Community & Public Relations
  - Parcel F Reimbursables
- Engineering and Design Services \$42.3M
  - FTA Project Development Activities
  - Program Management & Program Controls (PM/PC)
  - Downtown Rail Extension (DTX) Preliminary Engineering & Design
  - DTX Interagency Coordination
- Right-of-Way and Real Estate Services \$43.8M
  - Right-of-Way Acquisition
  - Real Estate Services

# FY 22-23 Draft Capital Budgets

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Tenant Improvements: \$6,448,000

- Expenses

- TJPA Admin: \$0.4M
- Project Management / Engineering & Design: \$1.4M
- Marketing & Leasing Commissions: \$0.5M
- Tenant Improvements Allowances: \$3.0M
- Landlord's Work / Base Building Construction: \$1.2M

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# **FY 22-23 Draft Debt Service Budget**

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FY23 Debt Service Expenses: \$28,188,431

- 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 JOINT POWERS AUTHORITY

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