

**STAFF REPORT FOR CALENDAR ITEM NO.: 9
FOR THE MEETING OF: May 11, 2023**

TRANSBAY JOINT POWERS AUTHORITY

BRIEF DESCRIPTION:

Presentation of and Public Hearing for draft budgets for Fiscal Year 2023-2024 (FY 23-24) Operating Budget in the amount of \$27,629,744 and FY 23-24 Capital Budget for Phase 1, Phase 2, Tenant Improvements, and Capital Maintenance, Repair and Replacement in an amount of \$160,593,434 and FY 23-24 Debt Service Budget in the amount of \$17,966,672.

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 by the Board and the public.

Staff presented a budget outlook at the March 2023 Board meeting. Following this May Board presentation and public hearing on the proposed budgets, staff will seek Board approval of final FY 23-24 budgets at the June Board meeting. As noted in March, the TJPA Budget Policy allows for the submission of the budget outlook and the draft budget to a Finance Committee of the TJPA Board. For the past several budget years and continuing for this year, staff is presenting these items to the TJPA Board as a whole in lieu of holding a separate meeting of a Finance Committee of the Board.

The proposed draft operating budget totals \$27,629,744. The operating budget includes expenses and revenues for full operations at the Transit Center. The draft capital budget for Phase 1 totals \$17,540,365. The draft capital budget for Phase 2 totals \$136,705,430, the draft capital budget for Tenant Improvements totals \$2,446,776, and Capital Maintenance, Repair and Replacement totals \$3,900,863. The capital budgets are consistent with the overall Program Budgets adopted by the Board. The debt service budget is \$17,966,672. All budgets are itemized in Attachments and are subject to further refinements and feedback from the Board and public before presentation of the final proposed budgets in June.

DRAFT FY 23-24 OPERATING BUDGET:

The FY 23-24 Operating Budget detailed below is an overall increase of about \$311K or 1.0 percent from the Preliminary Budget presented in January 2023. This takes into consideration modest increases in administration, cybersecurity/IT, general maintenance, janitorial, and utilities, offset by slight decreases in security costs. The extension of additional Regional Measure 2 (RM-2) funding for each of the three fiscal years, FY 22-23 through FY 24-25, provides the largest portion of budgeted operating revenues and maintains the Regional Operator contributions anticipated in the Preliminary Budget presented in January.

FY 23-24 Intergovernmental and Operating Revenues

- The FY 23-24 operating budget includes revenues from Regional Measure 2 (RM-2) and Regional Measure 3 (RM-3) bridge toll funds, Community Benefit District (CBD)

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. In addition, the Non- Public Rental and Fee Schedule included as Attachment 4, was originally adopted by the Board in May 2018. The Schedule has been updated to reflect new and revised locations and adjusted rates.

Intergovernmental Revenue

- TJPA receives an annual allocation of RM-2 bridge toll funds, for operations, estimated at \$5.97M. The allocation request for FY 23-24 includes the annual allocation set forth in the RM-2 legislation, as well as \$2.4M from the anticipated continuation of additional RM-2 funds allocated by MTC to assist with funding operations prior to the full activation of the Transit Center. MTC staff will bring this proposal to the Commission in June, as part of MTC's annual operating assistance program item. The budget also includes \$2.7M in RM-3 funds.
- Regional Operator Contributions are derived from any differential between operating costs and operating revenues, per the Lease and Use Agreements, and are covered by the transit operators utilizing the Transit Center facilities, 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 expected continuation of additional RM-2 funding for three fiscal years, FY 22-23 through FY 24-25, the draft budget includes \$5.0M in Regional Operator Contributions, which maintains the amount from the January 2023 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 23-24, TJPA currently expects to be reimbursed \$1.7M. This is based on the Memorandum of Understanding with the East Cut CBD and assumes the activities and programming in the park will continue to increase in the upcoming fiscal year.

Operating Revenue

- Salesforce payment for naming rights for this fiscal year is expected to be \$3.5M.
- Retail revenue including leases is projected at \$2.5M. The amount is based on the current retail leases, rent abatement amendments to those leases, and delays to opening dates. The budget includes conservative rental income projections for retail spaces that are actively completing their tenant improvements and that are anticipated to open before the end of calendar year 2023.
- Advertising revenue, sponsorship, and events is anticipated at \$1.2M. 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, through which \$125,000 is included in the FY 23-24 budget.

- TJPA will continue to collect rent from Greyhound at the Transit Center for a total amount of \$247K.

FY 23-24 Operating Expenses

The TJPA FY 23-24 draft operating budget as proposed by staff totals \$27,629,744. The proposed 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 expenses will be allocated to other areas unless work is directly related to Phase 1.

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.

- TJPA staff salaries & benefits (\$3.0M)
- TJPA administration, including office expenses, IT, and the other administrative categories included in the operations budget (429K)
- CBD special tax assessments (\$121K, shared with Phase 2)
- Legal, financial, audit, public relations, and other specialized services (\$566K)

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 or 100% Capital. The allocations are subject to change based on need, function, and available funding.

Table 1: TJPA Allocation of Full Time Equivalents by Job Classifications

Classification	Full Time Equivalent (FTE) Allocation			
	<i>Operating</i>	<i>Phase 1</i>	<i>Phase 2</i>	<i>Total</i>
Executives/Senior Managers	1.50	0.50	3.00	5.00
Managers	5.25	0	4.75	10.00
Associates/ Administrative Staff	6.75	0	3.25	10.00
TOTAL	13.50	0.50	11.00	25.00

Salaries and Benefits

Salaries are based on position ranges in the pay schedule effective December 1, 2022, previously approved by the TJPA Board. The California Code of Regulations requires all employers contracting with CalPERS to have a pay schedule that has been approved and adopted by its governing body. Funding for positions at particular salary levels is still subject to the Board’s annual budget approval process. Staff have researched salary schedules of other transportation-related agencies and local Bay Area governments and taken into consideration current employees’ compensation levels and historic consumer price index (CPI) fluctuations. All TJPA

employees receive a cost-of-living adjustment (COLA) each year based on the CPI under their employment agreements. To ensure the agency has adequate capacity in its pay schedule ranges, staff has revised TJPA's pay schedule to conform with a potential increase due to the upcoming CPI. A resolution approving the proposed pay schedule will be presented in June, separate from the resolution approving the proposed fiscal year budget, as required by CalPERS. The proposed Pay Schedule is provided as Attachment 5. 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.

Transit Center Operations

TJPA staff has worked with the asset manager, Lincoln Property Company (LPC), to refine the operating budget for the Transit Center, which accounts for increasing activity within and around the facility. Park-related operating expenses that are reimbursable by the East Cut CBD assessment are categorized separately, according to the Memorandum of Understanding between the East Cut CBD and TJPA. Additionally, this operating budget includes maintenance contracts for the physical security systems, landscaping maintenance, and several computer software and hardware maintenance agreements.

The draft Transit Center operating budget includes estimated operations and maintenance costs as follows:

- Transit Center O&M, including janitorial, building maintenance, and utilities (\$6.6M)
- Transit Center physical security and security systems (\$8.6M)
- Cybersecurity and IT (\$1.5M)
- Transit Center property management staffing, administrative costs, and fee (\$1.6M)
- Salesforce Park management fee, programming, maintenance, janitorial, and utilities (\$2M)
- Digital content / wayfinding systems development and maintenance (\$602K)
- Bus Storage Facility (\$620K)
- Transit Center Insurance (\$2.4M)
- Other Consulting Services (\$35K)

Security at the Transit Center includes the San Francisco Police Department (SFPD) and private security guards 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 draft budget includes \$619,500 for maintenance and security of the Bus Storage Facility, funded by AC Transit.

The estimate for Transit Center insurance coverage is for all-risk and terrorism coverage, and for basic insurance against damage and loss of use resulting from most insurable events, except for flood and earthquake.

Operating Reserves

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.

The Board adopted Reserve Policy established the Operating and Maintenance (O&M) reserve at 25% of the annual budgeted operations and maintenance 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. For FY 23-24, the O&M Reserve is estimated to be \$5.1M, or 19% of the annual operating cost. Given continued uncertainty of several of the revenue sources and to relieve the burden on operators, the FY23-24 budget does not include any transfers to the O&M reserve at this time. Should additional funds become available during the year, they would be transferred to the O&M reserve to the extent feasible. Staff will provide an outlook for the reserve status as part of the multi-year operating budget projection that is presented in June.

DRAFT FY 23-24 CAPITAL BUDGETS:

The FY 23-24 Capital budgets for Phase 1, Phase 2, Tenant Improvements, and Capital Maintenance, Repair and Replacement totals \$160,593,434. Staff is developing a 20-Year Capital Improvement Plan (CIP) in accordance with the Board approved CIP policy adopted in November 2022. The CIP incorporates the necessary capital repairs and replacements for the Transit Center and associated facilities and will guide the development of the annual CIP budget. The asset management team is developing the lifecycle maintenance and repair schedule for the building systems, based on manufacturers' maintenance and warranty information. The 20-Year Capital Improvement Plan Summary included as part of Attachment 2 is a key component of the overall CIP that will be included with the budget submitted in June 2023.

Proposed FY 23-24 Capital Budget for Phase 1

The FY 23-24 Capital Budget for Phase 1 is proposed at \$17,540,365. 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.

The FY 23-24 Phase 1 budget will be funded with TJPA's reimbursement from proceeds from the City's Community Facilities District (CFD) bond sales.

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

- Professional, Specialized Services, and others: \$4.0M
- Construction Closeout: \$13.5M

Proposed FY 23-24 Capital Budget for Phase 2

The FY 23-24 Capital Budget for Phase 2 is proposed at \$136,705,430. This budget is consistent with the Board adopted work plan to complete Project Development, the first phase of the Federal Transit Administration (FTA) New Starts process and supports the project's request to enter engineering. The proposed budget includes funding to advance coordination with other public agencies and commencement of right-of-way related activities. TJPA has been working closely with the FTA Program Management Oversight Consultant review team since Fall 2021.

Revenue

Phase 2 has a variety of sources slated to fund the overall capital cost of approximately \$6.987B. The FY 23-24 budget includes funding sources programmed or already allocated to the project, as well as pending funding sources. Staff are actively working with funding partners to secure

the necessary funding. The funding sources include:

- San Francisco Proposition K Sales Tax: \$6.7M
- Transit Center District CFD funds: \$12.2M
- State and Regional Grants:
 - TIRCP: \$30M
 - RM-3: \$75M
- Parcel F Reimbursements: \$6.5M
- Federal Grants (planned): \$6.4M

Salaries and Benefits

The TJPA's proposed Phase 2 salaries, benefits, and administrative expenses for FY 23-24 are approximately \$2.7M. The staff costs are allocated between the Operating, Phase 1, and Phase 2 budgets as shown in Table 1 on page 3 of this report.

Administrative expenses are the apportioned amounts of the expenditures associated with operating the TJPA on a day-to-day basis, 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 \$910K of expenditures for professional services required for 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. Approximately \$132.9M of the proposed FY 23-24 capital budget is devoted to Professional and Specialized Services, the majority of which is allocated to Real Estate Services. The major professional and specialized services that will be undertaken during FY 23-24 under each sub-category are described below.

Engineering and Design Services (\$29.0M)

- Program Management & Program Controls (PM/PC) (\$7.1M)
- Program Management & Construction Management (PM/CM) (\$1.5M)
- DTX Preliminary Engineering and Design (\$17.0M)
- Interagency Coordination (\$3.4M)

Right-of-Way Acquisition and Real Estate Services (\$104.0M)

- Right-of-Way / Environmental Fees / Permits (\$75K)
- Relocation Services (\$1.5M)
- Environmental (\$1.0M)
- Real Estate Appraisal Services (\$500K)
- Property Acquisition (\$100.7M)
- Other Real Estate Services (\$210K)

Proposed FY 23-24 Capital Budget for Tenant Improvements

The FY 23-24 Capital Budget for Tenant Improvements is proposed at \$2,446,776. This budget stands alone from the Phase 1 and Phase 2 budgets and provides more visibility on the overall value of the tenant improvement activities.

Revenue

The overall FY 23-24 Draft Tenant Improvements Budget is to be funded with TJPA Bond proceeds and interest income.

- Bond Proceeds: \$2.4M
- Interest income: \$10K

Construction and Project Management

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 stay on schedule and on 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.

- Marketing and Leasing Commissions: \$285K
- Project Management / Engineering and Design: \$450K
- Landlord's Work / Base Building Construction: \$885K
- Tenant Improvements Allowance \$827K

Proposed FY 23-24 Budget for Capital Maintenance, Repair and Replacement

Beginning with FY 23-24, Capital Maintenance, Repair and Replacement expenses that were previously programed in the Operating budget are now included in the Capital budget. The FY 23-24 Capital Maintenance, Repair and Replacement budget totals \$3,900,863. Staff are developing a Capital Improvement Program (CIP) to incorporate the necessary capital repairs and replacements for the Transit Center and associated facilities.

The expenses in the Capital Maintenance, Repair and Replacement budget plans for the following expenses:

- Facility Maintenance: \$2M (Capital Reserves)
- Security: \$176K (Capital Reserves)
- Park Maintenance: \$173K (CBD)
- Parcel F: \$621K (to be paid by developer)
- Contingency: \$950K (Capital Reserves)

DRAFT FY 23-24 DEBT SERVICE BUDGET:

The FY 23-24 Debt Service Budget of \$17,966,672 includes scheduled principal and interest payments to the tax allocation bonds issued in June 2020, 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 is pledged to the tax allocation bonds, thus these funds cannot be used for 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 23-24 Capital Budgets may include transfers from the Fiscal Reserve to various aspects of the budgets. Upon finalizing the specific categories and determining the final amounts, staff will include a detailed request itemizing the costs and categories as part of the approval for the final adoption of the budgets in June.

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 23-24 budget resolution will include 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 23-24 Draft Operating Budget (Attachment 1)
2. FY 23-24 Draft Capital Budgets (Attachment 2)
3. FY 23-24 Draft Debt Service Budget (Attachment 3)
4. Non-Public Rental and Fee Schedule (Attachment 4)
5. Proposed Pay Schedule (Attachment 5)

RECOMMENDATION:

Information only; Final Budget to be presented for approval at June Board meeting.

FY 23-24 Draft Operating and Capital Budgets

TJPA Board
May 11, 2023



Budget Timeline

- Preliminary Operating Budget: January Board meeting
- Budget Outlook: March Board meeting (in advance of April)
- **Draft Budget: May Board meeting**
- Final Budget: June Board meeting

FY 23-24 Draft Operating Budget

Operating Budget Highlights

- Continuation of additional RM-2 funding adjusted
- RM-3 funding adjusted
- Transit Operator contributions remain the same
- Draft Budget based on current staffing plan and increased operations
- Park budget consistent with East Cut CBD MOU

FY 23-24 Draft Operating Budget

	FY23-24 Preliminary Operating Budget (January)	FY23-24 Draft Operating Budget	\$ Change from FY23-24 Preliminary (January)	% Change from FY23-24 Preliminary (January)
<u>REVENUES</u>				
REIMBURSEMENTS	\$13,840,746	\$12,670,977	(\$1,169,769)	(8%)
OPERATING REVENUES	\$13,445,386	\$13,445,386	\$0	0%
TRANSFER FROM FUND BALANCE	\$691,313	\$1,513,381	\$822,068	119%
TOTAL RESOURCES	\$27,977,445	\$27,629,445	(\$347,701)	(1%)
<u>EXPENSES</u>				
ADMINISTRATION	\$3,580,000	\$3,697,000	\$117,000	3%
TRANSIT CENTER	\$21,731,350	\$21,953,770	\$222,420	1%
PARK	\$2,007,650	\$1,978,974	(\$28,676)	(1%)
TOTAL EXPENSES	\$27,319,000	\$27,629,744	\$310,744	1%

FY 23-24 Draft Budget Operating Revenues

	FY23-24 Preliminary Budget	FY23-24 Draft Budget	Difference in \$'s	Difference in %
<u>Reimbursements</u>				
Regional Measure 2	8,969,367	8,404,025	(565,342)	-6%
Regional Measure 3	3,251,000	2,700,000	(551,000)	-17%
Community Benefit District Park Payments	1,620,379	1,566,952	(53,427)	-3%
Subtotal Reimbursements	13,840,746	12,670,977	(1,169,769)	-8%
<u>Operating Revenues</u>				
Lease and Use Payments	5,050,699	5,050,699	0	0%
<i>AC Transit (74%)</i>	3,737,517	3,737,517	0	0%
<i>SF Municipal Transportation Agency (26%)</i>	1,313,182	1,313,182	0	0%
AC Transit (Bus Storage Facility)	619,500	619,500	0	0%
Other Operator Rents	247,365	247,365	0	0%
Naming, Advertising, Sponsorships, DAS Fees	4,762,822	4,762,822	0	0%
Transit Center Rental Retail Revenue	2,500,000	2,500,000	0	0%
Other Revenue	265,000	265,000	0	0%
Subtotal Operating Revenues	13,445,386	13,445,386	0	0%
Total Revenues	27,286,132	26,116,363	(1,169,769)	-4%

FY 23-24 Draft Budget Operating Expenses

	FY23-24 Preliminary Budget	FY23-24 Draft Budget	Difference in \$'s	Difference in %
<u>Administration</u>	3,580,000	3,697,000	117,000	1%
<u>Salesforce Transit Center</u>				
Asset Management Fee & Administration	1,582,000	1,582,000	0	0%
Physical Security & Security Systems	8,639,300	8,561,429	(78,271)	-1%
Cybersecurity/IT	1,415,500	1,546,565	131,065	9%
General Maintenance, Janitorial & Utilities	6,423,500	6,593,126	169,626	3%
Digital Content Management & Wayfinding	602,000	602,000	0	0%
Bus Storage Facility, Insurance, Other	3,068,650	3,068,650	0	0%
Subtotal Salesforce Transit Center	25,311,350	25,650,770	339,420	1%
<u>Salesforce Transit Center Park</u>				
Park Management & Administration	520,000	520,000	0	0%
Park Programming	330,000	330,000	0	0%
Park General Maintenance, Janitorial & Utilities	1,157,650	1,128,974	(28,676)	-2%
Subtotal Salesforce Transit Center Park	2,007,650	1,978,974	(28,676)	-1%
Total Expenditures	27,319,000	27,629,744	310,744	1%

FY 23-24 Draft Budget Operating Reserves

- Emergency Reserve at \$500,000
- Operating & Maintenance (O&M) Reserve is \$5.1 million
- O&M Reserve represents 19% of Operating Budget, excluding Wayfinding Enhancements and Contingency.

FY 23-24 Draft Capital Budgets

FY 23-24 Draft Capital Budget-Resources

Resources	Total	Phase 1	Phase 2	Tenant Improvements	Capital Maintenance Repair & Replacement
Bond Proceeds	2,436,776			2,436,776	
Transit Center CFD and Impact Fee Funds	29,690,795	17,540,365	12,150,430		
Proposition K San Francisco Sales Tax	6,690,000		6,690,000		
RM-3	75,000,000		75,000,000		
Parcel F/ Other Regional Funds	6,500,000		6,500,000		
TIRCP	30,000,000		30,000,000		
Federal Grants	6,365,000		6,365,000		
Other, Miscellaneous & Interest Income	3,910,863			10,000	3,900,863
TOTAL RESOURCES	\$160,593,434	\$17,540,365	\$136,705,430	\$2,446,776	3,900,863

FY 23-24 Draft Capital Budget-Expenses

Expenses	Total	Phase 1	Phase 2	Tenant Improvements	Capital Maintenance Repair & Replacement
Salaries, Benefits, & Admin	2,730,430		2,730,430		
Professional Services and Oversight	6,195,574	3,949,574	1,040,000	585,000	621,000
Engineering & Design Services	29,175,000	75,000	28,950,000	150,000	
Right-of-Way Acquisition and Real Estate Services	103,985,000		103,985,000		
Construction	15,227,567	13,515,791		1,711,776	
Maintenance & Contingency	3,279,863				3,279,863
TOTAL EXPENSES	160,593,434	\$17,540,365	\$136,705,430	\$2,446,776	3,900,863

FY 23-24 Draft Capital Budgets

Phase 1: \$17,540,365

- Capital expenses in two categories:
 - Professional, Specialized Services, and others: \$4.025M
 - Legal and Financial Services
 - Program Management/Program Controls
 - Claims Management
 - Dispute Resolution Assistance

- Construction Closeout: \$13.52M
 - 4 of 49 trade packages to be closed

FY 23-24 Draft Capital Budgets

Phase 2: \$136,705,430

- TJPA Administrative Expense \$2.73M
 - Includes Positions to Support Advancement of DTX
- Professional Services \$1.04M
 - Financial Management
 - Legal Counsel
 - Community & Public Relations
 - Parcel F Reimbursables
- Engineering and Design Services \$28.95M
 - 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 \$103.99M
 - Right-of-Way Acquisition
 - Real Estate Services

FY 23-24 Draft Capital Budgets

Tenant Improvements: \$2,446,776

- Expenses

- Marketing & Leasing Commissions: \$0.3M
- Project Management / Engineering & Design: \$0.5M
- Landlord's Work / Base Building Construction: \$0.9M
- Tenant Improvements Allowances: \$0.8M

FY 23-24 Draft Capital Budgets

Capital Maintenance, Repair & Replacement:
\$3,900,863

- Expenses

- Facility Maintenance: \$1.98M
- Security Maintenance: \$0.2M
- Park Maintenance: \$0.2M
- Parcel F: \$0.6M (to be paid by developer)
- Contingency: \$0.9M

FY 23-24 Draft Debt Service Budget

FY 23-24 Draft Debt Service Budget

FY 23-24 Debt Service Expenses: \$17,966,672

- 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
TRIANGLE JOINT POWER AUTHORITY

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