

FY 2025-26 Draft Operating and Capital Budgets

Citizens Advisory Committee
May 6, 2025



Budget Timeline

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

FY 2025-26 Draft Budget

- Operating Budget: \$27,853,000
- Capital Budget: \$143,449,861
 - ✓ The Portal: \$139,628,300
 - ✓ Tenant Improvements: \$1,660,000
 - ✓ Capital Improvement Plan: \$2,161,561
- Debt Service Budget: \$27,682,594

FY 2025-26 Draft Operating Budget



FY 2025-26 Draft Operating Budget

2025-26 Budget	2025-26 Preliminary Projection (September 2024) ¹	2025-26 Preliminary Budget (January 2025) ¹	2025-26 Draft Budget (May 2025)	\$ Change from 2025-26 Preliminary Budget	% Change from 2025-26 Preliminary Budget
Revenues:					
Reimbursements	\$12,740,573	\$15,258,000	\$15,394,000	\$136,000	1%
Operating Revenues	\$16,221,169	\$13,086,000	\$12,459,000	(\$627,000)	(5%)
Total Resources:	\$28,961,742	\$28,344,000	\$27,853,000	(\$491,000)	(2%)
Expenses:					
Transit Center	\$26,868,486	\$26,273,000	\$25,717,000	(\$556,000)	(2%)
Park	\$2,093,256	\$2,071,000	\$2,136,000	\$65,000	3%
Total Expenditure:	\$28,961,742	\$28,344,000	\$27,853,000	(\$491,000)	(2%)

¹ The variance in Reimbursement and Operating Revenue compared to the previously presented September and January budgets reflects the reclassification of the AC Transit Bus Facility from Operating Revenue to Reimbursements. This adjustment was made for consistency in reporting and to facilitate accurate comparison.

FY 2025-26 Draft Operating Budget

Operating Reimbursement:

- Bridge toll funds include the annual allocation of RM2, supplemental RM2, and RM3.
- Supplemental RM-2 funding is a temporary measure subject to MTC Commission approval in Spring 2025.
- RM-3 projection includes full year of \$1 bridge toll increase as of January 2025
- The reimbursement from East Cut Community Benefit District (CBD) slightly increased

Reimbursement	2025-26 Preliminary Budget (January 2025)	2025-26 Draft Budget (May 2025)	\$ Change from 2025-26 Preliminary Budget	% Change from 2025-26 Preliminary Budget
Regional Measure 2 (RM-2)	\$8,927,000	\$8,927,000	\$0	0%
Regional Measure 3 (RM-3)	\$4,036,000	\$4,036,000	\$0	0%
Event Services ¹	\$0	\$89,000	\$89,000	100%
AC Transit (Bus Storage) ²	\$655,000	\$651,000	(\$4,000)	(1%)
East Cut CBD	\$1,640,000	\$1,691,000	\$51,000	3%
Total Reimbursement:	\$15,258,000	\$15,394,000	\$136,000	1%

¹ Event Services reimbursements are now reported separately from Transit Center Sponsorships / Events revenue.

² The reimbursement from AC Transit for the Bus Storage Facility has been reclassified from Operating Revenue to Reimbursements.

FY 2025-26 Draft Operating Budget

Operating Revenue:

Transit operators' contribution reduced by 10%

Operating Revenue	2025-26 Preliminary Budget (January 2025)	2025-26 Draft Budget (May 2025)	\$ Change from 2025-26 Preliminary Budget	% Change from 2025-26 Preliminary Budget
AC Transit (74%)	\$4,003,400	\$3,605,280	(\$398,120)	(10%)
SFMTA (26%)	\$1,406,600	\$1,266,720	(\$139,880)	(10%)
Other Operator Rents	\$260,000	\$260,000	\$0	0%
Naming Rights	\$3,690,000	\$3,690,000	\$0	0%
Rental Retail Revenue	\$2,673,000	\$2,673,000	\$0	0%
Advertising	\$295,000	\$295,000	\$0	0%
Sponsorship and Events	\$297,000	\$208,000	(\$89,000)	(30%)
Neutral Host DAS Licensing Fees	\$125,000	\$125,000	\$0	0%
Miscellaneous	\$36,000	\$36,000	\$0	0%
Interest Earnings	\$300,000	\$300,000	\$0	0%
Total Operating Revenue	13,086,000	12,459,000	(627,000)	(5%)

FY 2025-26 Draft Operating Budget

Operating Expenses:

Salesforce Transit Center	2025-26 Preliminary Budget (January 2025)	2025-26 Draft Budget (May 2025)	\$ Change from 2025-26 Preliminary Budget	% Change from 2025-26 Preliminary Budget
TJPA Administration	\$3,875,000	\$3,875,000	\$0	0%
Asset Mgmt. & Administration	\$742,000	\$318,000	(\$424,000)	(57%)
Private Events Management	\$122,000	\$122,000	\$0	0%
Security	\$8,656,000	\$8,517,000	(\$139,000)	(2%)
Cybersecurity/IT	\$1,536,000	\$1,425,000	(\$111,000)	(7%)
General Maint., Janitorial, Utilities	\$7,389,000	\$7,224,000	(\$165,000)	(2%)
Digital Content Management	\$361,000	\$360,000	(\$1,000)	(0.3%)
Insurance	\$2,903,000	\$3,191,000	\$288,000	10%
Bus Storage Facility	\$655,000	\$651,000	(\$4,000)	(1%)
Building Occupancy Resumption	\$34,000	\$34,000	\$0	0%
Total Transit Center Expenditure:	\$26,273,000	\$25,717,000	(\$556,000)	2%

FY 2025-26 Draft Operating Budget

Operating Expenses:

Salesforce Park	2025-26 Preliminary Budget (January 2025)	2025-26 Draft Budget (May 2025)	\$ Change from 2025-26 Preliminary Budget	% Change from 2025-26 Preliminary Budget
Management and Administration	\$552,000	\$560,000	\$8,000	1%
Park Programming	\$375,000	\$366,000	(\$9,000)	(2%)
General Maintenance, Janitorial, Utilities	\$1,128,000	\$1,194,000	\$66,000	6%
Crowd Control	\$16,000	\$16,000	\$0	0%
Total Park Expenditure:	\$2,071,000	\$2,136,000	\$65,000	3%

FY 2025-26 Draft Operating Budget

Operating Reserves:

- Emergency Reserve: \$500,000
- Operating & Maintenance (O&M) Reserve: \$6.96M million
- The O&M reserve is fully funded at 25% of the operating budget, consistent with the Board Reserve Policy.

FY 2025-26 Draft Capital Budgets



FY 2025-26 Draft Capital Budget – The Portal

2025-26 Capital Budget The Portal	2025-26 Draft Budget (May 2025)
Transit Center CFD Funds	\$15,192,300
Propositions K and L San Francisco Sales Tax	\$14,339,000
Transit and Intercity Rail Capital Program (TIRCP)	\$5,583,500
Caltrain Contribution for Engineering	\$1,500,000
Regional Measure 3 (RM3)	\$100,425,000
Consolidated Rail Infrastructure and Safety Improvements (CRISI)	\$2,588,500
Total Revenue:	\$139,628,300
Right of Way Acquisition and Professional Services (Appraisals, Environmental and Relocation Consulting Services)	\$100,425,000
Engineering and Design Services	\$33,527,000
Permits and Fees	\$150,000
TJPA Administration	\$5,287,800
IT/Communication/Cybersecurity	\$238,500
Total Expenditure:	\$139,628,300

FY 2025-26 Draft Capital Budgets – The Portal

- TJPA Administrative Expense \$5.3M
 - Staffing and administration cost for support of the Portal (\$3.2M)
 - Legal Counsel, Financial Management, Community & Public Relations, Legislative Advocacy (\$2.1M)
- Engineering and Design Services \$33.5M
 - Program Management/Construction Management (PM/CM) (\$14.8M)
 - General Engineering & Design (\$12.1M)
 - Interagency Coordination (\$6.7M)
- Right-of-Way \$100.4M
 - Right-of-Way Acquisition (\$100M)
 - Relocation, Appraisal and other Real Estate Services (\$0.4M)
- IT, Permits and Fees \$389K
 - Utilities Design & Construction Fees (\$150K)
 - Program Management Information Services, IT and communications (\$239K)

FY 2025-26 Draft Capital Budget – **Tenant Improvement**

2025-26 Capital Budget Tenant Improvements	2025-26 Draft Budget (May 2025)
Unrestricted	\$1,660,000
Total Revenue:	\$1,660,000
Leasing Commissions	\$350,000
Project Management / Engineering & Design	\$125,000
Landlord's Work/ Base Building Construction	\$950,000
Tenant Improvements Allowance	\$235,000
Total Expenditure:	\$1,660,000

FY 2025-26 Draft Capital Budget – CIP

2025-26 Capital Budget Capital Improvement Plan	2025-26 Draft Budget (May 2025)
Capital Replacement Reserve	\$849,561
CBD Park Payments	\$96,000
FTA Community Projects Grant	\$1,000,000
Developer Contributions	\$41,000
Agency Partners	\$150,000
Lease Revenue from Parcels	\$25,000
Total Revenue:	\$2,161,561
Facilities	\$320,000
Fire Life Safety	\$29,000
Security	\$28,000
Information Technology and Communications (ITC)	\$325,000
Park	\$114,000
Real Estate and Parcels	\$166,000
Sustainability	\$50,000
Wayfinding	\$1,129,561
Total Expenditure:	\$2,161,561

FY 2025-26 Draft Debt Service Budget



FY 2025-26 Draft Debt Service Budget

Proposed Debt Service Budget: \$27,682,594

- Scheduled principal and interest payments due October 1 and April 1
- Paid with Net Tax Increment Revenue pledged to TJPA 2020 Tax Allocation Bonds (TAB)
- Per the 2020 TAB indenture, the excess net tax increment revenues were used for the mandatory redemption of subordinate lien turbo bonds
- The turbo bonds were repaid in full in October 2023
- The excess net tax increment revenues are distributed to the TJPA for the Transbay Program
- \$16.4 M cash reserve required for senior and subordinate bonds
- Fund balance at the end of FY 2025-26 is estimated at \$8.0 M

FY 2025-26 Draft Debt Service Budget

TJPA TABs Rating:

- Fitch Ratings affirmed TJPA's Senior TABs at 'A-' and Subordinate TABs at 'BBB+' and revised the Rating Outlook to Stable.
- Rating reflects a solid cushion for unanticipated declines in pledged tax increment revenue, and
- Continued strength of the Class A properties in the project area and largely stable Assessed Value
- Senior bonds are secured by a first lien on tax increment revenue and are subject to a higher Additional Bonds Test (ABT) threshold than subordinate bonds.

Thank You

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