

STAFF REPORT FOR CALENDAR ITEM NO.: 9
FOR THE MEETING OF: October 17, 2025

TRANSBAY JOINT POWERS AUTHORITY

BRIEF DESCRIPTION:

Adoption of an amended Fiscal Year (FY) 2025-26 Capital Budget for The Portal in the amount of \$50,935,000.

EXPLANATION:

Staff recommends adoption of Amendment 1 to the FY 2025-26 Capital Budget for The Portal that decreases the FY 2025-26 budget by \$88,693,300. The reduction is primarily due to the revision to the schedule of Right-of-Way acquisition, as well as adjustments to the scope of engineering and design activities pending the procurement of a new General Engineering Consultant (GEC). This amendment also reflects a shift in funding sources following the Federal Railroad Administration's (FRA) withdrawal of the Consolidated Rail Infrastructure and Safety Improvements (CRISI) award.

Each year, the TJPA Board adopts an annual operating budget; separate annual capital budgets for The Portal, Tenant Improvements, and the Capital Improvement Plan; and an annual debt service budget. The annual capital budget for The Portal presents anticipated revenues and expenditures for The Portal capital activities in a given fiscal year, representing a "slice" of the overall Project budget. In June 2025, the TJPA Board adopted the FY 2025-26 Capital Budget for The Portal in the amount of \$139,628,300.

Changes to The Portal FY 2025-26 Budget for Right-of-Way

Since the budget adoption, the schedule for the acquisition of Right-of-Way has changed to reflect refinements to the acquisition schedule, with a later start for the first tranche of parcels. Staff anticipates that while the Right-of-Way acquisition costs during FY 2025-26 will be reduced to \$15,000,000, the remainder of the original budget will be expended in future fiscal years.

The Metropolitan Transportation Commission (MTC) has allocated Regional Measure 3 (RM3) funds for the Right-of-Way costs. MTC recently updated the expiration date for the RM3 allocation to reflect the revised schedule. TJPA provides semi-annual reports to MTC that forecast the future cashflow for the RM3 funds. MTC uses this information to project the full RM3 program's funding requirements, and uses this data in its analysis of debt financing needs. Amending The Portal's annual budget will enable staff to provide more accurate information to MTC for their debt financing analysis.

The proposed budget amendment adjusts the anticipated expenditures for Right-of-Way professional services including appraisals, environmental consultants, and relocation consultants, to reflect the current expenditure forecast.

The proposed amendment includes a new line item for relocation assistance expenses, which TJPA is liable to pay early in the acquisition process. The inclusion of this line item provides budget authority for these expenses to be incurred.

All of the Right-of-Way activities in FY 2025-26 are funded with RM3 funds. The budgeted RM3 revenues have been adjusted to reflect the changes to anticipated expenditures.

GEC Procurement

The scope of engineering work planned for FY 2025-26 has been adjusted to align with the upcoming procurement of a new GEC contract. The current GEC contract expires in April 2026. The new GEC contract is anticipated to be awarded in the first quarter of calendar year 2026. The proposed budget reflects a reduced level of work under the expiring contract, the transition period, and start-up activities under the new contract. The funding sources for engineering activities have been updated to prioritize the most restricted grant sources while retaining the more flexible sources for future uses.

Withdrawal of FRA CRISI Award

On August 26, 2025, FRA notified TJPA that it had withdrawn its award of CRISI funding for The Portal's Final Design for Track and Rail Systems Project. Without these Federal funds, this scope is only partially funded, supported solely by the local funds originally pledged as the local match to the federal award. The proposed budget amendment reflects the removal of the CRISI funds, with local funds budgeted to fund limited design work for track and rail systems.

RECOMMENDATION:

Adopt amendment No. 1 to the FY 2025-26 Capital Budget for The Portal.

ATTACHMENTS:

1. Resolution
2. Amendment No. 1 to the FY 2025-26 Capital Budget for The Portal

**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 Program; and

WHEREAS, In June 2025, the TJPA Board of Directors adopted the FY 2025-26 Capital Budget for The Portal in an amount not to exceed \$139,628,300; and

WHEREAS, Staff recommends adoption of Amendment No. 1 to the FY 2025-26 Capital Budget for The Portal in the amount of \$50,935,000 that reflects the revised annual cashflow resulting from the updated Right-of-Way acquisition schedule, engineering and design scope, and removal of CRISI grant from the project fund source; now, therefore, be it

RESOLVED, That the TJPA Board of Directors adopts the recommended Amendment No. 1 to the FY 2025-26 Capital Budget for The Portal in the form presented.

I hereby certify that the foregoing resolution was adopted by the Transbay Joint Powers Authority Board of Directors at its meeting of October 17, 2025.

Secretary, Transbay Joint Powers Authority

2025-26 Capital Budget The Portal	2025-26 Final Budget (June 2025)	2025-26 Budget Amendment 1 (Sept 2025)	Difference From Final June Budget in \$'s	Difference From Final June Budget in %
Revenues				
Transit Center CFD Funds	15,192,300	10,080,500	(5,111,800)	-34%
Propositions K and L San Francisco Sales Tax	14,339,000	16,463,000	2,124,000	15%
Transit and Intercity Rail Capital Program (TIRCP)	5,583,500	5,226,000	(357,500)	-6%
Caltrain Contribution for Engineering	1,500,000	2,069,500	569,500	38%
Regional Measure 3 (RM3)	100,425,000	17,096,000	(83,329,000)	-83%
Consolidated Rail Infrastructure and Safety Improvements (CRISI)	2,588,500	0	(2,588,500)	-100%
Total Revenue	139,628,300	50,935,000	-88,693,300	-64%
Expenses				
Right of Way	100,425,000	17,096,000	(83,329,000)	-83%
Property Acquisition	100,000,000	15,000,000	(85,000,000)	-85%
Professional Services (Appraisal, Environmental Constt., Relocation Constt., etc.)	425,000	1,096,000	671,000	158%
Relocation Assistance		1,000,000	1,000,000	
Engineering and Design Services	33,527,000	28,163,000	(5,364,000)	-16%
Program Management / Construction Management	14,800,000	14,800,000	0	0%
E&D Interagency Coordination	6,666,000	6,666,000	0	0%
General Engineering and Design	12,061,000	6,697,000	(5,364,000)	-44%
Permits and Fees	150,000	150,000	0	0%
Design & Construction Permits and Fees	150,000	150,000	0	0%
TJPA Admin	5,287,800	5,287,500	(300)	0%
Salaries, Fringe Benefits, Administration	3,211,800	3,211,500	(300)	0%
Professional and Specialized Services (Financial, Legislative, Legal, Communications, etc.)	2,076,000	2,076,000	0	0%
IT/Communication/Cybersecurity	238,500	238,500	0	0%
Program Management Information Services	4,500	4,500	0	0%
Information Technology and Communications	234,000	234,000	0	0%
Total Expenditure	139,628,300	50,935,000	-88,693,300	-64%