

# TJPA Board of Directors

## The Portal Monthly Report

September 11, 2025



THE PORTAL

**TJPA**

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## 1 EXECUTIVE SUMMARY

This report provides an update of The Portal's progress including schedule performance, financial plan, risk management, outreach and engagement, and specific project activities during the reporting period as well as key performance metrics for The Portal. These include an updated indicative capital cost estimate, the status of efforts to close the remaining funding gap, management of project cash flow toward durable milestones, budgets for professional service contracts and the completion of critical third-party agreements, efforts to mitigate items on the project risk register, and a six-month lookahead of key planned activities. Highlights for the reporting month include:

- ◆ Nearing release of Civil and Tunnel 40-CT request for proposals to shortlist;
- ◆ Initiated right-of-way acquisition program tasks;
- ◆ Coordinating with the state to secure local-share funding requirements for the Federal Transit Administration Capital Investments Grant;
- ◆ Progressed design for 4th and King Yard Preparation Package A and Utility Relocation; and, Continued updating management plans for project delivery.

### About The Portal

The Portal will connect Caltrain's regional rail system and the California High-Speed Rail Authority's future statewide system to the multimodal Salesforce Transit Center in downtown San Francisco. The project is an essential part of a long-term strategy to create seamless connections among local, regional, and statewide transportation systems and connect rail to important locations throughout the Northern California Megaregion.





The Portal will be constructed principally below grade along Townsend and Second streets and includes a 1.5-mile rail tunnel, at-grade trackwork, build-out of the below-grade train station at the Salesforce Transit Center, and a new underground station at Fourth and Townsend streets. The total project length is 2.2 miles.

The Portal is being delivered by the Transbay Joint Powers Authority (TJPA) in partnership with the Metropolitan Transportation Commission (MTC), San Francisco County Transportation Authority (SFCTA), Peninsula Corridor Joint Powers Board–Caltrain, California High-Speed Rail Authority, and City and County of San Francisco. Representatives from each of the agency partners meet regularly to advise the TJPA on technical and policy matters.

The Integrated Program Delivery Team (IPDT), comprised of assigned TJPA and Caltrain staff responsible for project delivery, supported by staff from the California High-Speed Rail Authority and the TJPA's program management/construction management consultant, provides day-to-day management and decision-making for delivery of The Portal. Additionally, the IPDT is supported by a general engineering consultant and specialty resources, such as construction counsel and right-of-way specialists.

The Portal is in the Engineering phase of the Federal Transit Administration's (FTA) Capital Investment Grants New Starts program; IPDT leadership meets regularly with FTA staff and its Project Management Oversight Contractor.

## 2 SCHEDULE UPDATES

This update is based on the July 2025 Master Schedule update with a data date of June 2025. Initiated or completed activities after the data date and before the time of report submission are noted in parentheses.

### 2.1 Milestone Updates

Programming Available Funding Toward Highest Priority Preconstruction Work:

#### Current

- ◆ Initiated Street Vacation process to begin Utility Relocation (10-UR) in early 2027
- ◆ Conducting appraisals on first tranche of right of way acquisitions

#### Fall 2025

- ◆ Anticipate release of Heavy Civil Tunnel (40-CT) RFP
- ◆ Reprogramming matching funds committed to CRISI award withdrawn by FRA for 50-TS

### 2.2 Recent milestones achieved

#### **Updated Quantitative Risk Assessment (QRA) and Cost Estimate for The Portal**

The QRA was updated to reflect the latest conditions, and the results were used to inform the level of contingency required for the project.

The cost estimate was updated and presented to the Board at its July 2025 meeting. This update reflects the updated design for the enabling works packages, value engineering measures, the updated Master Schedule, actualized construction inflation for the last two years, and contingency.

#### **Revised 60% Design for the 4th and King Yard Package A: Site Clearing (20-YA)**

The revised 60% design submittal for the 20-YA contract package has been received and is under review by the IPDT, including Caltrain.

#### **Revised 60% Design for Utility Relocation (10-UR)**

The revised 60% design submittal for the 10-UR advance utility relocation contract package has been received and is under review by the IPDT.

**Environmental**

Recordation action to satisfy the Section 106 Memorandum of Agreement (MOA), California Environmental Quality Act (CEQA), and National Environmental Policy Act (NEPA) requirements for two properties (191 Second Street and 580-586 Howard Street). Final reports were distributed to signatories to the MOA and interested agencies (State Historic Preservation Officer, FTA, Federal Railroad Administration, Caltrans, Caltrain, City of San Francisco, San Francisco Heritage, Northwest Information Center). This fulfills Section 106 MOA Stipulation III.B.

Development of a CEQA Addendum to the 2018 Supplemental Environmental Impact Report, based on design modifications from value engineering, is in process.



## 2.3 Upcoming milestones

### Release of 40-CT Request for Proposals

The release of the Civil and Tunnel Progressive Design-Build (PDB) RFP is scheduled for the third quarter of 2025. This will start the process leading to the award of the PDB contract in the fourth quarter of 2026. The onboarding of the PDB contractor is an essential step in maintaining The Portal's overall schedule and the Ready for Service date.

### Release of General Engineering Consultant Request for Proposals

The release of the general engineering consultant RFP is scheduled for the third quarter of 2025, with a projected award date in the first quarter of 2026, following which design work will restart. Early priorities for the new GEC will include utility and 20-YA design.

### Release of Construction Counsel Request for Proposals

The construction counsel RFP release is scheduled for the third quarter 2025 with a projected award date in the first quarter 2026. Onboarding of the new construction counsel will allow continuing support to the 40-CT procurement and development of procurement documents for the two construction manager/general contractor (CMGC) procurements, Track and Rail Systems (50-TS) and Station Fit-Out (60-SF).

### Updates to Management Plans

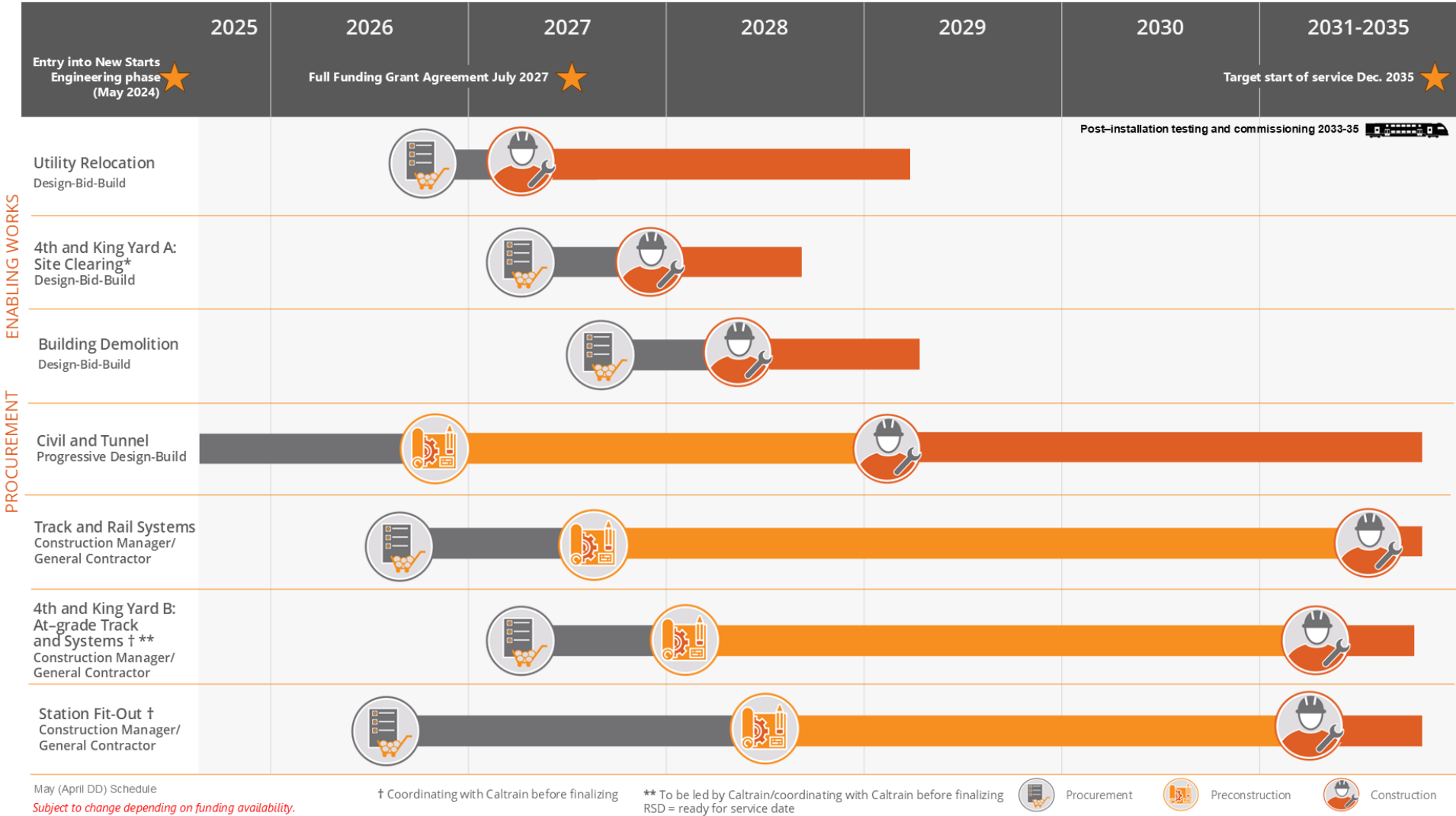
The Portal's management plans require updating during the Engineering phase of the Capital Investment Grants process. Upcoming updated plans include the Real Estate Acquisition Management Plan, Document Control and Records Management Plan, Project Controls Management Plan, and Engagement and Community Outreach Management Plan.

### Boundary Survey and Appraisals

A boundary survey was initiated in August 2025 and will be used to validate the current track alignment. The track alignment has, to date, been established using publicly available property line information, which may vary from the actual boundary lines by up to several feet. Once the boundary lines are confirmed, the track alignment will be updated to freeze the project alignment. This updated alignment will then be used as the basis of the 40-CT design work to be progressed by the PDB contractor.

The appraisal process for Tranche 1 was initiated in August 2025, and TJPA possession is expected by the fourth quarter of 2026. Appraisals represent the first step in the property acquisition process. The process includes FTA concurrence with the appraisals, which is scheduled for the first quarter of 2026.

2.4 Overall Schedule



### 3 FINANCIAL PLAN UPDATES

The Portal funding is comprised of committed, budgeted, or planned federal, state, and local sources, the Capital Investment Grant, prior investment in the Salesforce Transit Center train box, and additional sources required to secure a Full Funding Grant Agreement (FFGA) with the FTA. The most recent project cost estimate reflects \$683 million in cost mitigation, resulting in an indicative total project cost of \$7.5 billion as presented to the Board in July 2025. The funding breakdown is shown below:

Funding Source/Category	Est. Amount (Millions of YOES)
<b>Committed/Budgeted (non-Capital Investment Grant (CIG))</b>	<b>\$1,329</b>
Transit District Sources (CFD, Impact Fees)	~\$577
MTC Regional Measure 3 (RM 3)	\$325
SFCTA Sales Tax (Prop K and Prop L)	\$321
State Transit Intercity Rail Capital Program (TIRCP)	\$60
Regional Transportation Improvement Program (RTIP) Fund Swap	\$18
Partner Agency Contributions	\$3
Federal Rail Administration CRISI Grant	\$0
<b>Federal Pipeline</b>	<b>\$3,384</b>
FTA Capital Investment Grant (CIG)	\$3,384
<b>Planned State</b>	<b>\$1,053</b>
Cap and Invest Program – High-Speed Rail Passthrough	\$553
State Transit Intercity Rail Capital Program (TIRCP)	\$500
Other Planned/Potential	\$365
Central SOMA CFD	\$155
Fed-State Partnership Grant	\$100
Future Net Tax Increment Bonds	\$110
<b>Previous Investments</b>	<b>\$729</b>
2010 Investment in Train Box	\$729
Funding Gap – To be Planned	\$728
<b>July 2025 Project Cost</b>	<b>\$7,572</b>

Committed and budgeted funds are mainly provided to the project upon annual allocation of the funds by funding agencies, authorizing the project to incur expenses and reimburse costs in accordance with the approved expenditure plan.

TJPA Board Policy No. 012, Reserve Policy, requires the TJPA to maintain a balance in its capital and operating funds equal to 60 days of working capital to sustain daily operations and ensure the agency can meet its short-term financial obligations. As The Portal is currently in the Capital

Investment Grants Engineering phase, the TJPA maintains an average reserve of \$9 million to cover monthly costs associated with The Portal and submits reimbursement requests to funding agencies after those costs are paid. TJPA finance staff monitors monthly cash flow to ensure sufficient reserves for The Portal are in place. As the project advances to the construction phase, the reserve will need to be increased, either through financing mechanisms or by revising current reimbursement arrangements with funding agencies to allow funds to be made available to the TJPA in advance of invoice payments.

The TJPA's grant application to the FRA's Consolidated Rail Infrastructure and Safety Improvements (CRISI) program for final design of the track and rail systems was approved in October 2024, and since then the IPDT has worked closely with the FRA to finalize the grant agreement and secure the funds. However, on August 26, 2025, the TJPA received a letter from the FRA rescinding its selection of The Portal Final Design for Track and Rail Systems, noting that the project intends to advance the California High-Speed Rail Project. As a result, approximately \$25 million that had been budgeted for The Portal is no longer available and has been reclassified as part of the funding gap.

**Planned funds are currently under discussion and actively being pursued through ongoing advocacy efforts, as described below.**

On August 25, 2025, the TJPA, together with MTC and other Bay Area transit agencies responsible for delivering a high-speed rail bookend project, jointly sent a letter to the Governor, Senate, and Assembly requesting reauthorization of the Cap-and-Invest program through 2045. The letter also requested updating the program's transit priorities to include funding for rail projects that support and connect the bookends of the completed high-speed rail system in the state's major metropolitan region, including The Portal. The TJPA's application for the Transit and Intercity Rail Capital Program's (TIRCP) Cycle 8 will depend on the outcome of the final legislation.

In December 2024, the TJPA, in partnership with the City and County of San Francisco (City), submitted an application to the FRA for Federal-State Partnership Grant funds to support the final design of the 40-CT contract. The application identified a total project cost of \$251 million, including \$100.4 million in requested federal funds and \$150.6 million in local matching funds. The FRA has not yet announced project selections, and no timeline has been provided for award notifications.

Following the adoption of the Transit Center District Plan and the Transbay Community Facilities District (CFD), in 2018, the City approved the Central SoMa (South of Market) Area Plan and CFD, adjacent to the TJPA's planned Fourth and Townsend Street Station. The CFD authorized issuance of up to \$5.3 billion in debt to fund infrastructure investments in the area. The expenditure plan includes \$160 million for regional transportation improvements, including Caltrain/California high-speed rail improvements such as The Portal. The planned Fourth and

Townsend Street Station, located next to the district, will be critical in supporting the population and job growth anticipated under the plan.

Development activity in Central SoMa has proceeded more slowly than originally anticipated due to the COVID-19 pandemic. According to the San Francisco Planning Department, the Interagency Plan Implementation Committee (IPIC) does not expect significant CFD revenues for several years. Nonetheless, the TJPA will continue coordinating with IPIC, Mayor's Office, and Planning Department staff to pursue future funding commitments.

The TJPA's finance staff continues to monitor net tax increment (NTI) proceeds from the 2005 Transbay Redevelopment Area, which serve as the pledged revenue source for repayment of the TJPA's 2020 Tax Allocation Bonds (2020 TABs). The TJPA's financial advisor evaluates potential future debt capacity based on excess NTI available after required 2020 TABs debt service payments. In addition, the TJPA's financial advisor is assessing long-term financing opportunities, including the potential extension of NTI beyond 2050 and the possible formation of an Enhanced Infrastructure Financing District (EIFD) to generate additional tax increment financing for the project area.

As the TJPA advances toward securing the state and local funding share required for the award of the FFGA, currently targeted for July 2027, project financial planning remains focused on achieving key milestones and completing durable design and engineering in alignment with the Master Schedule. Current project funding provides for design and engineering of the delivery packages summarized in the table below. In parallel, the TJPA is advancing right-of-way acquisition and related activities. Completion of this work is contingent on costs remaining within the current estimates and the final allocation of funds by the TJPA's funding partners, including MTC, SFCTA, and the California Transportation Commission.

Delivery Packages	Engineering and Design Cost Estimate	Funding Available
Utility Relocation	\$6,944,000	✓
4th and King Yard A: Site Clearing	\$4,136,000	✓
Building Demolition	\$460,000	✓
Civil and Tunnel – 60% Design	\$143,735,000	✓
Track and Rail Systems	\$41,141,000	●
4th and King Yard B: At-grade Track and Systems	\$4,474,000	✓

The FRA's withdrawal of the CRISI award for track and systems final design leaves this scope only partially funded, supported solely by the local funds originally pledged as the federal match. The IPDT will reassess project priorities to determine how best to allocate these local funds toward durable design work and risk mitigation.

## 4 OPPORTUNITIES AND RISKS

Project risks are contained in The Portal's risk register, and the IPDT manages tasks towards meeting cost and schedule objectives while reducing or retiring risks. This section describes:

- ♦ Risks requiring further mitigation
- ♦ Potential risk mitigation opportunities

### **Delays in Property Acquisition**

Delays to property acquisition will cause a subsequent delay to the start of construction. Ongoing mitigations include starting property appraisals in third quarter of 2025 and aligning construction sequencing to decouple direct schedule impacts where possible.

### **Delay in Acquisition of Capital Funding**

Delays to the identification and acquisition of capital funding will cause a delay to execution of the FFGA, currently scheduled for July 2027. Mitigations include the continued work of TJPA's advocates and refinement of the project's funding plan.

### **Limited Sequential Excavation Method Resources in North America**

The specialist pool of resources qualified to carry out sequential excavation method tunneling is finite, and numerous other projects will be competing for resources as The Portal is in construction. This could lead to an over-reliance on inexperienced resources, which could affect the schedule. The project has prequalified contractor teams, and the upcoming 40-CT procurement will require the teams to identify resources for the construction phase.

### **Noise and Vibration Impacts**

Initial noise and vibration level estimates show potential tunnel operation impacts to buildings along the tunnel alignment. Noise and vibration impacts could be significant enough to require mitigative works, including floating track slab in the vicinity of affected buildings, isolation pads, or structural isolation of individual studios. Further study and mitigation will be undertaken as design progresses with the onboarding of the 40-CT contractor.

### **Delay to 10-UR**

While funding for utility relocation (10-UR) is secured, the delivery team will review the resequencing opportunities for construction staging to mitigate schedule risk.



**Risk Mitigation Opportunities**

As the TJPA develops the approach to managing the 40-CT contract, the IPDT is incorporating risk management strategies to appropriately address risk by allocation to the most suited party. As risks are identified by both parties, there will be risks retained by the TJPA and risks allocated to the contractor. In addition, the IPDT is making provisions for shared risks when specific circumstances are met.

## 5 OUTREACH AND ENGAGEMENT

### 5.1 Completed/Ongoing Efforts:

- ◆ The TJPA participated in American Public Transportation Association (APTA) High-Speed Rail Seminar and Rail conference that occurred in San Francisco from June 27 to July 2, 2025 by serving in two panels and hosted two behind-the-scenes tours bringing over 50 attendees to the Transit Center. We offered a new tour focused on transit-oriented development around the Transit Center, which is a result of the TJPA's leadership in partnership with the City and Office of Community Investment and Infrastructure.
- ◆ Notices of Street Vacation letters have been sent to property owners and condominium owners along the project alignment. The property owners' Consent to Street Vacation is due September 15.
- ◆ Outreach materials including a community notice on the boundary survey has been produced along with the Acquisition Brochure to be used for the Right of Way program efforts underway.

### 5.2 Upcoming Efforts:

The TJPA will celebrate Transit Month in September at the Transit Center through a Pop Up Art Fair on Wednesday, September 24, from 3 pm to 6pm. In addition to our partners at BART, San Francisco Municipal Transportation Agency, and SF Transit Riders (SFTR) providing raffle prizes to attendees, the TJPA will once again raffle off 25 spots to our behind-the-scenes Transit Center tour through SFTR's Ride Contest.

TJPA team provided behind-the-scenes tours during reporting period, including to interns from WSP, San Francisco State, Caltrain, ARUP; staff from SFCTA, Cal Poly Alumni Council, SF Consulate General of Japan, and Senator Padilla's Transportation Advisor.

## 6 COMPLETE PROCUREMENTS AND ONBOARD NEW CONSULTANTS

Note – this is duplicated in the upcoming milestones section of the schedule update.

### **Onboarding of 40-CT Team**

Award of the PDB contract is scheduled for the fourth quarter of 2026. The onboarding of the PDB contractor is an essential step in maintaining The Portal's overall schedule and the Ready for Service date.

### **Onboarding of New GEC Consultants**

The award of the new GEC contract is scheduled for the first quarter of 2026, following which design work will be restarted. Early priorities for the new GEC will include utility and 20-YA design.

### **Onboarding of New Construction Counsel**

The award of the new construction counsel contract is scheduled for the first quarter of 2026. Onboarding of the new construction counsel will allow continued support to the 40-CT procurement and development of the two CMGC procurements for 50-TS and 60-SF.



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