

**STAFF REPORT FOR CALENDAR ITEM NO.: 12
FOR THE MEETING OF: May 14, 2026**

TRANSBAY JOINT POWERS AUTHORITY

BRIEF DESCRIPTION:

Presentation of and Public Hearing for the Draft Fiscal Year (FY) 2026-27 Budgets, including the Operating Budget of \$29,175,000; the Capital Budget for The Portal, Tenant Improvements, and the Capital Improvement Plan totaling \$120,628,000; and the Debt Service Budget of \$26,448,212.

SUMMARY:

The Joint Powers Agreement establishing the Transbay Joint Powers Authority (TJPA), dated April 4, 2001, provides that the TJPA's fiscal year begins on July 1 and ends on June 30, and authorizes the TJPA Board 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 June 23, 2004, and last amended June 12, 2025, staff has prepared the attached proposed budgets for review by the Board and the public.

Following this May Board presentation and public hearing, staff will return in June to seek Board approval of final FY 2026-27 budgets.

The proposed draft Operating Budget totals \$29,175,000 and reflects revenues and expenses associated with operation of the Transit Center. The draft Capital Budget totals \$120,628,000, including \$112,934,000 for The Portal, \$1,642,000 for Tenant Improvements, and \$6,052,000 for the Capital Improvement Plan. The proposed Debt Service Budget totals \$26,448,212. Detailed budget information is provided in the attachments and remains subject to refinement based on Board direction and public input prior to presentation of the final proposed budgets in June.

DRAFT FY 2026-27 OPERATING BUDGET:

Building on prior efforts to address ongoing fiscal constraints and the slow recovery of retail and advertising revenues, TJPA continued to advance operational efficiencies through a comprehensive review of existing contractual obligations. Where feasible, services were re-solicited to leverage competitive procurement and reduce costs, and select scopes were strategically brought in-house. These actions enabled the agency to further optimize expenditures while maintaining the service levels necessary to ensure safe, secure, and uninterrupted operations at the Transit Center.

The FY 2026-27 Operating Budget detailed below reflects an overall decrease of about \$95,000 in Transit Center expenses compared to the Preliminary Budget presented in January 2026. This reduction incorporates savings from the re-solicited Transit Center Integrated Pest Management contract as well as lower insurance costs driven by favorable underwriting outcomes reflecting TJPA's strong performance and effective risk management.

Following a detailed review of the Salesforce Park budget by the Salesforce Park Committee, the

May draft budget includes an \$82,500 increase in operating costs, approximately 80% of which is funded by the Community Benefit District (CBD) funds.

FY 2026-27 Reimbursement and Operating Revenues

The FY 2026-27 operating budget includes revenues from Regional Measure 2 (RM-2) and Regional Measure 3 (RM-3) bridge toll funds, CBD assessments, contributions from transit operators, naming rights, retail lease income, advertising and sponsorship revenues from 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 and amended in June 2023. The proposed Schedule has been updated to reflect new and revised locations and adjusted rates. The operating revenues are summarized in Table 1.

Table 1 - FY 2026-27 Draft Operating Budget Resources

<u>Reimbursements</u>	
Regional Measure 2	9,187,000
Regional Measure 3	4,328,000
Event Services Reimbursement	179,000
AC Transit (Bus Storage Facility and Security)	651,000
Community Benefit District Park Payments	1,813,000
Subtotal Reimbursements	16,158,000
<u>Revenues</u>	
Lease and Use Payments	3,464,000
<i>AC Transit (74%)</i>	<i>2,563,360</i>
<i>SF Municipal Transportation Agency (26%)</i>	<i>900,640</i>
Other Operator Rents	268,000
Naming Rights	3,801,000
Transit Center Rental Retail Revenue	3,000,000
Transit Center Advertising	590,000
Transit Center Sponsorship / Events	215,000
Neutral Host DAS Licensing Fees	125,000
Miscellaneous	40,000
Interest Earnings	470,000
Subtotal Revenues	11,973,000
Total Operating Resources	28,131,000

Reimbursements

- TJPA receives an annual allocation of RM-2 and RM-3 bridge toll funds for operations, estimated at \$13.5 million. The allocation request for FY 2026-27 includes \$6.6 million annual allocation of RM-2 funding escalated at 3.5% as set forth in the RM-2 legislation; \$2.5 million from the anticipated continued supplemental RM-2 funds; and \$4.3 million in RM-3 funds, which are allocated to TJPA based on the actual bridge toll collections.

Metropolitan Transportation Commission (MTC)'s supplemental RM-2 funding is a temporary measure through FY 2027-28 to mitigate the fiscal burden on transit operators.

- TJPA incurs additional costs such as security and administration for large, private events. The budget includes a separate line item for Event Services Reimbursements to clarify that these costs are reimbursable by the event sponsors.
- The East Cut CBD was formed in 2015 (as the Greater Rincon Hill CBD) as a special assessment district to fund specified services to improve the 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 some portions of the annual budget to operate and maintain the Transit Center's rooftop park. For FY 2026-27, TJPA currently expects to be reimbursed \$1.8M.
- AC Transit funds the anticipated expenses for maintenance and security of the Bus Storage Facility on a pass-through basis.

Operating Revenue

- Transit Operator Contributions are derived from any differential between operating costs and operating revenues per the Lease and Use Agreements with AC Transit and the San Francisco Municipal Transportation Agency (SFMTA). The continuation of supplemental RM-2 funding in FY 2026-27, combined with TJPA staff efforts to reduce annual operating cost, has significantly reduced the required contributions from the transit operators. The draft budget includes \$3.4 million in Transit Operators Contributions, which is a 25% reduction from last year's budget.
- Salesforce payment for naming rights for this fiscal year is expected to be \$3.8 million.
- Retail revenue, including leases, is projected at \$3.0 million. The amount is based on current retail leases, rent abatement amendments to those leases, and current estimated tenant opening dates.
- Advertising, sponsorship, and event revenues are anticipated to be \$805,000. Advertising momentum is accelerating, driven by growing demand for ad placements in downtown San Francisco resulting from increased occupancy. Event revenue is expected to grow significantly once the 4,500 square foot event space located in Salesforce Park (P-1) is completed.
- 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 2026-27 budget.
- Interest income and miscellaneous revenues are projected to total \$470,000, attributable to the continued investment of the Operation and Maintenance Reserve in the Local Agency Investment Fund.

FY 2026-27 Operating Expenses

The TJPA's proposed FY 2026-27 operating budget totals \$29,175,000: a 4.75% increase over

the FY 2025-26 adopted budget. Projected cost pressures driven by contractual obligations and inflation have been actively managed and largely offset through continued efficiency measures, including the re-solicitation of services where feasible, strategic realignment of certain functions in-house, and optimization of maintenance activities to the level necessary to ensure safe, secure, and uninterrupted operations. Table 2 below provides a breakdown of operating expenses.

Table 2 - FY 2026-27 Draft Operating Expenses

<u>Expenses</u>	
Salesforce Transit Center	26,892,000
<i>TJPA Administration</i>	<i>4,188,000</i>
<i>Asset Management & Administration</i>	<i>68,000</i>
<i>Private Events Management</i>	<i>179,000</i>
<i>Physical Security</i>	<i>7,975,000</i>
<i>Security Systems</i>	<i>509,000</i>
<i>Cybersecurity/IT</i>	<i>1,605,000</i>
<i>Transit Center General Maintenance</i>	<i>4,378,000</i>
<i>Transit Center Janitorial</i>	<i>1,904,000</i>
<i>Transit Center Utilities</i>	<i>1,828,000</i>
<i>Digital Content Management & Wayfinding Systems</i>	<i>370,000</i>
<i>Insurance</i>	<i>3,201,000</i>
<i>Bus Storage Facility</i>	<i>651,000</i>
<i>Transit Center Building Occupancy Resumption Program</i>	<i>36,000</i>
Salesforce Transit Center Park	2,283,000
<i>Park Management & Administration</i>	<i>570,000</i>
<i>Park Programming</i>	<i>360,000</i>
<i>Park General Maintenance</i>	<i>633,000</i>
<i>Park Janitorial</i>	<i>323,000</i>
<i>Park Utilities</i>	<i>372,000</i>
<i>Park Crowd Control</i>	<i>25,000</i>
Total Operating Expenses	29,175,000

Transit Center Operations

TJPA Administration: Includes approximately \$4.2 million in expenditures associated with operating the TJPA on a day-to-day basis, including:

- TJPA staff salaries & benefits
- TJPA administration, including general office expenses, professional development, travel and meeting expenses, and payroll services
- CBD special tax assessments
- Legal, financial, audit, public relations, and other specialized services

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 3 - TJPA Allocation of Full-Time Equivalents (FTE) by Job Classifications

Classification	FTE Allocation		
	<i>Operating</i>	<i>The Portal</i>	<i>Total</i>
Executives/Senior Managers	1.50	2.50	4.00
Managers	6.00	5.00	11.00
Associates/Administrative Staff	5.00	3.00	8.00
Total	12.50	10.50	23.00

Salaries are based on position ranges established in the pay schedule effective July 1, 2025, as previously approved by the TJPA Board. The California Code of Regulations requires all employers contracting with CalPERS to maintain a pay schedule approved and adopted by its governing body. Funding for positions at specific salary levels remains subject to the Board’s annual budget approval process. In developing the proposed pay schedule, staff evaluated compensation structures at comparable transportation agencies and Bay Area public entities, while also considering current employee compensation and historical Consumer Price Index (CPI) trends.

All TJPA employees receive an annual cost-of-living adjustment (COLA) tied to CPI, in accordance with their employment agreements. To ensure sufficient capacity within salary ranges, staff have updated the pay schedule to accommodate anticipated CPI-driven increases. A resolution to approve the revised pay schedule will be presented to the Board in June, separate from the budget adoption, in compliance with CalPERS requirements. The proposed Pay Schedule is included as Attachment 5.

In addition to standard employee benefits, the benefits line item includes required CalPERS unfunded liability payments and the agency’s annual contribution to the Other Post-Employment Benefits (OPEB) trust.

Health care premiums under CalPERS continue to increase due to medical inflation and broader market pressures. Adjustments to TJPA’s employer contribution are intended to mitigate cost shifting to employees, preserve overall compensation, and maintain competitiveness with peer agencies.

Staff is also proposing updates to employee agreements to extend eligibility for CalPERS post-retirement health benefits (OPEB) to employees not previously grandfathered, subject to meeting established eligibility criteria. This change promotes equity and consistency by aligning benefits with years of service rather than hire date and supports employee morale and retention. Collectively, these actions strengthen TJPA’s ability to recruit and retain qualified staff in a competitive labor market. Fiscal impacts will be evaluated through actuarial analysis and incorporated into the agency’s budget and long-term financial plan. The estimated cost of \$89,000 in FY 2026–27 will be fully offset by prior-year savings.

Asset Management & Administration: TJPA maintains high standards of safety, cleanliness, and service for transit center users, riders, operators, and retail tenants through active management and oversight of Transit Center assets and service contracts. This includes stationary engineering, custodial services, advertising and digital platform management, park and event operations, pest control, and other essential functions. TJPA staff also oversees leasing, tenant relations, and revenue optimization. The FY 2026-27 budget includes limited funds for the Building Management Control System, retail lease management software and legal support, as well as required licenses and permits.

Physical Security and Security Systems: Includes local law enforcement provided by the San Francisco Police Department and private security guards through a contract with Allied Universal. Staffing levels will continue to be sufficient to implement the safety and security concept of operations; deter, respond to, manage and recover from all security or safety events and incidents – natural or human-caused; and manage the Security Operations Center in the Transit Center. Security Systems includes funding for various contracts such as radio systems and software systems used to maintain the Security Operations Center.

Cybersecurity / IT: IT services include maintenance and management of the IT infrastructure at the Transit Center and cybersecurity services in a state of good repair and to continue to limit exposure to vulnerabilities.

Transit Center Maintenance, Janitorial, and Utilities: The Transit Center will be diligently serviced and attentively cleaned. Systematic preventive maintenance, programmed janitorial, and groundskeeping activities will continue at a level commensurate with anticipated traffic through the Transit Center. Repairs and upkeep will be performed as needed to preserve safety and operability, while adhering as closely as possible to industry best practices.

Digital Content Management & Wayfinding Systems: This budget item includes licenses and content development for the digital and physical signage that is integrated into the Transit Center.

Insurance: The FY 2026-27 estimate for Transit Center insurance coverage includes all-risk and terrorism policies, providing protection against damage and loss of use from most insurable events, except for flood and earthquake. Building on prior-year coverage levels, projected insurance costs reflect favorable market adjustments and underwriting outcomes, as advised by TJPA's insurance broker, and are further supported by the agency's strong performance and proactive risk management practices.

Bus Storage Facility: The draft budget includes anticipated expenses for maintenance and security of the Bus Storage Facility, funded by AC Transit.

Park Operations

Park-related expenses reimbursed by the East Cut CBD are categorized separately per the Memorandum of Understanding between the East Cut CBD and TJPA. These include a prorated share of the utilities, janitorial, maintenance, park programmed activities free to the public, and park management fee. Based on an agreement with the East Cut CBD, the FY 2026-27 park

budget includes reimbursement for security services for crowd control at large events at the park. Day-to-day security services are not included as shared expenses in the park MOU. Overall costs increased by 4% from the Preliminary Budget in January, driven by higher General Maintenance due to elevator and escalator upkeep, an increase of \$9,000 to the crowd control security budget, and an increase in Park Programming related to park marketing efforts.

FY 2026-27 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 2026-27, the O&M Reserve is estimated to be fully funded at 25% of the annual operating budget of approximately \$7.3 million.

DRAFT FY 2026-27 CAPITAL BUDGETS:

The proposed FY 2026-27 Capital budgets for The Portal, Tenant Improvements, and Capital Improvement Plan total \$120,628,000.

Proposed FY 2026-27 Capital Budget for The Portal

The proposed FY 2026-27 Capital Budget for The Portal totals \$112,934,000. The program remains in the pre-construction phase, with ongoing activities focused on advancing project readiness and meeting federal requirements. Key efforts include development of Federal Transit Administration (FTA)-required documentation for the Capital Investment Grants (CIG) Program, coordination with third-party stakeholders, continued design progression, and preparation of procurement packages.

The current schedule anticipates achievement of several major milestones during FY 2026-27. These include the award of the Civil and Tunnel Progressive Design Build (40-CT PDB) contract, now forecast for January 2027, as well as the award of three General Engineering Consultant (GEC) contracts supporting: (1) Utility Relocation (10-UR), (2) Track and Systems (50-TS), and (3) a combined scope covering Station Fit-Out (60-SF), Civil and Tunnel review (40-CT), and Building Demolition (30-BD). In parallel, right-of-way (ROW) acquisition activities are underway, with purchase offers for Tranche 1 properties expected to be issued in the coming months. Subject to the availability of sufficient construction funding, the program anticipates releasing the utility relocation construction procurement during FY 2026–27, with construction activities expected to commence in FY 2027–28.

TJPA's funding sources are both scope- and time-specific. Finance staff continues to coordinate closely with funding partners to secure allocations aligned with the planned FY 2026–27 scope and schedule. As contract award timelines for the 40-CT and GEC packages are further refined, staff will align funding strategies accordingly and return to the Board with recommended budget amendments and appropriations to match available funding with contractual commitments and advance The Portal to durable milestones.

The proposed budget supports key program elements, including program management, continued design advancement, future construction procurement preparation, right-of-way activities, and coordination with partner agencies and third parties. TJPA will also maintain close coordination with the FTA and its Project Management Oversight Contractor (PMOC) to advance the project through the New Starts process.

The Portal Revenue

The proposed FY 2026–27 budget includes both programmed/allocated and pending funding sources. Revenues have been assigned to anticipated expenses based on the eligibility criteria of each funding source. Staff continues to actively coordinate with funding partners to secure the resources necessary to advance The Portal. The funding sources are summarized below in Table 4:

Table 4 - FY 2026-27 Draft Revenue for The Portal

<u>Revenues</u>	
Transit Center CFD Funds	7,404,000
Proposition L San Francisco Sales Tax	17,400,000
Transit and Intercity Rail Capital Program (TIRCP) Project Development	3,500,000
Regional Measure 3 (RM3)	84,630,000
Total Revenue	112,934,000

Several allocation actions are anticipated during FY 2026–27 to fully realize the identified revenues. TJPA has requested an annual Proposition L allocation from the San Francisco County Transportation Authority (SFCTA), which is expected to occur in two actions: one in July 2026 and a second later in the fiscal year. Staff will also request allocation by the California Transportation Commission (CTC) of previously awarded TIRCP Project Development funds to support the PDB contract. Other sources, including Transit Center CFD funds and RM3, are already available for use in FY 2026–27.

Staff will continue pursuing discretionary funding opportunities at the state and federal levels. Should additional funds be awarded, the budget will be revised to incorporate new grant revenues.

The Portal Expense

The proposed FY 2026-27 budget includes expenses necessary to advance The Portal, as summarized in Table 5 below:

Table 5 - FY 2026-27 Draft Expenses for The Portal

<u>Expenses</u>	
Right of Way	84,590,000
<i>Property Acquisition</i>	<i>80,000,000</i>
<i>Professional Services (Appraisal, Env. Conslt., Relocation Conslt., Legal, etc.)</i>	<i>1,590,000</i>
<i>Relocation</i>	<i>3,000,000</i>

Engineering and Design Services	21,850,000
<i>Program Management / Construction Management</i>	<i>17,600,000</i>
<i>Interagency Coordination</i>	<i>4,250,000</i>
<i>General Engineering and Design</i>	<i>TBD</i>
<i>Progressive Design Build</i>	<i>TBD</i>
Permits and Fees	150,000
<i>Design & Construction Permits and Fees</i>	<i>150,000</i>
TJPA Admin	5,837,000
<i>Salaries, Fringe Benefits, Administration</i>	<i>3,549,000</i>
<i>Professional Services (Financial, Legislative, Legal, Comms., etc.)</i>	<i>2,288,000</i>
IT/Communication/Cybersecurity	459,000
<i>Program Management Information Services</i>	<i>63,000</i>
<i>Information Technology and Communications</i>	<i>396,000</i>
Construction	48,000
<i>Early Construction Work</i>	<i>48,000</i>
Total Expenditure	112,934,000

Right-of-Way

The Right-of-Way budget includes acquisition, relocation assistance, and related professional services. The TJPA Board will take separate actions, independent of the annual budget adoption, to approve individual property acquisitions. Staff anticipate acquisitions across both Tranche 1 and Tranche 2 during FY 2026–27, with eminent domain authorization expected to be requested during the fiscal year. Relocation assistance claims may be initiated upon issuance of purchase offers, creating financial obligations that are reflected in the proposed budget. In addition, a property management firm will be procured to professionally manage acquired assets following close of escrow or, where applicable, upon immediate possession granted by Superior Court order.

Engineering and Design Services

The Engineering and Design Services budget encompasses:

- Program Management & Construction Management (PM/CM): Provides staff augmentation to support program delivery, including project controls and reporting, design management, interagency coordination, environmental compliance, value engineering, risk management, integration, procurement and preconstruction support, grant development, and stakeholder outreach.
- General Engineering and Design: The budget reflects a revised procurement strategy transitioning from a single contract to three specialized contracts aligned with major program elements:
 - ✓ Utility Relocation (10-UR): RFQ release May 2026; award October 2026
 - ✓ Track and Systems (50-TS): RFQ release June 2026; award November 2026

- ✓ Station Fit-Out / Civil & Tunnel Review / Building Demolition (60-SF / 40-CT / 30-BD): RFQ release August 2026; award January 2027

This approach enhances design quality through engagement of specialized expertise and improves resource availability while maintaining alignment with the overall program schedule. Analysis confirms no impact on the critical path. GEC services include design and technical support for utility relocation, Caltrain yard site clearing (20-YA), building demolition (30-BD), civil and tunnel design review (40-CT), and track and systems (50-TS), as well as coordination with operators, utilities, and other Authorities Having Jurisdiction (AHJs).

- 40-CT Progressive Design Build (PDB) engineering and design: Upon award, the PDB contractor will validate the existing 40-CT design, provide an update to the 30% design, and develop an opinion of probable construction cost. These are essential steps to advance the program's largest construction package. Due to the active procurement process, the FY 2026-27 budget includes a placeholder for the initial Notice to Proceed (NTP), which will be determined and appropriated through an amendment to the Budget, in conjunction with the Board's action to award the contract in January 2027. Deliverables and schedule will be negotiated with the selected contractor; however, staff anticipates early mobilization activities, including submission of the management plans and commencement of the design and cost estimating during FY 2026-27.
- Interagency Coordination: Includes ongoing coordination with Caltrain under the Interim Agreement (IA) and development of the future Master Cooperative Agreement (MCA), as well as continued coordination with City and County of San Francisco departments under the Interagency Cooperative Agreement (ICA) to support advancement of final design.

Permits and Fees

The Portal budget proposal includes permit and fee expenses associated with Pacific Gas & Electric permits necessary for utility relocation.

Construction

The Portal budget proposal includes a request for a long-lead procurement item: Auxiliary Water Supply System (AWSS) hydrants for utility relocation. The hydrants are specialized and there are limited manufacturers. These vendors often have long lead fabrication queues, and The Portal will be competing with other infrastructure projects throughout the country. Each hydrant is approximately \$20,000, and two are needed. The budget includes approximately \$48,000 for two hydrants and associated components.

TJPA Admin:

- Salaries, Fringe Benefits, Administration: Includes salaries, benefits, and administrative expenses attributable to The Portal, totaling approximately \$3.5 million. Staff costs are allocated between Operating and Capital budgets, as detailed in Table 3, and include increased employer contribution to the CalPERS health premium, as well as extended eligibility for OPEB to all employees. Administrative expenses are the apportioned

amounts of the expenditures associated with day-to-day operation of the TJPA.

- **Professional and Specialized Services:** Includes professional services necessary to support program delivery, including legal services (notably construction counsel), financial advisory services, economic and real estate analysis, legislative advocacy, auditing, and public relations.

IT/Communication/Cybersecurity

The Portal budget proposal includes investments in IT infrastructure, communications systems, cybersecurity, and Program Management Information Systems (PMIS) supporting both the TJPA office and project delivery.

Proposed FY 2026-27 Capital Budget for Tenant Improvements

The FY 2026-27 Capital Budget for Tenant Improvements is proposed at \$1,642,000.

Revenue

The FY 2026-27 Tenant Improvements Budget is to be funded with TJPA unrestricted funds and is within the total multi-year Tenant Improvements Budget established by the Board.

Tenant Improvement Expenses

The budget includes costs for tenant improvement project management, leasing management, and support for lease negotiations, including analysis of tenant improvement allowances. These services are performed by TJPA staff, with support from specialized consultants as needed to provide additional technical expertise.

The Tenant Improvement budget includes costs associated with committed and anticipated tenant construction allowances, as well as landlord-delivered base building work. Planned landlord work for FY 2026–27 includes the “warm-up” of the rooftop restaurant space. Commitments for new tenant improvement allowances will be incorporated into lease agreements presented to the Board for approval or approved by the Executive Director in accordance with TJPA Board policy. Tenant improvement allowances are generally lower for previously occupied spaces.

- Marketing and Leasing Commissions: \$315,000
- Project Management / Engineering and Design: \$125,000
- Landlord’s Work / Base Building Construction: \$950,000
- Tenant Improvements Allowance: \$252,000

Proposed FY 2026-27 Budget for the Capital Improvement Plan

Staff have developed a 5-Year Capital Improvement Plan (CIP) to ensure that TJPA’s assets are maintained in a state of good repair, and to plan for future projects and facility enhancements as funding allows. Per the CIP Policy, the first year of the 5-year financially constrained CIP is included as the draft FY 2026-27 CIP budget. The draft 5-Year CIP is presented in a separate staff report for the May 2026 Board meeting.

The one-year FY 2026-27 CIP budget totals \$6,052,000 and incorporates the necessary capital repairs and replacements to ensure the Transit Center and associated facilities are kept in a state of good repair. The proposed FY 2026-27 budget is summarized in Table 6 below:

Table 6: Draft Capital Improvement Plan Budget

<u>Revenues</u>	
Capital Replacement Reserve	\$3,362,311
AC Transit Capital Contribution	\$500,000
CBD Park Payments	\$168,054
Agency Partners	\$25,000
Capital Real Estate Revenue	\$751,000
FTA Community Projects	\$995,635
Federal & State Security Grant Programs	\$250,000
TOTAL REVENUES	\$6,052,000
<u>Expenses</u>	
Facilities	\$200,000
Fire Life Safety	\$308,000
Information Technology & Communications	\$3,275,000
Park	\$205,000
Real Estate and Parcels	\$751,000
Security	\$138,000
Sustainability	\$50,000
Wayfinding	\$1,125,000
TOTAL EXPENSES	\$6,052,000

Funding is provided from several sources, including \$250,000 from a pending State grant request. If these discretionary funds do not materialize, Capital Reserve funds will be used to implement the project. CIP projects authorized in FY 2025-26 that are underway will be carried forward into FY 2026-27.

Capital Replacement Reserve

The Capital Replacement Reserve addresses the lifecycle needs of the Transit Center. This reserve balance is approximately \$29.3 million from the 2020 bond sale and interest earnings.

Staff will continue to seek discretionary funding to maintain the Transit Center and facilities in a state of good repair and support the Capital Replacement Reserve balance.

DRAFT FY 2026-27 DEBT SERVICE BUDGET:

The FY 2026-27 Debt Service Budget of \$26,448,212 includes both expenses and transfers. Expenses include scheduled principal and interest payments to the senior and subordinate Tax Allocation Bonds (TABs), issued in June 2020, that are due on October 1 and April 1, and administration costs paid with net tax increment revenues generated from gross tax increment on certain taxable property within the former State-owned parcels, net of 20% of gross tax increment set aside for affordable housing, pass-through payments, and tax administration fees.

The senior TABs are secured by a first lien on net tax increment revenue, and subordinate TABs have a subordinate lien on net tax increment after payment of the senior bonds. Under the bond indenture, a portion of the Subordinate TABs was structured with a turbo redemption provision whereby excess pledged revenues were used to redeem subordinate turbo bonds at par annually, each October 1. Since the subordinate turbo bonds were repaid in full on October 1, 2023, any excess net tax increment revenue is distributed to the TJPA for the Transbay Program. This distribution is shown as a transfer in this year's Debt Service budget.

In addition to pledged revenues, the bonds are also backed by cash-funded debt service reserve funds sized at Maximum Annual Debt Service (MADS), currently \$16.5 million for both senior and subordinate bonds. Senior bondholders benefit from an Additional Bonds Test (ABT) requiring pledged revenues to be equal to at least 1.5x MADS. Subordinate bonds carry an ABT of 1.25x MADS. Current MADS coverage is 1.75x for the senior bonds and 1.5x on an all-in basis.

On April 10, 2026, Fitch Ratings affirmed TJPA's Senior TABs at 'A-' and Subordinate TABs at 'BBB+' with a Stable Rating Outlook. The ratings reflect the TJPA TABs' strong cushion for unanticipated declines in pledged tax increment revenue. The ratings also reflect the continued strength of the Class A properties in the project area and a largely stable Assessed Value (AV) that provides a cushion to potential future volatility.

BOARD RESOLUTION AUTHORIZATION:

In some cases, the TJPA's funding partners require that funding applications be approved by the TJPA Board. For clarification, and consistent with previous fiscal years, the FY 2026-27 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 provides quarterly reports on the status of "budget vs. actual" expenditures and revenues. If circumstances warrant, staff may also return to the Board for review and approval of budget amendments.

ENCLOSURES:

1. FY 2026-27 Draft Operating Budget (Attachment 1)
2. FY 2026-27 Draft Capital Budgets (Attachment 2)
3. FY 2026-27 Draft Debt Service Budget (Attachment 3)
4. Non-Public Rental and Fee Schedule (Attachment 4)
5. Proposed Pay Schedule (Attachment 5)

RECOMMENDATION:

Information only: The Final Budget will be presented for approval at the June Board meeting.

FY 2026-27 Operating Budget	2025-26 Amended Budget	2026-27 Preliminary Budget Projection (January 2026)	2026-27 Draft Budget (May 2026)	Variance in \$ from January 2026	Variance in % from January 2026
Beginning Reserves					
Emergency Reserve	500,000	500,000	500,000	0	0.0%
O&M Reserve	6,903,746	6,962,746	6,962,746	0	0.0%
Beginning Balance and Reserves	5,623,277	7,462,746	7,462,746	0	0.0%
Reimbursements					
Regional Measure 2	8,960,000	9,187,000	9,187,000	0	0.0%
Regional Measure 3	4,322,000	4,328,000	4,328,000	0	0.0%
Event Services Reimbursement	89,000	179,000	179,000	0	0.0%
AC Transit (Bus Storage Facility and Security)	651,000	651,000	651,000	0	0.0%
Community Benefit District Park Payments	1,691,000	1,743,000	1,813,000	70,000	4.0%
Subtotal Reimbursements	15,713,000	16,088,000	16,158,000	70,000	0.4%
Revenues					
Lease and Use Payments	4,628,000	3,469,500	3,464,000	(5,500)	-0.2%
AC Transit (74%)	3,424,720	2,567,430	2,563,360	(4,070)	-0.2%
SF Municipal Transportation Agency (26%)	1,203,280	902,070	900,640	(1,430)	-0.2%
Other Operator Rents	260,000	268,000	268,000	0	0.0%
Naming Rights	3,690,000	3,801,000	3,801,000	0	0.0%
Transit Center Rental Retail Revenue	2,598,000	3,046,000	3,000,000	(46,000)	-1.5%
Transit Center Advertising	295,000	590,000	590,000	0	0.0%
Transit Center Sponsorship / Events	208,000	250,000	215,000	(35,000)	-14.0%
Neutral Host DAS Licensing Fees	125,000	125,000	125,000	0	0.0%
Miscellaneous	36,000	40,000	40,000	0	0.0%
Interest Earnings	300,000	470,000	470,000	0	0.0%
Subtotal Revenues	12,140,000	12,059,500	11,973,000	(86,500)	-0.7%
Transfers From/(To)					
Transfer From/(To) Fund Balance	59,000	1,374,000	1,374,000	0	
Transfer From/(To) Reserves	(59,000)	(334,000)	(330,000)	4,000	
Subtotal Transfers	0	1,040,000	1,044,000	4,000	
TOTAL RESOURCES	27,853,000	29,187,500	29,175,000	(12,500)	0.0%
Expenses					
Salesforce Transit Center	25,717,000	26,987,000	26,892,000	(95,000)	-0.4%
TJPA Administration	3,875,000	4,188,000	4,188,000	0	0.0%
Asset Management	318,000	63,000	68,000	5,000	7.9%
Private Events Management	122,000	179,000	179,000	0	0.0%
Physical Security	7,787,000	7,975,000	7,975,000	0	0.0%
Security Systems	730,000	509,000	509,000	0	0.0%
Cybersecurity/IT	1,425,000	1,569,000	1,605,000	36,000	2.3%
Transit Center General Maintenance	3,949,000	4,436,000	4,378,000	(58,000)	-1.3%
Transit Center Janitorial	1,823,000	1,904,000	1,904,000	0	0.0%
Transit Center Utilities	1,452,000	1,828,000	1,828,000	0	0.0%
Digital Content Management & Wayfinding Systems	360,000	370,000	370,000	0	0.0%
Insurance	3,191,000	3,279,000	3,201,000	(78,000)	-2.4%
Bus Storage Facility	651,000	651,000	651,000	0	0.0%
Transit Center Building Occupancy Resumption Program	34,000	36,000	36,000	0	0.0%
Salesforce Transit Center Park	2,136,000	2,200,500	2,283,000	82,500	3.7%
Park Management & Administration	560,000	573,000	570,000	(3,000)	-0.5%
Park Programming	366,000	356,000	360,000	4,000	1.1%
Park General Maintenance	582,000	560,000	633,000	73,000	13.0%
Park Janitorial	314,000	323,000	323,000	0	0.0%
Park Utilities	298,000	372,000	372,000	0	0.0%
Park Crowd Control	16,000	16,500	25,000	8,500	51.5%
TOTAL EXPENSES	27,853,000	29,187,500	29,175,000	(12,500)	0.0%
DIFFERENCE	0	0	0	0	
Ending Reserve Amounts					
Emergency Reserve	500,000	500,000	500,000	0	
O&M Reserve	6,962,746	7,296,746	7,292,746	(4,000)	
Totals	7,462,746	7,796,746	7,792,746	(4,000)	
Reserve Percentage	25%	25%	25%		

<p align="center">2025-26 Capital Budget The Portal</p>	<p align="center">2025-26 Draft Budget (May 2025)</p>
<p>Revenues</p> <p>Transit Center CFD Funds</p> <p>Propositions L San Francisco Sales Tax</p> <p>Transit and Intercity Rail Capital Program (TIRCP)</p> <p>Regional Measure 3 (RM3)</p>	<p align="right">7,404,000</p> <p align="right">17,400,000</p> <p align="right">3,500,000</p> <p align="right">84,630,000</p>
Total Revenue	112,934,000
<p>Expenses</p> <p>Right of Way</p> <p><i>Property Acquisition</i></p> <p><i>Professional Services (Appraisal, Environmental Conslt., Relocation Conslt., Legal, etc.)</i></p> <p><i>Relocation</i></p> <p>Engineering and Design Services</p> <p><i>Program Management / Construction Management</i></p> <p><i>E&D Interagency Coordination</i></p> <p><i>General Engineering and Design</i></p> <p><i>Progressive Design Build</i></p> <p>Permits and Fees</p> <p><i>Design & Construction Permits and Fees</i></p> <p>TJPA Admin</p> <p><i>Salaries, Fringe Benefits, Administration</i></p> <p><i>Professional and Specialized Services (Financial, Legislative, Legal, Communications, etc.)</i></p> <p>IT/Communication/Cybersecurity</p> <p><i>Program Management Information Services</i></p> <p><i>Information Technology and Communications</i></p> <p>Construction</p> <p><i>Early Construction Work</i></p>	<p align="right">84,590,000</p> <p align="right">80,000,000</p> <p align="right">1,590,000</p> <p align="right">3,000,000</p> <p align="right">21,850,000</p> <p align="right">17,600,000</p> <p align="right">4,250,000</p> <p align="right">TBD</p> <p align="right">TBD</p> <p align="right">150,000</p> <p align="right">150,000</p> <p align="right">5,837,000</p> <p align="right">3,549,000</p> <p align="right">2,288,000</p> <p align="right">459,000</p> <p align="right">63,000</p> <p align="right">396,000</p> <p align="right">48,000</p> <p align="right">48,000</p> <p align="right">Total Expenditure</p> <p align="right">112,934,000</p>

2026-27 Capital Budget Tenant Improvements	2026-27 Draft Budget (May 2026)
Revenue Unrestricted	1,642,000
Total Revenue	1,642,000
Expenses Leasing Commissions Project Management / Engineering & Design Landlord's Work/ Base Building Construction Tenant Improvements Allowance	315,000 125,000 950,000 252,000
Total Expenditure	1,642,000

FY 2026-27 Capital Budget Capital Improvement Plan	2026-27 Draft Budget (May 2026)
Revenue	
Capital Replacement Reserve	\$ 3,362,311
AC Transit Capital Contribution	\$ 500,000
CBD Park Payments	\$ 168,054
Agency Partners	\$ 25,000
Capital Real Estate Revenue	\$ 751,000
FTA Community Projects	\$ 995,635
Federal & State Security Grant Programs	\$ 250,000
TOTAL REVENUE	\$ 6,052,000
Expenses	
Facilities	\$ 200,000
Fire Life Safety	\$ 308,000
Information Technology & Communications	\$ 3,275,000
Park	\$ 205,000
Real Estate and Parcels	\$ 751,000
Security	\$ 138,000
Sustainability	\$ 50,000
Wayfinding	\$ 1,125,000
TOTAL EXPENSES	\$ 6,052,000

2026-27 Debt Service Budget	2025-26 Draft Budget (May 2025)
Debt Service Fund Beginning Balance	8,159,347
Revenues	
Net Tax Increment Revenue	25,000,000
Interest Earned	666,825
Transfer In	
Distribution of Excess Debt Service Reserve to Debt Service Fund	335,042
Total Resources	34,161,214
Expenses	
2020 TAB Principal and Interest	16,311,712
Post Issuance Administration	200,000
Transfer Out	
Distribution of Excess Net Tax Increment from Debt Service Fund	9,936,500
Total Uses	26,448,212
Debt Service Fund Ending Balance	7,713,002
Debt Service Reserve Ending Balance	16,453,250
Ending Balance and Reserve	24,166,252

NON-PUBLIC RENTAL AND FEE SCHEDULE

I. Purpose

TJPA's transit center is a more than 1,250,000-square-foot public facility, spread over four city blocks, with four levels above ground and two levels below ground. The facility ~~is designed to serve~~erves diverse purposes, including transit, wellness, recreation, commercial, and administrative purposes. According to recent data, there were over 1 million visits to Salesforce Transit Center and Park in 2025, with thousands of people visiting each day. More than 37,000 people are expected to visit and use the facility each week day when Phase 1 of the Transbay Program is fully operational. At completion, the Transbay Program is expected to connect eight Bay Area counties and the State of California through 11 transit systems.

The primary purpose of TJPA property is to provide a public transportation facility. TJPA expects that TJPA property will also provide an important service for passengers, neighbors, workers, and tourists, providing retail, professional services, commercial outlets, and dining; as well as leisure, recreational, and other amenities.

TJPA may choose to make limited, designated areas and limited uses of TJPA property available to individuals and entities for non-public rentals and uses.

In keeping with its proprietary function as a provider of a public transportation facility, TJPA does not intend, by accepting non-public uses, to convert TJPA property into an open public forum for public discourse, debate, or expressive activity. Rather, TJPA's fundamental purpose is to provide a public transportation facility, and TJPA accepts such non-public uses as a means of generating revenue to support its primary functions.

In furtherance of this discrete and limited objective, TJPA retains control over the nature of non-public uses of TJPA property. TJPA finds that certain restrictions on non-public uses will allow the TJPA property to fulfill its primary function as a public transportation facility; guard the health, safety, and security of the public; and promote revenue generation for the Transbay Program. Among other things, non-public uses shall be consistent with TJPA's goals to:

- 1) Prioritize the public transit purpose of TJPA property, TJPA programming designed to engage and serve the public, and public access to TJPA property over non-public uses.
- 2) In light of the public investment in TJPA property, and to minimize the need for public sources to pay for operations, ensure full cost-recovery from non-public uses of the facility and, maximize revenue from non-public uses of TJPA property.
- 3) Maintain a safe and welcoming environment for passengers using TJPA property and riding the public transportation systems that use TJPA property.
- 4) Maintain TJPA's position of neutrality on issues not directly related to the Transbay Program, and avoid the appearance of the TJPA's involvement in favoring or opposing political parties, issues, or candidates.

II. Non-Public Rentals

Non-public rentals include events sponsored by any entity other than TJPA, and which are closed to the public, invitation only, or open to the public only with purchase of a ticket or payment of an entrance

fee, and where the renter has the temporary right to exclude the public from the rented space. Proposed events and activities sponsored by any entity other than TJPA but which are free and open to the public are separately regulated under TJPA's ~~promotional platform~~ [Advertising Policy \(Board Policy No. 016\)](#). Spaces available for rent under TJPA's ~~R~~etail ~~and pop-up~~ [Leasing program \(Board Policy No. 018\)](#) are separately regulated by TJPA.

A. Spaces Available for Rent

TJPA has determined that the following areas of TJPA property [in Salesforce Park and Salesforce Transit Center](#) may be available for non-public rent at the rental rates described herein, and subject to such other terms, conditions, and requirements as may be specified by and in the discretion of the TJPA:

- 1) Central Lawn, ~~and~~
- 2) [Wetlands Garden, and](#)
- 3) [Salesforce Park Amphitheater, and](#)
- 2)4) [Grand Hall](#)

At this time, no other portions of TJPA property are available for non-public rental. TJPA may evaluate whether other portions of TJPA property are viable options for non-public rentals in the future, and TJPA reserves the right to change this determination in its sole discretion.

The specified TJPA property is generally available for non-public rental on a first-come, first-served basis, based on satisfaction/completion of all TJPA prerequisites (including ~~contract license~~ signed, [insurance provided](#), and payment received). Notwithstanding the foregoing, TJPA expressly reserves the right to restrict or prohibit non-public rentals during such periods, on such days, or at such times that the TJPA determines would conflict with TJPA's objectives to prioritize the public transit purpose of TJPA property, TJPA programming designed to engage and serve the public, and public access to TJPA property.

B. Rental Rates

TJPA has determined that the following rental rates apply to non-public rentals of TJPA property:

Location	Capacity	Pricing
Central Lawn	150	\$65,500 (non-peak); \$6,500 (peak*)
Wetland Garden	50	\$34,500 (non-peak); \$4,500 (peak*)
Salesforce Park Amphitheater	400	Market Rate
Grand Hall	250	Market Rate

~~*Peak Pricing applies on Tuesday, Wednesday, and Thursday.~~

TJPA reserves the right to revise the above rental rates in its sole discretion. TJPA anticipates that the TJPA Board will update the rental rates each fiscal year.

C. Fees and Expenses

The non-public rental rates specified above covers five total hours of use and includes all basic building services, ~~such as labor, equipment, security,~~ but does not include insurance and other charges, ~~like food and beverage~~. In addition to the above rental rates, TJPA may charge additional fees and expenses as necessary to ensure full cost recovery associated with any non-public rental as specified by and in the discretion of the TJPA. Such fees and expenses may include, but are not limited to: damage deposit; actual time of TJPA labor at established hourly rates, which may include overtime, night, weekend, or holiday rates (e.g., ~~facility and event managers,~~ engineers, laborers, electricians, security staff, sound monitors, janitorial, landscaping/grounds, dock master); services provided by/incurred by TJPA associated with the event to the extent the usage exceeds reasonable amounts or amounts specified above (e.g., waste disposal, electricity, water, security, Wi-Fi); equipment provided by TJPA associated with the event; special requests such as specialty lighting; and repair of damages associated with event.

TJPA may also impose conditions and requirements on non-public rentals which may result in additional costs for the permittee (e.g., requirement to maintain insurance; requirement to contract with Emergency Medical Technician; requirement to secure necessary permits; requirement to hire private security).

III. Film & Photo

TJPA expressly reserves the right to restrict or prohibit film/photo shoots during such periods, on such days, or at such times that the TJPA determines would conflict with TJPA’s objectives to prioritize the public transit purpose of TJPA property, TJPA programming designed to engage and serve the public, and public access to TJPA property.

A. Professional Photographers and Videographers

TJPA requires all professional photographers and videographers to secure a film/photo permit from TJPA and pay the following film/photo fee prior to shooting on TJPA property:

Type	Pricing
Still photography – Personal (e.g., wedding photography, family portraits) *No exclusive use of TJPA property.	\$ 15 ⁹⁰ (1 hour)
Still photography – Business (e.g., corporate portraits, company photos) *No exclusive use of TJPA property.	\$ 42 ⁵⁰ (1 hour)
Still photography – Commercial use (e.g., print advertising) Exclusive use of TJPA property	Market Rate
Film – Commercial use (e.g., commercial, music video, television, or movie) Exclusive use of TJPA property	Market Rate

TJPA reserves the right to revise the film/photo fees in its sole discretion.

In addition to the above film/photo fees, TJPA may charge fees and expenses as necessary to ensure full cost recovery associated with any film/photo shoot as specified by and in the discretion of the TJPA. Such fees and expenses may include, but are not limited to: actual time of TJPA labor at established hourly rates (e.g., **facility manager**, engineers, laborers, electricians, security staff, sound monitors, landscaping/grounds); services provided by/incurred by TJPA associated with the event (e.g., waste disposal, electricity, water, security, Wi-Fi); equipment provided by TJPA associated with the event; and repair of damages associated with event.

TJPA may also impose conditions and requirements on film/photo shoots which may result in additional costs for the permittee (e.g., requirement to maintain insurance; requirement to contract with Emergency Medical Technician; requirement to secure necessary permits; requirement to hire private security).

B. News Media, Student, Government, and Nonprofit Projects

TJPA requires all news media, student, government, and nonprofit projects to secure a film/photo permit from TJPA prior to shooting on TJPA property. As a courtesy to news media, students, government agencies, and nonprofits, TJPA will waive the film/photo fee; such entities will still be required to pay any fees/expenses as necessary to ensure TJPA's full cost recovery associated with the project and to meet TJPA's minimum conditions and requirements.

A "news media project" is defined as news reporting coverage conducted by credentialed media with issued press cards. A "student project" is defined as a class assignment that is covered under insurance coverage by a college/university; if the college/university is not able to provide the student project with the required insurance coverage, the standard film/photo fees apply. A "government project" is defined as a film/photo project created by or for a government entity and that advances specific government purposes. A "nonprofit project" is defined as a project created by or for a nonprofit corporation that is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code, and that is directed to the general public or a significant segment of the public. Proof of nonprofit status may be required.

IV. Prohibited Uses of TJPA Property

TJPA property is not available for non-public rentals or film/photo shoots for the following purposes:

- 1) Safety and Security. Rentals for events or film/photo shoots that TJPA determines are reasonably likely to result in material risk to safety and security of participants, or TJPA property.
- 2) Illegal Goods or Services, or Unlawful Behavior. Rentals for events or film/photo shoots that advocate or promote the use of illegal goods or services, or unlawful conduct, or otherwise conflicts with the requirements of TJPA's funding partners, including the U.S. Department of Transportation.
- 3) Tobacco, Firearms, or Cannabis. Rentals for events or film/photo shoots that advocate or promote tobacco, firearms, or cannabis products, businesses, or services.
- 4) Adverse to TJPA or Public Agency Partners. Rentals for events or film/photo shoots that are directly adverse to the commercial or administrative interests of TJPA or its public agency partners, or that tend to disparage the quality of service provided by TJPA or its public agency partners, or that tend to disparage public transportation generally.

- 5) Political Events. Rentals for events or film/photo shoots that either (a) promote or oppose a political party; a state or local ballot measure; or the election of any candidate or group of candidates for federal, state, judicial, or local government offices; or (b) solicit, accept, or reward donors for contributions of any funds that the person or organization soliciting or accepting the funds will use, directly or indirectly, to support or oppose any of the items specified in (a).

DRAFT

Transbay Joint Powers Authority
Pay Schedule
Effective July 1, 2026

Class Titles	Hourly Pay Range (Low)	Hourly Pay Range (High)
Executive	109.00	192.28
Manager III	101.00	155.71
Manager II	78.00	129.58
Manager I	65.00	106.59
Associate IV	59.00	99.28
Associate III	49.00	80.47
Associate II	43.00	67.93
Associate I	36.00	62.70
Administrative	29.00	48.07

FY 2026-27 Draft Budget

TJPA Board
May 14, 2026



Budget Timeline

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

FY 2026-27 Draft Budget

- Operating Budget: \$29,175,000
- Capital Budget: \$120,628,000
 - ✓ The Portal: \$112,934,000
 - ✓ Tenant Improvements: \$1,642,000
 - ✓ Capital Improvement Plan: \$6,052,000
- Debt Service Budget: \$26,448,212

FY 2026-27
Draft Operating Budget



FY 2026-27 Draft Operating Budget

2026-27 Budget	2026-27 Preliminary Projection (September 2025)	2026-27 Preliminary Budget (January 2026)	2026-27 Draft Budget (May 2026)	\$ Change from 2026-27 Preliminary Budget	% Change from 2026-27 Preliminary Budget
Revenues:					
Reimbursements	\$16,145,000	\$16,088,000	\$16,158,000	\$70,000	0.4%
Operating Revenues	\$12,842,500	\$12,059,500	\$11,973,000	(\$86,500)	-0.7%
Transfers	\$0	\$1,040,000	\$1,044,000	\$4,000	
Total Resources:	\$28,987,500	\$29,187,500	\$29,175,000	(\$12,500)	-0.04%
Expenses:					
Transit Center	\$26,714,000	\$26,987,000	\$26,892,000	(\$95,000)	-0.4%
Park	\$2,273,500	\$2,200,500	\$2,283,000	\$82,500	4%
Total Expenditure:	\$28,987,500	\$29,187,500	\$29,175,000	(\$12,500)	-0.04%

FY 2026-27 Draft Operating Budget

Operating Reimbursement:

- Bridge toll funds include the annual allocation of RM2, supplemental RM2, and RM3.
- The reimbursement from East Cut Community Benefit District (CBD) slightly increased based on eligible costs.

Reimbursement	2026-27 Preliminary Budget (January 2026)	2026-27 Draft Budget (May 2026)	\$ Change from 2026-27 Preliminary Budget	% Change from 2026-27 Preliminary Budget
Regional Measure 2 (RM-2)	\$9,187,000	\$9,187,000	\$0	0%
Regional Measure 3 (RM-3)	\$4,328,000	\$4,328,000	\$0	0%
Event Services ¹	\$179,000	\$179,000	\$0	0%
AC Transit (Bus Storage) ²	\$651,000	\$651,000	\$0	0%
East Cut CBD	\$1,743,000	\$1,813,000	\$70,000	4%
Total Reimbursement:	\$16,088,000	\$16,158,000	\$70,000	0.4%

FY 2026-27 Draft Operating Budget

Operating Revenue:

Transit operators' contribution reduced by 25% compared to FY 2025-26 Amended Budget

Operating Revenue	2026-27 Preliminary Budget (January 2026)	2026-27 Draft Budget (May 2026)	\$ Change from 2026-27 Preliminary Budget	% Change from 2026-27 Preliminary Budget
AC Transit (74%)	\$2,567,430	\$2,563,360	(\$4,070)	-0.2%
SFMTA (26%)	\$902,070	\$900,640	(\$1,430)	-0.2%
Other Operator Rents	\$268,000	\$268,000	\$0	0%
Naming Rights	\$3,801,000	\$3,801,000	\$0	0%
Rental Retail Revenue	\$3,046,000	\$3,000,000	(\$46,000)	-1.5%
Advertising	\$590,000	\$590,000	\$0	0%
Sponsorship and Events	\$250,000	\$215,000	(\$35,000)	-14%
Neutral Host DAS Licensing Fees	\$125,000	\$125,000	\$0	0%
Miscellaneous	\$40,000	\$40,000	\$0	0%
Interest Earnings	\$470,000	\$470,000	\$0	0%
Total Operating Revenue	12,059,500	11,973,000	(86,500)	-0.7%

FY 2026-27 Draft Operating Budget

Operating Expenses:

Salesforce Transit Center	2026-27 Preliminary Budget (January 2026)	2026-27 Draft Budget (May 2026)	\$ Change from 2026-27 Preliminary Budget	% Change from 2026-27 Preliminary Budget
TJPA Administration	\$4,188,000	\$4,188,000	\$0	0%
Asset Mgmt. & Administration	\$63,000	\$68,000	\$5,000	7.9%
Private Events Management	\$179,000	\$179,000	\$0	0%
Security	\$8,484,000	\$8,484,000	\$0	0%
Cybersecurity/IT	\$1,569,000	\$1,605,000	\$36,000	2.3%
General Maint., Janitorial, Utilities	\$8,168,000	\$8,110,000	(\$58,000)	-0.7%
Digital Content Management	\$370,000	\$370,000	\$0	0%
Insurance	\$3,279,000	\$3,201,000	(\$78,000)	-2.4%
Bus Storage Facility	\$651,000	\$651,000	\$0	0%
Building Occupancy Resumption	\$36,000	\$36,000	\$0	0%
Total Transit Center Expenditure:	\$26,987,000	\$26,892,000	(\$95,000)	-0.4%

FY 2026-27 Draft Operating Budget

Operating Expenses:

Salesforce Park	2026-27 Preliminary Budget (January 2026)	2026-27 Draft Budget (May 2026)	\$ Change from 2026-27 Preliminary Budget	% Change from 2026-27 Preliminary Budget
Management and Administration	\$573,000	\$570,000	(\$3,000)	(1%)
Park Programming	\$356,000	\$360,000	\$4,000	1%
General Maintenance, Janitorial, Utilities	\$1,255,000	\$1,328,000	\$73,000	6%
Crowd Control	\$16,500	\$25,000	\$8,500	52%
Total Park Expenditure:	\$2,200,500	\$2,283,000	\$82,500	3.7%

FY 2026-27 Draft Operating Budget

Operating Reserves:

- Emergency Reserve: \$500,000
- Operating & Maintenance (O&M) Reserve: \$7.3M million
- The O&M reserve is fully funded at 25% of the operating budget, consistent with the Board Reserve Policy.

FY 2026-27 Draft Capital Budgets



FY 2026-27 Draft Capital Budget – The Portal

2026-27 Capital Budget The Portal	2026-27 Draft Budget (May 2026)
Transit Center CFD Funds	7,404,000
Proposition L San Francisco Sales Tax	17,400,000
Transit and Intercity Rail Capital Program (TIRCP)	3,500,000
Regional Measure 3 (RM3)	84,630,000
Total Revenue:	112,934,000
Right of Way Acquisition and Professional Services (Appraisals, Environmental, Legal, and Relocation Consulting Services)	84,590,000
Engineering and Design Services	21,850,000
Permits and Fees	150,000
TJPA Administration	5,837,000
IT/Communication/Cybersecurity	459,000
Construction	48,000
Total Expenditure:	112,934,000

FY 2026-27 Draft Capital Budgets – **The Portal**

- TJPA Administration Expense \$5.8M
 - Staffing and administration cost for support of the Portal (\$3.5M)
 - Legal Counsel, Financial Management, Community & Public Relations, Legislative Advocacy (\$2.3M)

- Engineering and Design Services \$21.9M
 - Program Management / Construction Management (PM/CM) (\$17.6M)
 - E&D Interagency Coordination (\$4.3M)
 - General Engineering & Design (TBD)
 - Progressive Design Build (TBD)

- Right-of-Way \$84.6M
 - Right-of-Way Acquisition (\$80M)
 - Relocation, Appraisal and other Real Estate Services (\$4.6M)

- IT/Communication/Cybersecurity \$459K
 - Program Management Information Services, IT and communications (\$459K)

- Construction \$48K
 - Early Construction Work

FY 2026-27 Draft Capital Budget – **Tenant Improvement**

2026-27 Capital Budget Tenant Improvements	2026-27 Draft Budget (May 2026)
Unrestricted	\$1,642,000
Total Revenue:	\$1,642,000
Leasing Commissions	\$315,000
Project Management / Engineering & Design	\$125,000
Landlord's Work/ Base Building Construction	\$950,000
Tenant Improvements Allowance	\$252,000
Total Expenditure:	\$1,642,000

FY 2026-27 Draft Capital Budget – CIP

2026-27 Capital Budget Capital Improvement Plan	2026-27 Draft Budget (May 2026)
Capital Replacement Reserve	\$3,362,311
AC Transit Capital Contribution	\$500,000
CBD Park Payments	\$168,054
Agency Partners	\$25,000
Capital Real Estate Revenue	\$751,000
FTA Community Projects	\$995,635
Federal & State Security Grant Programs	\$250,000
Total Revenue:	\$6,052,000
Facilities	\$200,000
Fire Life Safety	\$308,000
Information Technology and Communications (ITC)	\$3,275,000
Park	\$205,000
Real Estate and Parcels	\$751,000
Security	\$138,000
Sustainability	\$50,000
Wayfinding	\$1,125,000
Total Expenditure:	\$6,052,000

FY 2026-27
Draft Debt Service Budget



FY 2026-27 Draft Debt Service Budget

Proposed Debt Service Budget: \$26,448,212

- Scheduled principal and interest payments due October 1 and April 1
- Paid with Net Tax Increment Revenue pledged to TJPA 2020 Tax Allocation Bonds
- 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
- \$16.5 M cash reserve required for senior and subordinate bonds
- Fund balance at the end of FY 2026-27 is estimated at \$7.7 M

FY 2026-27 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 ABT threshold than subordinate bonds.

Thank You

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TJPA

TRANSBAY JOINT POWERS AUTHORITY

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