TRANSBAY PROGRAM | The Portal

Monthly Status Report

July 2026

TJPA | THE PORTAL

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PROJECT STATUS

Progress Overview
The Portal continues to advance through the Engineering phase of the Federal Transit Administration's (FTA) Capital Investment Grants (CIG) program. The project's Integrated Program Delivery Team (IPDT) continues to focus on expanding program management capability and capacity; refining cost and schedule forecasts; completing essential durable design; managing project risks through active mitigation planning; advancing procurements, including general engineering services and construction contracts; right-of-way acquisition; and securing funding commitments to address the non-CIG funding gap toward demonstrating full local share.

The TJPA has launched an assessment to identify the level of internal collaboration, clarity, and efficiency needed for delivery of The Portal including an examination of agency capacity, roles, responsibiliites, procedures, and workflows.

Governance
Work continues on a Change Control Board (CCB) Charter to formalize the roles, processes, and procedures for significant and policy level changes as set forth in the governance blueprint. The CCB is a new body to include representation by and offer transparency for its partner agencies - Metropolitan Transportation Commission (MTC), San Francisco County Transportation Authority (SFCTA), Peninsula Corridor Joint Powers Board (Caltrain), California High-Speed Rail Authority (CHSRA), and the City and County of San Francisco (City). Program change management procedures and workflows including delegations of authorities will be included in the Change Management Plan.

Management Plans
Work continues on the development and completion of the project management plan and key subplans required by good project management practice and the FTA's CIG program. To date, the following subplans have been issued:

Before and After Study Management
Caltrain Fleet Management
Cost Management
Digital Delivery Management
Document Control and Records Management
Engagement and Community Outreach Management
Quality Management
Real Estate Acquisition Management
Relocation
Requirements Management
Safety and Security Management

Progress continues on the remainder of the subplans, with the Risk and Contingency Management Plan, Third-Party Agreement Plan, Schedule Management Plan, Change Management Plan. Update of the Program Management Plan (PMP) is also underway and scheduled for completion in 4Q-2026. The TJPA is actively monitoring timelines for completion of these plans to ensure alignment with FTA requirements and The Portal's Master Schedule.

Project Management Information System (PMIS)
The PMIS supports ongoing monitoring and reporting across key program functions. Operational dashboards currently provide performance metrics and KPIs for fiscal year and control budgets, invoicing, schedule management, risk management, and right-of-way management and reporting.

The TJPA will enhance the PMIS to provide expanded performance reporting for the three engineering and design consultant contracts and the 40-CT Civil and Tunnel PDB contractor. Additional dashboards will support the FY 2026-27 budget, change management, and document control.

Schedule Management

The July 2026 Master Schedule update, with a data date of June 30, 2026, reflects a target ready-for-service date of August 14, 2036, approximately one month later than the previous reporting period. The critical path remains unchanged and continues through the procurement, design, and construction activities for the 10-UR Utility Relocation package, ultimately linking to the 40-CT Civil and Tunnel package, systemwide testing, commissioning, and project completion. The schedule shift is primarily attributable to delays in the procurement of the 10-UR engineering and design consultant contract. No schedule paths meeting the program's near-critical criteria were identified in the current update.

The TJPA continues to advance the schedule quality health check to strengthen schedule reliability and performance tracking. During this update, procurement sequencing was refined for several contract packages to better align with the current delivery strategy and anticipated funding availability. Further refinements to procurement sequencing and design interface logic will be incorporated into the next schedule updates. Additional details are provided in the Project Schedule section.

Cost Management

The FTA-approved project budget is $8.254 billion, based on the Entry-to-Engineering cost estimate submitted in 2023. Following completion of the NEPA environmental review process, the current project cost estimate is anticipated to be approximately $7.572 billion, with an estimated remaining cost to complete of $6.735 billion. The overall control budget continues to forecast zero variance at completion and is monitored monthly through the PMIS at the control-account level.

FY 2025–26 has concluded; however, several vendor invoices remain outstanding and have been accrued as part of the year-end forecast. The FY 2025–26 budget is expected to close with a positive variance of approximately $31.0 million, primarily due to deferred right-of-way acquisitions and relocation-assistance payments, along with lower-than-planned expenditures for PMCM, Caltrain, and other program activities.

The TJPA developed a detailed time-phased budget following Board approval of the FY 2026–27 capital budget in June. The TJPA is also establishing an earned value management framework for professional services contracts, including performance indicators, procedures, and earning rules, for implementation beginning in the second quarter of FY 2026–27.

Risk Management

The TJPA is updating the Risk and Contingency Management Plan. The TJPA conducts a risk workshop each quarter, statusing the mitigation of identified risks and identifying new risks. This work is managed through a risk register, published quarterly. The risk register is being reorganized with an emphasis on identifying contract package-specific risks and program-wide risks, improving the precision of mitigation planning, and reducing uncertainty in cost and schedule forecasts.

Design Managment

Revised 60% design documents have been completed for utility relocation and Fourth and King railyards site clearing. The general engineering consultant (GEC) contract was completed on April 30, 2026. The design for these enabling works packages will be progressed by the new engineering and design consultants once onboard. The 30% design for at-grade track and systems has been updated and will be integrated into the 50-TS package and developed through the 60%, 90%, and 100% design stages.

Procurement Managment
The 40-CT Civil and Tunnel progressive design-build (PDB) request for proposals (RFP) was issued in December 2025. A substantial number of requests for clarification have been received, indicating proposer engagement. To date, eight addenda have been published.

The following three engineering and design consultant contracts will be procured:

- Utility Relocation Engineering and Design Consultant Services (10-UR contract)
- Track and Systems Engineering and Design Consultant Services (20-YA and 50-TS contracts)
- General Engineering Consultant for Building Demolition, Station Fit-out, and Civil and Tunnel Design Services (30-BD, 60-SF, and 40-CT)

The TJPA continues to strategically sequence procurement timelines in alignment with anticipated funding availability and schedule requirments. The first procurement for utility relocation engineering and design services is expected to commence in summer 2026.

Right-of-Way
A boundary survey for the full alignment is complete and has been submitted to San Francisco Public Works for review. Appraisals for the first tranche of required property interests have begun (four are complete), and the partial street vacation process is underway to secure tunnel easements and enable utility relocations. These efforts reduce early construction risk and support readiness for enabling works and major civil package procurement.

Environmental
On March 12, 2026, the TJPA Board adopted a second addendum to the 2018 Final Supplemental Environmental Impact Report, in accordance with the California Environmental Quality Act. The TJPA filed the Notice of Determination on March 18, 2026. The FTA is reviewing the second draft of a National Environmental Policy Act (NEPA) Re-evaluation of the 2018 Final Environmental Impact Statement. It is anticipated that the FTA will issue a concurrence letter in August to conclude the NEPA work.

The Mitigation Monitoring and Reporting Program (MMRP) annual report for cultural resources was distrbuted on July 30, and the MMRP Q2-2026 report was distributed on July 31.

PROJECT OVERVIEW

Transbay Downtown Rail Extension Project, Phase 2, referred to as “The Portal,” will connect Caltrain’s 77-mile 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 will be constructed principally underground along Townsend and Second streets and includes cut-and-cover and mined 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; see Figure 1.

The Portal is the second phase of the Transbay Program and an essential part of the Bay Area’s long-term transportation strategy to create seamless connections among local, regional, and statewide transportation systems and connect rail to important locations throughout the Northern California Megaregion. The first phase of the Program was completed in 2018 with the opening of the multimodal Salesforce Transit Center in downtown San Francisco. When complete, the Program will ultimately connect eight Bay Area counties and the State of California through eleven transit systems, including Caltrain and high-speed rail between San Francisco and Southern California.

Figure 1. The Portal Alignment and Major Components

The project is in the Engineering phase of the FTA CIG's New Starts program. Table 1 lists the six major construction contracts that will be procured for The Portal. Among these are three early works construction packages that will facilitate tunnel construction.

Table 1. The Portal Contract Packages

Contract Package	Abbreviation	Delivery
Utility Relocation	10-UR	DBB
4th and King Yard Preparation Package A: Site Clearing	20-YA	DBB
Building Demolition	30-BD	DBB
Civil and Tunnel	40-CT	PDB
Track and Rail Systems	50-TS	CMGC
Station Fit-Out: Salesforce Transit Center	60-SF	CMGC

CMGC= construction manager/general contractor
DBB = design, bid, build
PDB = progressive design-build

10-UR: Temporary and permanent advance utility relocations on Townsend Street between Third and Sixth streets to facilitate construction of the cut-and-cover portions of the tunnel.

20-YA: The relocation or removal of structures, utilities, and storage tracks along the northern and western portions of the 4th and King railyards.

30-BD: Demolition of seven buildings to facilitate construction of the cut-and-cover portions of the tunnel and a ventilation and emergency egress structure.

40-CT: Completion of the design and construction of the cut-and-cover structures, mined tunnel, ventilation structures, Fourth and Townsend Street Station and fit-out, and limited temporary and permanent utility relocations/support-in-place.

50-TS: Installation of trackwork through the tunnel, stations, u-wall, and all associated rail systems. Modifications and additions to at-grade trackwork and associated systems in the railyards to facilitate u-wall construction, rail operations, and connection to The Portal's below-grade trackwork and systems.

60-SF: Fit-out of the below-grade structural box at the Salesforce Transit Center with facilities for rail operations, customer service, and ancillary support.

PROJECT SCHEDULE

Master Schedule Update

Schedule reporting is based on the July 2026 Master Schedule update, with a data date of June 30, 2026. Activities that commenced or were completed after the data date and prior to report finalization have also been incorporated, where applicable.

The Master Schedule includes 1,159 activities: 686 complete, 42 in progress, and 41 on the critical path (Figure 2). No activities meet the near-critical threshold of 30 or fewer working days of total float (Figure 3). This reduction reflects the critical-path delay and corresponding shift in the unconstrained program completion date, which increased float on other schedule paths.

The Master Schedule provides an integrated program-level view of major activities, milestones, interfaces, and delivery phases. As engineering, procurement, preconstruction, and construction activities advance, the schedule framework and level of detail will continue to be refined and expanded. Detailed contractor schedules will be developed and managed at the contract level, with key milestones and summary activities incorporated into the Master Schedule to support program oversight, coordination, and reporting.

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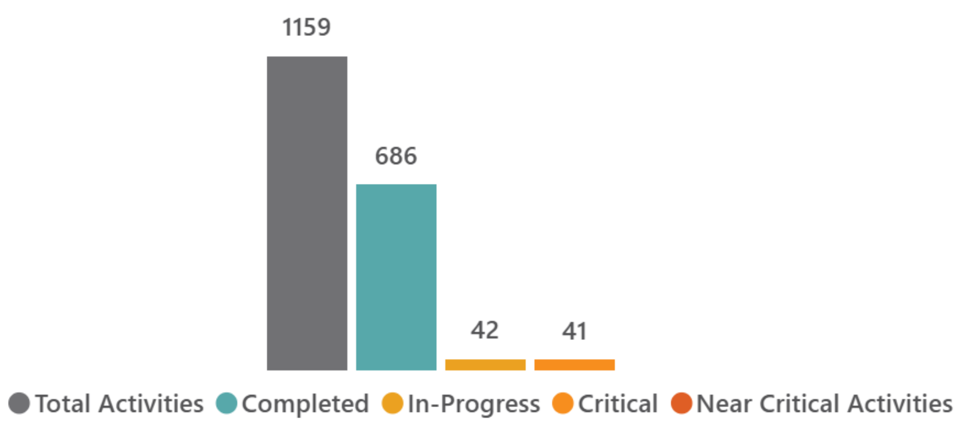


Figure 2. Key Schedule Statistics (Activities)

This update reflects a target ready-for-service date of August 14, 2036, approximately one month later than the previous reporting period. During this reporting period, schedule refinements were incorporated to better align the Master Schedule with the current delivery strategy. These included revisions to the 50-TS Track and Rail Systems engineering and design consultant procurement timeline; updates to the 20-YA, 30-BD, and 50-TS contractor procurement sequencing; and modifications to selected interpackage design dependencies.

The TJPA continues coordinating with the SFCTA through monthly schedule reviews and incorporates applicable feedback on schedule quality, logic, and overall health into subsequent updates.

Over the next several schedule updates, the TJPA will refine interpackage design interfaces and validate procurement and design timelines based on available funding. The timing of Tranche 4 right-of-way acquisition activities will also be reassessed, including potential impacts on critical and near-critical paths.

Progress Summary

	Status	Change from Last Report	Comment
Target FFGA execution	July 2027	None	No change in this period.
Target ready for service	Aug 2036	-21 WD	The forecast shift is due to revisions to the 10-UR engineering and design consultant procurement timeline.
Design Progress			
10-UR Utility Relocation	90%	-21 WD	The forecast shift is due to revisions to the 10-UR engineering and designer consultant procurement timeline. Design will proceed following contract award.
20-YA 4th and King Yard Preparation Package A: Site Clearing	90%	-44 WD	The Track and Systems engineering and design consultant procurement schedule was revised. Design will proceed following contract award.
30-BD Building Demolition	90%	-115 WD	The design development timeline was revised to align with funding availability.
40-CT Civil and Tunnel	30%	None	No change in this period. Design validation will commence following award of the 40-CT PDB preconstruction contract.
50-TS Track and Rail Systems	30%	-44 WD	The Track and Systems engineering and design consultant procurement schedule was revised. Following contract award, the consultant will complete the rail and track alignment and ventilation study before advancing the design toward 60% completion.
55-YB 4th and King Yard Preparation Package B: At-grade Track and Systems	30%	None	The GEC has completed its scope of work related to 55-YB. This contract package has now been incorporated into the 50-TS Track and Rail Systems package. Further engineering and design work will proceed after award of the Track and Systems engineering and design consultant contract. This item will no longer be included in this table.
60-SF Station Fit-Out: Salesforce Transit Center	30%	-44 WD	Logic for the interim design milestones was refined using available float, with no impact on the final design completion date.

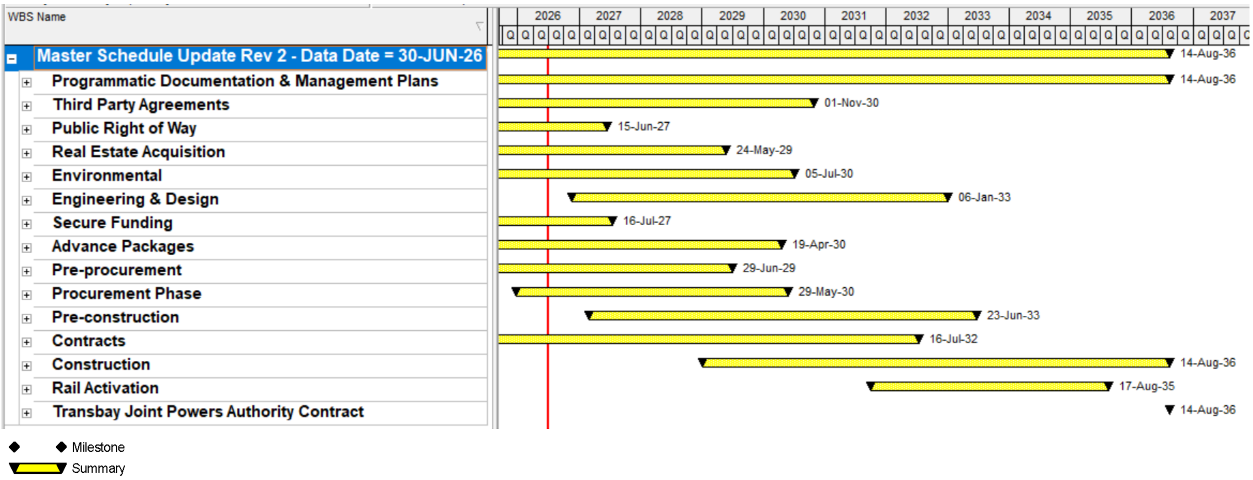


Figure 3. Master Schedule Summary

Key Milestones Six-Month Lookahead*

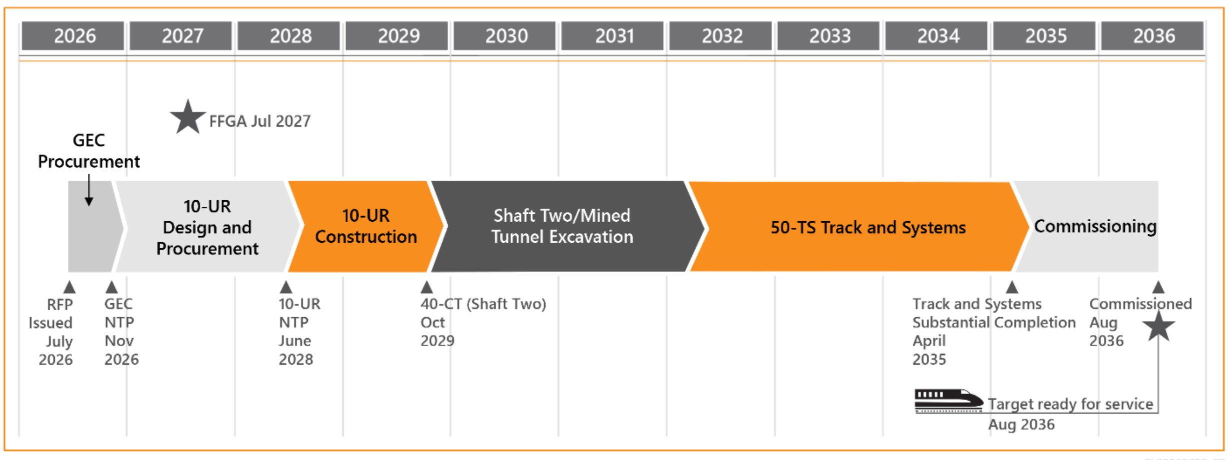
	Milestone Date	July 2026	Aug 2026	Sep 2026	Oct 2026	Nov 2026	Dec 2026
Complete NEPA Re-evaluation	Jul 27, 2026	IPDT					
Complete Record of Survey/Boundary Report and Reviews	Aug 14, 2026		IPDT				
40-CT Proposals Due	Aug 12, 2026		40-CT proposers				
Complete PMP and all subplans	Oct 29, 2026				IPDT		
Complete Tranche 1 appraisal process	Aug 3, 2026		IPDT				
Notification of Highest-Scoring Proposer	Sep 25, 2026			TJPA			
Issue Notice of Decision to Appraise to property owners for Tranche 2	Nov 9, 2026					TJPA	
Submit Public Street/Easement Vacation Application to SFPW	Dec 7, 2026						IPDT

*Note: The three engineering and design consultant solicitations are anticipated to be released during Q3 and Q4 of 2026, beginning with the Utility Relocation Engineering and Design Consultant RFQ, followed by the other two engineering and design consultant solicitations later in the quarter. Award of the Utility Relocation and Track and Systems engineering and design consultant contracts is anticipated in Q4-2026, followed by the general engineering consultant (GEC) contract award in Q1-2027.

Critical and Near-Critical Path Analysis

The critical path remains consistent with previous reporting periods and continues through procurement and appointment of the 10-UR Utility Relocation engineering and design consultant, design development, procurement and appointment of the construction contractor, and execution of the utility relocation work. Completion of these activities will enable 40-CT Civil and Tunnel construction to proceed, ultimately linking to systemwide testing, commissioning, and project completion. Figure 4 illustrates the current critical path. The forecast program completion date moved approximately one month later, primarily because preparation of the 10-UR engineering and design consultant procurement documents took longer than anticipated.

No schedule paths currently meet the program's near-critical threshold of 30 or fewer working days of total float. The critical-path delay shifted the program completion date and increased float on previously identified near-critical paths. Although these paths no longer meet the near-critical criteria, key delivery paths continue to be monitored as part of schedule risk management and program oversight.



Note: "Shaft two" refers to the shaft at Third and Townsend streets that will be used as access for mining operations and will eventually become one of the ventilation structures for the tunnel.

Figure 4. Critical Path Analysis

PROJECT COST

Project Control Budget

The $8.254 billion control budget is based on the 2023 cost estimate and includes the completed train box, contingency, and financing costs. It is structured using the Cost Breakdown Structure (CBS) and Standard Cost Category (SCC) framework, with twenty control accounts across seven primary cost categories: enabling works, construction packages, right-of-way, vehicles, professional services, contingency, and financing. Budget allocations are maintained at the lowest CBS level to support cost management, performance monitoring, change control, and progressive refinement.

The control budget and fiscal year budgets remain integrated within the PMIS and are updated in coordination with TJPA Finance. Commitments, expenditures, variances, and cost-to-complete forecasts are monitored at the control-account level. The overall control budget continues to forecast zero variance at completion. FY 2025–26 is expected to close with a positive variance of approximately $31.2 million, including accruals for outstanding vendor invoices, while the detailed time-phased budget for FY 2026–27 has been developed.

Project Cost Status and Analysis

Figure 5 presents a snapshot of the budget in SCC format, showing the original budget, commitments, expenditures-to-date, current forecast, and variance-at-completion as of June 2026. The information is organized to reflect cost performance at the SCC code level, consistent with FTA reporting standards.

Original Budget represents the 2023 cost estimate submitted to FTA at Entry-to-Engineering.

Commitments. Total commitments currently stand at approximately $847 million, inclusive of design and construction of the train box. Commitments are determined based on:

a. Vendor budgets authorized through NTPs, requests for services, and similar instruments.

b. Non-contract expenditures, such as TJPA salaries, benefits, and related internal costs.

Expenditures. Total expenditures to date amount to approximately $836 million. The change from the previous reporting period includes routine reconciliation adjustments, including the replacement of prior period accruals and approvals with actual invoiced and paid amounts, as well as periodic updates from the financial system related to timing differences and retrospective transaction adjustments. Expenditures are based on:

a. Paid vendor invoices.

b. Accruals for vendor invoices under review.

c. Accruals for estimated vendor costs not yet invoiced.

d. Paid internal expenses, including TJPA salaries, benefits, and related costs.

Current Forecast. The forecast remains unchanged at $8.254 billion, inclusive of contingency and financing, with no overall variance-at-completion at the project level. While cost reductions from secondary mitigation measures have been identified, they have not yet been formally released from the overall budget of $8.254 billion, as the NEPA environmental process is still ongoing. Savings identified from secondary mitigations have been moved to SCC 90 (unallocated contingency) pending completion of the environmental process and receipt of all approvals, the unallocated contingency will be adjusted, and the realized savings will be reflected in an updated project forecast with an indicative value of $7.57 billion.

Dollars in thousands

SCC Code	Description	Original Budget	Commitments	Expenditures	Current Forecast	Variance
10	Guideway & Track Elements	2,486,895	0	0	2,195,772	291,123
20	Stations, Stops, Terminals, Intermodal	1,453,760	728,519	728,519	1,355,910	97,850
30	Support Facilities: Yards, Shops, Admin. Bldgs	34,427	0	0	58,238	(23,811)
40	Sitework & Special Conditions	843,698	0	0	837,771	5,927
50	Systems	293,770	0	0	293,723	47
	Construction Subtotal (10-50)	5,112,550	728,519	728,519	4,741,415	371,136
60	Right of Way	351,641	675	457	254,502	97,139
70	Vehicles	59,716	0	0	55,215	4,502
80	Professional Services	1,104,130	117,755	107,438	1,033,476	70,654
	Subtotal (10-80)	1,515,487	118,431	107,895	1,343,193	172,294
90	Unallocated Contingency	1,251,339	0	0	1,794,768	(543,429)
100	Financing	375,410	0	0	375,410	0
	Total	8,254,786	846,950	836,414	8,254,786	0

Figure 5. Cost and Financial Status

Current Fiscal Year Budget Performance

The TJPA Board-approved FY 2025–26 capital budget totals approximately $50.9 million. Although the fiscal year has concluded, several vendor invoices remain outstanding; therefore, accruals have been recorded to reflect anticipated year-end costs. Current expenditures, including recorded accruals, total approximately $19.7 million, resulting in a projected positive variance of approximately $31.2 million across all cost categories.

Excluding right-of-way, the approved budget is approximately $33.8 million, with expenditures of approximately $19.4 million and a positive variance of approximately $14.5 million. This variance is primarily attributable to lower-than-planned expenditures for PMCM, Caltrain and other program activities. The right-of-way budget is approximately $17.1 million, with expenditures of approximately $0.3 million and a positive variance of approximately $16.8 million. The right-of-way variance primarily reflects property acquisitions and relocation-assistance payments deferred into FY 2026–27.

Figure 6 presents FY 2025–26 capital budget performance excluding right-of-way; Figure 7 presents the corresponding right-of-way performance.

Following Board approval of the FY 2026–27 capital budget, the detailed time-phased budget has been developed. TJPA is also developing an earned value management framework for professional services contracts, including performance indicators, measurement procedures, earning rules, and supporting dashboards. Initial implementation is planned for the PMCM and Caltrain contracts, with subsequent expansion to the three engineering and design consultant contracts and the 40-CT preconstruction contractor as they are onboarded.

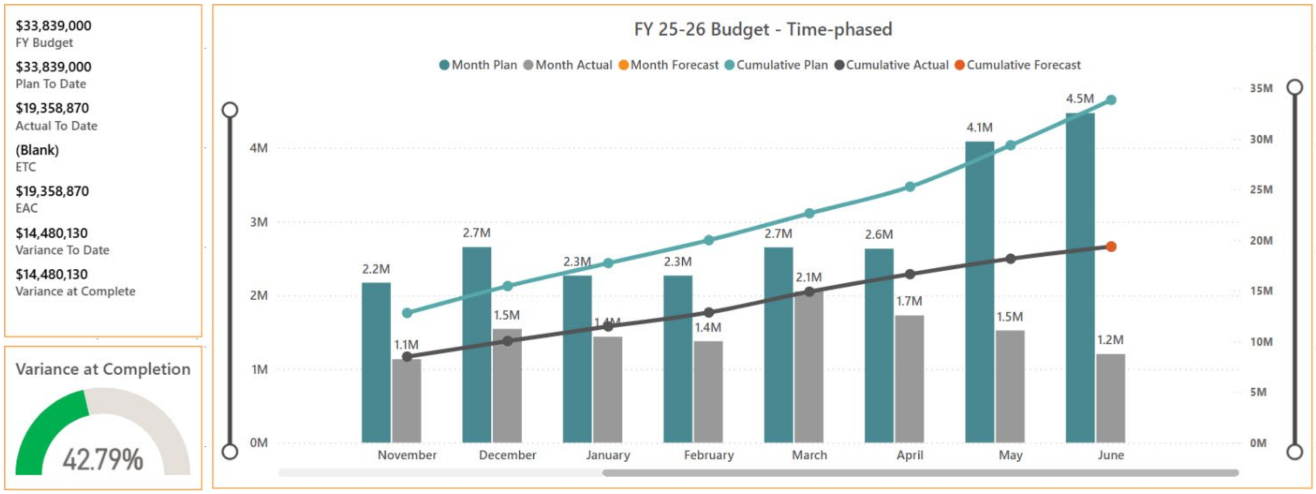


Figure 6. FY 2025-26 Capital Budget Performance (Excluding ROW)

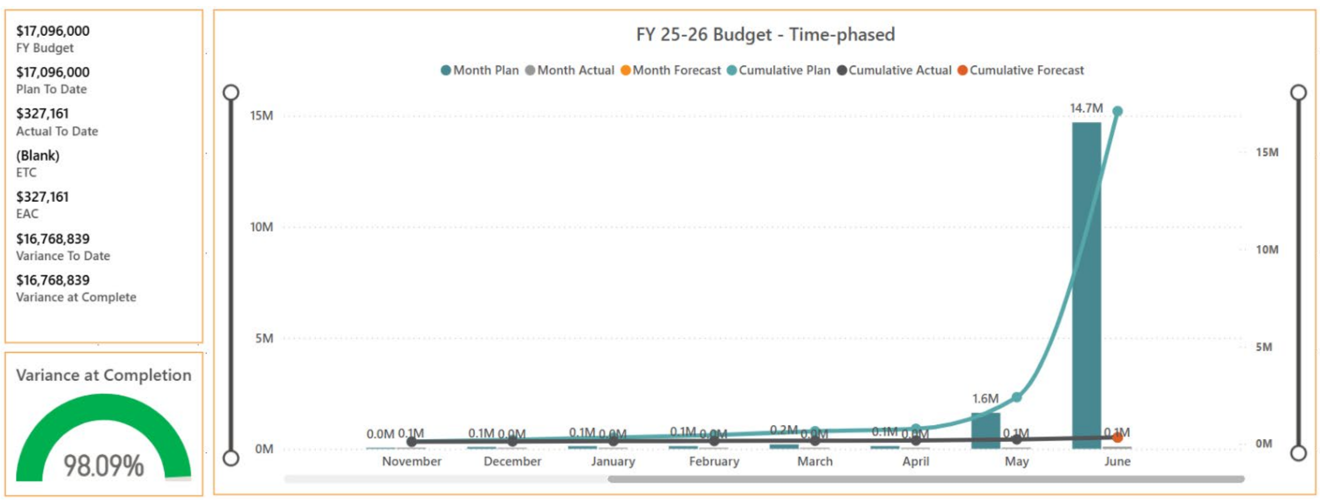


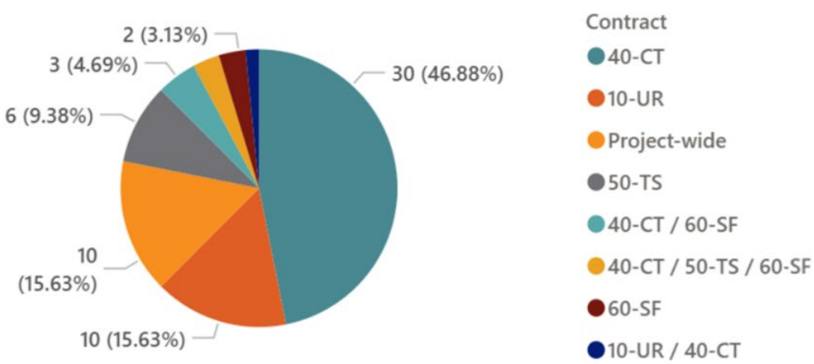
Figure 7. FY 2025-26 Capital Budget Performance (ROW)

RISK AND CONTINGENCY MANAGEMENT

The risk register is updated on a quarterly basis. The most recent updated risk register for Q1-2026 contains 59 risks and 5 opportunities requiring focused management. The IPDT continues to actively manage risks and opportunities through ongoing monitoring and mitigation planning.

Active Risks and Opportunities by Contract Packages

Figure 8 summarizes the current distribution of active risks by contract package. The current focus is on the 10-UR and 40-CT contract packages because these will be the first contracts executed with contractors. The IPDT is focusing on revisiting and updating near-term program risks and mitigations, which will be further reflected in the upcoming Q2-2026 update of the risk register.



Contract	No. of Risks
10-UR	10
10-UR / 40-CT	1
40-CT	30
40-CT / 50-TS / 60-SF	2
40-CT / 60-SF	3
50-TS	6
60-SF	2
Project-wide	10
Total	**64**

Figure 8. Active Risks and Opportunities by Contract Package

Active Risks– Current vs Post-Mitigated State

Figures 9 and 10 compare risks in their current and post-mitigated state and collectively reflect how the risk response strategies are expected to reduce the number and severity of higher scored risks, moving unacceptable and undesirable risks into lower classifications and improving The Portal’s overall risk profile.

In accordance with the scoring methodology, scores for “acceptable risks” range between 1 and 3, “undesirable risks” range from 4 to 9, and any risk with a score of 10 or above is considered “unacceptable.”

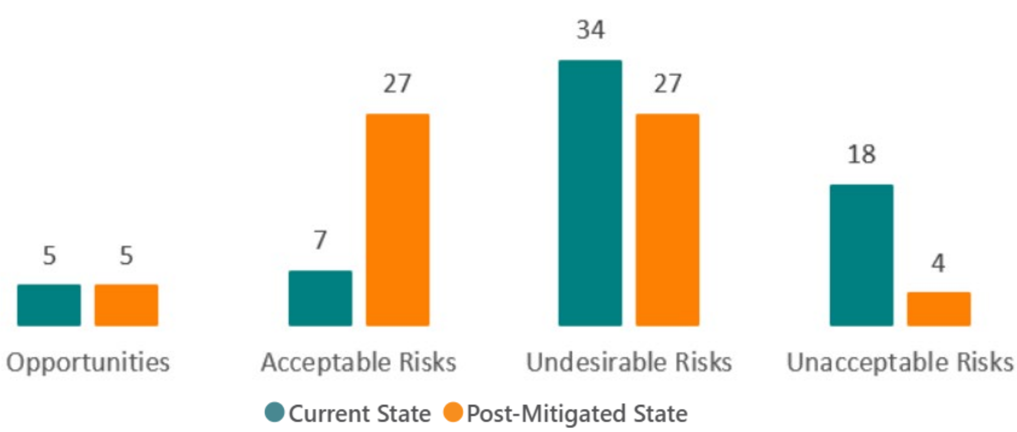


Figure 9. Active Risks and Opportunities by Risk Classification

Risk Heat Map - Current State

Impact \ Probability	1	2	3	4	5
1	1	2	2		
2	2	3	3	1	1
3		4	11	2	1
4	2	5	4	1	
5	5	5	1	2	1

Risk Heat Map - Post-Mitigated

Impact \ Probability	1	2	3	4	5
1	11	1	3		
2	7		3		
3	5	4	1		
4	5	9			
5	5	2	1	1	

Acceptable	Undesirable	Unacceptable

Figure 10. Risk Heat Map – Current State vs Post-Mitigated State, excluding opportunities

As seen in figures 9 and 10, if mitigations are implemented successfully, the number of unacceptable risks would decrease from 18 to 4 and the undesirable risks decrease from 34 to 27. As for acceptable risks, the number increases from 7 to 27. Based on this update, after planned mitigations, 53 percent of the risks in the risk register will still require further mitigation, as they remain unacceptable or undesirable risks. Note that the current state and post-mitigated state heat maps do not represent the same number of risks because after mitigation, one risk was eliminated.

Top Risks

The following top risks are currently considered “unacceptable” with a risk score 15 or higher. Mitigation strategies for these risks have been identified and are being implemented. Risk reduction and mitigation implementation progress are being monitored, updated, and adjusted as appropriate quarterly.

Delay in Acquisition of Capital Funding

Risk. Delays in securing capital funding for local match may delay execution of the FFGA, currently planned for July 2027.

Mitigation Strategy. The TJPA will continue advancing funding advocacy efforts and ongoing coordination with federal, state, and regional partners. The project funding plan is being refined to close the remaining funding gap and align funding commitments with the FFGA timeline. Progress on funding commitments will be closely monitored to ensure timely readiness for FFGA execution.

Industry challenges with PDB delivery

Risk: Industry challenges in advancing progressive design-build delivery.

Mitigation strategy: Peer-to-peer learning with other agencies. Ensure an adept IPDT organization and have processes in place before the PDB contractor is onboard.

Delays in Property Acquisition

Risk. Delays in property acquisition may delay the start of construction activities.

Mitigation Strategy. The TJPA will reassess and adjust the timelines for property appraisals and acquisitions, with priority given to parcels located within the critical trench areas that drive construction sequencing. Appraisals for these critical properties will be initiated earlier than originally planned to ensure acquisition is completed before the contractor is ready to mobilize. In parallel, construction sequencing is being reviewed to decouple activities where feasible, further reducing the potential schedule impact of any acquisition delays.

Staging Area Restrictions and Restrictions to Muck Handling

Risk. Having to muck out through ports in decking and bottlenecks in materials delivery to underground works impacting schedule.

Mitigation Strategy. Verify staging areas currently envisaged and compare with needs. Engage with Caltrain on what yard area can be used and identify other staging areas.

Unanticipated Underground Utilities and Other Obstructions

Risk. Unanticipated underground utilities and other obstructions such as large vaults along Second Streeet may lead to increased cost and delay.

Mitigation Strategy. Conduct additional potholing, slot trenching, and non-intrusive systematic scanning of utilities; capture findings in the design and cost estimate.

Additional Floating Track Slab to Reduce Noise and Vibration

Risk. Noise and vibration impacts during the operational phase to buildings creates need for additional mitigation work beyond cost estimate.

Mitigation Strategy. Require a noise and vibration study/modeling to understand the worst case. Perform an finite element analysis of vibration transmission from the track, plus additional studies to determine need.

Contingency Management

Schedule Contingency Drawdown and Analysis

The schedule contingency drawdown curves (Figure 11) were developed in accordance with FTA Oversight Procedure 40 (OP40) guidance. The forward-pass and backward-pass curves were generated using the schedule update employed for the quantitative risk analysis, with a data date of December 2024, and reflect how contingency was expected to be consumed as The Portal advances through key milestones, referred to as “hold points”; see Table 2. The actual drawdown curve (Figure 11) shows that the project has fully exhausted the available schedule contingency and has progressed into negative reserve, having consumed approximately 144 workdays beyond the maximum modeled contingency. No additional contingency was drawn down in the most recent schedule update, meaning that the negative position remains unchanged from the prior period. This variance demonstrates that contingency was depleted earlier than forecast in both modeled scenarios, reinforcing the need for continued schedule risk monitoring and mitigation.

Table 2. Hold Points

Hold Point	Milestone
HP 0	FTA risk review
HP 1	Progressive design-build (PDB) Civil and Tunnel contract award
HP 2	Property and right-of-way acquisition complete (possession of properties)
HPF	Secure 100% funding commitment
HP 3	Completion of 4th and King Yard Preparation Package A: Site Clearing
HP 4	Completion of Utility Relocation
HP 5	PDB Civil and Tunnel construction notice-to-proceed (NTP)
HP 6	Construction manager/general contractor (CMGC) #1 - Track and Rail Systems construction NTP
HP 7	CMCG #2 - Station Fit-out construction NTP
HP 8	Cut-and-cover excavation complete
HP 9	Tunnel excavation complete
HP 10	Testing and commissioning complete

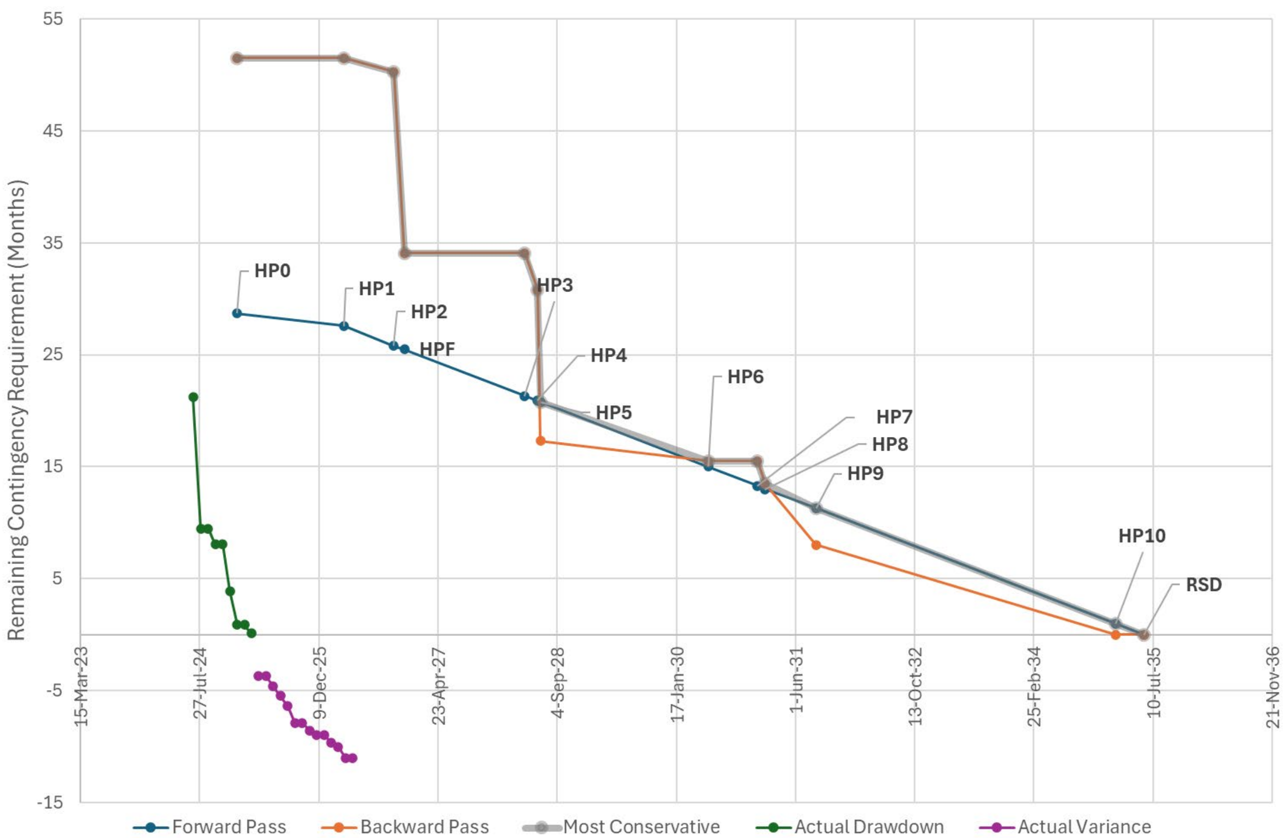
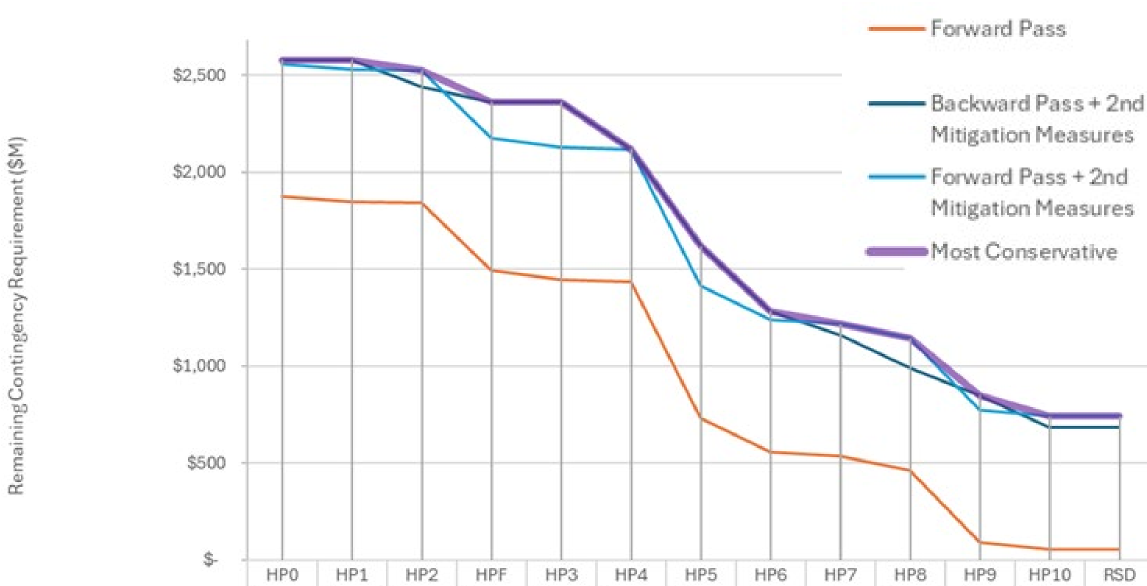


Figure 11. Schedule Contingency Drawdown at Hold Points (see Table 2)

Cost Contingency Drawdown and Analysis

The cost contingency drawdown curves were developed in accordance with FTA OP40 guidance and are based on the quantitative risk analysis (QRA) completed in May 2025 plus the variance attributed to secondary mitigation measures; see Project Cost Status and Analysis. The forward-pass and backward-pass curves illustrate how the project's cost contingency is forecast to be consumed over successive hold points (see Table 2), as The Portal advances. These modeled drawdowns reflect anticipated risk exposure and corresponding contingency utilization over time. The drawdown curves in Figure 12 show that no cost contingency has been used to date, and the full reserve remains intact as of the latest reporting period. This alignment with the modeled maximum reserve indicates that no cost impacts requiring contingency drawdown have yet materialized, underscoring the importance of continued monitoring as major procurement and construction activities progress.

The savings resulting from the secondary mitigation measures referenced in Figure 12 have been added to the QRA results, contributing to the most conservative contingency drawdown curve presented in the figure.



	HP0	HP1	HP2	HPF	HP3	HP4	HP5	HP6	HP7	HP8	HP9	HP10	RSD
Forward Pass	$1,873	$1,848	$1,845	$1,493	$1,445	$1,433	$732	$558	$535	$461	$92	$57	$57
Backward Pass + 2nd Mitigation Measures	$2,579	$2,579	$2,442	$2,363	$2,363	$2,118	$1,619	$1,284	$1,159	$989	$848	$683	$683
Forward Pass + 2nd Mitigation Measures	$2,556	$2,531	$2,528	$2,176	$2,128	$2,116	$1,415	$1,241	$1,218	$1,144	$775	$740	$740
Most Conservative	$2,579	$2,579	$2,528	$2,363	$2,363	$2,118	$1,619	$1,284	$1,218	$1,144	$848	$740	$740

Figure 12. Cost Contingency Drawdown at Hold Points

FINANCE AND GRANTS

Funding for The Portal comprises committed, budgeted, or planned federal, state, and local sources, the FTA Capital Investment Grant, prior investment in the Salesforce Transit Center train box, and additional sources required to secure an FFGA with the FTA. The funding breakdown is shown in Table 3.

Table 3. Funding Plan (as of June 2026)

Funding Source/Category	Est. Amount as of June 2026 (Millions of YOE$)
Committed/Budgeted (non-Capital Investment Grant (CIG))	$1,304
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
Land Sales, Parcel F	TBD
Federal Pipeline	$3,384
FTA Capital Investment Grant (CIG)	$3,384
Planned State	$1,303
Cap and Invest Program – High-Speed Rail Passthrough	$553
State Transit Intercity Rail Capital Program (TIRCP)	$750
Other Planned/Potential	$265
Central SOMA CFD	$155
Future Net Tax Increment Bonds & Pay-Go	$110
Previous Investments	$729
2010 Investment in Train Box	$729
Funding Gap – To be Planned	$587
July 2025 Project Cost	$7,572

The TJPA is actively working to update its funding strategy and advocacy to close The Portal's funding gap. This period, TJPA staff:

- Continued work with State Assembly Member Haney on advancing AB 2308, a legislative bill to extend the net tax increment generated by Transbay development of neighborhood state-transferred parcels by 25 years from the currently scheduled sunset year of 2050. Staff is continuing to work with partners and stakeholders to advance this bill in the state legislative process; the bill has cleared the Assembly and is in the Senate for consideration.
- Applied for $750 million from Cycle 8 of the Cap-and-Invest Program's Transit and Intercity Rail Capital Program (TIRCP) on May 18, 2026. Award announcements are expected in September 2026.
- Tracking budget trailer bills containing transit funding in August before the 2026 legislative session ends by August 31.

- Continued SFCTA allocation process for FY 2026-27 Prop L transportation sales tax funds.
- Continued to implement the Capital Funding Strategy and Advocacy workplan for 2026 and update the plan to apply for the next three years in coordination with SFCTA. The team has identified and prioritized advancing critical funding sources, including state efforts on the net tax increment extension and TIRCP Cycle 8 along with local funding sources.
- Continued discussions with CHSRA on opportunities to better partner and collaborate on delivery of The Portal as it relates to planning, design, engineering, and funding advocacy.
- Continued to track available funding for The Portal from the Central South of Market expenditure plan coordinated through the City's Interagency Plan Implementation Committee (IPIC). IPIC is responsible for overseeing the implementation of various area plans across the City, as outlined in the City's Administrative Code.
- Continued to actively evaluate available notices of funding opportunities from federal and state agencies on an as-needed basis.

REAL ESTATE

Real estate acquisition for The Portal includes property acquisition, permanent subsurface easements, temporary construction easements, and interests that would allow the TJPA to permanently install rock dowels in the subsurface of additional properties. Acquisitions are divided into four tranches; the first two tranches are shown in Figure 13.

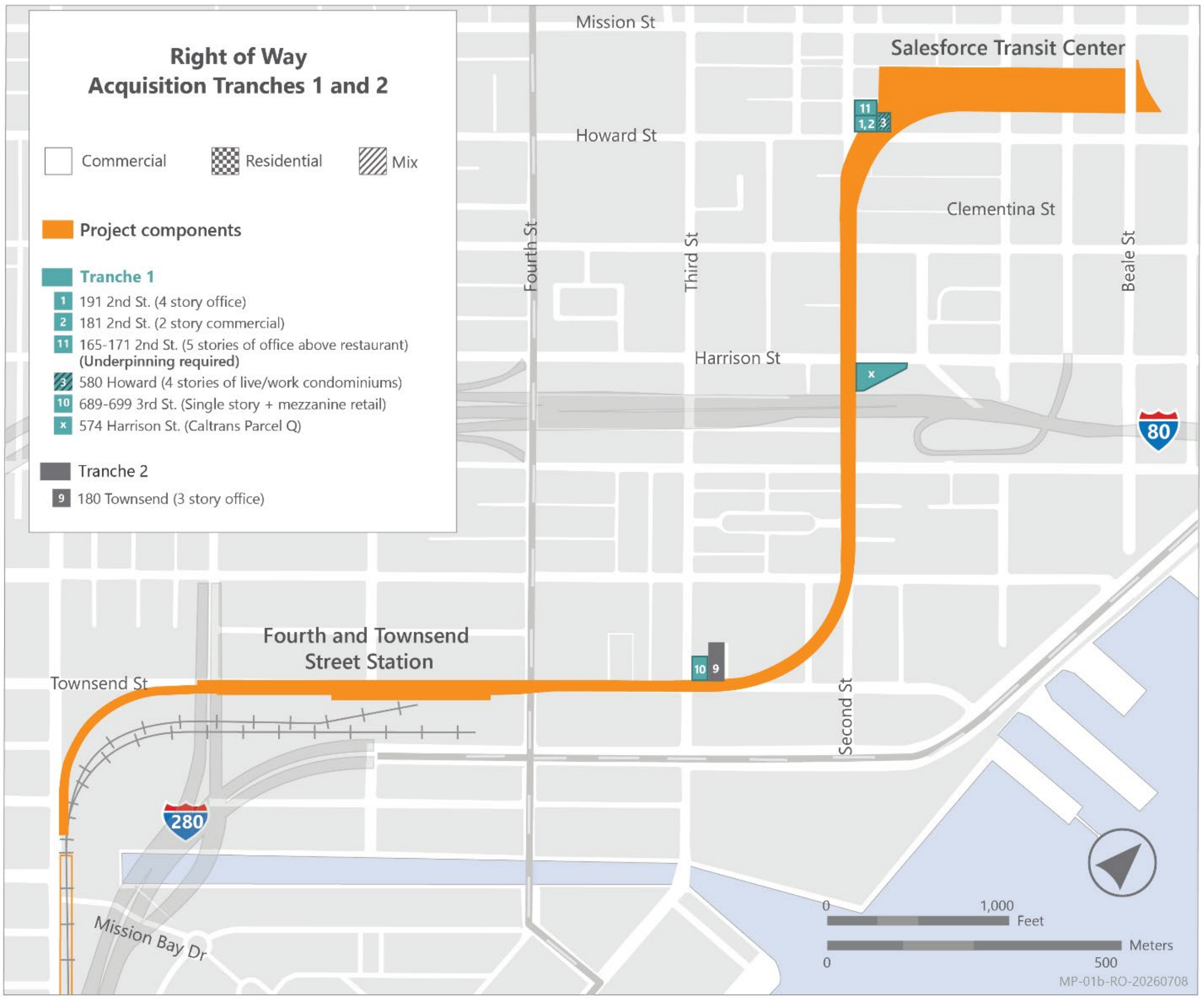


Figure 13. Right-of-Way Acquisition – Tranches 1 and 2

A boundary survey has been completed and is in review with the San Francisco Public Works Department with a Record of Survey draft. The partial street vacation process is underway to secure tunnel easements and enable utility relocations.

The acquisition process for five parcels (Tranche 1) continues. Appraisals of the required property interests are underway; four have been completed. The FTA's review and concurrence process is expected to complete in August 2026; the remaining stages for Tranche 1 are expected to be complete by Q1-2027. See the status graphic in Figure 14.

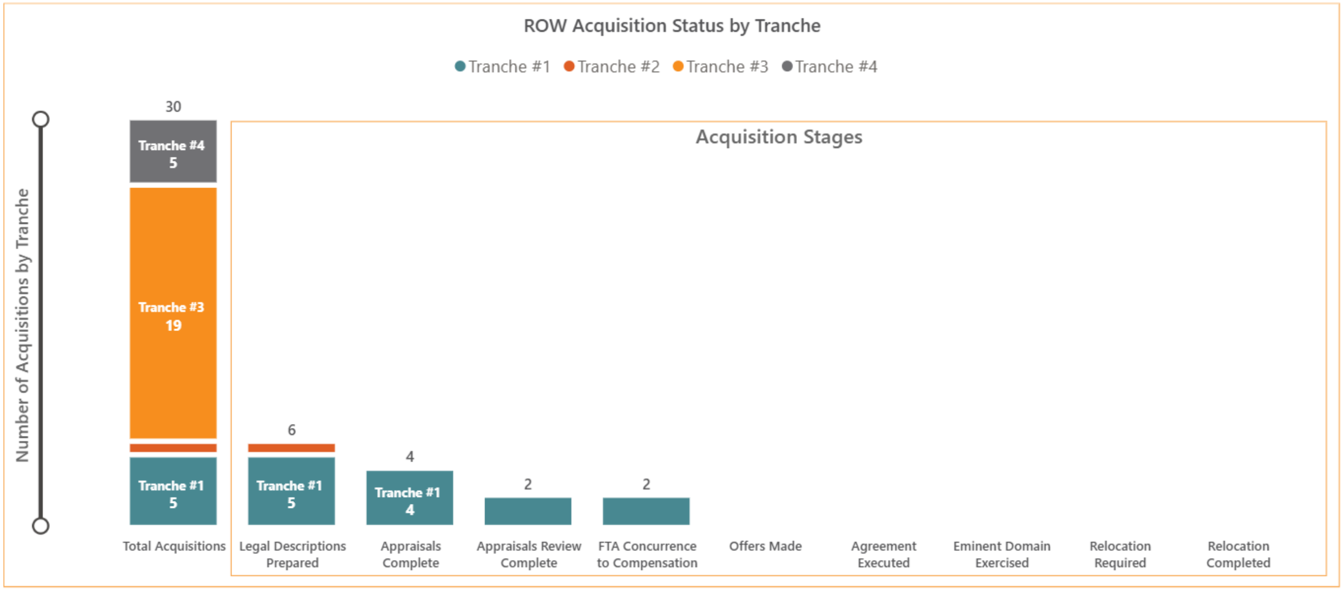


Figure 14. Right-of-Way Acquisition Status

PROJECT STAFFING

The IPDT led by the TJPA oversees the day-to-day decision-making on the infrastructure delivery aspects of The Portal, including design, procurement, and construction. Caltrain, as the primary rail operator, has specific management responsibilities within the IPDT for rail-related systems, infrastructure, and integration. Figure 15 shows a summary organizational structure for The Portal's engineering and preconstruction phases. Current IPDT staffing levels are shown in Figure 16.

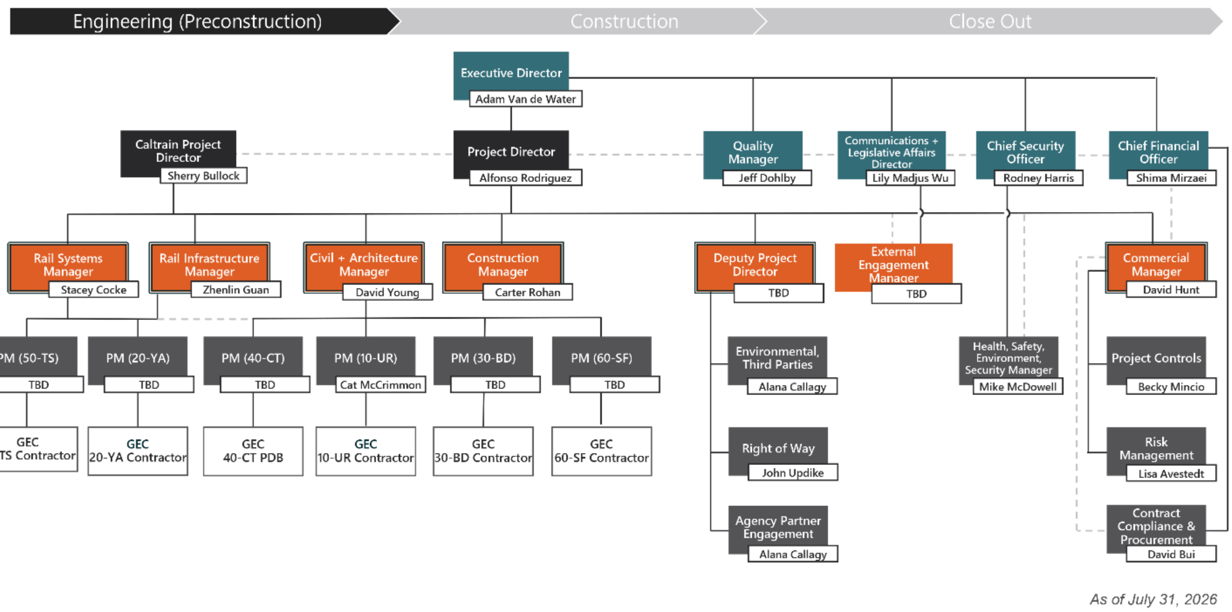


Figure 15. IPDT Staffing for Delivery of The Portal

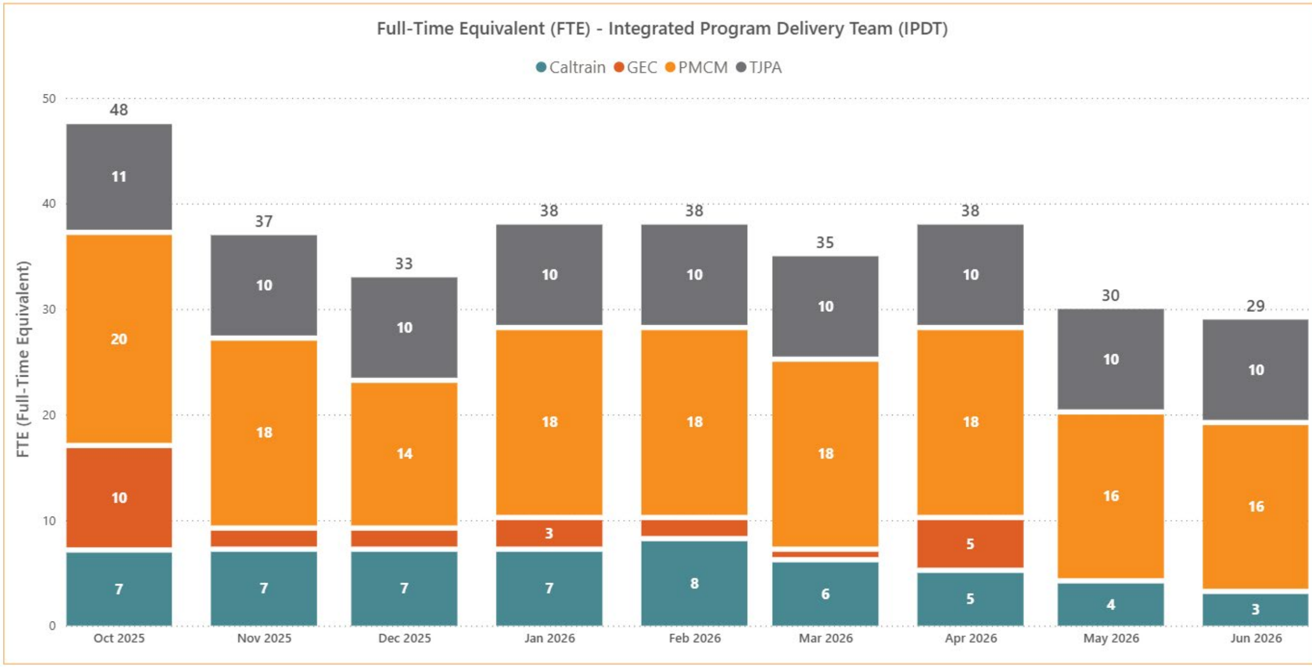


Figure 16. IPDT Staffing Levels

ENVIRONMENTAL

On March 12, 2026, the TJPA Board adopted a second addendum to the 2018 Final Supplemental Environmental Impact Report, which evaluates potential impacts associated with secondary mitigations and other minor design changes changes to the environmentally cleared design for The Portal, in accordance with the California Environmental Quality Act. The TJPA filed the Notice of Determination on March 18, 2026.

Coordination on the NEPA Re-evaluation of the 2018 Final Environmental Impact Statement continues. The FTA is reviewing a second draft of the re-evaluation and anticipates issuing a concurrence letter in August to conclude the NEPA work.

The Mitigation Monitoring and Reporting Program (MMRP) quarterly report for Q2-2026 was distributed on July 31.

The MMRP annual report for cultural resources, in compliance with 106 MOA Stipulation IV.C.4, was distributed on July 30.

COMMUNICATION & LEGISLATIVE AFFAIRS

The TJPA's communication and governmental relations efforts continue to focus on securing required local matching funds to begin negotiations of a Full Funding Grant Agreement and to secure necessary approvals to initiate preconstruction or enabling works.

Communication

Communications and outreach efforts continue to legislatively extend the term of collection of net tax increment proceeds in the Transbay District (Assembly Bill 2308) and to complete the street vacation process in coordination with the City in preparation for utility relocation construction in 2027.

The communications team is updating its general communications plan to raise further awareness and provide outreach on The Portal in different parts of the San Francisco Bay Area through on-site tours, hosting and participating in Transit Month activities and relevant conferences, appearing at partner events, and attending select community events. In addition, the team is developing a right-of-way communications plan in line with expected community outreach and communications needs.

Development of Communication plan for Right of Way program is underway to support upcoming outreach and public engagement.

This month, TJPA led the following tours and/or attended the following events:

- July 2 – Caltrain and WSP tour
- July 19 – Sunday Streets event in the Mission
- July 23 – ARUP Interns tour
- July 27 – Assembly Member Catherine Stefani's team tour

Planning efforts are underway for a September Transit Month pop-up art fair.

Legislative Affairs

Coordination continued with member agencies and other stakeholders, including the Bay Area High-Speed Rail Joint Benefit partners, on advocating for joint benefit project delivery as well as for funding opportunities for The Portal on the state and federal levels, including advocacy on CHSRA "bookend" funding from the state's Cap-and-Invest program.

Legislative work continues for the TJPA's sponsored bill, Assembly Bill 2308. It was cleared at the Assembly's Local Government Committee on June 10 and is in the the Senate. Development of a local implementation plan is underway.

TJPA staff is tracking the Legislature's response to the California Air Resources Board ruling on Cap-and-Invest funds' impacting TIRCP funds, with budget trailer bills to the July 1 adopted budget. TJPA staff is coordinating with partners on advocacy next steps.

CHRONOLOGY OF EVENTS

TJPA certification of the SEIS/EIR and adoption of CEQA findings	December 2018
FTA Amended Record of Decision (ROD)	July 2019
Entry to Project Development	December 2021
Entry to Engineering	May 2024
TJPA adoption of first CEQA Addendum to the 2018 SEIR	January 2023
FTA concurrence with the first NEPA Re-evaluation to the 2018 SEIS	June 2023
Release of RFQ for PDB Civil and Tunnel Construction	October 2023
Board Approval of the Governance Blueprint for The Portal	August 2023
Execution of The Portal Project Implementation Memorandum of Understanding	January 2025
Board approval of the delivery approach for The Portal	July 2022
Board approval to combine the 50-TS and 55-YB contract packages	September 2025
Release of RFP for PDB Civil and Tunnel Construction	December 2025
TJPA adoption of second CEQA Addendum to the 2018 SEIR	March 2026
Execution of the third amendment to the Section 106 Memorandum of Agreement	June 2026

TJPA | THE PORTAL

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