

TRANSBAY PROGRAM | The Portal

Monthly Status Report

September 2026



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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, capacity, and efficiency; 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; advancing right-of-way acquisition; clarifying agency roles and responsibilities; and securing funding commitments to address the non-CIG funding gap toward demonstrating full local share.

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 that includes representation by its agency partners and offers transparency for its partners: 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 Program Management Plan (PMP) 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, including the Risk and Contingency Management Plan, Third-Party Agreement Plan, Schedule Management Plan, and Change Management Plan. The PMP update is scheduled for completion in Q1-2027. 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 continues to support program-wide monitoring and reporting across key functions. Existing operational dashboards provide performance metrics and KPIs for fiscal-year and project budgets, invoicing, schedule management, risk management, and right-of-way management and reporting.

The TJPA is developing additional dashboards to support the FY 2026-27 budget, change management, document control, and earned value management and plans to roll out new functionality before the end of calendar year 2026.

Schedule Management

The August 2026 Master Schedule update, with a data date of August 31, 2026, maintains a forecast target ready-for-service date of November 17, 2036. The critical path remains unchanged from the previous reporting period. One float path associated with the 20-YA Fourth and King Yard Preparation package meets the program's near-critical criteria, with 18 working days of total float.

The TJPA continues to advance its schedule quality health check and conduct monthly reviews of the critical path and other significant float paths. The procurement timelines established in the previous reporting period for the 40-CT Civil and Tunnel contractor, the engineering and design consultants, and the GEC remain unchanged. The team is also continuing to review and streamline design development, procurement document preparation, and procurement activities to ensure that schedule logic, sequencing, durations, and design and construction interfaces remain realistic and aligned with the current delivery strategy.

In addition, the TJPA is developing schedule scenarios to evaluate potential impacts on key program milestones based on the anticipated timing and availability of funding necessary to advance certain design and construction contracts and to address required local share funding. Additional details are provided in the Project Schedule section.

Cost Management

The project budget remains \$8.255 billion, based on the 2023 capital cost estimate submitted at Entry into Engineering. The TJPA updated the capital cost estimate in 2025, which included scope modifications subsequently approved by the FTA through its August 2026 environmental re-evaluation. The updated estimate is approximately \$7.572 billion, including revised contingency requirements. The approximately \$683 million difference has been retained in unallocated contingency, maintaining the overall project budget at \$8.255 billion. Cost forecasts and contingency requirements will continue to be reviewed throughout the CIG Engineering phase as key cost variables mature.

The FY 2025–26 budget has closed out with a positive variance of approximately \$31.1 million, primarily due to deferred right-of-way acquisitions and relocation-assistance payments, along with lower-than-planned expenditures for program management/construction management (PMCM) services, Caltrain, and other program activities. With the closeout of FY 2025–26 purchase orders, unspent committed balances were deobligated and returned to the available budget.

The FY 2026–27 budget has a positive variance-to-date of \$1.4 million through August 2026 while the variance-at-completion remains zero. The year-end forecast remains aligned with the Board-approved budget and will be updated quarterly as sufficient cost performance data becomes available. The TJPA is also establishing an earned value management framework for professional services contracts, including performance indicators, procedures, and earning rules, with implementation planned for Q4-2026.

Risk Management

The TJPA is updating the Risk and Contingency Management Plan. The TJPA conducts a risk workshop each quarter, tracking the mitigation of identified risks and identifying new risks. This work is managed through a risk register, published quarterly. The risk register is being expanded with an emphasis on program risks, improving the precision of mitigation planning, and reducing uncertainty in cost and schedule forecasts. Risk management continues to transition from the tracking of risk and risk treatments/mitigations toward more active risk-based project management.

Design Management

The design documents for enabling works—utility relocation and Fourth and King railyards site clearing—are at the 60% level and 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 Management

The 40-CT Civil and Tunnel progressive design-build (PDB) request for proposals (RFP) was issued in December 2025. Approximately 155 requests for clarification have been received, indicating proposer engagement. To date, ten addenda have been published with proposals due on October 9, 2026.

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 requirements. Development of procurement documents for 10-UR Utility Relocation engineering and design services is underway.

Right-of-Way

A boundary survey for the full alignment is complete, and a final Record of Survey has had first round of edits from San Francisco Public Works (SFPW) and the contract surveyor. Appraisals for the first tranche of required property interests have begun (four are complete), and the partial street vacation process will follow the completion of the Record of Survey to secure tunnel easements. 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 (SEIR), in accordance with the California Environmental Quality Act. The TJPA filed the Notice of Determination on March 18, 2026. On August 5, 2026, the TJPA submitted a request for a concurrence with a National Environmental Policy Act (NEPA) re-evaluation of the 2018 Final Environmental Impact Statement (SEIS). The FTA issued its concurrence letter on August 26, 2026, thus concluding the NEPA re-evaluation with its finding that the changes described in the submitted materials would not result in significant environmental impacts that were not previously evaluated in the Final SEIS and subsequent environmental re-evaluations.

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

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.

San Francisco Port of Entry

Project Area

San Francisco

Millbrae

Santa Clara

San Jose

Caltrain

Gilroy

To LA

CALIFORNIA
High-Speed Rail Authority

○ Caltrain stations

Mission St

Howard St

Clementina St

Salesforce Transit Center

Second Transbay Crossing*

Beale St

Fourth and Townsend Street Station

Third St
Clarence Pl

Second St

Townsend St

Seventh St

16th St

To San Jose & Los Angeles

The Portal Alignment

0 1,000 Feet

0 500 Meters

Muni

■ Ventilation shaft

● Ventilation and emergency egress structure

— Railyards

*Projects Delivered By Others

● Pedestrian Surface Improvements on Beale Street

MP-05b-A1-202605

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 August 2026 Master Schedule update, with a data date of August 31, 2026. Activities that commenced or were completed after the data date but before finalization of this report have also been incorporated, where applicable.

The Master Schedule includes 1,177 activities, of which 691 are complete. Of the remaining 486 activities, 39 are in progress, 47 are on the critical path, and 36 meet the near-critical threshold of 30 or fewer working days of total float (Figure 2). The near-critical activities are associated with the 20-YA Fourth and King Yard Preparation delivery path, which currently has 18 working days of total float.

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.

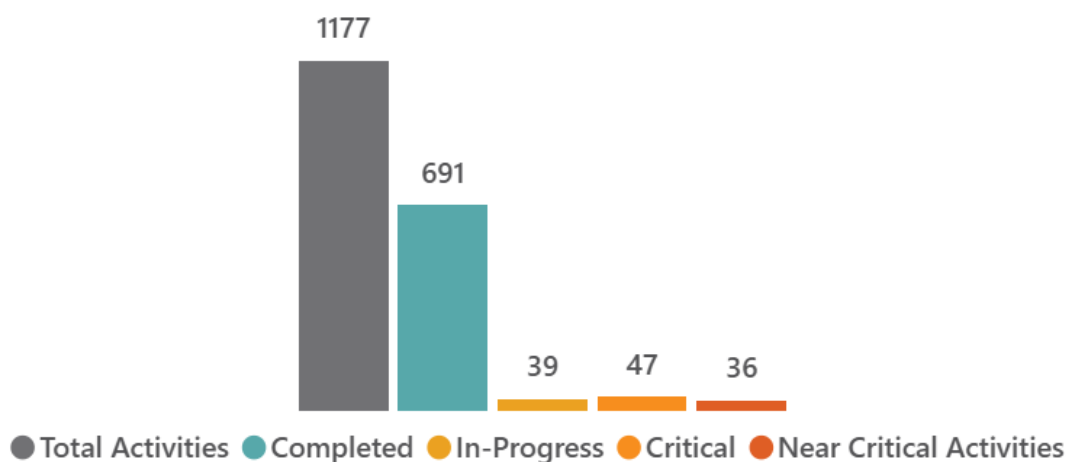


Figure 2. Key Schedule Statistics (Activities)

The forecast target ready-for-service date of November 17, 2036, remains unchanged from the previous reporting period. The design and engineering services procurement timelines for 10-UR Utility Relocation, 50-TS and 20-YA Track and Systems, and 40-CT Civil and Tunnel preconstruction remain unchanged.

During this reporting period, the schedule logic was further refined through a detailed review of activity relationships and float paths. The review focused on confirming that activities are appropriately linked to their relevant predecessors and successors and that the resulting sequence of work and downstream dependencies reasonably reflect the current delivery approach. This review will continue as part of the ongoing schedule quality health check.

Over the next several schedule updates, the TJPA will continue refining package design and construction interfaces and validating procurement and design timelines based on the anticipated timing and availability of funding.

Progress Summary

Program Milestones

Milestone	Status	Change from Last Report	Comment
Target FFGA execution	July 2027	None	No change this period.
Target ready for service	November 2036	None	No change in this period. Critical path remains unchanged.

FFGA=Full Funding Grant Agreement

Design Progress

Contract Package	Current Design Status	Upcoming Design Milestone	Change from Last Report	Comment
10-UR Utility Relocation	60% complete	90% design	None	No change this period. Design will proceed following award of the engineering and design services contract.
20-YA 4th and King Yard Preparation: Site Clearing	60% complete	90% design	None	No change this period. Design will proceed following award of the engineering and design services contract.
30-BD Building Demolition	60% complete	90% design	None	No change this period.
40-CT Civil and Tunnel	30% complete	30% design validation	None	No change this period. Design validation will begin after award of the 40-CT PDB preconstruction contract.
50-TS Track and Rail Systems, including at-grade track and systems	30% complete	60% design	None	No change this period. The engineering and design services consultant will complete the rail and track alignment and ventilation study before advancing the design toward 60% completion.
60-SF Station Fit-Out: Salesforce Transit Center	30% complete	30% revised design	None	No change this period. Revised 30% design to proceed following award of the GEC contract.

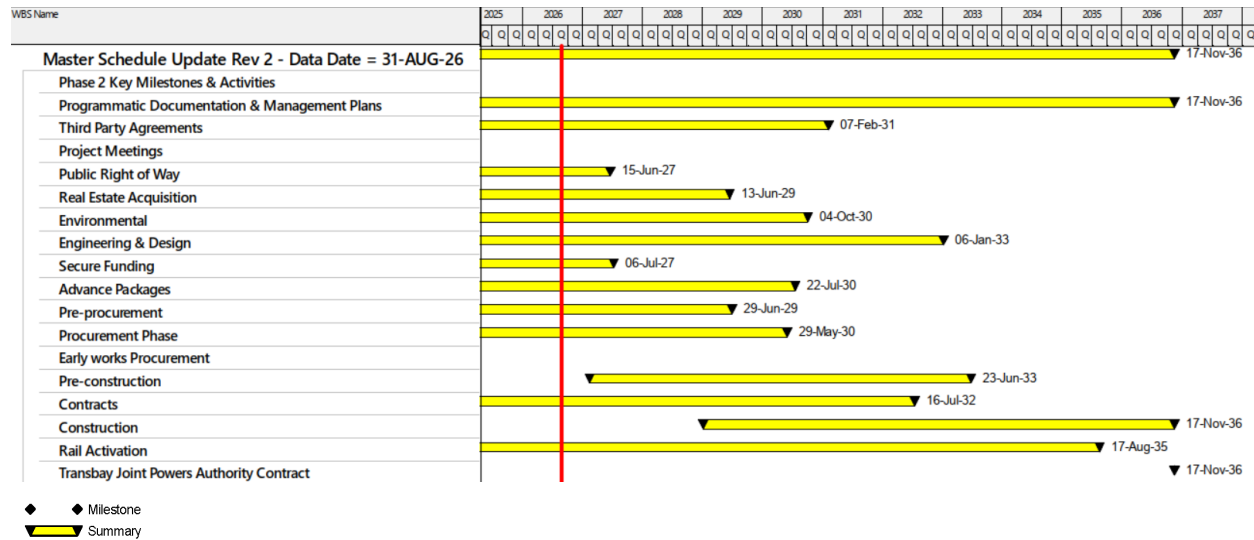


Figure 3. Master Schedule Summary

Key Milestones Six-Month Lookahead*

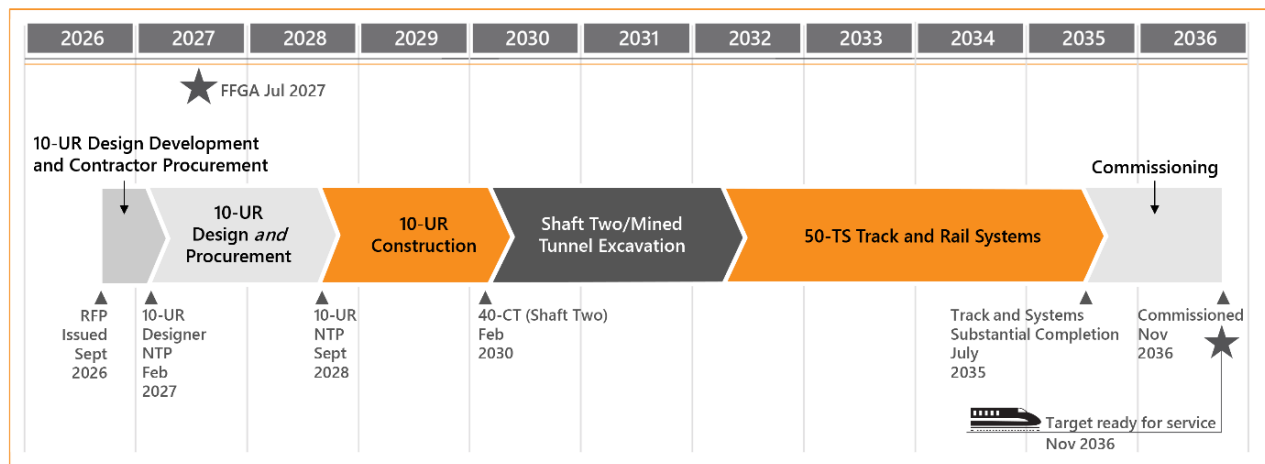
	Milestone Date	Sep 2026	Oct 2026	Nov 2026	Dec 2026	Jan 2027	Feb 2027
Complete Record of Survey/Boundary report and reviews	Sep 15, 2026	SFPW					
40-CT proposal due	Sep 25, 2026	40-CT proposer					
Complete Tranche 1 appraisal process	Sept 30, 2026	IPDT					
40-CT Notification of highest-scoring proposer	Nov 6, 2026			TJPA			
Submit Public Street/Easement Vacation application to SFPW	Dec 7, 2026				IPDT		
Complete PMP and all subplans	Jan 4, 2027					IPDT	
40-CT Award PDB contract	Feb 11, 2027						TJPA

*Note: The Utility Relocation engineering and design consultant solicitation is anticipated to be released in Q3-2026, followed by the GEC solicitation in Q4-2026 and the Track and Rail Systems engineering and design consultant solicitation in Q1-2027. Award of the Utility Relocation design contract is anticipated in Q1-2027, followed by the GEC and Track and Rail Systems design contract awards in Q2-2027.

Critical and Near-Critical Path Analysis

The critical path remains consistent with the previous reporting period and continues through procurement and appointment of the 10-UR Utility Relocation engineering and design consultant; completion of the 90%, 100%, and Issue for Bid design packages; procurement and appointment of the 10-UR construction contractor; and completion of the 10-UR utility relocation works. Completion of these works will release the affected areas for 40-CT Civil and Tunnel construction. The critical path continues through 50-TS Track and Rail Systems completion, systemwide testing and commissioning, and project completion. Figure 4 illustrates the current critical path. The forecast target ready-for-service date remains November 17, 2036, with no change from the previous reporting period.

One schedule path meets the program’s near-critical threshold of 30 or fewer working days of total float. This path currently has 18 working days of float and proceeds through procurement and appointment of the Track and Rail Systems engineering and design consultant, completion of the 20-YA Fourth and King Yard Preparation design, procurement and appointment of the 20-YA construction contractor, and completion of the yard preparation works. Completion of the yard preparation works will release the affected areas for 40-CT Civil and Tunnel construction. The near-critical path, together with other significant float paths, will 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 Budget

The \$8.255 billion project budget is based on the 2023 cost estimate submitted at Entry into Engineering 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.

In 2025, the TJPA completed an updated capital cost estimate incorporating scope modifications and value engineering adjustments, updated right-of-way valuations, reconciliation of actual inflation against original year of expenditure assumptions, and an updated quantitative cost risk assessment. On August 26, 2026, the FTA completed its environmental re-evaluation review, formally approving the scope modifications included in that updated estimate. The resulting updated capital cost estimate, including its revised risk-adjusted contingency requirement, is approximately \$7.572 billion. The approximately \$683 million difference between this updated estimate and the established budget has been retained in Unallocated Contingency, maintaining the total project budget at \$8.255 billion. Cost forecasts and contingency requirements will continue to be reviewed throughout the CIG Engineering phase as procurement outcomes, market conditions, design development, and contract negotiations further mature, in advance of establishing the formal Baseline Cost Estimate at FFGA execution.

The project budget and fiscal-year (FY) capital budgets are integrated within the PMIS and updated in coordination with TJPA Finance. Commitments, expenditures, variances, and cost-to-complete forecasts are monitored at the control-account level, and the overall project budget continues to forecast zero variance at completion. The FY 2025–26 capital budget closed with a positive variance of approximately \$31.1 million, including accruals for outstanding vendor invoices, which will be reconciled as invoices are received and processed.

The detailed time-phased FY 2026–27 capital budget has a positive variance-to-date of \$1.4 million through August 2026 and is subject to ongoing monthly monitoring, which currently indicates zero variance at completion.

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 August 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 \$862 million, including expenditure for completion of the train box. Commitments decreased slightly from the previous reporting period, primarily reflecting the deobligation of unspent balances associated with notices to proceed and FY 2025-26 purchase orders. Commitments are 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 \$840 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 overall forecast remains steady at \$8.254 billion, forecasting zero variance at completion. While recent NEPA approvals reduce the indicative project value to \$7.572 billion, these savings remain in unallocated contingency due to the pending project variables previously noted.

Dollars in thousands

SCC	Description	Original Budget	Commitments	Expenditures	Current	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	1,021	506	254,502	97,139
70	Vehicles	59,716	0	0	55,215	4,502
80	Professional Services	1,104,130	132,537	110,494	1,033,476	70,654
Subtotal (10-80)		1,515,487	133,558	111,000	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	862,077	839,519	8,254,786	0

Figure 5. Cost and Financial Status

Current Fiscal Year Budget Performance

The FY 2026-27 capital budget totals approximately \$112.9 million, including \$84.6 million for right-of-way activities. Excluding right-of-way, the capital budget is approximately \$28.3 million. Expenditures through August 2026 total approximately \$2.9 million, resulting in a positive variance to date of \$1.3 million. The variance is primarily attributable to lower-than-planned expenditures for PMCM services and TJPA personnel and administrative costs, consistent with the current pace of work and associated operational requirements. The capital budget is monitored monthly, and the year-end forecast remains aligned with the fiscal-year budget.

The TJPA is implementing an earned value management framework for professional services contracts, including performance indicators, measurement procedures, earned value rules, and supporting dashboards. An internal trial is underway for the PMCM and Caltrain contracts, with formal reporting planned for the December 2026 status report. The framework will be expanded to the three engineering and design consultants and the 40-CT preconstruction contractor as those entities are onboarded.

FY 2025-26 reporting has concluded following fiscal year-end close. Expenditures, including recorded accruals, total approximately \$19.9 million, resulting in a projected positive variance of approximately \$31.1 million from all cost categories. Remaining FY 2025-26 purchase-order commitments have been deobligated and removed from current commitments.

Figure 6 presents FY 2026-27 capital budget performance excluding right-of-way; Figure 7 presents the corresponding right-of-way performance.

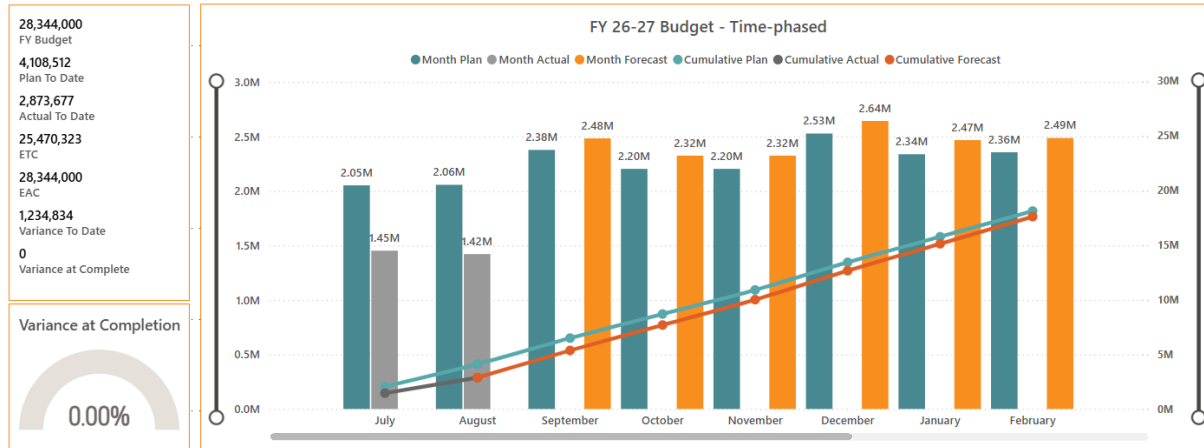


Figure 6. FY 2026-27 Capital Budget Performance (Excluding ROW)

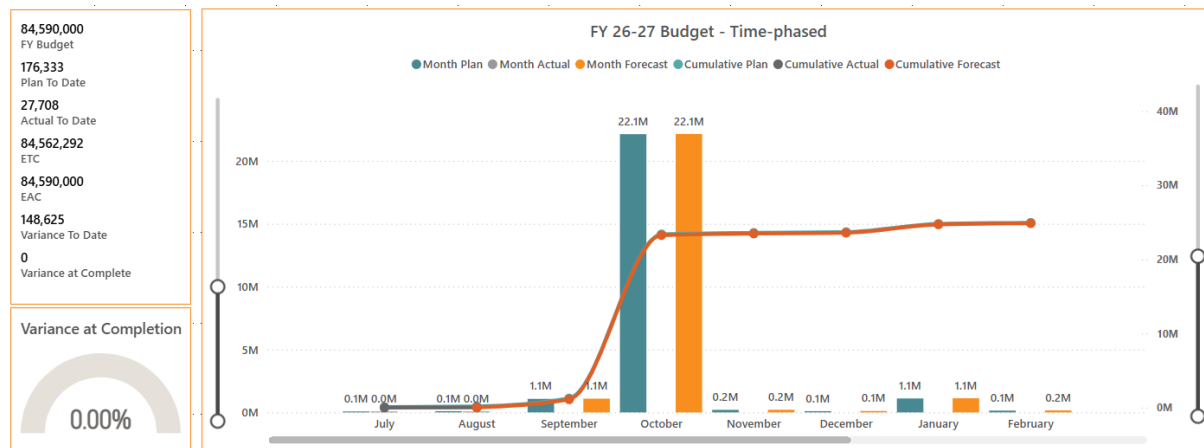


Figure 7. FY 2026-27 Capital Budget Performance (ROW)

Risk and Contingency Management

The risk register is updated on a quarterly basis. The Q3-2026 updates will be presented in the October status report. The most recent updated risk register, for Q2-2026, contains 61 active risks and 3 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, tallying the risks by number in each package and by percentage of the total. 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 also focused on revisiting and further updating near-term program risks and mitigations, which will be reflected in the Q3-2026 update of the risk register.

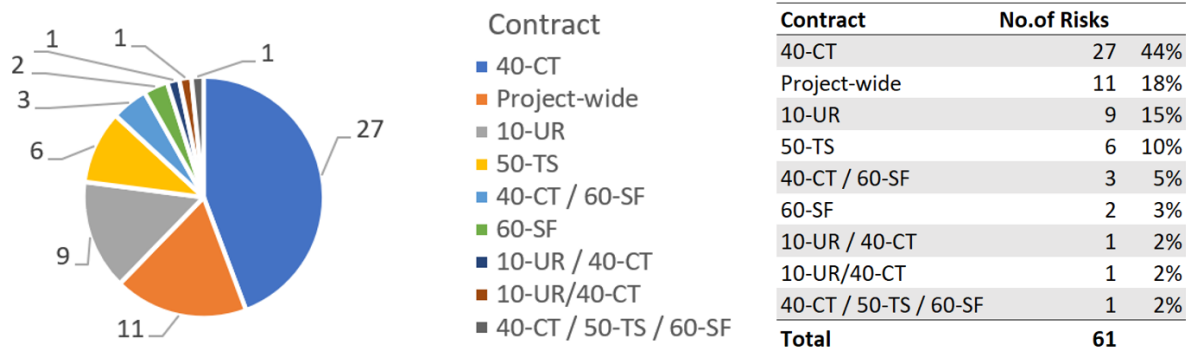


Figure 8. Active Risks and Opportunities by Contract Package

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."

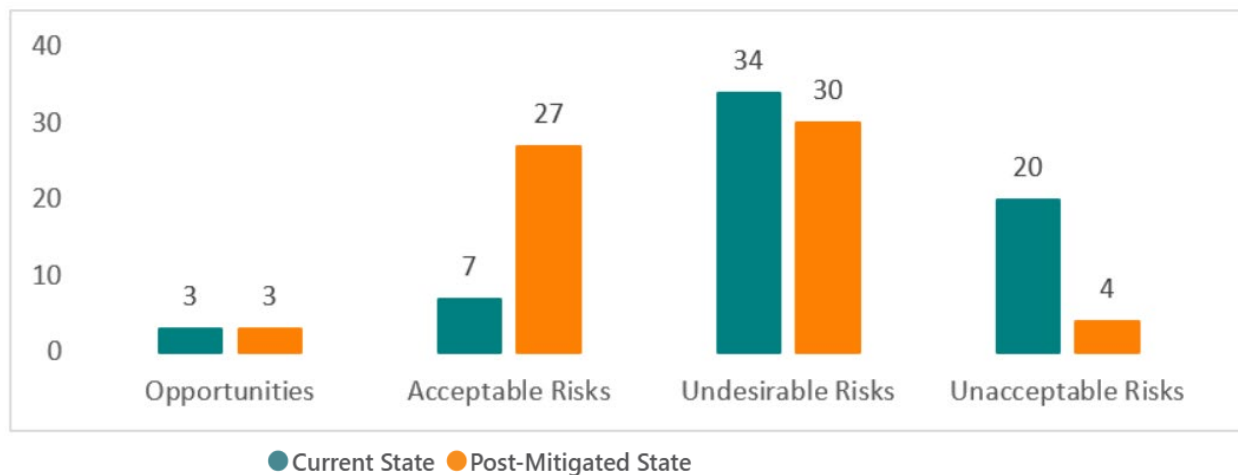


Figure 9. Active Risks and Opportunities by Risk Classification

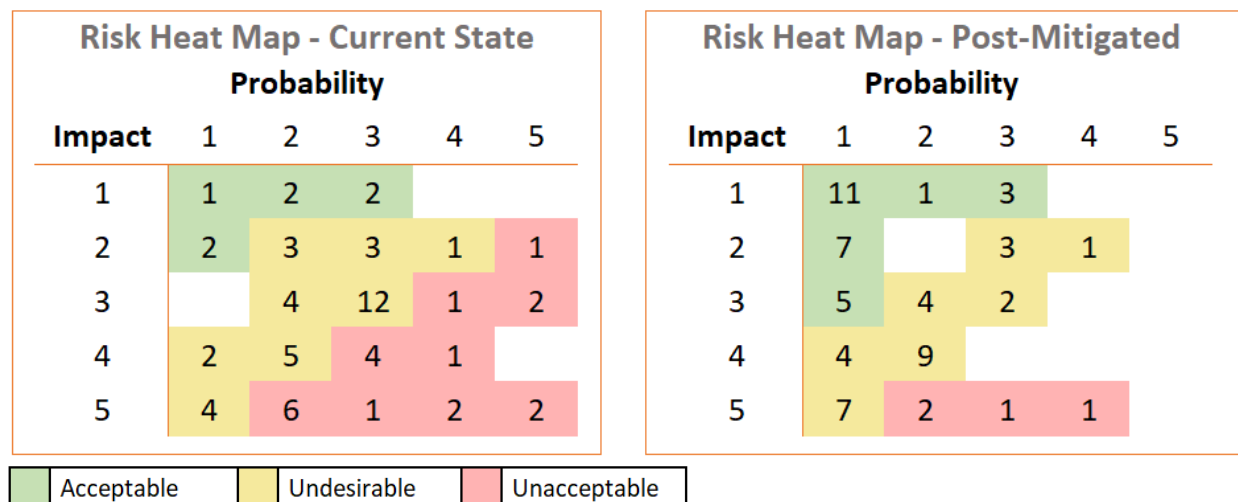


Figure 10. Risk Heat Map – Current State vs Post-Mitigated State, excluding opportunities

As seen in figures 9 and 10, if mitigations are implemented successfully, the number of unacceptable risks would decrease from 20 to 4 and the undesirable risks decrease from 34 to 30. As for acceptable risks, the number increases from 7 to 27. Based on this update, after planned mitigations, 56 percent of the risks in the risk register will still require further mitigation, as they remain unacceptable or undesirable risks.

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. Because of recent updates to the CHSRA's business plan, the TJPA will need to recommence conversations with CHSRA regarding its funding commitment to The Portal.

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 having processes in place before the PDB contractor is onboarded. Ensure preparedness for contractor negotiations and development of its initial scope relative to scope, schedule, cost, and risk allocation.

Delays in Property Acquisition

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

Mitigation Strategy. Develop a practical strategy, through prioritization of early acquisition of critical properties. Align acquisitions and storage needs with the Master Schedule and phase ROW certification if possible.

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. Conduct spoil disposal study and document plan. Verify staging areas currently envisaged and compare with needs. Engage with Caltrain on the yard areas that 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 Street 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 a 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 for the target revenue service date (RSD), having consumed approximately 16 months beyond the maximum modeled contingency. The RSD was originally intended to be reached in June 2035. This variance demonstrates that contingency was depleted earlier than forecast in the 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	CMGC #2 - Station Fit-out construction NTP
HP 8	Cut-and-cover excavation complete
HP 9	Tunnel excavation complete
HP 10	Testing and commissioning complete

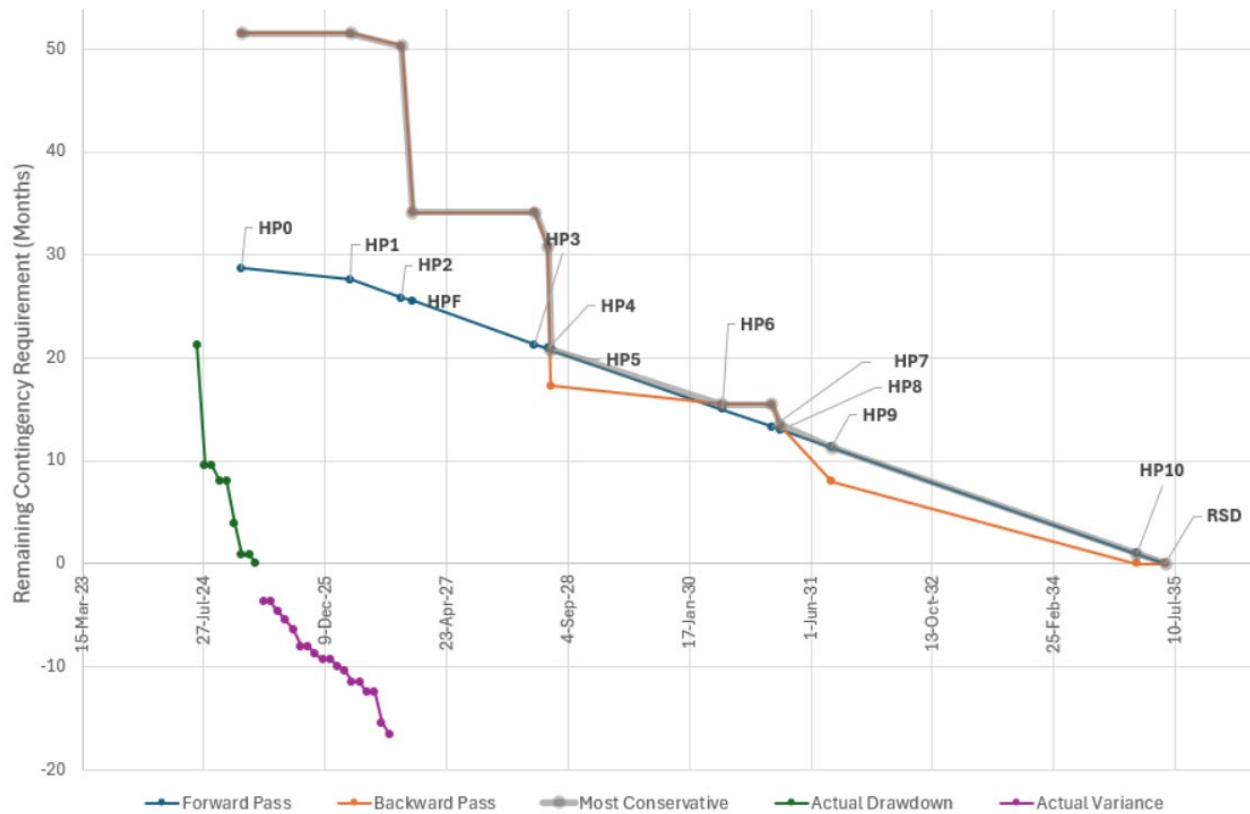


Figure 11. Schedule Contingency Drawdown at Hold Points

Cost Contingency Drawdown and Analysis

The cost contingency drawdown curves were developed in accordance with FTA OP 40 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 forecasted 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.

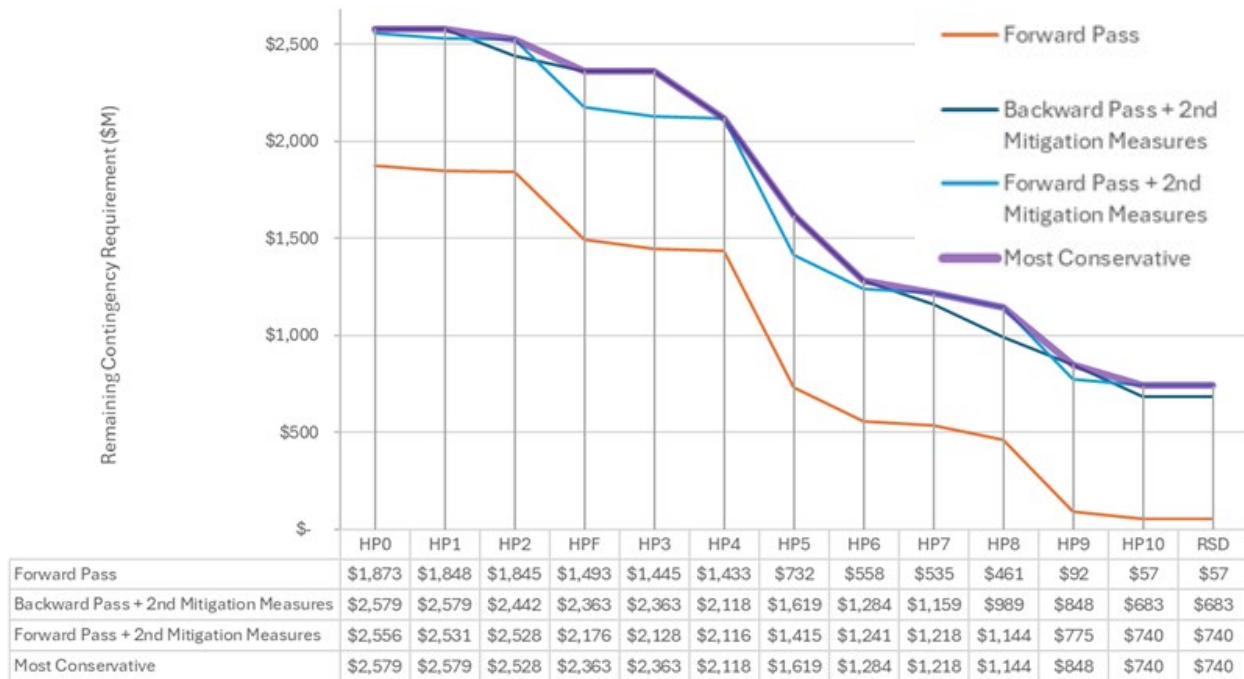


Figure 12. Cost Contingency Drawdown at Hold Points

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 July 2026)

Funding Source/Category	Est. Amount as of July 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. The bill was approved by the legislature on August 26 and was signed by the Governor on September 30, 2026.
- ◆ 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, expected in September 2026, have been delayed to October 2026.
- ◆ Completed SFCTA allocation process for FY 2026-27 Prop L transportation sales tax funds, which passed the SFCTA board for the second reading on September 15, 2026.

- ◆ Continued implementing 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 exploring 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 tranche is shown in Figure 13.

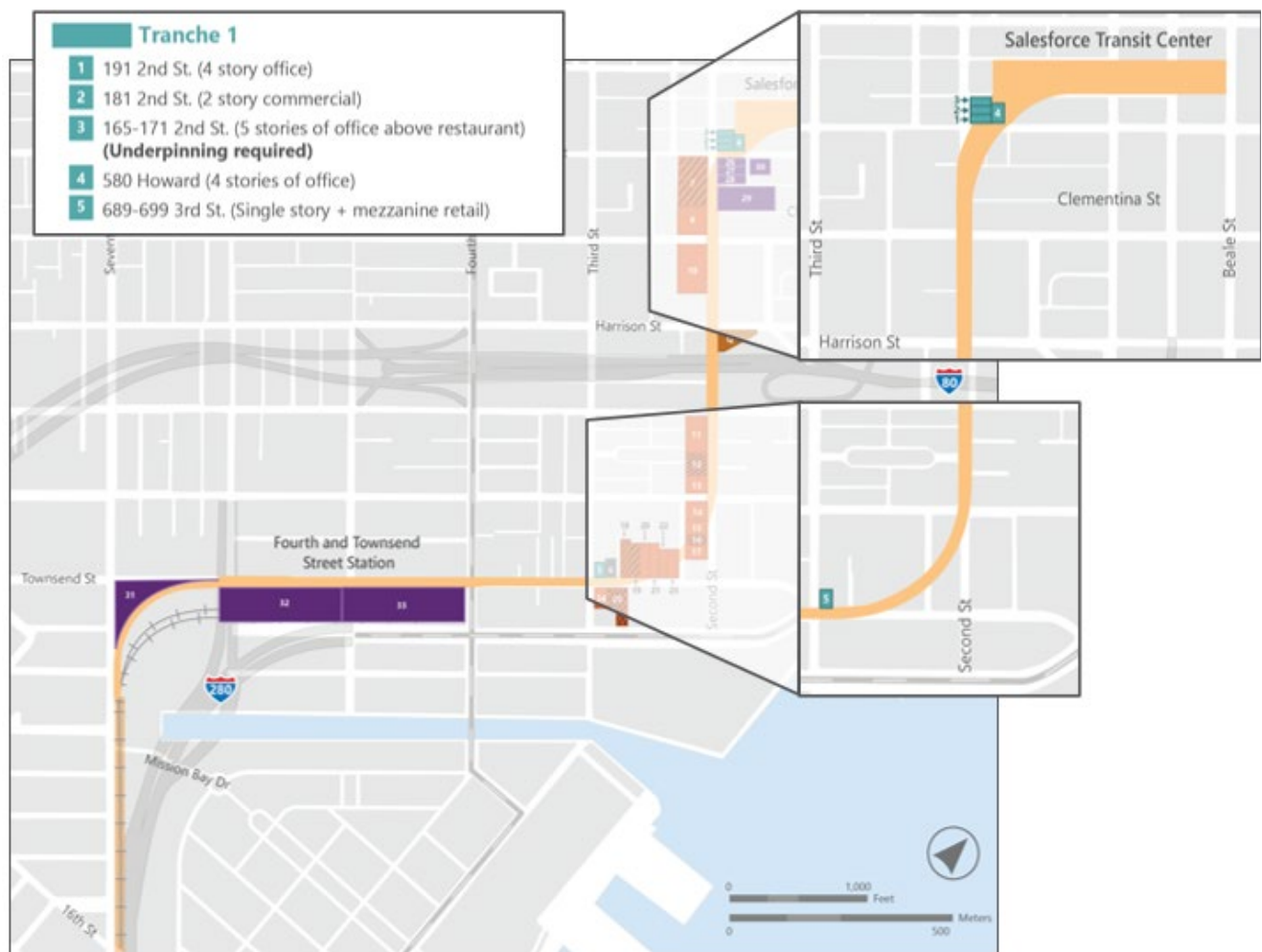


Figure 13. Right-of-Way Acquisition: Tranche 1

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 will follow completion of the Record of Survey to secure tunnel easements.

The acquisition process for five parcels (Tranche 1) continues. Appraisals of the required property interests are underway; four have been completed. Following the FTA's review and concurrence, two offers have been tendered, and negotiations are underway. One appraisal package awaits the FTA's review and concurrence as to value, which is expected in September 2026; the remaining stages for Tranche 1 are expected to be completed by Q2-2027. See the status graphic in Figure 14.

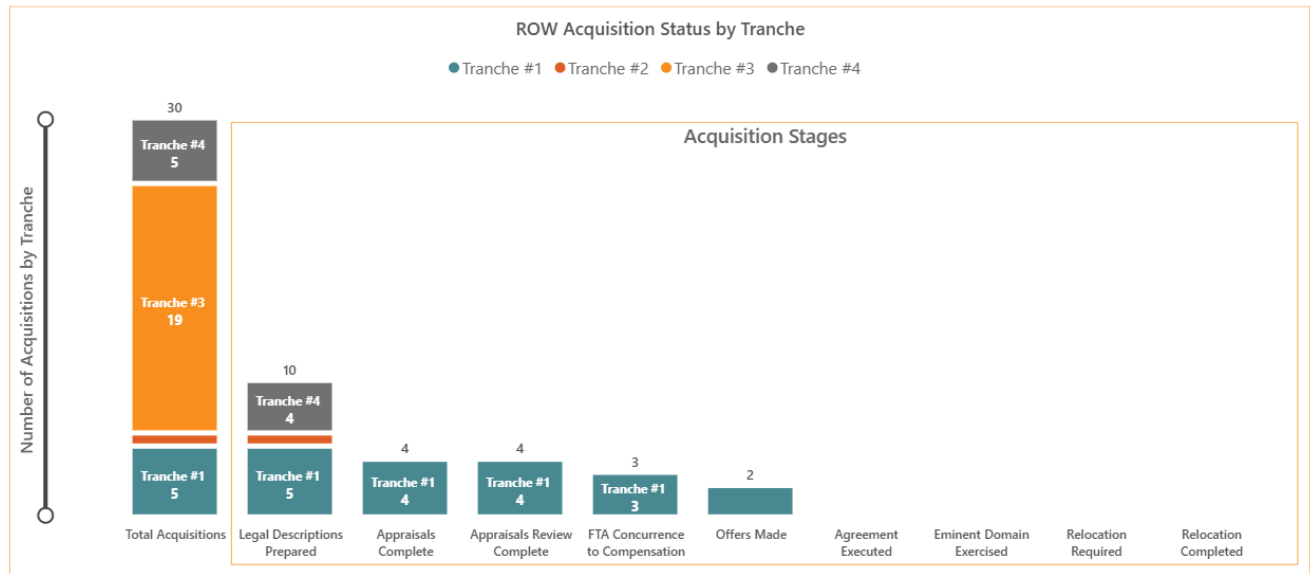
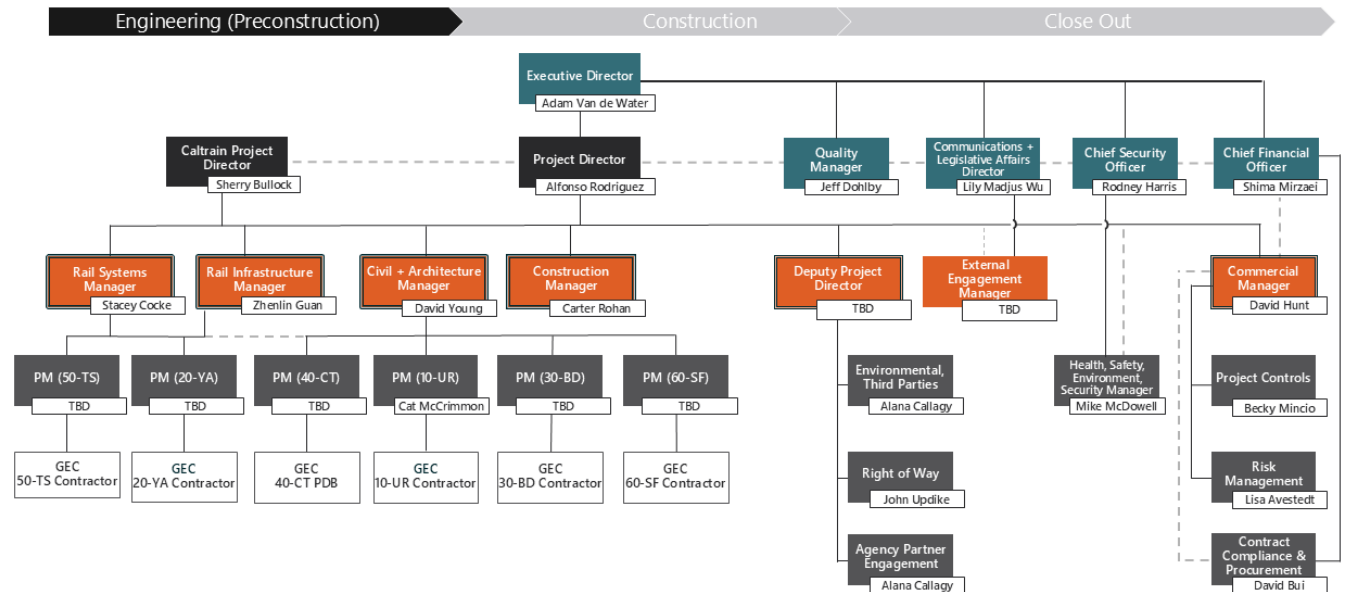


Figure 14. Right-of-Way Acquisition Status

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.



As of Sept 8, 2026

Figure 15. IPDT Staffing for Delivery of The Portal

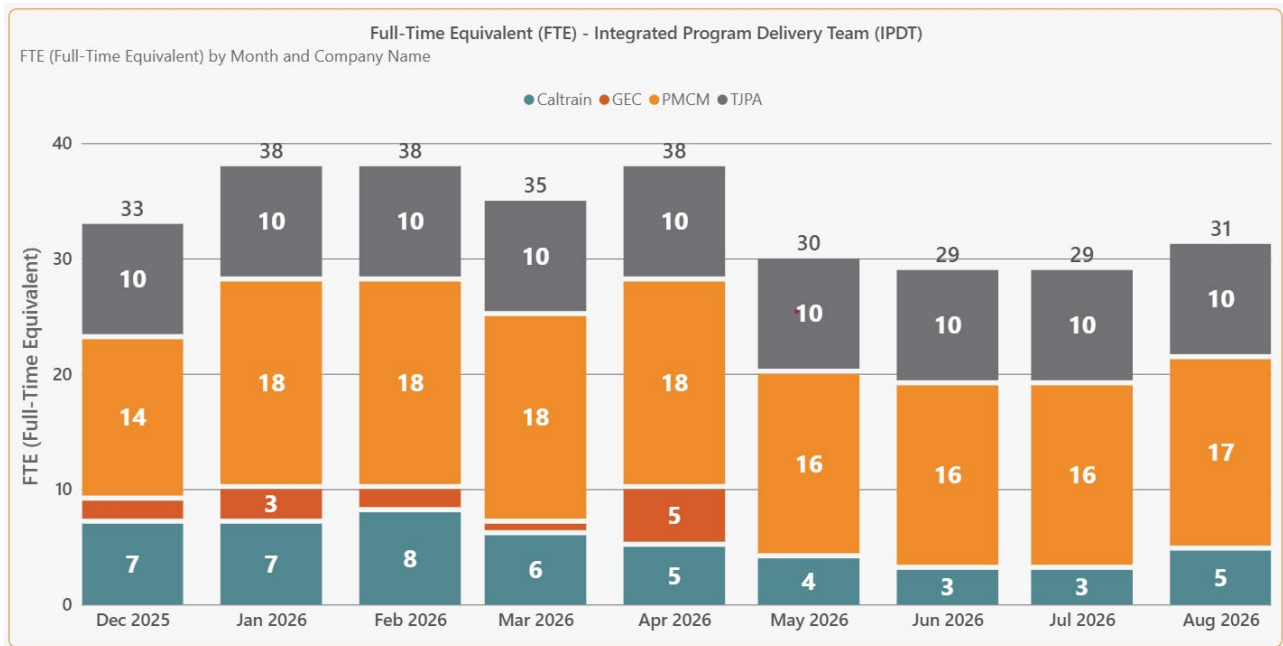


Figure 16. IPDT Staffing Levels

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 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.

On August 5, 2026, the TJPA submitted a request for a concurrence with a National Environmental Policy Act (NEPA) Re-evaluation of the 2018 Final Environmental Impact Statement (SEIS). FTA issued its concurrence letter on August 26, 2026, thus concluding the NEPA re-evaluation with its finding that the changes described in the submitted materials would not result in significant environmental impacts that were not previously evaluated in the SEIS and subsequent environmental re-evaluations.

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 2028.

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 continues to develop a right-of-way communications plan to support upcoming outreach and public engagement.

The TJPA participated in the following events this month:

- ◆ September 09: SFCTA Community Advisory Committee (CAC) Meeting
- ◆ September 16: Caltrain Community Advisory Committee (CAC) Meeting
- ◆ September 16: SF Transit Riders Membership Meeting
- ◆ September 19: We Love LA! A Celebration of High-Speed Rail
- ◆ September 23: Pop Up Transit Art Fair "Transit That Moves Us"

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, which passed the legislature on August 26 and was signed by the Governor on September 30, 2026. Development of a local implementation plan is underway.

TJPA staff continues to wait on TIRCP Cycle 8 award announcements (expected in September), but has been pushed back to October.

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
FTA concurrence with the second NEPA Re-evaluation to the 2018 SEIS 2018 SEIS	August 2026



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