By Michael Cabanatuan, Chronicle Staff Writers

The final funding piece appears to be in place for a new Transbay Terminal in San Francisco after U.S. Transportation Secretary Ray LaHood said Thursday the project will get $400 million in federal stimulus funds.

Like a pinch-hitting slugger, Big Red has been patiently sitting on the bench for weeks, waiting to take a whack. Early Friday, the appropriately named red Manitowoc crane with an 85-foot boom will swing into action near Fremont and Mission streets.

At 8 a.m., Big Red will raise, then drop, a rusty tear-shaped wrecking ball on the front of the 71-year-old Transbay Terminal, continuing the demolition work that started soon after the last bus departed the station Aug. 7.

That drop, to be repeated many times over the next two months, will erase the familiar concrete structure, which seemed to be the perfect illustration of dreary, from the downtown San Francisco landscape. In its place, a sleek $4 billion terminal built of steel and glass - and already heralded by officials as “the Grand Central Station of the West” - will rise. It is scheduled to open in August 2017.

“Now it’s ready for its next incarnation,” said Courtney Lodato, spokeswoman for the Transbay Joint Powers Authority, the agency overseeing the new Transbay Transit Center.

Since August, crews have removed the eastern ramps that connected the Bay Bridge to the terminal and gutted the inside of the structure. They have removed everything of value - the long wooden benches, the brass atop the railings, the old Key System signs - or danger: asbestos, chemicals and other hazardous materials. Items of value were given to the state, the joint-powers authority or the Western Railway Museum.

The interior of the drab terminal, which was featured in films, including “The Pursuit of Happyness,” and became home for many otherwise homeless people, is now desolate, resembling an abandoned parking garage more than a transit hub. Aside from a few abandoned escalators and a sign advertising hotels, most of what remains inside is concrete and steel.

Emilio Cruz, the program manager, said the idea is to remove everything but concrete and steel. Evans Brothers Inc., the demolition contractor, will pound and hammer the building into pieces, punch holes in the main floor, and push the debris into the basement.

“We’ll use the basement like a big bathtub,” he said.

Crews will pluck the steel from the debris pile and send it off for recycling. The concrete will be ground up in an on-site crusher and used as aggregate in the concrete used for the new center. So far, 6,500 tons of concrete have been demolished.

“Very little of what’s torn down will go into landfill,” Lodato said.

The old Transbay Terminal should disappear by the end of February or the beginning of March. While the demolition crews move west, tearing down that ramp to the Bay Bridge, other workers will begin excavation and pile-driving in April. The elaborate underpinnings of the terminal will take about three years to complete. Then the new terminal itself will rise from the hole and begin to take shape.