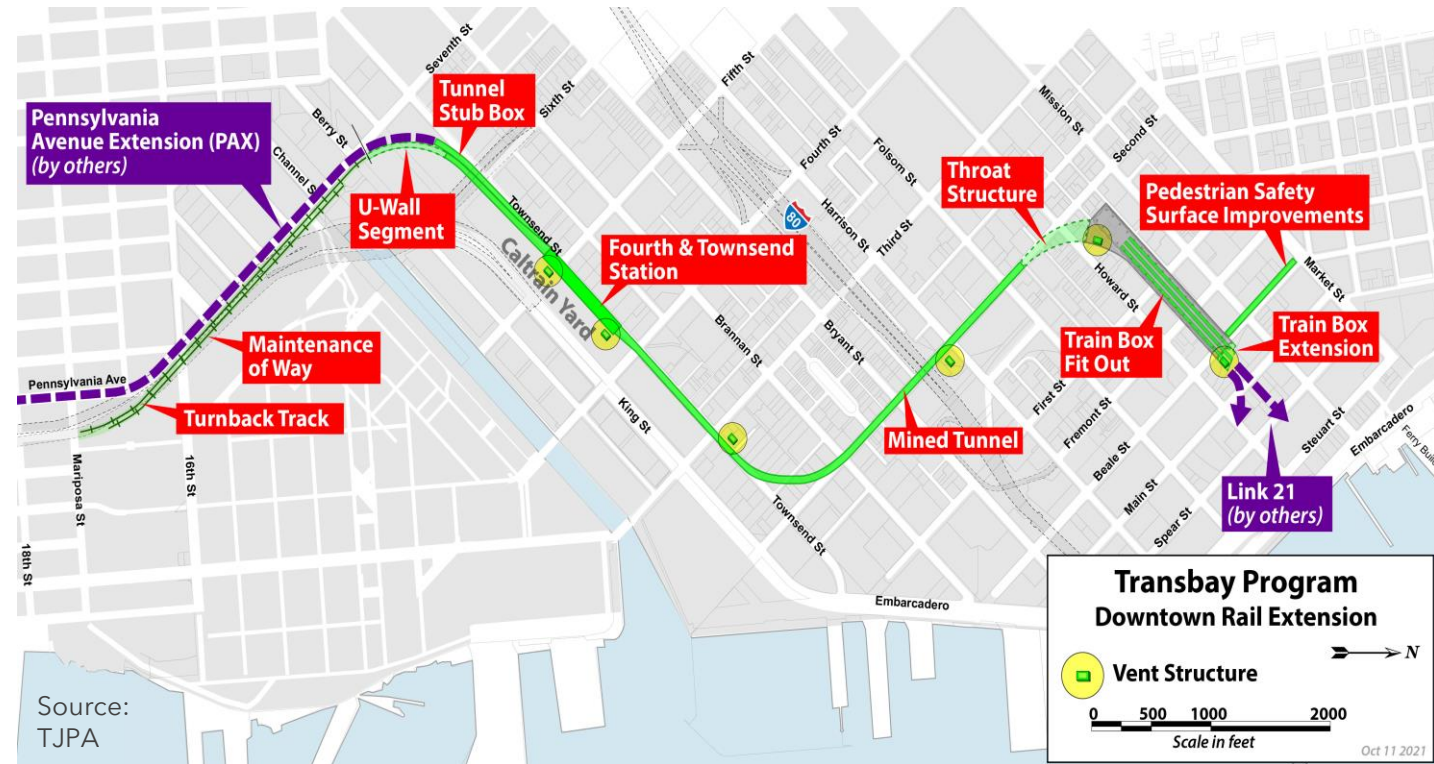


The Portal Project: Downtown Rail Extension (DTX)

Release \$4,687,100 in Previously Allocated Sales Tax Funds,
with Conditions, to the Transbay Joint Powers Authority for
DTX Engineering Development and Procurement Preparation

The Portal Project Overview

- The Portal will connect Caltrain and future California HSR to Salesforce Transit Center
- Project led by TJPA, in partnership with SFCTA and other partner agencies
- Environmentally-cleared at state and federal levels
- Longstanding local and regional priority for transit expansion and federal funding



Project Governance

- Peninsula Rail Program MOU executed in June 2020 among the six partner agencies
- Current MOU established organizational structure and work program to develop The Portal to “ready for procurement” status
- Current MOU expires December 31, 2023
- SFCTA and MTC have co-led The Portal Governance Study, in cooperation with TJPA and the other MOU partners
- TJPA Board approved The Portal Governance Blueprint in August 2023

The Portal Project Partner Agencies

- Transbay Joint Powers Authority
- Caltrain
- California High-Speed Rail Authority
- City and County of San Francisco
- Metropolitan Transportation Commission
- San Francisco County Transportation Authority

March 2023 Allocation to TJPA

Prop K Allocation: \$10M to TJPA

DTX engineering development and procurement preparation to complete FTA requirements for Project Development and Engineering

Governance-Related Conditions

- Future presentation on Governance Blueprint and planned approach to governance during project procurement and construction
- \$4,687,100 in funds placed on reserve, subject to future release by SFCTA Board following future presentation on governance

Other Conditions

- Ongoing compliance with SFCTA Oversight Protocol for DTX
- Periodic presentations to CAC and Board regarding DTX, including with respect to intergovernmental agreements
- Cost-neutral Prop K Strategic Plan amendment to advance programming, but not the cash flow reimbursement schedule, to fully allocate Prop K DTX funds before sunset of Prop K on March 31, 2023
- Exception to Prop K policy establishing that remaining Prop K funds be for DTX construction, in order to allocate funds for DTX Engineering Development and Procurement Preparation

The Portal Governance Blueprint

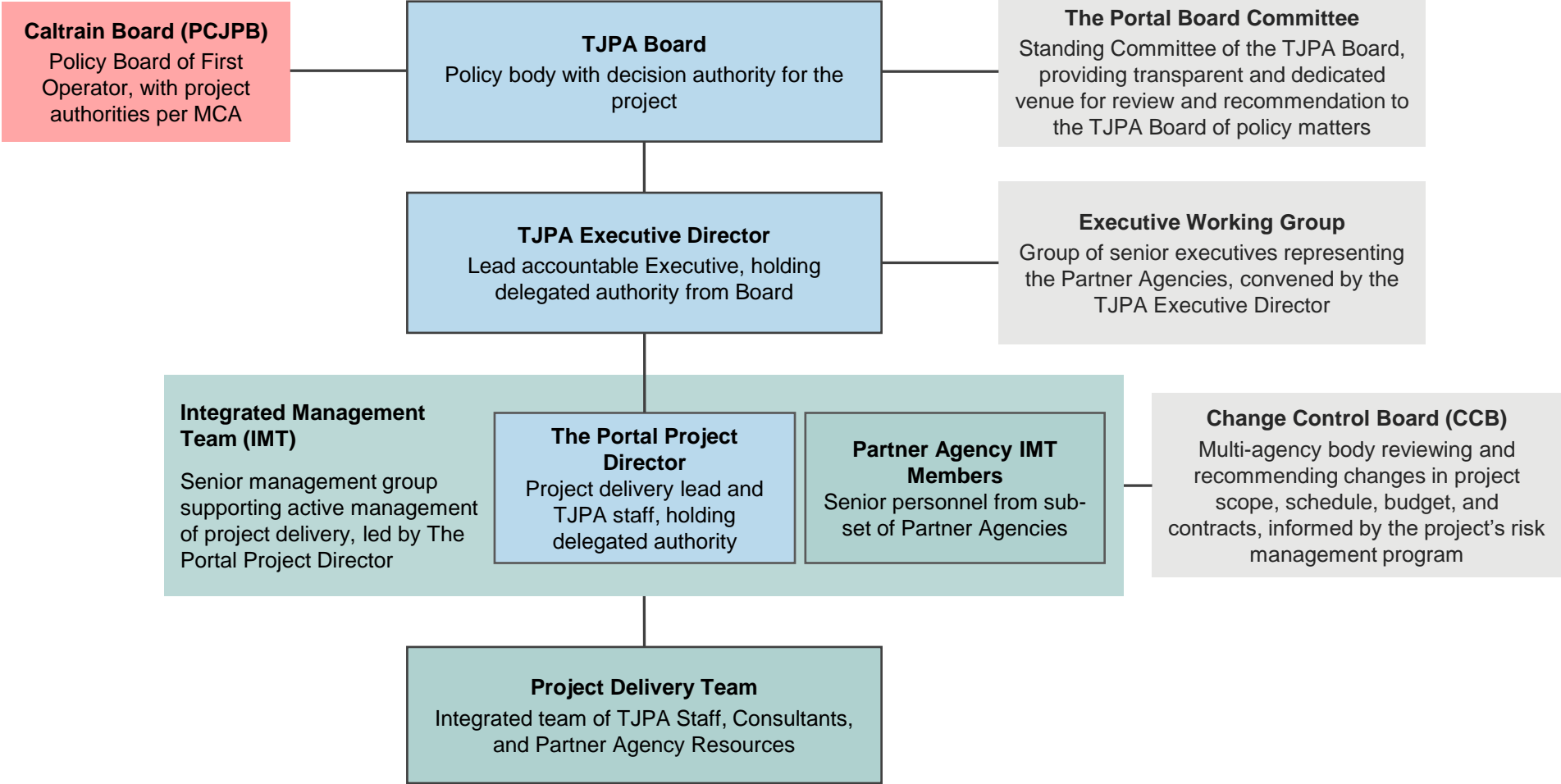
TJPA Board approved The Portal Governance Blueprint in August 2023

- Prepared by SFCTA and MTC, in cooperation with all partner agencies
- Intended to guide preparation of a new, multi-party Successor MOU among the partners, to serve the project through construction and commissioning
- Focuses on structure for multi-agency collaboration across the partner agencies
- Successor MOU and work plan to address individual agencies' commitments, responsibilities, and decision rights

Blueprint Components:

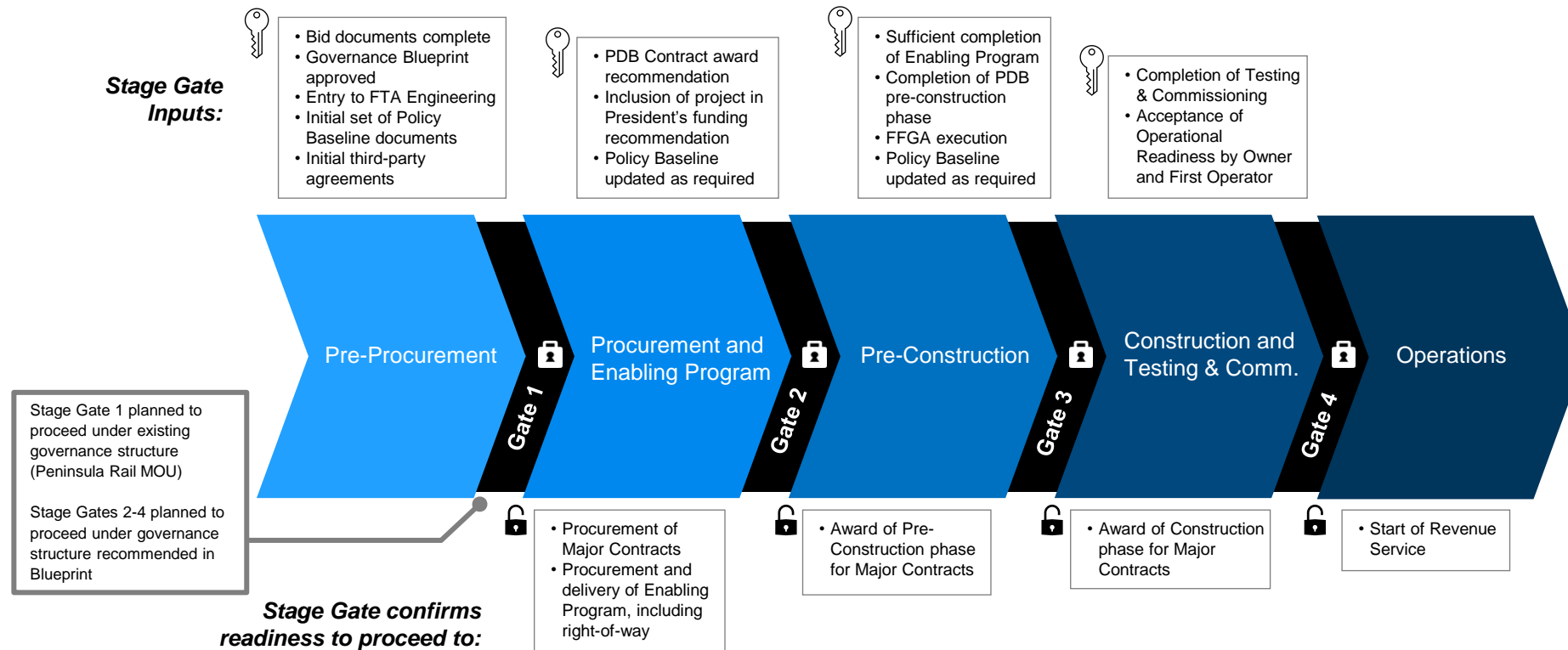
- Governance Structure and Bodies
- Policy Baseline and Stage Gate Framework
- Change Decision Framework
- Project Reporting Approach
- General Procedures for Decision-Making

Recommended Governance Structure



Stage Gate Framework

Blueprint recommends draft Stage Gate Framework to align decision-making at project milestones.



Federal Transit Administration (FTA) Capital Investment Grant (CIG)

FTA “New Starts” CIG program is single largest source of project funding, for up to 49.4 percent of capital cost.

- December 2021: Project admitted to CIG “Project Development” phase
- February 2023: TJPA makes initial request to FTA to advance project to CIG “Engineering” phase
- Spring 2023: FTA conducts comprehensive risk review of project
- August 2023: Updated request to FTA to enter Engineering phase
- Fall 2023 (anticipated): FTA completes formal rating of project and admits project into Engineering phase
- Spring 2025 (planned): execution of FTA Full Funding Grant Agreement

Project Definition and Capital Cost Estimate

- Inclusion of previously-constructed “trainbox” as non-CIG match funding, for FTA purposes
- Risk adjustment, guided by FTA risk review recommendations
- Inclusion of Caltrain electric maintenance way equipment and level-boarding retrofits
- Estimated financing costs, per FTA requirements
- Additional value engineering opportunities still to be considered

	Cost Estimate (millions of YOES)
Capital Cost Estimate (August 2023)	
Capital Estimate as of February 2023 (exclusive of financing costs)	\$6,680
Scope Adjustments (MOW equipment; level-boarding retrofits)	\$60
Risk Review Adjustments	\$407
Financing Costs	\$375
Miscellaneous Updates	(\$4)
The Portal Grand Total	\$7,517
Trainbox Investment (previously funded and completed)	\$729
FTA-Reported Total	\$8,246

Note: Cost Estimate subject to further revision prior to establishment of Baseline Budget, including to respond to FTA review.

Capital Funding

- CIG request of ~\$4.1 billion, to fund 49.4 percent of capital cost
- CIG dollar amount to be fixed at time of entry to FTA Engineering phase
- Estimated \$1.9 billion in funds currently committed to project
- Remaining non-CIG funds must be committed prior to execution of FFGA with FTA
- Need for additional local, state, and federal commitments to project

Funding Source/Category	Est. Amount (millions of YOES)
FTA Capital Investment Grant	~\$4,100
Other Federal Programs (e.g., CRISI, Mega, FSP, etc.)	~\$690
State Transit Intercity Rail Capital Program (TIRCP)	\$560
High-Speed Rail (State/Federal Funds and/or CHSRA TBD)	\$550
MTC Regional Measure 3 (RM3)	\$325
Other/Future Regional Source(s)	TBD
Partner Agency Contributions to PD/Engineering	\$12
Transit District Sources (CFD, Tax Increment, etc.)	~\$925
SFCTA Sales Tax (Prop K and Prop L)	~\$320
Regional Transportation Improvement Program (RTIP)	\$18
Other Local Sources	~\$50
New/Expanded Local Sources and Private Sources	TBD
Total Excluding Trainbox	~\$7,550
Trainbox Construction Cost	\$729
Total Including Trainbox	~\$8,280

SFCTA Funding and Oversight

- Transbay Program is single largest investment of both Prop K and Prop L
 - Prop L Strategic Plan Baseline programs \$300 million to The Portal
 - Prop L Five-Year Prioritization Program (5YPP) for DTX will be brought forward in early 2024
 - 5YPP approval is prerequisite to allocation of Prop L funding
- SFCTA provides enhanced oversight of project, in concert with participation in project governance bodies and MOU task activities
 - Oversight needs and focus will deepen as project moves from development to delivery
 - SFCTA oversight complementary to FTA's federal oversight

Recommendation

Release \$4,687,100 in Previously Allocated Sales Tax Funds, with Conditions, to the Transbay Joint Powers Authority for Downtown Rail Extension Engineering Development and Procurement Preparation

Thank you.

Jesse Koehler
Rail Program Manager
jesse.koehler@sfcta.org
415-522-4800



San Francisco
County Transportation
Authority



sfcta.org/stay-connected