

# 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

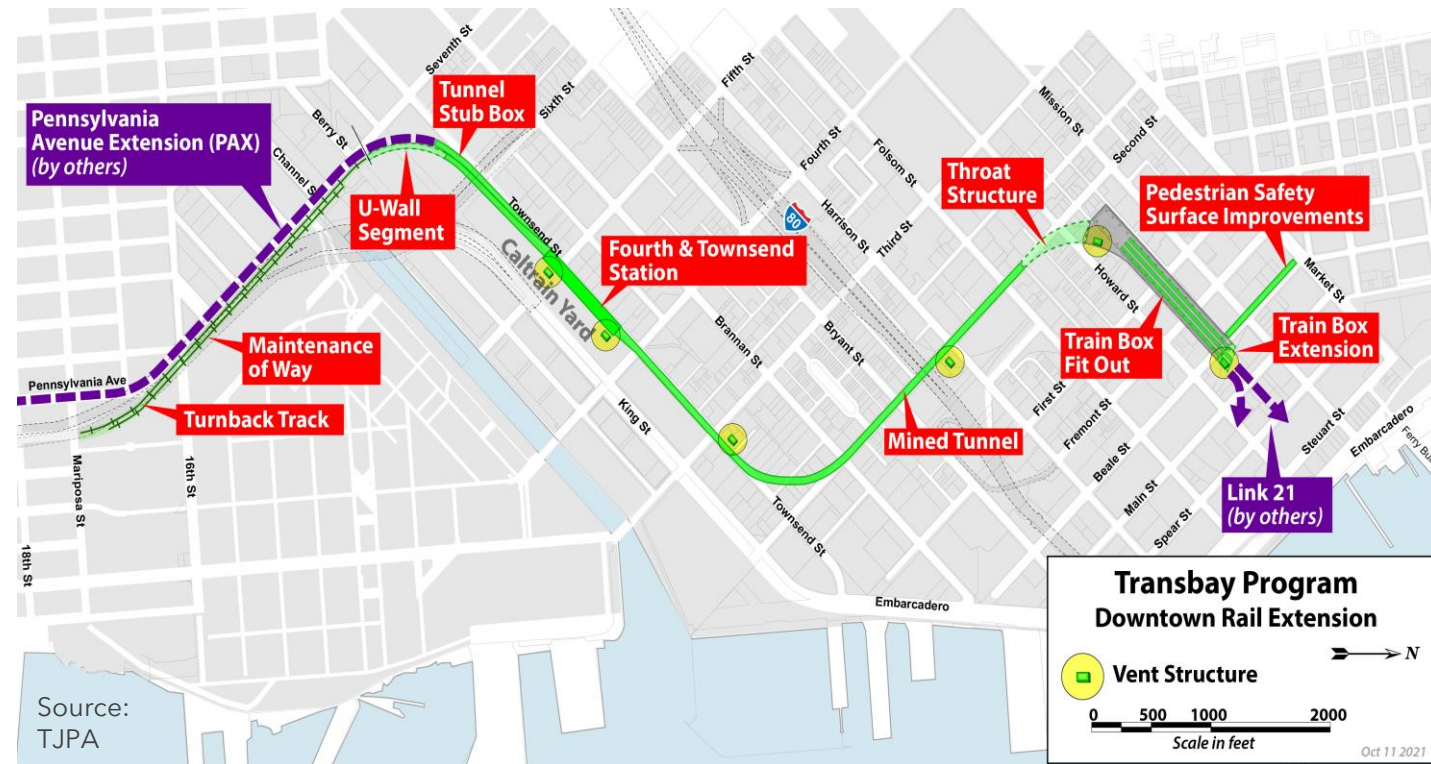


San Francisco  
County Transportation  
Authority

Community Advisory Committee — Agenda Item 5  
September 6, 2023

# 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
- Estimated Capital Cost: \$7.52B



# Federal Transit Administration (FTA) Capital Investment Grant

FTA “New Starts” CIG program is single largest source of 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
- Fall 2023 (anticipated): FTA completes formal rating of project and admits project into CIG Engineering phase
- Spring 2025 (planned): execution of FTA Full Funding Grant Agreement

# 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 co-led The Portal Governance Study, in cooperation with TJPA and the other MOU partners
- TJPA Board approved 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 and Conditions

## 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

- 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
- Ongoing compliance with SFCTA Oversight Protocol for DTX
- Periodic presentations to CAC and Board regarding DTX, including with respect to intergovernmental agreements
- 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

# Project Definition and Capital Cost Estimate

TJPA August Submittal to FTA reflected:

- 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

<b>Capital Cost Item</b>	<b>Cost Estimate (millions of YOES)</b>
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)
<b>The Portal Grand Total</b>	<b>\$7,517</b>
Trainbox Investment (previously funded and completed)	\$729
FTA-Reported Total	\$8,246

# Capital Funding Plan

- 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
<b>Total Excluding Trainbox</b>	<b>~7,550</b>
Trainbox Construction Cost	\$729
<b>Total Including Trainbox</b>	<b>~\$8,280</b>

# The Portal Governance Blueprint

TJPA Board approved The Portal Governance Blueprint in August 2023

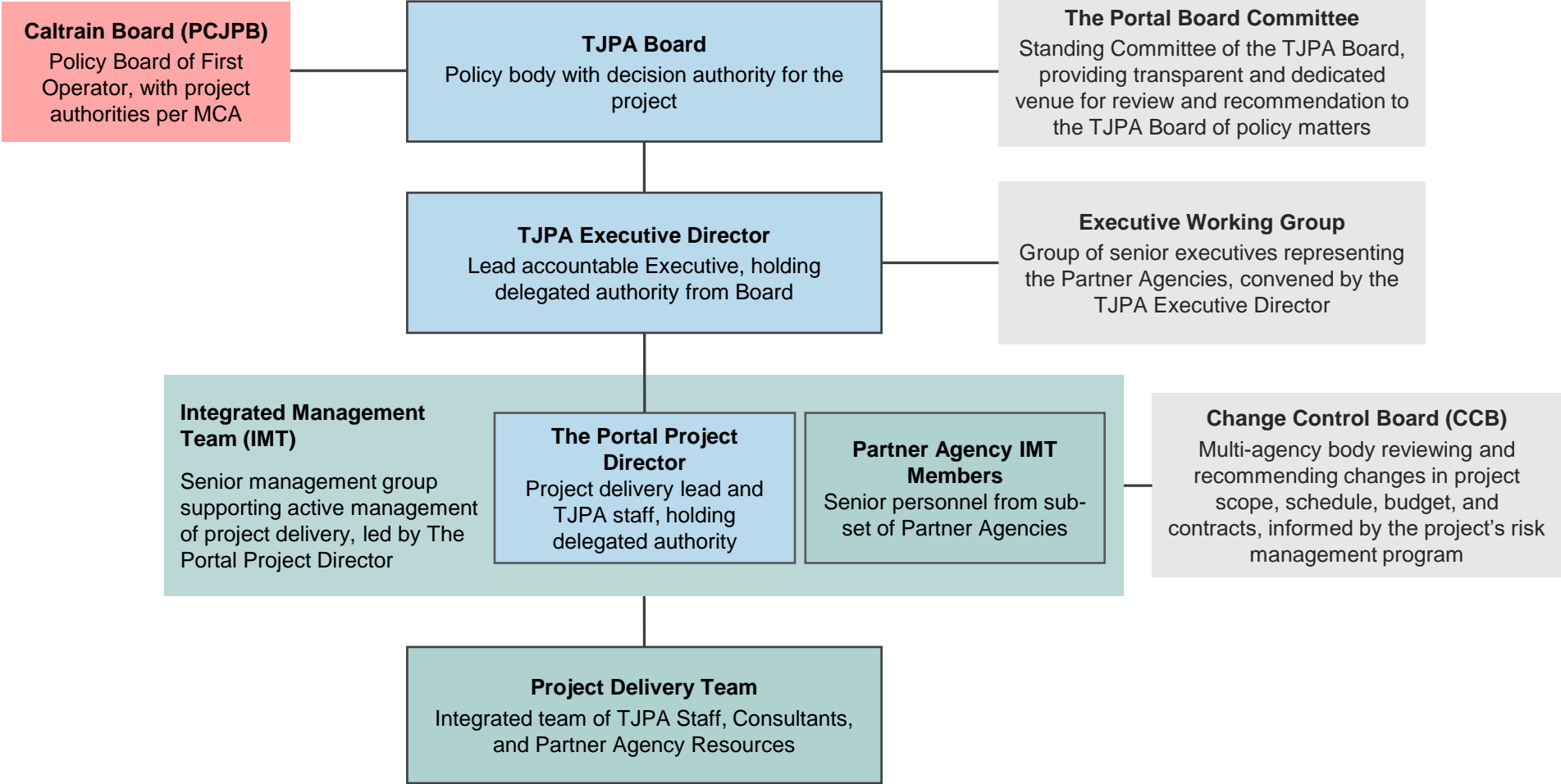
- Prepared by SFCTA and MTC, in cooperation with all partner agencies
- Intended to guide preparation of a new, multi-party Successor MOU among the partners, to serve the project through construction and commissioning
- Focuses on structure for multi-agency collaboration across the partner agencies
-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

## **Peninsula Rail Program MOU Task 18** (Co-Lead Agencies: MTC, SFCTA)

*Explore the best institutional arrangement and governance for the delivery of the DTX Rail Program through construction and make recommendations to TJPA Board.*

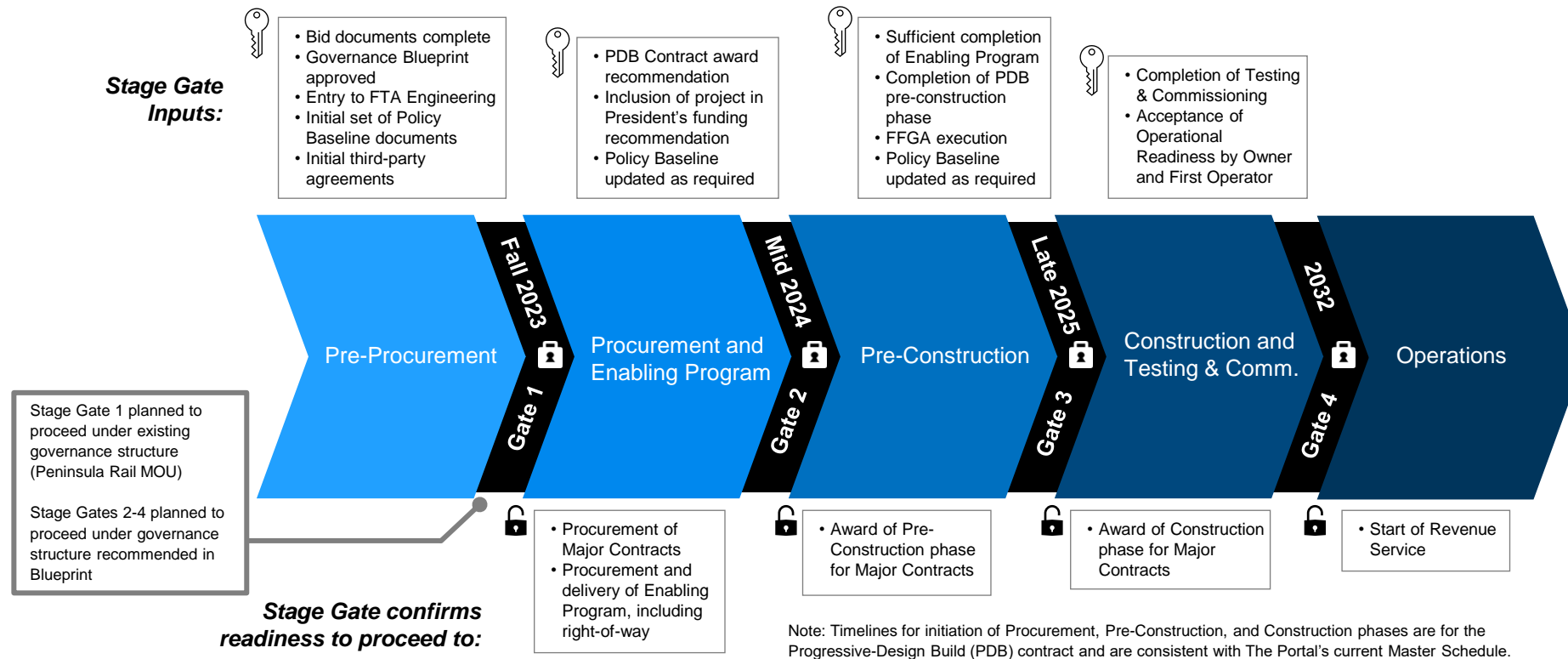


# Recommended Governance Structure



# Stage Gate Framework

Blueprint recommends Stage Gate Framework to support alignment of decision-making at project milestones



# Governance Blueprint Implementation

Blueprint identifies major areas of follow-up work to implement recommendations:

- **Delegated Authorities Framework** to establish thresholds for each Change Type and align with decision procedures across the governance structure – to be reflected in Successor MOU
- **Successor MOU** to replace the existing Peninsula Rail Program MOU, which expires on 12/31/2023
- **Formation of Governance Bodies**
  - Establishment of The Portal Board Committee by TJPA Board
  - Formation of CCB, to be in place as a body no later than start of Enabling Program construction (mid-2024)

# 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 coordination with participation in project governance bodies
  - 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.

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