SFMTA

TJPA SFMTA Lease Amendment

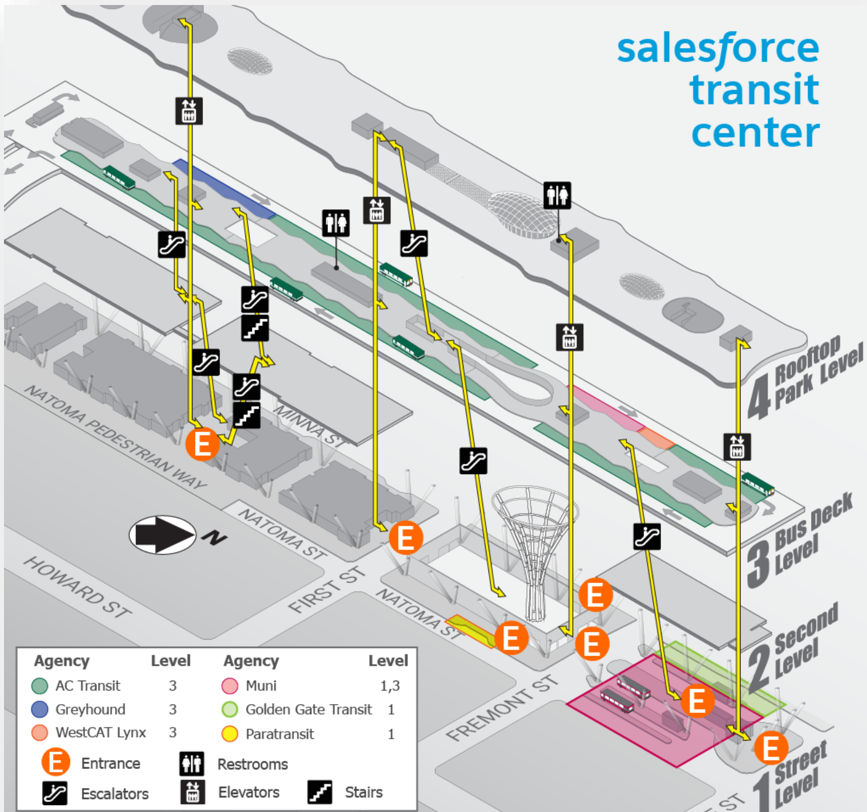
Continued Muni Operations at Transbay Transit Center

BOS Budget and Finance Committee
October 15, 2025

File No. 250990

TJPA SFMTA Lease Amendment

Summary of Request



The SFMTA seeks Board of Supervisors’ approval

- for the **First Amendment to the Lease Agreement** with the **Transbay Joint Powers Authority** (TJPA)
- for **continued Muni operations** at the **Salesforce Transit Center** through **12/31/2050**,
- with **two ten-year extension options** and a current estimated annual operating charge of **$1,203,280**.

Background

- The **Transit Center** replaced the former Transbay Terminal and serves as a **regional transit hub**.
- The original lease (approved 6/5/2018) was for a **pilot program** for Muni bus operations at the Transit Center's bus plaza.
- The pilot was **successful, leading to an ongoing operational commitment**.

Current Bus Operations

- Muni operates multiple lines from the Transit Center: **5/5R**-Fulton, **7**-Haight, **38/38R**-Geary, **25**-Treasure Island, and **714** BART Early Bird.
- The Transit Center also serves **AC Transit, WestCAT, Golden Gate Transit, SamTrans, and Greyhound**.
- The facility includes **below-grade space** for **future Caltrain** and **California High Speed Rail** service.
- The SFMTA has **exclusive use of 50,436 sq. ft.**, representing **21.8%** of the total exclusive-use area of the Transit Center.

Revenue and Cost Management

- TJPA manages the day-to-day operations of the Salesforce Transit Center.

Revenues	Expenses
Examples: • **Retail** • **Advertising** • **Event space rental** • **Regional funding, and** • **Naming rights/ sponsorships**	Examples: • **Management** • **Janitorial services** • **Security** • **Maintenance** • **Utilities** • **Insurance** • **Taxes**

- It plans to increase revenue through **long-term commercial tenants and future transit expansions**.

Terms, Current Status, and Purpose of Amendment

- **SFMTA's annual Operating Charge** is based on its share of the Transit Center's excess operating expenses, proportional to its exclusive-use areas.
  - **FY25–26**: $1,203,280
  - **FY26–27**: $1,130,000 - $1,180,790 (estimated)
- The SFMTA may **terminate the Lease** if its projected Operating Charge for an upcoming fiscal year **exceeds $3 million**.
- The **current lease is month-to-month**.
- This Amendment **extends the lease term to 12/31/2050**, with **two 10-year extension options** subject to mutual approval by the SFMTA and the TJPA.
- It would ensure **continued Muni operations** and **regional transit connectivity**.

Summary

The **MTA Board approved** the lease amendment on **7/15/2025**.

Final approval from the Board of Supervisors is respectfully requested.

- **Extend the term to 12/31/2025** for continued Muni operations at the Transit Center, **with two ten-year extension options** and an operating charge of **$1,203,280 for FY25-26**; and
- **Authorize the Director of Transportation** to enter into any necessary or advisable changes to the Lease Amendment that do not materially increase the obligations or liabilities to the City or reduce its benefits, while effectuating the purposes of this amendment.

Thank You

S. Lam, 10-8-2025