



FY2025 Revised Capital Budget – New HQ Project



SamTrans Board of Directors | December 4, 2024

Agenda

- Presenting the proposed FY2025 Revised Capital Budget – New HQ Project:
 - Estimated Additional Costs Not Covered by Landlord (Non-TI)
 - Estimated Additional Tenant Improvement Costs
- Staff recommendation
- Next steps/updated schedule

Estimated Additional Costs Not Covered by Landlord (Non-TI)

Category/Item	Cost Estimate
1. Furniture, Fixtures, & Equipment (FF&E), And Auxiliary Equipment	\$9,380,136
2. Information, Communications, & Technology (ICT), Data Servers, and Building Management System	\$6,793,886
3. Parking Garage Fencing, EV Charging, Ticket Booth & Fare Storage, And Owner Paid Permit Fees	\$1,734,644
4. Moving Services, Move Management, Digitization, Equipment & Furniture Disposal, And Document Disposal	\$1,792,872
5. Project Management, Construction Management, Change Management, Procurement, And Legal Services	\$3,789,660
6. Architectural & Engineering Design	\$2,625,421
Total Estimate	\$26,116,619

Estimated Additional Costs Not Covered by Landlord (Non-TI)

- Estimates prepared using:
 - Unit quantities multiplied by comparable actual examples from recently completed public buildings, vendor quotes, and negotiated pricing through cooperative purchasing systems (OMNIA for furniture)
 - Actual work-directive costs
- Some of these costs will be shared by other agencies and a potential tenant on the 4th floor (if lease is successfully negotiated)
- IT and parking systems will be bid through public process
- Consultant services procured using work directives under existing on-call contracts approved by Board

Estimated Additional Tenant Improvement (TI) Costs

Background

- During lease-to-purchase agreement negotiations, SamTrans secured \$235/SF for tenant improvements from landlord
- At the time, this was the highest TI allowance our broker had seen in a similar transaction
- Recent analysis by a third-party architect estimated that a typical TI allowance one year ago was about \$225/SF
- Any increase in TI allowance would likely have resulted in higher purchase price or other changes to agreement in landlord's favor

Estimated Additional Tenant Improvement (TI) Costs

Current Status

- Project team has developed TI design based on extensive coordination with District divisions and departments, with an eye toward employee recruitment and retention and potential growth
- Tenant improvements (TI) design is at *90% Construction Document* phase (nearly complete)
- General contractor onboarded by landlord and initial estimates prepared
- All contractors must pay prevailing wages per BART ground lease

Estimated Additional Tenant Improvement (TI) Costs

Original Agreement	Updated Costs (Estimated)	BART HQ (Actual)	Third-party Market Estimate
\$235/SF	\$308/SF	\$383/SF	\$255-450/SF

- Latest estimate based on 90% Construction Documents is \$308/SF, requiring SamTrans to contribute **\$11,469,474**, in addition to ~\$37M from landlord
- Value engineering (VE) efforts have reduced this by \$7,498,448, or \$48/SF
- This estimate is below comparable costs for the new BART HQ and within the current market range provided by a third-party architect
- The project team will field-verify the quantities and quality of the TIs installed by the landlord's general contractor and will review the accuracy of monthly contractor invoices

FY2025 Revised Capital Budget Proposed Changes

(\$ in Millions)

Capital Category	FY2025 Adopted	FY2025 Revised	\$ Change
Revenue Vehicle Replacement	\$68.2	\$68.2	-
Non-Revenue Vehicle Support	0.8	0.8	-
Safety and Security	2.2	2.2	-
Facilities / Construction	38.8	76.4	37.6
Infrastructure	28.2	28.2	-
Information Technology	4.7	4.7	-
Planning / Development	7.0	7.0	-
Total	\$149.9	\$187.5	\$37.6

FY2025 Revised Capital Budget

Interim Sources of Funds

(\$ in Millions)

Capital Sources of Funds *	FY25 Adopted	FY25 Revised	\$ Change
Federal	\$54.3	\$54.3	-
STA – State of Good Repair	1.6	1.6	-
District Sales Tax	25.9	36.6	10.7
Measure W	26.5	26.5	-
Other/State/Regional	13.3	36.6	23.3
Discretionary	28.3	31.9	3.6
Total Sources	\$149.9	\$187.5	\$37.6

* Budget numbers are presented in a high-level rounding to the millions.

Next Steps/Updated Schedule

Phase	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026
Shell Warm-up (Underway Now)	Active	Active	Completed	Completed	Completed	Completed
Tenant Improvements (90% CD Stage)	Completed	Active	Active	Active	Active	Completed
Space Preparation	Completed	Completed	Completed	Completed	Active	Active
Move-in	Completed	Completed	Completed	Completed	Completed	Active

Staff Recommendation

- Increase the FY25 Capital Budget from \$149.9M to \$187.5M
 - \$26,116,619 for planned expenses with updated cost estimates
 - \$11,469,474 for additional tenant improvement (TI) costs
- Return to Board in mid-2025 with update on project costs and financing

Questions?



Thank You

