

# Metropolitan Transportation Commission Programming and Allocations Committee

November 12, 2014

MTC Resolution No. 3651, Revised

**Subject:** Change to condition on prior allocation of Regional Measure 2 funds to the Transbay Joint Powers Authority for Right of Way acquisition.

**Background:** MTC allocated \$23.7 million in Regional Measure 2 (RM2) funds to the Transbay Joint Powers Authority (TJPA) in January 2008 to fund several property acquisitions related to the Transbay Terminal project. The allocation included a condition that for each property being purchased with RM2 funds, MTC would execute quitclaim deeds prior to transferring any funds to TJPA. These quitclaim deeds were executed, including for properties at 75 Natoma Street and 546 Howard Street, when the properties were purchased in 2009.

TJPA is currently negotiating a private bridge loan with Goldman Sachs (Goldman) to finance project construction expenses until funds from a previously-approved federal Transportation Infrastructure Finance and Innovation Act (TIFIA) loan can be accessed, which is expected to be in Fall 2015. The lender is requiring as collateral that TJPA provide deeds of trust on several TJPA-owned properties, including 75 Natoma Street and 546 Howard Street. In order to provide the deeds of trust, TJPA has requested that MTC agree its quitclaim deeds on the two properties be held in abeyance so that Goldman holds a senior security interest in the properties until TJPA pays off the loan.

The recommended revision of MTC Resolution No. 3651 would modify the condition requiring quitclaim deeds for properties purchased using RM2 funds by excluding 75 Natoma Street and 546 Howard Street. If the action is approved by the Commission, MTC staff would then work with TJPA to amend agreements pertaining to the quitclaim deeds for these two properties to reflect the above structure.

**Overall Project Status:** The current budget for Phase I of the Transbay Terminal project is \$1.9 billion. Funding the project at this level relies on all previously identified revenues, plus new revenues and cash flow from a renegotiated TIFIA loan, land sales, and revenues from the proposed formation of a Community Facilities District (CFD) in the Transbay Terminal neighborhood. The CFD would be expected to provide approximately \$200 million toward the project funding plan. The approval of a CFD is expected to occur in January 2015, according to the present schedule and assuming no litigation.

MTC has allocated about \$350 million in bridge toll funds (RM2, RM1, and AB1171) to the project to date. Of that, approximately 88%, or \$308 million, has been expended. Meanwhile, construction on the project has been progressing, with the subsurface work and construction of the steel support structures both well underway. Over \$800 million has been expended overall.

**Quitclaim Deeds and TJPA Bridge Loan.** Of the \$23.7 million of RM2 funds allocated in January 2008 for property acquisitions, approximately \$5 million went toward the purchase of 75 Natoma and 546 Howard Streets. MTC originally entered into the quitclaim deed agreement with TJPA in order to mitigate risk: the deeds were structured such that if the overall project did not proceed to completion, MTC would then take ownership of the properties, which presumably would be valuable due to

their downtown location. In other words, some of MTC's investment of bridge toll funds in the project could be recaptured if the project did not move forward, via the property deeds. It should be noted that the agreement was executed before construction on the project was underway. TJPA entered into similar agreements with Caltrans due to its involvement in the project, and is requesting that Caltrans relinquish their properties in order to be used as collateral for the loan. Caltrans staff has indicated it will take the necessary steps to do so.

The primary risk of placing the deeds in a second priority position appears to be that MTC would be giving up an aspect of risk mitigation on investments in the project. However, MTC has already allocated over \$350 million in bridge toll funds to the project, and the \$5 million provided for these two properties represents about 1.4% of the total MTC investment in the project. Therefore, the deeds represent a relatively small portion of the agency's overall commitment to the project. The project also is well under construction and there seems to be little risk that Phase 1 won't be finished. The primary benefit to the project of MTC agreeing to place the deeds in a second priority position is that it puts TJPA closer to securing the private financing that they need in order to meet cash flow needs on existing contracts and to award new contracts needed to maintain the project schedule.

**Issues:**

1. If MTC were to place its quitclaim deeds in a second priority position, it would not have the opportunity to claim deeds to these two properties were the Transbay Terminal project not to move forward while the private loan is outstanding. Nevertheless, staff is recommending that MTC place the deeds in a second priority position so that TJPA can use the properties as collateral for their loan.
2. The TJPA Board is expected to consider approving the Goldman loan at its meeting of November 13. If they do not approve the loan, or if the loan is not executed, the quitclaim deeds would remain with MTC in a first priority position. Staff further recommends that a revised agreement be developed between MTC and TJPA so that the MTC's interest vis-à-vis the deeds revert back to MTC under the same terms and conditions as are currently specified in the agreement once the private loan is repaid, which is expected to be in 2015 but could be as late as 2018, if the parcels have not been conveyed for development by that time.

**Recommendation:**

Refer MTC Resolution No. 3651, Revised to the Commission for approval, and direct staff to work with TJPA to place the quitclaim deeds in a second priority position for properties located at 75 Natoma and 546 Howard Streets in San Francisco.

**Attachments:**

Attachment A – Project Funding Plan  
Attachment B – 2009 Agreement for Quitclaim in Interest in 75 Natoma Street and 546 Howard Street  
MTC Resolution No. 3651, Revised.

## Attachment A

### Transbay Transit Center Phase 1 - Funding Plan

Fund Source	Amount (\$ 000)
TIFIA <sup>1</sup>	171,000
Private Financing <sup>2</sup>	(8,499)
SF Prop K Sales Tax	139,344
San Mateo Sales Tax	4,497
AC Transit Capital Contribution	39,147
Other Local Funds	8,659
Bridge Tolls (RM1, RM2, AB1171)	347,416
RTIP	10,153
Land Sales	508,157
Federal Funds	65,040
ARRA	400,000
OBAG	6,000
Mello Roos Community Facilities District	208,486
<b>Total</b>	<b>1,899,400</b>

<sup>1</sup> Assumes that TJPA will meet conditions precedent and will take the entire allowable disbursement amount at the same time as redemption of the private financing

<sup>2</sup> Assumes that TJPA will obtain certain net proceeds at financial close of the private financing and assuming the private financing is redeemed prior to maturity, remaining deposits from the capitalized interest account

**AGREEMENT FOR QUITCLAIM OF INTEREST IN  
75 NATOMA STREET AND 546 HOWARD STREET**

The parties to this Agreement ("Agreement") are the Transbay Joint Powers Authority, a joint powers agency created under California Government Code Sections 6500 et seq. ("TJPA") and the Metropolitan Transportation Commission, an agency created pursuant to Government Code Sections 66500 et seq. ("MTC") (collectively, "the Parties"). The Parties hereby agree with respect to Assessor's Block 3721, Lot 031 in San Francisco, California, also known as 75 Natoma Street and Assessor's Block 3721, Lot 016 in San Francisco, California, also known as 546 Howard Street (collectively, the "Property"), as follows:

1. The Quitclaim Deed, the form of which is attached hereto as Exhibit A, and the conveyance by the TJPA to the MTC of a one hundred percent (100%) undivided interest in the Property shall become operative upon the occurrence of either of the following events (each, a "Triggering Event"):

(a) the TJPA abandons the Transbay Terminal/Caltrain Downtown Extension/Redevelopment Plan Project ("the Transbay Project") by a vote of its Board of Directors prior to commencement of "actual passenger bus service," as that term is described in Exhibit B to the Cooperative Agreement between the State of California, the TJPA, and the City and County of San Francisco executed July 11, 2003, as the same may be amended ("Cooperative Agreement"); or

(b) the State of California files written notice of intent to exercise its power of termination to take title to the Transbay Terminal building for failure to construct a facility by the "Project Completion Date," as set forth in the Cooperative Agreement.

The TJPA shall provide written notice of the anticipated occurrence of a Triggering Event to the MTC not less than five (5) days prior to the actual occurrence of such Triggering Event.

2. This Agreement and the executed and acknowledged Quitclaim Deed shall be held in an escrow account with Chicago Title Insurance Company at 338 Market Street, Suite 1300, San Francisco, California 94111, or its successor entity ("Escrow Officer"), consistent with the terms of this Agreement and any supplemental written instructions provided to Escrow Officer by either of the Parties. The Escrow Officer shall not record the Quitclaim Deed unless the Escrow Officer receives a written instruction from an authorized representative of each of the Parties that a Triggering Event has occurred and that the Escrow Officer may record the Quitclaim Deed. Any and all costs and expenses for holding and recording the Quitclaim Deed shall be paid by the TJPA. Following recording of the Quitclaim Deed, the Escrow Officer shall provide the Parties conformed copies of the Quitclaim Deed, indicating the recording date, document number, and other recording information, and deliver the original deed to the MTC.

3. Upon the occurrence of a Triggering Event, the TJPA shall cooperate with the MTC and the Escrow Officer and take any and all actions required to effect the conveyance of the Property to the MTC, including, but not limited to, execution, acknowledgment, and delivery of a new Quitclaim Deed, if then requested by the MTC.

4. This Agreement shall be construed, interpreted and governed by the laws of the State of California without reference to conflict of law principles, and this Agreement may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same agreement. In the event of a dispute under this Agreement between any of the parties hereto, the prevailing party shall be entitled to recover reasonable costs and reasonable attorneys' fees from the non-prevailing parties.

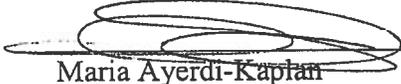
5. The foregoing provisions shall be binding on the TJPA and its successors and assigns, and inure to the benefit of the MTC and its respective successors and assigns, until December 31, 2040.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of March 24, 2009.

The Transbay Joint Powers Authority,  
a joint powers agency created under  
California Government Code Sections 6500 et seq.

Dated: March 23, 2009

By:

  
\_\_\_\_\_  
Maria Ayerdi-Kaplan  
Executive Director

Metropolitan Transportation Commission, an  
agency created pursuant to Government Code  
Sections 66500 et seq.

Dated: March \_\_\_, 2009

By:

\_\_\_\_\_  
Steve Heminger  
Executive Director

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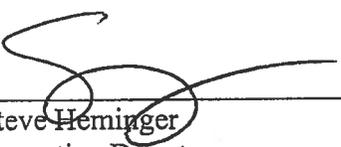
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Sections 66500 et seq.

Dated: March 24, 2009

By: \_\_\_\_\_  
  
Steve Heminger  
Executive Director

Date: September 22, 2004  
W.I.: 1255  
Referred by: PAC  
Revised: 11/17/04-C 10/26/05-C  
05/24/06-C 02/28/07-C  
09/26/07-C 01/23/08-C  
03/26/08-C 05/28/08-C  
10/22/08-C 11/26/08-C  
04/22/09-C 06/24/09-C  
10/28/09-C 06/23/10-C  
07/24/13-C 02/26/14-C  
11/19/14-C

### ABSTRACT

#### MTC Resolution No. 3651, Revised

This resolution approves the allocation of Regional Measure 2 funds for the Transbay Terminal/Downtown Caltrain Extension project sponsored by and implemented by the Transbay Joint Powers Authority (TJPA).

This resolution includes the following attachments:

- Attachment A - Allocation Summary Sheet
- Attachment B - Project Specific Conditions for Allocation Approval
- Attachment C - MTC staff's review of TJPA's Initial Project Report (IPR) for this project
- Attachment D - RM2 Deliverable/Useable Segment Cash Flow Plan

This resolution was revised on November 17, 2004 to accept the EIR and environmental findings as MTC's own for purposes of approving an allocation of \$16.125 million in RM2 funds to the finance portions of right-of-way phase, specifically the acquisition through condemnation of the property located at 80 Natoma Street.

This resolution was revised on October 26, 2005 to approve a \$12.875 million allocation for the right-of-way phase, to augment the previous right-of-way allocation for the 80 Natoma Street. Additional project specific conditions have been incorporated.

This resolution was revised on May 24, 2006 to approve a \$2.735 million allocation to allow the TJPA to continue ongoing professional contracts and PMPC work for preliminary engineering work as well as to proceed with the BART connector study and Transbay travel model studies. Additional project specific conditions have been incorporated.

## ABSTRACT

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This resolution was revised on February 28, 2007 to allocate \$4.73 million for preliminary engineering funding for the utility relocation services, temporary terminal, and bus storage facilities. Additional project specific conditions have been incorporated.

This resolution was revised on September 26, 2007 to allocate \$1.319 million for final design on the temporary terminal.

This resolution was revised on January 23, 2008 to allocate \$28.299 million for a collection of right of way purchases, utility relocation (preliminary engineering) work, and program management and control costs.

This resolution was revised on March 26, 2008 to allocate a total of \$11.4 million for a collection of early works final design, permits, interagency agreements and early works construction management.

This resolution was revised on May 28, 2008 to allocate a total of \$21.8 million for the preliminary engineering of the Transbay Transit Center.

This resolution was revised on October 22, 2008 to allocate a total of \$23.5 million for the construction of the temporary terminal and funding for a commissioning agent for the new Transbay Terminal Center.

This resolution was revised on November 26, 2008 to amend the scope on a prior right-of-way allocation (Allocation no 08365110 - 01/23/08).

This resolution was revised on April 22, 2009 to allocate a total of \$5 million towards geotechnical shoring wall testing to determine the technical feasibility and effectiveness of alternate construction processes prior to finalizing design of soil improvements and foundation systems for the Transbay Transit Center.

This resolution was revised on June 24, 2009 to allocate a total of \$5.4 million towards the payment and performance bond premium for the construction of the Transbay Transit Center.

## ABSTRACT

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This resolution was revised on October 28, 2009 to rescind a total of \$750,000 from a prior construction allocation which has realized savings due to lower than anticipated contract costs, and to allocate a total of \$2.072 million (includes rescinded funds) to accommodate the expanded scope of CMGC services - owing to the inclusion of the “bottom up” approach which considers building the train box in Phase 1 construction.

This resolution was revised on June 23, 2010 to rescind a total of \$2.5 million from a prior design allocation owing to lower than anticipated contract costs and scope changes related to the bus storage facility, and reallocate the same amount towards Construction Manager/ General Contractor (CMGC) services for the construction of the Transbay Transit Center Building and Related Structures.

This resolution was revised on July 24, 2013 to rescind and amend prior allocations in order to allow unspent funds and savings to be made available for modified scope elements and/or future re-allocations.

This resolution was revised on February 26, 2014 to allocate \$2,375,673 towards Construction Manager/ General Contractor (CMGC) services for the construction of the Transbay Transit Center Building and Related Structures.

This resolution was revised on November 19, 2014 to modify a condition on the January 23, 2008 allocation for right of way purchases, to agree to move the quit claim deeds for two properties into a second priority position.

Additional discussion of this allocation is contained in the Executive Director’s memoranda to the MTC Programming and Allocations Committee dated September 8, 2004, November 10, 2004 and October 12, 2005, and PAC Summary Page dated May 10, 2006, February 14, 2007, September 12, 2007, January 9, 2008, March 5, 2008, April 9, 2008, October 8, 2008, November 12, 2008, April 8, 2009, June 10, 2009, October 14, 2009, June 9, 2010, July 10, 2013, February 12, 2014, and November 12, 2014.

Date: September 22, 2004  
W.I.: 1255  
Referred by: PAC

Re: Approval of Allocation of Regional Measure 2 funds for the Transbay Terminal/Downtown Caltrain Extension

METROPOLITAN TRANSPORTATION COMMISSION  
RESOLUTION No. 3651

WHEREAS, pursuant to Government Code Section 66500 et seq., the Metropolitan Transportation Commission (“MTC”) is the regional transportation planning agency for the San Francisco Bay Area; and

WHEREAS, Streets and Highways Code Sections 30950 *et seq.* created the Bay Area Toll Authority (“BATA”) which is a public instrumentality governed by the same board as that governing MTC; and

WHEREAS, on March 2, 2004, voters approved Regional Measure 2, increasing the toll for all vehicles on the seven state-owned toll bridges in the San Francisco Bay Area by \$1.00, with this extra dollar funding various transportation projects within the region that have been determined to reduce congestion or to make improvements to travel in the toll bridge corridors, as identified in SB 916 (Chapter 715, Statutes of 2004), commonly referred as Regional Measure 2 (“RM2”); and

WHEREAS, RM2 establishes the Regional Traffic Relief Plan and lists specific capital projects and programs and transit operating assistance eligible to receive RM2 funding as identified in Streets and Highways Code Sections 30914(c) & (d); and

WHEREAS, RM2 assigns administrative duties and responsibilities for the implementation of the Regional Traffic Relief Plan to MTC; and

WHEREAS, BATA shall fund the projects of the Regional Traffic Relief Plan by transferring RM2 authorized funds to MTC; and

WHEREAS, MTC adopted policies and procedures for the implementation of the Regional Measure 2 Regional Traffic Relief Plan, specifying the allocation criteria and project compliance requirements for RM 2 funding (MTC Resolution No. 3636); and

WHEREAS, Transbay Joint Powers Authority (TJPA) has submitted a request for the allocation of RM 2 funds for the Transbay Terminal/Downtown Caltrain Extension project; and

WHEREAS, Transbay Terminal/Downtown Caltrain Extension is identified as capital project number 22 under RM 2 and is eligible to receive RM 2 funding as identified in Streets and Highways Code Sections 30914(c); and

WHEREAS, the TJPA has submitted an Initial Project Report, as required pursuant to Streets and Highway Code Section 30914(e), to MTC for review and approval; and

WHEREAS, Attachment A to this resolution, attached hereto and incorporated herein as though set forth at length, lists the project and phase for which the TJPA is requesting RM2 funding and the amount recommended for allocation by MTC staff; and

WHEREAS, Attachment B to this resolution, attached hereto and incorporated herein as though set forth at length, lists the required project specific conditions which must be met prior to execution of the allocation and any reimbursement of RM2 funds; and

WHEREAS, Attachment C to this resolution, attached hereto and incorporated herein as though set forth at length, includes MTC staff's review of TJPA's Initial Project Report (IPR) for this project; and

WHEREAS, Attachment D attached hereto and incorporated herein as though set forth at length, lists the cash flow of RM2 funds and complementary funding for the deliverable/useable RM2 project segment; and

RESOLVED, that MTC approves MTC staff's review of TJPA's Initial Project Report (IPR) for this project as set forth in Attachment C; and be it further

RESOLVED, that MTC approves the allocation and reimbursement of RM2 funds in accordance with the amount and reimbursement schedule for the phase, and activities as set forth in Attachment A; and, be it further

RESOLVED, that the allocation and reimbursement of RM2 funds as set forth in Attachment A are conditioned upon TJPA complying with the provisions of the Regional Measure 2 Regional Traffic Relief Plan Policy and Procedures as set forth in length in MTC Resolution 3636; and be it further

RESOLVED, that the allocation and reimbursement of RM2 funds are further conditioned upon the project specific conditions as set forth in Attachment B; and, be it further

RESOLVED, that the allocation and reimbursement of RM2 funds as set forth in Attachment A are conditioned upon the availability and expenditure of any complementary funding as set forth in Attachment D; and be it further

RESOLVED, that a certified copy of this resolution, shall be forwarded to the project sponsor.

METROPOLITAN TRANSPORTATION COMMISSION

  
\_\_\_\_\_  
Steve Kinsey, Chair

The above resolution was entered into by the Metropolitan Transportation Commission at the regular meeting of the Commission held in Oakland, California, on September 22, 2004.

## **REGIONAL MEASURE 2 PROGRAM Project Specific Conditions**

Project Title: Transbay Terminal/Downtown Caltrain Extension  
Sponsor: Transbay Joint Powers Authority (TJPA)  
Project Number: 22.1

The allocation and reimbursement of RM2 funds for the above project are conditioned upon the following :

On September 22, 2004, the Commission approved the imposition of the following conditions pertaining to the overall project and all allocations:

1. Approval of the allocation package by the Transbay Joint Powers Authority Board of Directors. The allocation package consists of the Initial Project Report (IPR), resolution of project compliance, and opinion of legal counsel.
2. MTC certification of TJPA's evidence of allocation and commitment of complementary funds.
3. Adherence to the workplan exhibited by the "Transbay Terminal/Caltrain Downtown Extension Scope of Work" dated August 31, 2004, with its accompanying "Preliminary Engineering Part 1" progress schedule, attached.
4. The TJPA may invoice MTC for eligible project expenses as frequently as monthly, in accordance with the cash flow plan.

On November 17, 2004, the Commission approved the imposition of the following general concepts and conditions pertaining specifically to allocation #22.1-2 for the right-of-way phase and the TJPA has agreed to the following specific language:

5. General Concept:  
Require that the project sponsor TJPA deposit the full amount of RM2 funds directly into the account established by law for purposes of this condemnation action, and return interest on RM2 funds to MTC.

Specific Language:

The City and County of San Francisco has commenced an eminent domain action on behalf of the project sponsor TJPA to obtain Right-of-Way property needed for the project, and has committed to the TJPA's use of the property upon completion of the eminent domain action. TJPA, or MTC at the request of the project sponsor, shall deposit the RM2 grant funds directly into the account established by law for eminent domain funds. TJPA shall return to MTC the equivalent of any amount of interest earned at the account's interest rate and accrued in the account attributable to RM2 funds as of the date the funds are transferred to the condemnee. On or before the condemnee's receipt of eminent domain funds, the TJPA will deliver to MTC a report from counsel on the status of all pending litigation which might adversely effect the project or the ability of the TJPA to carry out the project.

6. General Concept:

Recapture RM2 investment plus any proportional increase in land value (including MTC's proportionate share of any improvements) if project not completed or land not used for project.

Specific Language:

The TJPA has agreed that if Right-of-Way is acquired for the project and is not utilized for project purposes because the project is not completed or its scope is changed, MTC shall be reimbursed its proportional share of the fair market value of the property plus MTC's pro-rata share of any improvements, based on, (1) the net proceeds from the sale of the property or, (2) an appraisal of the property conducted at no cost to MTC. Any such appraisal shall be conducted within one (1) year from the date of the project sponsor's final determination that the project will not be completed or that the property is no longer needed for the project due to a change in scope. The date of valuation for purposes of any appraisal shall be the date on which such final determination is made.

7. General Concept:

Capture any savings if property is acquired for less than the appraised value at the time of grant application.

Specific Language:

The TJPA has agreed that if the amount of RM2 funds deposited into the eminent domain account is higher than the RM2 proportional share of fair market value of the property as set forth in the final order of condemnation, the project sponsor shall return to MTC the difference between the amount deposited to the eminent domain account and the RM2 proportional share of the amount of the final order plus interest. If for any reason, the condemnation action is dismissed by a final judgment or abandoned, the RM2 funds deposited into the eminent domain account shall be returned to MTC plus accrued interest at the account's interest rate.

8. General Concept:

Project sponsor agrees to request City to place a revocable lien on the property at the time of transfer of title in favor of the granting agencies, including but not limited to MTC, referencing these grant conditions. The lien shall be revocable after the project commences public operations.

Specific Language:

The TJPA and MTC have agreed that specific language is to be determined prior to completion of eminent domain action.

On October 26, 2005, the Commission approved the imposition of the following condition pertaining specifically to allocation #22.1-3 for the right-of-way phase. The conditions approved as part of 22.1-2 apply to this right-of-way allocation request.

9. MTC must receive the following two documents before any distribution of funds for the right-of-way purchase:
  - 1) Settlement agreement between TJPA and the property owner.
  - 2) Final quitclaim deed that conveys to MTC and the SFCTA, as joint tenants, title and interest in the property, to be held in trust, and to be recorded, should the TJPA abandon the Transbay Terminal project or the State of California terminate the project for failure to complete.
10. This allocation is contingent upon the approval of the allocation request by the TJPA Board of Directors and approval of the complementary funds by the SFCTA.

On May 24, 2006, the Commission approved the imposition of the following condition pertaining specifically to allocation #22.1-4 for the bridge-gap funding.

11. It is MTCs intent that there be no further RM2 allocations until the TJPA adopts an implementation strategy for the program.

On February 28, 2007, the Commission approved the following condition pertaining specifically to allocation #22.1-5.

12. MTC's allocation #5 for this project is contingent upon the San Francisco County Transportation Authority's (SFCTA) approval and authorization of expenditures of \$10.825 million for Project Management/ Project Controls and survey work, calendared for Authority Board consideration in February 2007.

On January 23, 2008, the Commission approved the following conditions pertaining specifically to allocation #22.1-7. Condition #14 was modified on November 19, 2014 to place two properties into a second priority position until a private loan by Goldman Sachs is paid off by TJPA.

13. Approval of the allocation package by the Transbay Joint Powers Authority Board of Directors. The allocation package consists of the Initial Project Report (IPR), resolution of project compliance, and opinion of legal counsel.

14. MTC will execute Quit Claim Deeds for each property which is being purchased (fully or in part) with RM2 funds prior to transferring any funds to the TJPA for this purpose. The quit claim deeds for 75 Natoma Street and 546 Howard Street shall be held in abeyance until TJPA repays the private loan. The selection of parcels to be purchased with RM2 funds shall be clustered in location as much as possible.
15. MTC is allowing non-proportionate drawdowns from complementary fund sources for purposes of procuring right of way under this allocation, with the understanding that after all parcels have been acquired, RM2 funding will be approximately equal to complementary funding for right of way.

On March 26, 2008, the Commission approved the following condition pertaining specifically to allocation #22.1-8

16. Approval of the allocation package by the Transbay Joint Powers Authority Board of Directors. The allocation package consists of the Initial Project Report (IPR), resolution of project compliance, and opinion of legal counsel.

On May 28, 2008, the Commission approved the following condition pertaining specifically to allocation #22.1-9

17. The disbursement of funds is contingent on the award of the Architectural & Engineering (A&E) contract to Pelli Clarke Pelli - Hines for design and development of the Transbay Terminal and Tower; furthermore, if the contract is not awarded within three months, staff will rescind the

On October 22, 2008, the Commission approved the following condition pertaining specifically to allocation #22.1-10

18. The allocation and reimbursement of RM2 funds are contingent upon the TJPA securing an investment grade rating from Fitch, submitting a TIFIA loan application, and approving the Exclusive Negotiations Agreement for the Transbay Transit Tower.

On June 23, 2010, the Commission approved the following condition pertaining specifically to allocation #22.1-14

19. The allocation and reimbursement of RM2 funds are contingent upon approval of the allocation package by the Transbay Joint Powers Authority Board of Directors. The allocation package consists of the Initial Project Report (IPR), resolution of project compliance, and opinion of legal counsel.