



DRAFT MINUTES

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

Tuesday, September 27, 2016

1. Roll Call

Chair Wiener called the meeting to order at 11:08 a.m.

Present at Roll Call: Commissioners Avalos, Breed, Cohen, Kim, Mar, Peskin, Tang and Wiener (8)

Absent at Roll Call: Commissioners Yee (entered during Item 2), Campos and Farrell (entered during Item 3) (3)

2. Chair's Report – INFORMATION

Chair Wiener reported that the city's transportation charter amendment revenue measure and proposed sales tax increase had been placed on the November ballot as Propositions J and K. He noted that both measures would require a majority vote to pass. He said that the counties of Contra Costa, Santa Clara, and Los Angeles had also placed local sales tax measures on the ballot, and that BART's regional bond measure would be on the ballot in the three BART counties of San Francisco, Alameda, and Contra-Costa. He said that all of these measures were needed because the region's streets and transit systems continued to require repair and investment and that we could no longer wait for the state and federal government to help with funding. He said that Plan Bay Area indicated that over 50% of the transportation investment in the region through 2040 would be provided by local sources and had been increasing in prior years, which demonstrated that this approach was working. He said that counties like San Francisco had successfully delivered voter-approved projects of all sizes using local funds to plan projects and get them "grant ready" so that they could compete for and capture public grants and leverage private funds.

Chair Wiener said that to help identify the best use of new funds, the Transportation Authority was working in conjunction with the Planning Department, San Francisco Municipal Transportation Agency, and other agencies to develop long-range transit plans. He said this included the Subway Vision, which was legislation he sponsored to call for a subway master plan which was passed by the Board of Supervisors the year prior. He said he was pleased to see the outreach conducted for the study over the summer and to hear about the enthusiastic response from the public on where the city should build new rail lines. He noted that staff had received over 2,500 responses from across the city and region and that he looked forward to seeing a progress update on the study at the Transportation and Land Use Committee in October. He said that as the city plans its next rail lines, he was also glad to see the Transportation Authority partner with other agencies on innovative shorter term solutions to reduce crowding on the region's busy systems, including various incentives. He said the BART pilot program titled BART Perks incentivized passengers to shift their trip to a less busy time, such as before or after the morning

peak rush hour, and in return passengers earned points and cash prizes on their Clipper fare card through an online game. He noted that the program already had 16,000 sign ups and distributed nearly \$29,000 in rewards to riders and that he was optimistic about the results.

There was no public comment.

3. Executive Director's Report – INFORMATION

Maria Lombardo, Chief Deputy Director, presented the Executive Director's Report.

There was no public comment.

4. Approve the Minutes of the July 26, 2016 Meeting – ACTION

There was no public comment.

The minutes were approved without objection by the following vote:

Ayes: Commissioners Avalos, Breed, Campos, Cohen, Farrell, Mar, Peskin, Tang, Wiener and Yee (10)

Absent: Commissioner Kim (1)

Items from the Vision Zero Committee

5. Approve a Resolution Urging the League of California Cities to Adopt and Implement Vision Zero Strategies and Initiatives for Eliminating Traffic Deaths and Severe Injuries and to Prioritize Traffic Safety Throughout California – ACTION

There was no public comment.

The item was approved without objection by the following vote:

Ayes: Commissioners Avalos, Breed, Campos, Cohen, Farrell, Mar, Peskin, Tang, Wiener and Yee (10)

Absent: Commissioner Kim (1)

Items from the Plans and Programs Committee

6. Reappoint Santiago Lerma and Appoint Shannon Wells-Mongiovi to the Citizens Advisory Committee – ACTION

There was no public comment.

The item was approved without objection by the following vote:

Ayes: Commissioners Avalos, Breed, Campos, Cohen, Farrell, Kim, Mar, Peskin, Tang, Wiener and Yee (11)

7. Amend the Prop K Strategic Plan and the Guideways – Muni 5-Year Prioritization Program – ACTION

There was no public comment.

The item was approved without objection by the following vote:

Ayes: Commissioners Avalos, Breed, Campos, Cohen, Farrell, Kim, Mar, Peskin, Tang, Wiener and Yee (11)

8. Allocate \$20,888,900 in Prop K Funds, with Conditions, for Fourteen Requests, Subject to

the Attached Fiscal Year Cash Flow Distribution Schedules – ACTION

Commissioner Peskin suggested that the Board temporarily remove the \$6.774 million allocation for additional studies and design work for Phase 2 of the Transbay Transit Center/Downtown Rail Extension (TTC/DTX) project. He said that since there were several studies related to the project in progress such as the Railyard Alternatives and I-280 Boulevard Feasibility (RAB) study, and given that the project would require the acquisition of additional properties among other uncertainties, the Board should have more time to consider and discuss the request. He stated that the city should go into Phase 2 of the project knowing what the alignment will be and the potential impacts to the downtown area, since there could be a better way than the proposed cut-and-cover method.

Commissioner Campos said that he had a number of questions regarding the request and wanted to have a better understanding of what the Transportation Authority's oversight of the project was. He noted that the project had a long history of issues, one of which was the Transbay Joint Powers Authority's acceptance of the Transportation Authority's oversight, but that he recognized that was no longer an issue. He said that given the existing litigation and uncertain liabilities around the Millennium Tower, the Board should make sure the project is handled properly and said he would support continuing the allocation request.

Commissioner Kim stated that she would also support continuing the allocation request, but asked how long the \$6.774 million would be held and what the specific expectations would be to release the funds.

Commissioner Peskin said that he would like the allocation request to go back to the Plans and Programs Committee (PPC) at its October meeting to be able to hear from the Mayor's Transportation Advisor. He said he would like to use that as an opportunity to have a more in-depth conversation about the alternative alignments, the project cost, and about the number of properties that would need to be acquired. He noted that at the September PPC meeting there was a high-level discussion about venting structures that would require property acquisitions but that more information would be available from the RAB study over the coming months. He said there should be definitive answers to these questions by November so the allocation request should not be delayed past the November Board meeting.

Commissioner Kim noted that TJPA staff were present and asked whether TJPA staff agreed with bringing the allocation request back to the PPC, whether TJPA would have definitive answers to Commissioner Peskin's questions by that time, and if there would be an impact to the project from delaying the \$6.774 million allocation.

Mark Zabaneh, Interim Executive Director at TJPA, requested that the Board not delay the allocation request and noted that the TJPA was working in close partnership with the Transportation Authority and the Metropolitan Transportation Commission (MTC) to deliver Phase 2 of the project. He said that with the Board's support, Phase 1 of the project was fully-funded and construction was on track to be completed by December 2017, with bus operations commencing shortly thereafter. He said TJPA's focus had now shifted to Phase 2 of the project and that he had presented a road map to deliver Phase 2 along with a funding plan at the June 2016 Board meeting. He said the road map aimed to have trains arriving at the TTC in late 2025/early 2026. He said the plan moving forward was to take the project design to 30% completion, which would allow TJPA to develop a bottom-up cost estimate for construction and to determine right-of-way impacts which would help in responding to Commissioner Peskin's questions. He added that the TJPA had to move design to 30% completion in order to determine

which properties would be impacted and if they would be impacted by temporary or permanent construction easement or property acquisition. Mr. Zabaneh said that no property acquisition would take place as part of this allocation request, and that it was purely to move design forward in order to properly set the scope, conduct a bottom-up cost estimate for construction, update ridership figures to confirm estimates for passenger facilities charges, and to update the program cost estimate and conduct a risk assessment. He said TJPA needed to do a risk assessment after 30% design was completed in order identify risks and provide the proper amount of program reserves and contingencies. Regarding Commissioner Campos' concerns, he said the TJPA fully intended to move forward in close partnership with the Transportation and MTC and in strong coordination with the region, as the estimated \$4 billion project would not be delivered by a single agency. He said if the funds were not allocated and design was not moved to 30% completion then he was afraid that project momentum would be lost and the impacts could be significant. He said TJPA had updated MTC and its federal partners on the funding plan and he had recently attended meetings with Build America on the possibility of federal loans to fully-fund DTX.

Commissioner Kim asked if TJPA would be able to answer Commissioner Peskin's questions by the October PPC meeting. Mr. Zabaneh replied that TJPA would be happy to meet with Commissioner Peskin regarding his concerns and that a lot of the questions would be answered as the project developed.

Chair Wiener noted that the question was whether TJPA would have answers to Commissioner's Peskin's questions by the October PPC meeting. Mr. Zabaneh replied that without the \$6.774 million allocation, TJPA would not be able to fully answer the questions in a months' time. He said that some of the questions regarding the cost estimate and right of way acquisitions could not be answered without the 30% design being completed.

Commissioner Tang stated that she disagreed with delaying the allocation request because based on Mr. Zabanah's responses at the September PPC meeting the funds were needed to address many of the questions that were raised, and that she would likely support approving the funds in order to get the project to 30% design.

Commissioner Campos said that the concerns raised by Mr. Zabaneh about not receiving the funds as planned made him question whether the TJPA was in fact accepting of the Board's oversight role. He noted that as MTC Commissioners, he and Chair Wiener had strongly advocated for the project and that the City and County of San Francisco had bailed out the Phase 1 of the project with additional funding so he was dismayed that TJPA was not more willing to respond to the Board's questions. He said if the Board has asked similar questions about Phase 1 of the project then the city would not be in its current position, and that he would continue to support delaying the funds and would echo his concerns at the MTC Commission if the TJPA's approach did not change.

Commissioner Peskin noted that the Board had voted to approve over \$250 million in commercial paper to bail out the project and said that many of the questions being asked should not require \$6.774 million to answer. He questioned why the project would need to be at 30% design if the alignment had not yet been decided and said the TJPA was again putting the Board in a difficult position and that the Board needed to have an open dialogue about the project so that the city wouldn't end up in a similar position in the future with cost overruns for Phase 2. He noted that Phase 2 of the project was not fully-funded, in part, because some of its funds had to be used to cover cost overruns from Phase 1. He questioned why a month or two delay in funding would significantly impact DTX if it had been dormant for the past three years, and noted that Executive

Director Tilly Chang had assured him prior to the September PPC meeting that the delay would not be an issue.

Commissioner Avalos asked Transportation Authority staff whether oversight had been an issue, whether a month or two delay of the funding would impact the project, and whether there was a portion of the \$6.774 request that could be delayed in order to continue advancing the project. Maria Lombardo, Chief Deputy Director, replied that on Phase 1 of the project the Transportation Authority had attempted to do oversight but was not permitted to do real oversight by TJPA, but that had changed for Phase 2. She said attached to the allocation request for the \$6.774 million was an oversight protocol modeled off of what had successfully been used on the Central Subway project and similar to what the Board had just approved for the Caltrain Electrification project. She noted that TJPA had invited other DTX funding partners to participate in oversight, as well.

Commissioner Avalos asked what portion of the overall funding for the project would be provided by the Transportation Authority. Ms. Lombardo said she didn't have the exact numbers on hand, but for Phase 2 she believed the amount programmed was approximately \$12 million and therefore a very small percentage compared to the estimated \$4 billion cost for DTX. She confirmed Mr. Zabaneh's description of the scope of work for the proposed request which was primarily intended to bring all of the project elements to 30% design, including new elements such as the BART/MUNI underground pedestrian connector. She said this would enable a bottom-up cost estimate to verify the \$4 billion cost, which was estimated by MTC through its cost review. Ms. Lombardo said that in terms of project delay, a month or two would not have significant impacts and that it was more a question of when the Board would be comfortable in allowing the funds to be released. She observed that one challenge to providing all the answers in a month or two time was that the RAB study would not have cost estimates for alternative alignments until possibly December, and therefore the city would not likely have a preferred alternative by that time. Ms. Lombardo said that the Board could approve a portion of the \$6.774 request, if desired. She noted that there was a special condition attached the allocation request form that acknowledged the other studies related to the project and that gave to the Board the ability, if it were to approve the allocation, to stop work at any time and renegotiate the scope of work if the Board identified a preferred alternative alignment. She estimated that about 85% of the \$6.774 million of the proposed request would go towards work that needed to be done regardless of the alignment chosen, such as fitting out the train box and underground pedestrian connector, but that 15% of the funds would be lost if another alignment was chosen.

Chair Wiener noted that 15% of the \$6.774 million would equate to approximately \$900,000 and asked for clarification about what work would be funded with the other 85%. Ms. Lombardo replied that the TJPA had recently completed a supplemental environmental impact report which modified some of the project elements that had previously been at 30% decision, and had also added some new project elements. She noted that during MTC's cost review, several MTC Commissioners from the East Bay had strongly supported including the BART/MUNI underground pedestrian connector as part of the project scope, which was previously not included, and therefore the funding would bring that element up to 30% design. She said another element that was previously at 30% design was an underground station at 4th and King Streets, but at the city's request TJPA had agreed to move the station to under Townsend Street in order to allow for potential redevelopment of the Caltrain yard, which would require redesign of the station.

Commissioner Campos said that the Board was better off getting more information before

releasing the funds and noted that the TJPA had the opportunity to address some of these questions between PPC and Board. He stated that an issue he had with the project was the attitude that the work should proceed even if a different alignment was chosen and that losing 15% of an allocation added up over time and could lead to similar cost overruns as Phase 1. He said that Phase 2 was much more expensive than anticipated and because of that the Board needed to provide better oversight and ensure taxpayer dollars were being spent properly. He added that if \$6.774 million was going to significantly impact a \$4 billion project then it demonstrated poor management and oversight.

Commissioner Breed stated that when the allocation request was discussed at the September PPC meeting there were a number of questions raised but it was forwarded to the Board with the expectation that many of the questions would be addressed. Commissioner Breed noted the proposed higher level of oversight for Phase 2, but she said the questions should be able to be answered prior to the funds being released and that there was a need for more communication with the Board regarding a project of this magnitude.

Commissioner Kim asked that Transportation Authority staff work with Commissioner Peskin on creating a list of deliverables that the Board should expect from TJPA. She said it was clear that not all of the questions raised would be answered by the October PPC meeting but there was a definite need for greater discussion. She said unfortunately TJPA had been caught in the middle of city departments and other agencies raising questions about other alignments after the environmental impact report had been completed for the current alignment. She said that if there was a better alignment the city should study it, and that if it required putting the line underground it needed to be done the right way even if it would take a little longer to complete. She said eventually the Board would need to release the funds because the 30% design was important in answering many other questions.

Mr. Zabaneh said that the funds were needed to compile technical data to answer some of the questions asked but that TJPA would continue to work with the Board to make sure the questions were addressed prior to the funds being requested. He said TJPA fully intended to move forward with Phase 2 differently than Phase 1, in collaboration with the Transportation Authority and MTC, and that staff would have full access to TJPA staff and data.

Chair Wiener noted that Commissioner Peskin's motion was to send the allocation request back to the October PPC but that it was later proposed to continue the item to a later Board meeting, and asked for clarification. Commissioner Peskin stated that the motion was to remove the \$6.774 million allocation request and send that portion back to the October PPC meeting.

Chair Wiener stated that he had been critical of TJPA and its management of the project but that it was also critical to move forward with Phase 2. He said that even with the uncertainty around the alignment, the majority of the allocation request was needed regardless of the alignment chosen and therefore the Board should approve the request in order to keep the design process moving forward. He said he recognized Commissioner Peskin's perspective but that he was concerned with what action would be taken at the October PPC meeting, and that he would like his office to be involved in forthcoming discussions about the questions that were asked.

During public comment, Otto Duffy stated that he was a resident of Eddy Street and was concerned about an action proposed to be funded through this request to lower the traffic capacity on both Eddy and Ellis Street. He said the study that this action was based on was completed in 2005 and that there had been a lot of changes in traffic capacity and neighborhood features since that time. He noted that between 1,800 and 2,000 residents lived on Eddy Street between

Leavenworth and Mason Streets and that if the traffic capacity was reduced to one lane in either direction there would be significant traffic impacts. He said that there was often double parking on the street and a lot of drop-offs and pick-ups, in addition to the 31-Balboa Muni line, which would lead to a lot of congestion. He said there was a lot of need for the two lanes on Eddy Streets in the direction of Leavenworth Street because a lot of people used that route to get to Market Street. He requested that the Board delay the allocation request and that another study be conducted.

Rob Birmingham commented that he supported the motion to delay allocating the funds for the DTX project. He said he was a stakeholder of the project in that he owned five parcels of property on the corner of 2nd and Howard Streets. He said it was obvious the project would move forward but that there should be more consideration given to which route DTX would take, and that it should not be done at all cost or as quickly as possible. He noted there was the railyard area which could be developed and two stadiums that could be served better by a different alignment. He added that he was an engineer by profession and disagreed with TJPA's argument that they had to move to the 30% design phase quickly or else the project would be impacted. He noted that DTX was much more complex than the Transbay Transit Center and so the city needed to take its time to get it right.

Commissioner Avalos asked staff to address Mr. Duffy's concern. Ms. Lombardo replied that the Ellis and Eddy project's main purpose was to calm traffic and improve safety consistent with the City's Vision Zero goals. She said that the scope did not involve lane reduction, but would convert the one-way streets to two-way traffic.

Commissioner Peskin moved to amend the item to defer the \$6,774,400 allocation request to the TJPA for the Downtown Rail Extension back to the Plans and Programs Committee for additional consideration, seconded by Commissioner Campos.

The amendment to the item was approved by the following vote:

Ayes: Commissioners Avalos, Breed, Campos, Cohen, Farrell, Kim and Peskin (7)

Nays: Commissioners Mar, Tang and Wiener (3)

Absent: Commissioner Yee (1)

The amended item was approved without objection by the following vote:

Ayes: Commissioners Avalos, Breed, Campos, Farrell, Kim, Mar, Peskin, Tang and Wiener (9)

Absent: Commissioners Cohen and Yee (2)

Other Items

9. Introduction of New Items – INFORMATION

There was no public comment.

10. Public Comment

During public comment, Andrew Yip spoke about self-nature.

Otto Duffy commented that the city was not providing an adequate forum to explore issues that had surfaced over the past several years. He questioned whether there was a better way to use the funds allocated during Item 8 towards pedestrian safety, and cited improvements recently made at

the intersection of McAllister and Leavenworth Streets that did not fully address the safety concerns of residents.

11. Adjournment

The meeting was adjourned at 12:12 p.m.