



Memorandum

Date: 10.24.17 **RE:** Board
October 24, 2017

To: Transportation Authority Board: Commissioners Peskin (Chair), Tang (Vice Chair), Breed, Cohen, Farrell, Fewer, Kim, Ronen, Safai, Sheehy and Yee (11)

From: Tilly Chang – Executive Director *TTC*

Subject: Executive Director's Report – **INFORMATION**

REGIONAL, STATE AND FEDERAL ISSUES

Update on Senate Bill 1 Programs – Bringing State Funds Back to San Francisco: The Transportation Authority and other city partners have been actively participating in the guidelines development workshops for several new Senate Bill (SB) 1 (also known as the Road Repair and Accountability Act of 2017) supported grant programs that will allocate \$750 million annually. California Transportation Commission (CTC) staff has been generally responsive to input from us and other local jurisdictions. Guidelines for the Local Partnership Program (LPP) and the Trade Corridor Enhancement Program were adopted on October 18, and we continue to be engaged in the guideline development process for the Solutions for Congested Corridors Program. We are now working with our city and regional transit partners to prepare project applications and maximize the amount of state funds that we can bring back to San Francisco. For example, we are working with San Francisco Public Works to support local street resurfacing projects and also to fund the pre-construction phases of the U.S. 101 Managed Lanes project via a Prop K fund exchange with LPP funds. The U.S. 101 and Caltrain corridor connecting Silicon Valley with San Francisco is one of five named corridors in the legislation as an example of a targeted congested corridor. The CTC has emphasized the need to demonstrate results to voters, particularly ahead of a potential SB 1 repeal effort that may appear on the November 2018 ballot. Thus, the overall emphasis on the first round of SB 1 grants is on construction ready projects.

San Francisco to Host 'Focus on the Future' – Annual Self-Help Counties Coalition Conference: We are excited for the upcoming Focus on the Future Conference that will be held in San Francisco next week, from October 29-31, presented by the Self-Help Counties Coalition. The Coalition consists of 24 local transportation agencies – San Francisco included – that administer voter-approved transportation sales tax measures. At the conference more than 800 representatives from transportation agencies, elected offices and the private sector will share experiences, highlight upcoming projects and share best practices. The conference promises to feature several exciting events, including tours of major local projects and welcome remarks by Transportation Authority Chair Aaron Peskin.

Transportation Authority Participates in Technology Network Company (TNC) Data Workshop: On Tuesday, October 10, the California Public Utilities Commission (CPUC) transportation staff held a workshop at the CPUC's San Francisco headquarters to discuss responses filed by parties regarding TNC data. The CPUC heard from two panels, one made up of TNCs and the other comprised of transportation planners. Joe Castiglione, Deputy Director for Technology, Data & Analysis, participated on the panel of transportation planners, stating that it is not possible for decision-makers and the public to make good

policy and investment choices in the absence of any TNC data. Video of the workshop can be found here: <http://www.adminmonitor.com/ca/cpuc/workshop/20171010/>.

LOCAL ISSUES

TNC Research Continues – Grant Awarded to Build Upon Data Collection and Analysis: The Transportation Authority was recently awarded a \$125,000 grant by the 11th Hour Foundation to build upon our prior TNC Today data collection and analysis effort. While the TNCs Today research provided unprecedented insights into the size, location, and timing of the TNC market in San Francisco, the initial TNC data collection methodology could not capture information on traveler demographics, travel purposes, mode choice changes, or vehicle occupancy. With the 11th Hour Foundation grant support, the Transportation Authority and its research partners will be able to more fully and systematically collect, analyze and document these impacts. Related research by UC Davis Institute of Transportation on the adoption and use of TNCs finds that TNCs likely attract passengers away from public transit, biking, and walking, and most likely add to traffic in major cities. Our planned TNC research will address these topics as well as TNC impacts on congestion and equity.

School Transportation Working Group Makes Progress: Since September, Commissioners Tang, Sheehy and Peskin have led discussions among staff from the Transportation Authority, the SFMTA, the Department of Public Health, and the San Francisco Unified School District on a range of Safe Routes to School (SRTS) coordination and implementation issues, including outreach and education on getting kids to and from school using sustainable modes, crossing guards, and identification and prioritization of infrastructure projects. At the request of Commissioner Kim, we have also scheduled a special Transportation Authority Board meeting on November 28 at 11:00 a.m. to hold a hearing on school transportation in San Francisco. We are aiming to bring back a recommendation for programming the remaining \$2.8 million in One Bay Area Grant SRTS funding at the December Board meeting.

ConnectSF – Second Workshop Held: ConnectSF is the long-range transportation planning program for San Francisco that will inform the next San Francisco Transportation Plan (SFIP) and updates to the Transportation Element of the General Plan. On October 4, the multi-agency ConnectSF team held the second workshop with the Futures Task Force, looking at the strategic implications from tradeoffs between different plausible futures. In total, 70 people participated in the day long workshop. Participants included residents, advocates, city staff, several newly recruited members from focus groups from each supervisorial district and targeted outreach efforts. During the afternoon session participants began synthesizing their ideas for a preferred future for San Francisco, as well as the steps needed to get there. Participants utilized input from members of the public collected through a series of focus groups and an online survey that drew over 2,400 responses. This visioning phase of ConnectSF will be completed this winter. For more information, contact Linda Meckel, Senior Transportation Planner, at linda.meckel@sfcta.org or 415-522-4823.

Transportation 2045 Task Force – Fifth Meeting Held: Yesterday we hosted the fifth meeting of the Transportation 2045 Task Force, where we focused on a discussion of a potential package of new local revenue measures, including at least one targeting a 2018 election. We are already planning for the next meeting to be held in November, which is expected to continue the revenue discussion as well as focus on potential expenditure plan structures. The group, which includes business and neighborhood representatives, transportation advocates, and staff from various city and regional agencies, is working to build a consensus around San Francisco's need for additional revenues, and will be developing a recommended package of revenue sources to help close the funding gap. The next meeting is anticipated to be held on November 20 at 4:00 p.m. at our offices, 1455 Market Street, 22nd Floor. Visit the Task

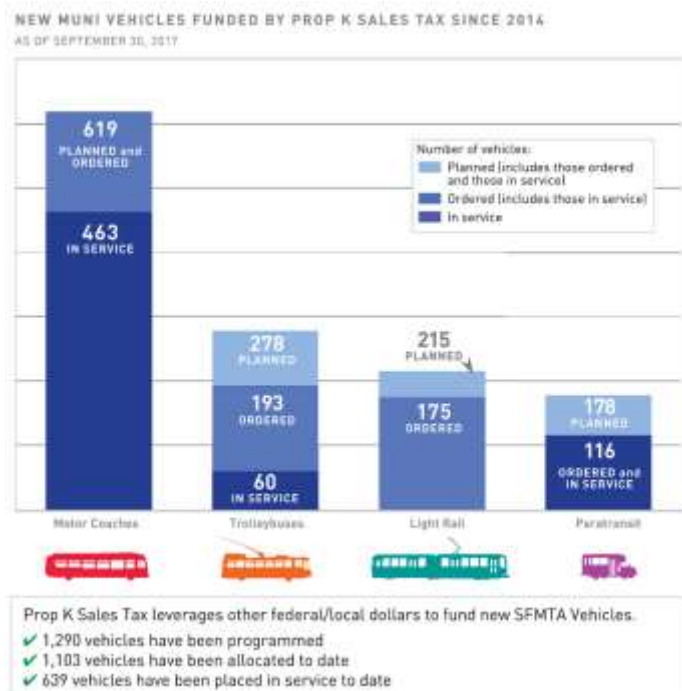
Force website is sftransportation2045.com if you would like to learn more about past meetings or view future meeting dates.

PROJECT DELIVERY

SFMTA Fleet Replacement and Expansion Update – 8 New Buses Placed in Service 1st Quarter:

Prop K sales tax is providing local matching funds to help the SFMTA replace and expand its fleet – providing safer, more reliable transit service citywide. Between July and September, the SFMTA placed into service 8 more of the 424 hybrid diesel motor coaches ordered to date under the current contract with New Flyer Industries. The SFMTA expects that all 424 motor coaches will be in service by July 2018. Prop K sales tax has funded about 26% of the \$474 million total cost of the new motor coaches. Also last quarter, the SFMTA took delivery of 2 of 24 light rail vehicles (LRVs), partially funded by Prop K, that will be used to expand the light-rail fleet once the Central Subway opens for service. The SFMTA has received 6 LRVs

under its contract with Siemens, all of which are undergoing testing and integration into SFMTA's automatic train control system prior to being placed into service. Finally, as of October 30, 2017, the SFMTA will have placed into service 27 Prop K funded paratransit vans.



Neighborhood Transportation Improvement Program (NTIP) – Project Updates: We continue to work closely with Commissioners' offices and the SFMTA to develop NTIP projects, notably for Districts 5, 7, 8 and 11. We look forward to advancing the Valencia Street Bikeway Implementation Plan to the November Board cycle with District 8 NTIP Planning funds. This project will assess alternatives for improving bike facilities on Valencia Street between Market and Mission Streets. In District 11, a project under consideration would include a set of near-term striping upgrades to improve pedestrian safety on Alemany Boulevard, including high-visibility crosswalk striping, advance stop lines, and additional markings to guide bicyclists through intersections. In District 6, the NTIP Capital project that installed buffered bike lanes on Golden Gate Avenue will be finishing up some final touches with installation of signal and paint changes around the intersection of Golden Gate and Jones Street that should reduce driver confusion, eliminate a merge, and coordinate signal timing better with the complex intersection at Market Street.

Oversight of Downtown Extension (DTX) – Peer Review, Further Design Moving Forward: Pursuant to the Chair's direction, we are embarking on an independent review of the Sener study, which challenges the need for three tracks in the section of the alignment approaching the Transbay Transit Center. Our analysis will include a review of the Transbay Joint Powers Authority's (TJPA's) Operations Study and other relevant studies to seek to reconcile the reports to determine whether two or three tracks are needed between the 4th and King Caltrain Station and the Transbay Transit Center. To that effect, we will be engaging the services of experts in the field who will, with the participation of the parties responsible for the development of the existing reports, review their methodologies and assumptions side-by-side with the goal of reconciling their differences. This will be a transparent and inclusive effort, with the

participation of all stakeholders. We expect this effort to take approximately three to four months, given the upcoming holidays and our need to engage experts without a conflict of interest. In addition, over the next few months the TJPA will continue to expand the design and refine tunneling options for the DTX, particularly in the area of the throat structure. To support this effort, we will continue utilizing the services of our tunneling experts, who added much value to the initial tunnel study. We will fund these efforts from the additional oversight funds the Board appropriated earlier this year and expect to seek an appropriation in the next few months to backfill those funds which were intended for other work yet to come, such as right-of-way, funding, and cost review.

Van Ness Bus Rapid Transit (BRT) Project – Construction Update: There will be upcoming water and sewer construction work taking place as part of the Van Ness BRT project which will shift traffic to the center of Van Ness Avenue on November 2 for southbound lanes and November 13 for northbound lanes. The utility work zones will be on the western side of Van Ness Avenue between Sutter and McAllister Streets, and the eastern side of Van Ness Avenue between Jackson Street and Lombard. Parking will be temporarily eliminated in these locations and bus stops may need to be relocated. Nighttime work to restripe traffic lanes between Grove and Pine streets will start October 23 with traffic possibly reduced to one lane in each direction. The SFMTA has notified affected local residents and businesses through emails, website updates, and Community Advisory Committee meetings. We are working with the SFMTA to develop monthly progress reports on this project that will be provided to the Board starting next month per the Chair’s request at the last Board meeting.

Presidio Parkway Talks Continue with Caltrans, Presidio Trust: The Doyle Drive project reached substantial completion with the opening of the roadway in June 2015. The Transportation Authority and Caltrans are in negotiations with the Presidio Trust on the final landscaping, environmental mitigations and civil works to reach final completion, and coordinating with the Trust’s planned Parklands project. We hope to reach agreement soon and anticipate returning next month with a full update. The Presidio Parkway offers major safety improvements to drivers, including a divided roadway. It also allows for a new direct roadway link into the Presidio that did not exist before and its context sensitive design allows for more public space (i.e. the tunnel tops) and increased access to all parts of the Presidio.

MANAGEMENT AND ADMINISTRATION

Financial Outlook – Transportation Authority Credit Ratings Upgraded and Bond Bids Received: I am very pleased to announce that earlier this month, Fitch Ratings upgraded the Transportation Authority’s senior limited sales tax revenue bonds with a rating of AAA (highest rating possible), while S&P Global Ratings upgraded the issuer rating from AA to AA+ with a stable financial outlook. S&P cited the Transportation Authority’s strong debt coverage and revenue performance as well as its capacity for payment of financial commitments for the upgrade. It also cited the size and diversity of the economic base that generates San Francisco’s half-cent sales tax for transportation. Additionally, bids from underwriters on the Transportation Authority’s first sales tax revenue bonds were due on October 19. By the deadline of 8:30 a.m., we received a total of five competitive bids for the purchase of \$248,250,000 of long-term bonds with Bank of America Merrill Lynch being the winning bid by a close margin (less than 1 basis point difference from the second highest bid) with an interest rate of 2.39%. We anticipate bond closing to occur in early November. We wanted to extend a big thank you to our staff: Cynthia Fong, Anna LaForte, Maria Lombardo, Kalman Hui, Steve Rehn, Eric Reeves, and Krista Gan for their outstanding work on the bond issuance.

Welcome Aboard Alberto Quintanilla – New Clerk of the Board: Please join me in welcoming our new Clerk of the Board – Alberto Quintanilla – to the Transportation Authority. Alberto comes to us from the nonprofit sector, having spent the past six years at the International Institute of the Bay Area (IIBA),

a nonprofit that provides immigration legal services. As the Communications Manager, Alberto worked closely with the Executive Director and management team to oversee and coordinate marketing and communication efforts to increase public awareness of the organization. As a native San Franciscan, Alberto has a deep appreciation for the Transportation Authority's mission to make travel safer, healthier, and easier for residents and visitors of the city. Alberto looks forward to meeting and working with the Board and your staff. I'd like to express our appreciation to Steve Stamos who has ably served as Clerk for the past three years. Steve will be training Alberto over the next several months to ensure a smooth transition before he takes on a new position as Management Analyst in our Finance and Administration Division.