



Memorandum

Date: 08.28.15 **RE:** Citizens Advisory Committee
September 2, 2015

To: Citizens Advisory Committee

From: Anna LaForte – Deputy Director for Policy and Programming *all*

Subject: **ACTION** – Adopt a Motion of Support for the Allocation of \$9,878,876 in Prop K funds, with Conditions, and Appropriation of \$120,800 in Prop K funds, Subject to the Attached Fiscal Year Cash Flow Distribution Schedules

Summary

As summarized in Attachments 1 and 2, we have fourteen requests totaling \$9,999,676 in Prop K sales tax funds to present to the Citizens Advisory Committee. The Peninsula Corridor Joint Powers Board (PCJPB or Caltrain) has requested \$5 million for San Francisco's Fiscal Year (FY) 2015/16 member contribution to the Caltrain capital budget for state of good repair projects, including new train departure monitors at the 4th and King station and the design phase for the retrofit or replacement of the Marin Street and Napoleon Avenue bridges. The San Francisco Municipal Transportation Agency (SFMTA) is requesting \$2 million for its share of settlement costs associated with the 4th Street Bridge Seismic Retrofit and Rehabilitation Project (Segment A of the Third Street Light Rail project), as well as \$100,000 for the District 3 Neighborhood Transportation Improvement Program planning project to increase safety, access, and connectivity along Kearny and Montgomery streets. San Francisco Public Works is requesting \$738,000 to procure street repair and cleaning equipment, and, with the Transportation Authority, is requesting \$2 million to acquire the right of way and perform archaeological investigation of the future site of the Quint-Jerrold Connector Road. We are also requesting \$45,800 to leverage over \$900,000 in federal grant and Bay Area Rapid Transit (BART) funds to pilot an innovative program aimed at mitigating rush hour congestion on BART by incentivizing riders to shift their travel to the shoulders of the peak period. Finally, San Francisco Environment is requesting \$80,000 to administer and conduct outreach to San Francisco employers on the Commuter Benefits Ordinance. Fully funding Caltrain and SFMTA's 4th Street Bridge Settlement requests requires Prop K Strategic Plan amendments and corresponding 5-Year Prioritization Program amendments to advance funding from later fiscal years to FY 15/16.

BACKGROUND

We have fourteen requests totaling \$9,999,676 in Prop K sales tax funds to present to the Citizens Advisory Committee (CAC) at the September 2, 2015 meeting, for potential Board approval on September 22, 2015. As shown in Attachment 1, the requests come from the following Prop K categories:

- 3rd Street Light Rail (Phase 1)
- Caltrain Capital Improvement Program (CIP)
- Caltrain Relocation of Paul Street to Oakdale
- Caltrain Vehicles

- Caltrain Facilities
- Caltrain Guideways
- Street Repair and Cleaning Equipment
- Transportation Demand Management/Parking Management
- Transportation / Land Use Coordination

Board adoption of a 5-Year Prioritization Program (5YPP) for Prop K programmatic categories is a prerequisite for allocation of funds from each of these categories except 3rd Street Light Rail (Phase 1), which is a single-project category programmed directly in the Prop K Strategic Plan.

DISCUSSION

The purpose of this memorandum is to present fourteen Prop K requests totaling \$9,999,676 to the CAC and to seek a motion of support to allocate or appropriate the funds as requested.

Attachment 1 summarizes the requests, including information on proposed leveraging (i.e. stretching Prop K dollars further by matching them with other fund sources) compared with the leveraging assumptions in the Prop K Expenditure Plan. Attachment 2 provides a brief description of each project. A detailed scope, schedule, budget and funding plan for each project is included in the attached Allocation Request Forms.

Strategic Plan Amendments: Caltrain's requests require a Strategic Plan amendment to advance a total of \$787,844 in unprogrammed capacity from Fiscal Year (FY) 2033/34 to FY 2015/16 in the Caltrain CIP (\$223,756) and Vehicles (\$564,088) categories. This continues the trend of advancing Prop K sales tax funds for the Caltrain CIP and its share of the Vehicles, Facilities, and Guideways categories so that Prop K can temporarily provide San Francisco's annual local capital match contribution, relieving the San Francisco Municipal Transportation Agency (SFMTA) of this financial burden until Prop K sales tax funds are exhausted for Caltrain. The last year of funding for Caltrain local capital match in Prop K is currently FY 2022/23. The amendment triggered by Caltrain's request would result in an increase of \$516,782 in financing costs in the Caltrain CIP (\$178,590) and Vehicles (\$338,192) categories, which we consider to be insignificant.

SFMTA's request for the 4th Street Bridge Settlement requires a Strategic Plan amendment to advance \$2,029,582 in FY 2016/17 funds to FY 2015/16, and amend the Board policy that programmed all remaining Prop K sales tax funds in the 3rd Street Light Rail (Phase 1) category for the Southern Intermodal Terminal (Segment S) to fund the subject request. The amount of Prop K sales tax funds for Segment S, originally part of the Initial Operating Segment, has been reduced over time by advancing these funds to SFMTA to cover cost increases for Phase 1. The current request brings SFMTA's commitment (i.e., non-Prop K sales tax funds that SFMTA needs to contribute) to Segment S to \$12.8 million should the project move forward.

Staff Recommendation: Attachment 3 summarizes the staff recommendations for the requests, highlighting special conditions, 5YPP amendments and other items of interest.

Representatives from sponsor agencies will attend the CAC meeting to answer questions.

ALTERNATIVES

1. Adopt a motion of support for the allocation of \$9,878,876 in Prop K funds, with conditions, and appropriation of \$120,800 in Prop K funds, subject to the attached Fiscal Year Cash Flow Distribution Schedules, as requested.

2. Adopt a motion of support for the allocation of \$9,878,876 in Prop K funds, with conditions, and appropriation of \$120,800 in Prop K funds, subject to the attached Fiscal Year Cash Flow Distribution Schedules, with modifications.
3. Defer action, pending additional information or further staff analysis.

FINANCIAL IMPACTS

This action would allocate \$9,878,876 and appropriate \$120,800 in FY 2015/16 Prop K sales tax funds, with conditions, for a total of fourteen requests. The allocations and appropriations would be subject to the Fiscal Year Cash Flow Distribution Schedules contained in the attached Allocation Request Forms. The impact of the proposed Prop K Strategic Plan amendments would be an estimated \$797,844 in additional financing costs, less than .01% of projected financing costs over the 30-year life of the Expenditure Plan.

The FY 2015/16 Prop K Allocation Summary (Attachment 4) shows the total approved FY 2015/16 allocations to date with associated annual cash flow commitments as well as the recommended allocations and cash flows that are the subject of this memorandum.

Sufficient funds are included in the proposed FY 2015/16 budget to accommodate the recommended actions. Furthermore, sufficient funds will be included in future budgets to cover the recommended cash flow distribution for those respective fiscal years.

RECOMMENDATION

Adopt a motion of support for the allocation of \$9,878,876 in Prop K funds, with conditions, and appropriation of \$120,800 in Prop K funds, subject to the attached Fiscal Year Cash Flow Distribution Schedules.

Attachments (4):

1. Summary of Applications Received
2. Project Descriptions
3. Staff Recommendations
4. Prop K 2015/16 Fiscal Year Cash Flow Distribution – Summary

Enclosure:

1. Prop K Allocation Request Forms (14)

Attachment 1: Summary of Applications Received

Source	EP Line No./ Category ¹	Project Sponsor ²	Project Name	Current Prop K Request	Total Cost for Requested Phase(s)	Prop K Leveraging		Phase(s) Requested	District
						Expected Leveraging by EP Line ³	Actual Leveraging by Project Phase(s) ⁴		
Prop K	2	SFMTA	4th Street Bridge Settlement	\$ 2,029,582	\$ 16,610,671	23%	88%	Construction	6
Prop K	7	PCJPB	Los Gatos Creek Bridge Creek Replacement	\$ 427,571	\$ 26,943,000	69%	98%	Construction	Citywide
Prop K	7	PCJPB	Tunnel #4 Track and Drainage Rehabilitation	\$ 259,200	\$ 1,728,000	69%	85%	Design	Citywide
Prop K	7	PCJPB	Marin Street and Napoleon Ave Bridge Closure	\$ 152,800	\$ 1,364,000	69%	89%	Design	10
Prop K	7	PCJPB	FY16 Station Fiber Connectivity Implementation	\$ 598,000	\$ 2,505,000	69%	76%	Design	Citywide
Prop K	14	SFPW, SFCTA	Quint-Jerrold Connector Road	\$ 2,006,350	\$ 2,037,203	70%	2%	Environmental, Right of Way	10
Prop K	17P	PCJPB	FY16 Rolling Stock SOGR	\$ 1,673,197	\$ 4,000,000	84%	58%	Construction	Citywide
Prop K	20P	PCJPB	Train Departure Monitors at Terminal Stations (SF and Diridon)	\$ 172,000	\$ 1,530,000	90%	89%	Construction	6
Prop K	20P	PCJPB	Systemwide Station Improvements	\$ 318,989	\$ 1,800,000	90%	82%	Construction	6, 10
Prop K	22P	PCJPB	Systemwide Track Rehabilitation	\$ 1,398,243	\$ 7,490,000	78%	81%	Construction	Citywide
Prop K	35	SFPW	Street Repair & Cleaning Equipment	\$ 738,072	\$ 738,072	29%	0%	Procurement	Citywide
Prop K	43	SFE	Commuter Benefits Ordinance Employer Outreach	\$ 79,872	\$ 79,872	54%	0%	Construction	Citywide
Prop K	43	SFCTA	San Francisco BART Travel Incentive Program	\$ 45,800	\$ 953,800	54%	95%	Construction	Citywide
Prop K	44	SFMTA	Kearny Street Multimodal Implementation Plan [NTIP Planning]	\$ 100,000	\$ 100,000	40%	0%	Planning	3
TOTAL				\$ 9,999,676	\$ 67,879,618	60%	85%		

Attachment 1: Summary of Applications Received

Footnotes

¹ "EP Line No./Category" is either the Prop K Expenditure Plan line number referenced in the 2014 Prop K Strategic Plan or the Prop AA Expenditure Plan category referenced in the 2012 Prop AA Strategic Plan, including: Street Repair and Reconstruction (Street), Pedestrian Safety (Ped), and Transit Reliability and Mobility Improvements (Transit).

² Acronyms: PCJPB (Peninsula Counties Joint Powers Authority); SFCTA (San Francisco County Transportation Authority); SFE (San Francisco Department of the Environment); and SFMTA (San Francisco Municipal Transportation Agency).

³ "Expected Leveraging By EP Line" is calculated by dividing the total non-Prop K funds expected to be available for a given Prop K Expenditure Plan line item (e.g. Pedestrian Circulation and Safety) by the total expected funding for that Prop K Expenditure Plan line item over the 30-year Expenditure Plan period. For example, expected leveraging of 90% indicates that on average non-Prop K funds should cover 90% of the total costs for all projects in that category, and Prop K should cover only 10%.

⁴ "Actual Leveraging by Project Phase" is calculated by dividing the total non-Prop K funds in the funding plan by the total cost for the requested phase or phases. If the percentage in the "Actual Leveraging" column is lower than in the "Expected Leveraging" column, the request (indicated by yellow highlighting) is leveraging fewer non-Prop K dollars than assumed in the Expenditure Plan. A project that is well leveraged overall may have lower-than-expected leveraging for an individual or partial phase.

Attachment 2: Brief Project Descriptions ¹

EP Line No./ Category	Project Sponsor	Project Name	Prop K Funds Requested	Prop AA Funds Requested	Project Description
2	SFMTA	4th Street Bridge Settlement	\$ 2,029,582	\$ -	Requested funds will be used for the San Francisco Municipal Transportation Agency's share of settlement costs associated with the 4th Street Bridge seismic retrofit and rehabilitation project, also known as Segment A of Third Street Light Rail Phase I (Initial Operating Segment). The City and County of San Francisco and the Federal Highway Administration are also providing funding for the settlement costs.
7	PCJPB	Los Gatos Creek Bridge Creek Replacement	\$ 427,571	\$ -	Funds will be used to construct a new three-track bridge with improved seismic performance to replace the existing two-track Los Gatos Creek Bridge, near Diridon Station in San Jose.
7	PCJPB	Tunnel #4 Track and Drainage Rehabilitation	\$ 259,200	\$ -	Prop K funds would be used for design of the Brisbane tunnel and track rehab project, which will rehabilitate the track structure and drainage system in Tunnel #4 in Brisbane.
7	PCJPB	Marin Street and Napoleon Ave Bridge Closure	\$ 152,800	\$ -	Requested funds will be used for design phase to retrofit or replace the Marin Street and Napoleon Avenue bridges in San Francisco. These structures have reached the end of their useful lives and the area under them has become a security and safety concern. Design is expected to be complete by December 2016.
7	PCJPB	FY16 Station Fiber Connectivity Implementation	\$ 598,000	\$ -	Caltrain will use Prop K funds to design fiber-optic communication connections between the Positive Train Control project and existing Caltrain systems, as recommended by Caltrain's Fiber Connectivity Study.
14	SFPW, SFCTA	Quint-Jerrold Connector Road	\$ 2,006,350	\$ -	SFPW is requesting \$1,914,000 to purchase right of way, currently owned by the Union Pacific Railroad for construction of the new Quint-Jerrold Connector Road, and \$17,350 for regulatory staff support for additional archaeological investigation and ongoing design review. SFCTA is requesting \$75,000 to procure a consultant for the additional archaeological investigation.

Attachment 2: Brief Project Descriptions ¹

EP Line No./ Category	Project Sponsor	Project Name	Prop K Funds Requested	Prop AA Funds Requested	Project Description
17P	PCJPB	FY16 Rolling Stock SOGR	\$ 1,673,197	\$ -	Prop K funds will be used to perform overhaul work on the Caltrain fleet of locomotives, Bombardier car and gallery rail car systems.
20P	PCJPB	Train Departure Monitors at Terminal Stations (SF and Diridon)	\$ 172,000	\$ -	Requested funds will be used to install train departure monitors at the San Francisco 4th & King and San Jose Diridon stations to provide real-time information to passengers. The project will be open for use by July 2017.
20P	PCJPB	Systemwide Station Improvements	\$ 318,989	\$ -	Funds will be used for the rehabilitation of various elements of passenger stations, including replacement of passenger shelters, replacing center track fences, etc.
22P	PCJPB	Systemwide Track Rehabilitation	\$ 1,398,243	\$ -	Requested funds will be used for work required to keep the Caltrain tracks in a state of good repair. Examples of work include replacement of rails, joints and ties.
35	SFPW	Street Repair & Cleaning Equipment	\$ 738,072	\$ -	SFPW is requesting Prop K funds to procure 1 flusher truck, two high pressure surface cleaning and water recovery systems, 1 bike path sweeper and 1 pothole patch truck. SFPW expects all equipment to be in use by May 2017.
43	SFE	Commuter Benefits Ordinance Employer Outreach	\$ 79,872	\$ -	Prop K funds will be used to administer and conduct outreach for the San Francisco Commuter Benefits Ordinance through September 2016, and implement steps to automate administration. The ordinance requires San Francisco employers to offer commuter benefits to encourage employees to walk, bike, take transit and rideshare. This project's scope includes administration of ordinance compliance such as updating and producing materials, outreach to employers, tracking program metrics, and updating the compliance process.

Attachment 2: Brief Project Descriptions ¹

EP Line No./ Category	Project Sponsor	Project Name	Prop K Funds Requested	Prop AA Funds Requested	Project Description
43	SFCTA	San Francisco BART Travel Incentive Program	\$ 45,800	\$ -	We are requesting Prop K funds to match \$908,000 in federal grant and BART operating funds for a pilot program to mitigate congestion on BART by incentivizing riders to shift their travel to the shoulders of the peak period. The pilot will alleviate congestion on BART in the short-term while longer-term solutions are developed; support continued ridership growth; support implementation of the Bay Area vision for focused growth around transit; and demonstrate a successful proof-of-concept of providing direct incentives to shift travel behavior and mitigate congestion. Engagement with employers and commuters will occur over a 6- to 9-month period. Overall program length of 2.5 years includes marketing plan, development of incentives, and evaluation, and is scheduled for completion in spring 2018.
44	SFMTA	Kearny Street Multimodal Implementation Plan [NTIP Planning]	\$ 100,000	\$ -	Requested funds will be used to engage the community, the Supervisor's Office and other relevant stakeholders to plan and develop conceptual designs for Kearny and Montgomery Streets between Market and Broadway to increase pedestrian safety, enhance transit performance, and develop north- and south-bound bicycle facilities in the corridor. This project will build upon recommendations in the Transportation Authority's Chinatown Neighborhood Transportation Plan. SFMTA anticipates completing the final report by December 2016, including key findings, recommendations, next steps, and an implementation and funding strategy.
TOTAL			\$ 9,999,676	\$ -	

¹ See Attachment 1 for footnotes.

Attachment 3: Staff Recommendations ¹

EP Line No./ Category	Project Sponsor	Project Name	Prop K Funds Requested	Prop AA Funds Requested	Recommendation
2	SFMTA	4th Street Bridge Settlement	\$ 2,029,582	\$ -	The Prop K Strategic Plan includes \$5.9 million in FY 2016/17 as the only remaining funds in the 3rd Street Light Rail (Phase 1) line item and by Board policy these funds are designated for the Southern Intermodal Terminal (Segment S). This policy was adopted recognizing that Segment S was part of the original approved scope of the Initial Operating Segment, but was deferred due to cost increases. Funding this request requires a Prop K Strategic Plan amendment to amend the aforementioned policy and advance \$2,029,582 of the \$5.9 million from FY 2016/17 to FY 2015/16. The 3rd Street Light Rail is a grandfathered project from Prop B (the predecessor to Prop K). Consistent with Strategic Plan policy, the cost of advancing funds for a grandfathered project is covered by the overall Prop K capital program. Advancing \$2,029,582 for the subject request results in an inconsequential \$10,000 increase in financing costs to the Prop K program. Our recommendation includes a Special Condition that the SFMTA's commitment (i.e. non-Prop K funds that SFMTA needs to contribute) to Segment S has increased over time and now totals \$12.8 million should the project move forward. See page 3 of the enclosed allocation request form for more details.
7	PCJPB	Los Gatos Creek Bridge Creek Replacement	\$ 427,571	\$ -	[NOTE A]: Fully funding San Francisco's \$5 million member share of the FY 15/16 Caltrain capital budget contribution requires a Strategic Plan amendment to advance a total of \$223,756 in unprogrammed capacity from FY 33/34 to FY 15/16 in the Caltrain Capital Improvement Program (CIP) category. This amendment will slightly increase financing costs for the Caltrain CIP category by \$178,590, from \$3,172,413 to \$3,351,003, which we consider to be insignificant. This request also requires a corresponding 5YPP amendment , which includes programming \$150,000 in cumulative remaining capacity in FY 15/16.
7	PCJPB	Tunnel #4 Track and Drainage Rehabilitation	\$ 259,200	\$ -	See Note A.
7	PCJPB	Marin Street and Napoleon Ave Bridge Closure	\$ 152,800	\$ -	See Note A.

Attachment 3: Staff Recommendations ¹

EP Line No./ Category	Project Sponsor	Project Name	Prop K Funds Requested	Prop AA Funds Requested	Recommendation
7	PCJPB	FY16 Station Fiber Connectivity Implementation	\$ 598,000	\$ -	See Note A.
14	SFPW, SFCTA	Quint-Jerrold Connector Road	\$ 2,006,350	\$ -	Our recommendation includes a Special Condition that if, after two years, the SFCTA determines that the connector road is not advancing adequately toward project implementation (e.g. design is complete), the SFCTA may request that the City and County of San Francisco attempt to sell the right of way purchased with Prop K funds at its then-fair market value and return to the Transportation Authority the lesser of: the sales proceeds (net of the cost of the sale and City's cost of holding the property in the interim) or the original \$1,914,000 Prop K funds plus interest equal to the rate of the City's treasury pool.
17P	PCJPB	FY16 Rolling Stock SOGR	\$ 1,673,197	\$ -	Fully funding San Francisco's \$5 million member share of the FY 15/16 Caltrain capital budget contribution requires a Prop K Strategic Plan amendment to advance a total of \$564,088 in unprogrammed capacity from FY 33/34 to FY 15/16 in the Caltrain Vehicles category. This amendment will slightly increase financing costs for the Caltrain Vehicles category by \$338,192, from \$1,613,956 to \$1,952,147, which we consider to be insignificant. This requires a corresponding 5YPP amendment , which includes programming \$2,742 in cumulative remaining capacity in FY 15/16.
20P	PCJPB	Train Departure Monitors at Terminal Stations (SF and Diridon)	\$ 172,000	\$ -	-
20P	PCJPB	Systemwide Station Improvements	\$ 318,989	\$ -	-
22P	PCJPB	Systemwide Track Rehabilitation	\$ 1,398,243	\$ -	5YPP amendment: Our recommendation is contingent on a 5YPP amendment to program \$79,113 in cumulative remaining capacity in FY 15/16.

Attachment 3: Staff Recommendations ¹

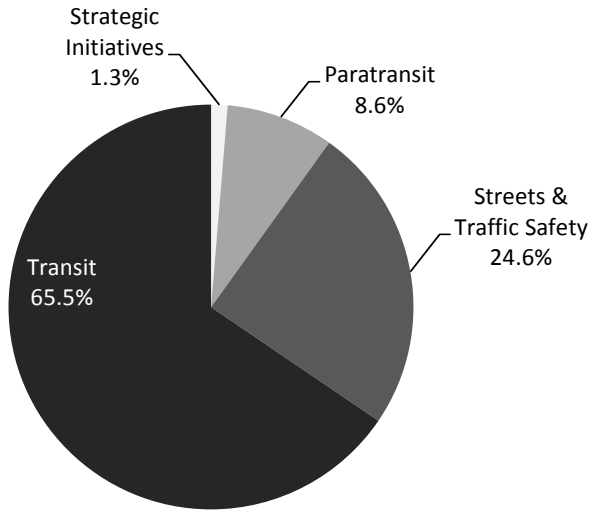
EP Line No./ Category	Project Sponsor	Project Name	Prop K Funds Requested	Prop AA Funds Requested	Recommendation
35	SFPW	Street Repair & Cleaning Equipment	\$ 738,072	\$ -	Our recommendation is contingent on administrative amendment to a prior allocation for street repair and cleaning equipment to allow \$195,195 in unneeded funds to be used for the subject project.
43	SFE	Commuter Benefits Ordinance Employer Outreach	\$ 79,872	\$ -	-
43	SFCTA	San Francisco BART Travel Incentive Program	\$ 45,800	\$ -	-
44	SFMTA	Kearny Street Multimodal Implementation Plan [NTIP Planning]	\$ 100,000	\$ -	-
TOTAL			\$ 9,999,676	\$ -	
¹ See Attachment 1 for footnotes.					

**Attachment 4.
Prop K Allocation Summary - FY 2015/16**

PROP K SALES TAX						
		CASH FLOW				
	Total	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	2019/20
Prior Allocations	\$ 113,698,638	\$ 88,412,614	\$ 24,536,024	\$ 750,000	\$ -	\$ -
Current Request(s)	\$ 9,999,676	\$ 6,836,659	\$ 3,147,903	\$ 15,114	\$ -	\$ -
New Total Allocations	\$ 123,698,314	\$ 95,249,273	\$ 27,683,927	\$ 765,114	\$ -	\$ -

The above table shows maximum annual cash flow for all FY 2015/16 allocations approved to date, along with the current recommended

Investment Commitments, per Prop K Expenditure Plan



Prop K Investments To Date

