



Memorandum

Date: 02.17.17

RE: Citizens Advisory Committee
February 22, 2017

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 \$34,931,349 in Prop K Funds, with Conditions, for Eight Requests, Subject to the Attached Fiscal Year Cash Flow Distribution Schedules

Summary

As summarized in Attachments 1 and 2, we have eight requests from the San Francisco Municipal Transportation Agency (SFMTA) totaling \$34,931,349 in Prop K funds to present to the Citizens Advisory Committee. The SFMTA has a contract with New Flyer, Inc. for procurement of 424 low floor hybrid diesel motor coaches. The contract base and amendment 1 are fully funded at about \$190 million for 159 buses. In September 2016, the SFMTA exercised contract modification 2 to procure another 265 buses at a cost of \$284.1 million. Modification 2 is occurring in two tranches. The current request includes \$4.4 million in Prop K funds, which along with \$47.9 million in prior Prop K funds and over \$106 million in federal and state funds, fully funds the first tranche comprised of 148 vehicles at a total cost of about \$159 million. The subject request also includes \$26.6 million in Prop K funds to leverage \$98 million in planned federal funds (expected to be programmed by the Metropolitan Transportation Commission later this month) to purchase the remaining 117 buses and provide warranty support. The SFMTA has requested construction funds for four projects: replacement of light-rail track on 19th Avenue for the M-Ocean View line (\$1.3 million); traffic signal upgrades at five intersections along 19th Avenue (\$2.5 million); and additional funds to cover the higher than anticipated costs for traffic signal upgrades (including pedestrian countdown and accessible pedestrian signals) at seven intersections along Webster Street (\$185,000) and for six new traffic signals throughout the city (\$360,000). The SFMTA has requested design funds to upgrade six traffic signals along Arguello Boulevard (\$250,000) and for nine new traffic signals throughout the city (\$126,514). Finally, the SFMTA has requested \$115,000 for the planning phase of the 23rd Avenue Neighborway project to identify traffic calming, bicycle and pedestrian safety improvements along the corridor between Lake Street and Golden Gate Park.

BACKGROUND

We have received eight requests for a total of \$34,931,349 in Prop K funds to present to the Citizens Advisory Committee (CAC) at its February 22, 2017 meeting, for potential Board approval on March 28, 2017. As shown in Attachment 1, the requests come from the following Prop K categories:

- Bus Rapid Transit/Transit Preferential Streets/MUNI Metro Network
- Vehicles - Muni
- Guideways - Muni
- New Signals & Signs
- Signals & Signs

- Bicycle Circulation/ Safety

Transportation Authority Board adoption of a 5-Year Prioritization Program (5YPP) for Prop K programmatic categories is a prerequisite for allocation of funds from these categories.

DISCUSSION

The purpose of this memorandum is to present eight Prop K requests totaling \$34,931,349 to the CAC and to seek a motion of support to allocate the funds as requested. Attachment 1 summarizes the eight 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 enclosed Allocation Request Forms.

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

Transportation Authority staff and project sponsors will attend the CAC meeting to provide brief presentations on some of the specific requests and to respond to any questions that the CAC may have.

ALTERNATIVES

1. Adopt a motion of support for the allocation of \$34,931,349 in Prop K funds, with conditions, for eight requests, subject to the attached Fiscal Year Cash Flow Distribution Schedules, as requested.
2. Adopt a motion of support for the allocation of \$34,931,349 in Prop K funds, with conditions, for eight requests, 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 \$34,931,349 in Fiscal Year (FY) 2016/17 Prop K sales tax funds, with conditions, for eight requests. The allocations would be subject to the Fiscal Year Cash Flow Distribution Schedules contained in the enclosed Allocation Request Forms.

Attachment 4, Prop K Allocation Summary - FY 2016/17, shows the total approved FY 2016/17 allocations and appropriations 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 approved FY 2016/17 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 \$34,931,349 in Prop K Funds, with conditions, for eight requests, 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 Allocation Summary – FY 2016/17

Enclosure:

1. Prop K/Prop AA Allocation Request Forms (8)

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)	Leveraging		Phase(s) Requested	District
						Expected Leveraging by EP Line ³	Actual Leveraging by Project Phase(s) ⁴		
Prop K	17M	SFMTA	67 40-foot and 50 60-foot Low Floor Hybrid Diesel Motor Coaches	\$ 30,096,835	\$ 146,614,000	84%	79%	Construction	Citywide
Prop K	22M	SFMTA	19th Avenue M-Line Track Replacement	\$ 1,278,000	\$ 6,390,000	78%	80%	Construction	7
Prop K	31	SFMTA	New Signals Contract 63 - Additional Funds	\$ 360,000	\$ 2,416,000	26%	85%	Construction	1, 3, 6, 7, 8
Prop K	31	SFMTA	New Signals Contract 64	\$ 126,514	\$ 700,000	26%	82%	Design	3, 5, 6, 8, 9, 10, 11
Prop K	33	SFMTA	Webster Street Pedestrian Signals - Additional Funds	\$ 185,000	\$ 1,685,000	41%	8%	Construction	2, 5
Prop K	33	SFMTA	Arguello Boulevard Traffic Signal Upgrade	\$ 250,000	\$ 250,000	41%	0%	Design	1, 2
Prop K	33	SFMTA	19th Avenue Signals Phase III	\$ 2,520,000	\$ 2,735,216	41%	8%	Construction	4, 7
Prop K	39	SFMTA	23rd Avenue Neighborway	\$ 115,000	\$ 115,000	28%	0%	Planning	1
TOTAL				\$ 34,931,349	\$ 160,905,216	81%	77%		

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: 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 or non-Prop AA 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/AA Funds Requested	Project Description
17M	SFMTA	67 40-foot and 50 60-foot Low Floor Hybrid Diesel Motor Coaches	\$30,096,835	<p>The SFMTA has a contract with New Flyer, Inc. for procurement of 424 low floor hybrid diesel motor coaches. The contract base and amendment 1 are fully funded at about \$190 million for 159 buses. In September 2016, prior to having all of the funds secured, the SFMTA exercised contract modification 2 to procure another 265 buses at a cost of \$284.1 million. Modification 2 is occurring in two tranches. The current request includes \$4.4 million in Prop K funds, which along with \$47.9 million in prior Prop K funds, \$89.6 million in previously allocated regional and federal funds, and \$16.7 million in planned federal funds, fully funds the first tranche comprised of 148 vehicles at a total cost of about \$159 million. The subject request also includes \$26.6 million in Prop K funds to leverage \$98 million in planned federal funds to purchase the remaining 117 buses and provide warranty support through July 2023.</p>
22M	SFMTA	19th Avenue M-Line Track Replacement	\$1,278,000	<p>Funds will leverage over \$5 million in federal funds for replacement of track on the M-Ocean View light rail line from Rossmoor Drive to the Stonestown passenger platform on 19th Avenue. At Rossmoor Drive the scope also includes replacement of two concrete overhead catenary system poles, intrusion treatments to discourage vehicles from driving onto light rail tracks, and improvements to the median and pedestrian refuge island to improve pedestrian safety. Work will also be done at 19th Avenue and Junipero Serra Boulevard, including crosswalk re-alignment, a new pedestrian refuge area, and intrusion treatments. To minimize transit service impacts, the SFMTA will coordinate the construction schedule with the planned M-line service shutdowns in April and July 2017 required for the Twin Peaks Tunnel Track Replacement project. Construction is expected to be completed by February 2018.</p>

Attachment 2: Brief Project Descriptions ¹

EP Line No./ Category	Project Sponsor	Project Name	Prop K/AA Funds Requested	Project Description
31	SFMTA	New Signals Contract 63 - Additional Funds	\$360,000	<p>In July 2016, the Transportation Authority allocated \$1.7 million in Prop K funds to construct six new traffic signals and three new flashing beacons at currently unsignalized intersections to improve traffic, pedestrian, and bicycle safety. The SFMTA is requesting additional funds to cover the unexpectedly high contract bid resulting from a bidding environment with a limited number of contractors combined with inflation, the rising cost of labor, and the increased complexity of traffic signal projects. The SFMTA has decided not to delay the project to re-bid, as it would risk a higher cost and delay implementation of safety improvements on Vision Zero corridors. All locations will have new pedestrian countdown signals (PCSs), accessible (audible) pedestrian signals (APSS), controllers, conduit, wiring, poles, and curb ramps. New flashing beacon locations will have new poles, wiring, and curb ramps. The project should be open for use by September 2017.</p>
31	SFMTA	New Signals Contract 64	\$126,514	<p>Requested funds will leverage \$573,486 in Prop A General Obligation Bond funds for the design of new traffic signals at nine intersections to improve traffic, pedestrian, and bicycle safety. The new traffic signals will include pedestrian countdown signals, accessible (audible) pedestrian signals, poles, curb ramps, and other signal infrastructure. The cost estimate reflects the rising construction costs of the recently bid signal projects. The SFMTA expects to complete design by March 2018 and construction by June 2019.</p>
33	SFMTA	Webster Street Pedestrian Signals - Additional Funds	\$185,000	<p>In July 2016, the Transportation Authority allocated \$1.4 million in Prop K funds and \$142,000 in Prop AA funds to upgrade traffic signals at seven intersections on Webster Street between McAllister and California Streets. Similar to the New Signals Contract 63 request noted above, the SFMTA is requesting additional funds to cover an unexpectedly high contract bid resulting from a bidding environment with a limited number of contractors combined with inflation, the rising cost of labor, and the increased complexity of traffic signal projects. The SFMTA has decided not to delay the project to re-bid, as it would also risk a higher cost. The signal upgrades will add pedestrian countdown signals and accessible (audible) pedestrian signals to existing traffic signals at six intersections, and installation of new poles, mast arms, and larger signal heads at all seven intersections. Project should be open for use by December 2017.</p>

Attachment 2: Brief Project Descriptions ¹

EP Line No./ Category	Project Sponsor	Project Name	Prop K/AA Funds Requested	Project Description
33	SFMTA	Arguello Boulevard Traffic Signal Upgrade	\$250,000	<p>Funds will be used for design engineering to upgrade existing traffic signals at six intersections along Arguello Boulevard between Lake and Turk Streets, which is a Vision Zero High Injury Network corridor. The project scope includes signal visibility improvements (i.e., new poles, mast arms, and larger signal heads), installation of pedestrian countdown signals where they are lacking, and new accessible (audible) pedestrian signals. Work is being coordinated with the Arguello paving project and implementation of the Neighborhood Transportation Improvement Program (NTIP) planning project recommendations. The SFMTA expects to complete design by March 2018 and to complete construction in Summer 2019.</p>
33	SFMTA	19th Avenue Signals Phase III	\$2,520,000	<p>Funds will be used for the construction phase of traffic signal upgrades at five of the nine unsignalized intersections along 19th Avenue at Moraga, Wawona, Sloat, Winston and Rossmoor. Caltrans will cover the cost of signal upgrades at the four remaining intersections at Park Presidio/Lake, Park Presidio/Crossover Drive, Crossover Drive, and Crespi. Upgrades include 18 curb ramps, pole relocations, signal head upgrades, pedestrian countown indicators and installation of transit priority signal (TPS) equipment at the Rossmoor and Junipero Serra intersections. The TPS improvements will be constructed under the contract for the M-line Track Replacement project (see separate request on this agenda). Upgrades at the four other locations will be constructed as part of the 19th Avenue Combined City Project, which consists of Muni Forward and pedestrian safety improvements including 40 curb bulbs, reconfigurations of medians and corner radii, a left-turn lane modification at Winston, and water and sewer system improvements. The signal at Rossmoor is expected to be open for use by February 2018, with the remaining four intersections open for use by August 2019.</p>

Attachment 2: Brief Project Descriptions ¹

EP Line No./ Category	Project Sponsor	Project Name	Prop K/AA Funds Requested	Project Description
39	SFMTA	23rd Avenue Neighborway	\$115,000	Requested funds will be used for planning, public outreach, conceptual design, and environmental review of bicycle and pedestrian safety improvements along 23rd Avenue, which was identified as a high-priority route in the San Francisco Bicycle Strategy, and surrounding streets between Lake Street and Golden Gate Park. Building on the initial work done through the District 1 Neighborhood Transportation Improvement Program (NTIP) Planning project, the 23rd Avenue Neighborway project will develop a set of preferred treatments aimed at reducing vehicular traffic and speeds, giving priority to bicyclists and pedestrians, and reducing congestion. The SFMTA anticipates completing the planning phase by April 2018 and starting construction of the recommended improvements by early 2019.
TOTAL			\$34,931,349	

¹ See Attachment 1 for footnotes.

Attachment 3: Staff Recommendations ¹

EP Line No./ Category	Project Sponsor	Project Name	Prop K/AA Funds Recommended	Recommendations
17M	SFMTA	67 40-foot and 50 60-foot Low Floor Hybrid Diesel Motor Coaches	\$ 30,096,835	<p>5-Year Prioritization Program (5YPP) Amendment: The recommendation is contingent on a Vehicles-Muni 5YPP amendment to re-program \$30,096,835 from the Replace 100 ETI 40' Trolley Coaches (2015/16) project to the subject project. With this 5YPP amendment there will be \$70,025,216 available for allocation for trolley coach procurements in FY 17/18 when the next procurements are planned. See attached 5YPP amendment for details.</p> <p>The recommendation is contingent upon approval by the Metropolitan Transportation Commission, anticipated February 22, 2017, to program \$164.2 million in federal FY 16/17 to FY 19/20 transit formula funds to the subject project. The recommendation is also contingent upon a commitment by the SFMTA to maintain the new motor coaches in a state of good repair, including a mid-life overhaul program to allow them to meet or exceed expectations for their useful lives per Federal Transit Administration guidelines.</p>
22M	SFMTA	19th Avenue M-Line Track Replacement	\$ 1,278,000	<p>Contrary to Prop K policy that prohibits the advertisement of services or contracts to be funded by Prop K prior to allocation of funds by the Transportation Authority Board, the SFMTA advertised the project's construction contract in December 2016. We have reminded the SFMTA of this policy and advised SFMTA that it should not presume a positive Board action or that the Board may not modify the funding request.</p>
31	SFMTA	New Signals Contract 63 - Additional Funds	\$ 360,000	<p>5YPP Amendment: Recommendation is contingent upon a concurrent amendment to the Prop K New Signals and Signs 5YPP to program \$248,486 from the New Traffic Signals (5 Locations) FY 16/17 design placeholder and \$111,514 deobligated from projects completed under budget to the subject project. See attached 5YPP amendment for details.</p>
31	SFMTA	New Signals Contract 64	\$ 126,514	
33	SFMTA	Webster Street Pedestrian Signals - Additional Funds	\$ 185,000	<p>5YPP Amendment: Recommendation is contingent upon a concurrent amendment to the Prop K Signals and Signs 5YPP to program \$185,000 deobligated from projects completed under budget to the subject project. See attached 5YPP amendment for details.</p>
33	SFMTA	Arguello Boulevard Traffic Signal Upgrade	\$ 250,000	
33	SFMTA	19th Avenue Signals Phase III	\$ 2,520,000	

Attachment 3: Staff Recommendations ¹

EP Line No./ Category	Project Sponsor	Project Name	Prop K/AA Funds Recommended	Recommendations
39	SFMTA	23rd Avenue Neighborway	\$ 115,000	The 2014 Bicycle Circulation/Safety 5YPP conditioned allocation of funds from the Bicycle Network Expansion and Upgrades line upon SFMTA providing, on an annual basis, a prioritized list of projects to be designed and constructed in a given fiscal year. For FY 2016/17, SFMTA plans on requesting Prop K funds from the Bicycle Network Expansion and Upgrades line for the subject project only.
TOTAL \$			34,931,349	

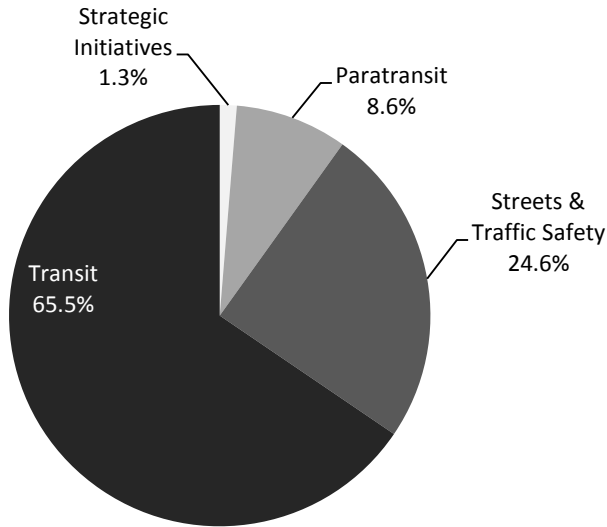
¹ See Attachment 1 for footnotes.

**Attachment 4.
Prop K Allocation Summary - FY 2016/17**

PROP K SALES TAX						
		CASH FLOW				
	Total	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21
Prior Allocations	\$ 93,191,193	\$ 44,488,051	\$ 34,950,761	\$ 13,307,281	\$ 445,100	\$ -
Current Request(s)	\$ 34,931,349	\$ 108,750	\$ 23,654,059	\$ 10,785,535	\$ 226,707	\$ 52,099
New Total Allocations	\$ 128,122,542	\$ 44,596,801	\$ 58,604,820	\$ 24,092,816	\$ 671,807	\$ 52,099

The above table shows maximum annual cash flow for all FY 2016/17 allocations approved to date, along with the current recommended allocation(s).

Investment Commitments, per Prop K Expenditure Plan



Prop K Investments To Date

