





Memorandum

Date: 02.05.14 **RE:** Finance Committee
February 11, 2014

To: Finance Committee: Commissioners Cohen (Chair), Wiener (Vice Chair), Chiu, Farrell, Tang and Avalos (Ex Officio)

From: Elizabeth Sall – Interim Deputy Director for Planning 

Through: Tilly Chang – Executive Director 

Subject: **ACTION** – Recommend Authorizing the Executive Director to Execute a Memorandum of Agreement with the Treasure Island Development Authority, in an Amount Not to Exceed \$200,000, for the Fiscal Year 2013/14 Operating Budget and Work Plan to Implement the Treasure Island Transportation Implementation Plan and to Negotiate the Agreement Payment Terms and Non-Material Agreement Terms and Conditions

Summary

On January 8, 2014, the Treasure Island Development Authority (TIDA) Board approved a resolution recommending that the San Francisco Board of Supervisors designate the Transportation Authority as the Treasure Island Mobility Management Agency (TIMMA) to implement the Treasure Island Transportation Implementation Plan in support of the Treasure Island/ Yerba Buena Island Development Project. To carry out pre-implementation planning on TIMMA and TIDA's behalf, the Transportation Authority Board and TIDA Board authorized an operating Memoranda of Agreement (MOA) between the Transportation Authority and TIDA in 2011, through Resolution No. 12-25, and in 2012, through Resolution No. 13-01. In each of the past two fiscal years, Transportation Authority staff has carried out a scope of pre-implementation work, including successful grant applications to the Federal Highway Administration and Metropolitan Transportation Commission for planning and design funds. Work has included the commencement of policy and financial analysis of the congestion pricing program, development of TIMMA agency formation plans, and collaboration with partner agencies on operating agreements. The scope of work for Fiscal Year (FY) 2013/14 focuses on completing the policy and financial analyses initiated in 2012, beginning the System Manager phase of work (beginning with the Concept of Operations), and continued agency and public stakeholder involvement. Together with the TIDA contribution of \$200,000, the two grant awards will support the total proposed budget for FY 2013/14 work, which is approximately \$750,000. **We are seeking a recommendation authorizing the Executive Director to execute an MOA with TIDA, in an amount not to exceed \$200,000, for the FY 2013/14 operating budget and work plan to implement the Treasure Island Transportation Implementation Plan and to negotiate the agreement payment terms and non-material agreement terms and conditions.**

BACKGROUND

The Treasure Island Transportation Management Act of 2008 (Assembly Bill No. 981) directs the Treasure Island Development Authority (TIDA) Board of Directors to make a recommendation to the San Francisco Board of Supervisors (BOS), which would then designate a board or agency to serve as the transportation management agency for Treasure Island (now known as the Treasure Island Mobility Management Agency, or TIMMA). The purpose of the TIMMA is to implement a comprehensive and integrated program to manage travel demand on the island as the Treasure Island/ Yerba Buena Island Development Project (Project) develops. The centerpiece of this innovative approach to mobility is an integrated and multimodal congestion pricing demonstration program (Pricing Program) that applies

motorist user fees to support enhanced bus, ferry, and shuttle transit, as well as bicycling options, to reduce the traffic impacts of the Project.

In February 2011, TIDA approached the Transportation Authority to discuss the possibility of the Transportation Authority's assumption of the role of the TIMMA. On October 25, 2011, through Resolution No. 12-16, the Transportation Authority Board recommended that the TIDA Board and the BOS designate the Transportation Authority as the TIMMA to implement the Pricing Program, authorized a partnership Memorandum of Agreement (MOA) between the Transportation Authority and TIDA, and authorized negotiation of initial operating contracts and development of TIMMA formation plans for consideration by the Transportation Authority Board.

The purpose of this memorandum is to seek a recommendation authorizing the Executive Director to execute a MOA with TIDA, in an amount not to exceed \$200,000, for the Fiscal Year (FY) 2013/14 operating budget and work plan to implement the Treasure Island Transportation Program.

DISCUSSION

In 2011, through Resolution No. 12-25, and in 2012, through Resolution No. 13-01, the Transportation Authority and TIDA Boards authorized operating MOAs, which outline an annual operating budget and work plan to conduct pre-implementation planning for the Pricing Program. Through the current period, the Transportation Authority has advanced the scope of work encompassed by these MOAs, including successful grant applications to the Federal Highway Administration (FHWA) and Metropolitan Transportation Commission (MTC) for planning and design funds. In addition, the Transportation Authority has developed TIMMA agency formation plans and collaborated with partner agencies on operating agreements. After project construction, the ongoing operations of the TIMMA are intended to be funded through Pricing Program revenues generated on the island as well as any additional resources that the TIMMA and its partners can develop, including grants.

As part of the FY 2012/13 work program, the Transportation Authority initiated policy and financial analysis, funded by grants from the FHWA Value Pricing Pilot Program (VPPP) and MTC Priority Development Area (PDA) Planning Grant program, matched by the local TIDA contribution. The proposed budget and work plan for an operating MOA covering FY 2013/14 are detailed below.

Work Plan: The major focus of work for FY 2013/14 is continuation of the planning phase, primarily the policy, demand, and financial analysis of the Pricing Program. In addition, we will initiate the System Manager phase of project development, focusing on conceptual engineering of toll location, and commencement of the Pricing Program's Concept of Operations. Finally, we will continue to work with TIDA staff to establish designation of the TIMMA and undertake start up work for the new agency. We will also initiate the development of MOAs with Pricing Program partner agencies, including the San Francisco Municipal Transportation Agency, Alameda-Contra Costa Transit District, Water Emergency Transit Authority, and the Bay Area Toll Authority. As during FY 2012/13, we anticipate continuing to use legal and financial advisory services and project management and technical consultants for this work. Another major area of work will be continued advocacy and grant-writing to obtain funds for future stages of Pricing Program design and procurement.

Budget: The anticipated FY 2013/14 budget for the proposed work plan is approximately \$750,000, with about 20% directed to staff expenses and 80% needed for consultant expenses. Within this total, approximately \$550,000 is expected to come from the MTC PDA Planning Grant and VPPP planning grants, and \$200,000 has been committed by TIDA. The TIDA Board considered and approved the proposed MOA for FY 2013/14, including the \$200,000 FY 2013/14 operating budget, at its January 8, 2014 meeting. The TIDA funds will provide the local match to the federal and regional grants.

We are seeking a recommendation authorizing the Executive Director to execute an MOA with TIDA, in an amount not to exceed \$200,000, for the FY 2013/14 operating budget and work plan to implement the Treasure Island Transportation Implementation Plan and to negotiate the agreement payment terms and non-material agreement terms and conditions.

ALTERNATIVES

1. Recommend authorizing the Executive Director to execute an MOA with TIDA, in an amount not to exceed \$200,000, for the FY 2013/14 operating budget and work plan to implement the Treasure Island Transportation Implementation Plan and to negotiate the agreement payment terms and non-material agreement terms and conditions, as requested.
2. Recommend authorizing the Executive Director to execute an MOA with TIDA, in an amount not to exceed \$200,000, for the FY 2013/14 operating budget and work plan to implement the Treasure Island Transportation Implementation Plan and to negotiate the agreement payment terms and non-material agreement terms and conditions, with modifications.
3. Defer action, pending additional information or further staff analysis.

CAC POSITION

The CAC considered this item at its January 22 meeting, and unanimously adopted a motion of support for the staff recommendation.

FINANCIAL IMPACTS

TIDA shall reimburse the Transportation Authority for all expenses associated with the operating MOA. At no point shall Prop K or Transportation Authority-managed funds be used to fund TIMMA operations, except for Prop K appropriations or award of other discretionary grants to the Transportation Authority explicitly for TIMMA operations. The Transportation Authority's adopted FY 2013/14 budget anticipated TIDA operating funding assistance at an amount of \$73,000. Budget for additional activities will be included in the Transportation Authority's mid-year budget amendment and will be funded from the \$500,000 PDA planning grant from MTC, \$480,000 federal VPPP planning grant from FHWA, and local matching funds from TIDA.

RECOMMENDATION

Recommend authorizing the Executive Director to execute an MOA with TIDA, in an amount not to exceed \$200,000, for the FY 2013/14 operating budget and work plan to implement the Treasure Island Transportation Implementation Plan and to negotiate the agreement payment terms and non-material agreement terms and conditions.