



# Memorandum

**Date:** 06.23.14 **RE:** Authority Board  
June 24, 2014

**To:** Transportation Authority Board: Commissioners Avalos (Chair), Wiener (Vice Chair), Breed, Campos, Chiu, Cohen, Farrell, Kim, Mar, Tang and Yee

**From:** Tilly Chang – Executive Director *TJC*

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

## REGIONAL, STATE AND FEDERAL ISSUES

**Federal Transportation Reauthorization:** MAP-21, the current two-year federal surface transportation authorization law, expires on September 30, although the Highway Trust Fund is expected to be depleted by August. Over the past two months the Obama administration, the U.S. Senate Environment and Public Works Committee and the House Republican leadership have released proposals for the successor to MAP-21 and strategies to avoid bankrupting the Highway Trust Fund. The administration’s proposal, a four-year bill entitled the GROW AMERICA Act, would increase overall transportation funding by 37% above MAP-21 levels with a 70% increase in transit funding. The U.S. Senate Environment and Public Works Committee’s proposal would extend MAP-21 for six years leaving all existing programs in place at current funding levels (adjusted for inflation) with an added emphasis on goods movement through a new formula-based goods movement program. This proposal was unanimously approved by the Committee. The House Republican leadership proposal would redirect funding from various sources, including the cessation of Saturday Postal Service delivery, to transportation. The House Republican proposal has generally not been well received and it remains unclear what action Congress will take to extend federal transportation funding. Last Thursday, a surprising bipartisan Senate proposal surfaced to raise the federal gas tax by 12 cents over two years and index it to inflation. We will continue to monitor the reauthorization process and strategically engage in advocacy mainly through entities such as the Metropolitan Transportation Commission (MTC) and the American Public Transit Association, and will keep the Board updated over the coming months.

**Active Transportation Program (ATP) – SF Submits Applications to State Call for Projects, Readies Response to Regional Call:** The ATP consolidates a variety of state and federal funding sources for bicycling, pedestrian, Safe Routes to Schools (SR2S), and regional trail projects. Applications for the statewide ATP program were due to California Department of Transportation (Caltrans) on May 21, 2014, and we provided letters of support for San Francisco’s candidate projects. In the end, San Francisco project sponsors submitted seven applications for consideration to the California Transportation Commission, totaling \$11 million in requested funding: Vision Zero, SF Safer Streets, Citywide Bicycle Wayfinding, a Bay Trail project in the Presidio, and three SR2S projects. The MTC also submitted a region-wide bike sharing application that included funding for San Francisco. We should know the outcome of the state call in August, but in the meantime sponsors are working to submit the supplemental information MTC is requiring to allow the seven state-submitted project applications to compete for its regional ATP program. MTC is also letting new projects that weren’t submitted to the state call for projects to compete for regional funding. We anticipate that the San Francisco Municipal Transportation Agency (SFMTA) will submit at least one new application through this process. The supplemental information and

any new applications that weren't already submitted to the state program are due to MTC on July 24. For more information, contact Amber Crabbe at [amber.crabbe@sfcta.org](mailto:amber.crabbe@sfcta.org).

**State Budget – Legislature Approves California Budget and Formula for Cap-and-Trade Revenue Distribution:** On June 15, the California Legislature passed the State's Fiscal Year 2014/15 budget and forwarded it to the Governor. It included significant wins for transportation and established a distribution formula for both current and future-year cap-and-trade revenue: \$1.2 billion in appropriation authority to meet the remaining Prop 1B State Infrastructure Bond obligations, including Central Subway and two Lifeline Transportation Program projects; an additional \$479 million for state infrastructure maintenance and repair; and full funding of the State's share of Amtrak operations. Within the budget, the Fiscal Year 2014/15 distribution of cap-and-trade revenue totaled \$872 million, with \$630 million of that total committed to transportation projects, including \$250 million for high-speed rail, \$50 million for transit (half of which would be distributed to local operators by the State Transit Assistance (STA) formula, which could bring over \$2 million in funds for Muni), \$130 million for sustainable communities projects and affordable housing; and \$200 million for low-carbon transportation. The budget also established that the \$400 million in prior-year cap-and-trade funds loaned to the General Fund in prior years would be directed toward the high-speed rail project. Starting in Fiscal Year 2015/16, when the motor fuel sector would begin participating in the cap-and-trade program and revenues are anticipated to rise to between \$2 and \$4 billion/year, 60% of the funds will be continuously appropriated by formula distribution: 25% to high-speed rail, 5% to local transit via the State Transit Assistance formula, 10% to state transit, 10% to sustainable communities projects, and 10% to affordable housing. Other than the local transit funds, all of the revenue will be awarded through state agencies, most through a competitive grant process. The remaining 40% in revenues will be subject to annual budget appropriation. We will be watching to see if the Governor modifies the Legislature's budget, and will work with other stakeholders to help shape the governance and administration of the newly established state grant programs.

**California State Transportation Agency and Caltrans - Visit Showcases San Francisco Partnerships:** Last month, I traveled with staff to Sacramento to meet with Deputy Secretary Brian Annis and other state Department of Transportation officials to discuss the many areas of partnership and collaboration that we have underway with the State Transportation Agency and Caltrans. These include the Presidio Parkway and multiple corridor projects along Van Ness Avenue, Lombard Street, and 19<sup>th</sup> Avenue as well as a host of neighborhood transportation planning studies in Chinatown and the Potrero Hill area. We also thanked the administration for the Governor's and Secretary's leadership on cap and trade and high-speed rail, as well as expressed our appreciation for the Freeway Management planning grant mentioned below.

## LOCAL ISSUES

**Central Subway - Tunnel Boring Machines (TBMs) Break Through:** On June 16, the City celebrated a major milestone for the Central Subway; the completion of the tunnel bores. Luis Zurinaga and I attended the event, which was opened by Mayor Lee and attended by Vice Chair Wiener and Commissioner Chiu. The two 350-foot-long TBMs tunneled 8,500 feet each, between Fourth and Bryant Streets to the site of the old Pagoda theater in North Beach. While life continued normally on the surface, these machines drilled underneath Fourth, Stockton, and Columbus Streets, sometimes as deep as 100 feet and, on the best day, as far as 130 feet. At Market Street, the TBMs drilled tunnels as close as seven feet under the BART tunnel without any impact to that important system. This was no small feat and represents the best of technology and construction management science. We congratulate our partner, SFMTA, and the project team, in completing this achievement on time and with minimum disruption to the public. For more information, contact Luis Zurinaga at [luis.zurinaga@sfcta.org](mailto:luis.zurinaga@sfcta.org).

**Preliminary Award Notification - Caltrans Partnership Planning Grant for San Francisco's Freeway Management Initiative:**

Caltrans has recommended award of a 2014 Caltrans Partnership Planning grant to the Transportation Authority to support our proposed San Francisco Freeway Management Initiative Study. We look forward to collaborating with Caltrans on this Study to develop a performance-based vision for managing San Francisco's freeway corridors, US-101, I-80, and I-280, in support of our own 2013 San Francisco Transportation Plan (SFTP), the region's Sustainable Communities Strategy, Plan Bay Area, and the Department's managed lanes policies and plans. The SFTP projects a 120% growth in daily vehicle tripmaking between our downtown Core and the South Bay; this growth in travel demand will further strain the already-congested US-101, I-80, and I-280 freeway corridors that serve San Francisco and the Peninsula. Further opportunities in these corridors include Caltrain's plans to electrify and extend into downtown, possibilities of SamTrans and Muni express bus transit, and the strong response we are seeing from employer-sponsored and individual ridesharing. While our neighboring counties have developed freeway management plans, San Francisco does not yet have strategies in place for the freeway network. This Study would partner with Caltrans and other regional and local partner agencies to forge consensus on such a plan, considering a full range of near term low-cost (striping, signage, operational) strategies, in combination with medium-term intelligent transportation systems (ITS), managed lanes, and pricing/multi-modal demand management strategies. Formal confirmation of the grant award will follow adoption of the State Budget. For more information, contact Rachel Hiatt at [rachel.hiatt@sfcta.org](mailto:rachel.hiatt@sfcta.org) or 415-522-4809.

**Transportation 2030 Update - District Open Houses Underway:** Over the last month the Transportation Authority continued to support efforts to advance the recommendations of the Mayor's 2030 Transportation Task Force. SFMTA and the Department of Public Works (DPW) hosted open houses in each district to provide an opportunity for San Franciscans to learn about the state of the city's transportation system and how the Transportation 2030 proposals would invest in the system. Transportation Authority staff were present at each of the open houses. We will continue to support technical work related the recently introduced \$500 million general obligation bond, to be considered on the November 2014 ballot, and the Vehicle License Fee (VLF), which allows (by a 2/3 vote of the Board of Supervisors) the VLF measure to be placed on the ballot in November 2016 and asks voters to increase the VLF rate to 2.0% in San Francisco.

**Vision Zero - Global Road Safety Partnership Visit; Board and Task Force Meetings Held:** June was an active month for the Vision Zero initiative. The Global Road Safety Partnership, an international delegation representing twenty countries, visited San Francisco on June 3 to learn how the City is progressing towards the Vision Zero goal. On June 10, agency staff convened a meeting of the Vision Zero Task Force attended by more than sixty individuals representing city agencies, neighborhood groups, and advocacy organizations concerned with pedestrian and bicyclist safety. Commissioner Yee spoke regarding the need for improved coordination and consistent messaging around safety education. On June 12, the Vision Zero Committee of the Transportation Authority Board met to review progress on Vision Zero activities. SFMTA staff presented an updated list of short-term capital projects along with specific schedules for implementation in the next two years. Ed Reiskin, Director of Transportation, shared SFMTA and DPW's recent work to improve and streamline project delivery processes. For more information, contact Ryan Greene-Roesel at [ryan@sfcta.org](mailto:ryan@sfcta.org) or 415.522.4808.

**Ringold Alley Shared Street - In-Kind Agreement Approved by Planning Commission:** I am delighted to report a major milestone in the implementation of the Transportation Authority-led Western SoMa Neighborhood Transportation Plan, adopted by the Board in March 2012. The plan recommended upgrades to three alleyways (Minna, Natoma, and Ringold) in Western SoMa to improve the pedestrian environment and transform the alleyways to serve as open space. The developer of 350 8<sup>th</sup> Street (the former Golden Gate Transit bus yard site slated for more than 400 housing units and supportive mixed

use) has agreed to deliver the recommended streetscape improvements, including pedestrian lighting, bicycle parking, landscape improvements, and a shared street treatment on Ringold alleyway between 8<sup>th</sup> and 9<sup>th</sup> Streets through an in-kind agreement in lieu of \$1.8 million in transportation impact fees. In October 2013, the Eastern Neighborhoods Citizens Advisory Committee took action to recommend approval of the agreement to the Planning Commission, and on May 22, 2014 the Planning Commission unanimously approved the agreement. The upcoming quarter will include community workshops to finalize the design of the street. Meanwhile, the development itself has broken ground; the street upgrades are scheduled to happen after completion of the development in 2016.

**Late Night Transportation Action Plan-Project Kicks off With First Working Group Meeting:** We've been asked by Commissioner Wiener to serve as a technical resource to the Late Night Transportation Working Group that was created by Resolution of the Board of Supervisors. The Working Group is being co-chaired by the Entertainment Commission and the Office of Economic and Workforce Development and is charged with creating a plan to understand existing challenges with transportation during the late night and early morning hours, propose solutions, and report back to the Board of Supervisors. The first meeting on June 18 was used to propose objectives, a workplan, and schedule for the effort. A wide variety of stakeholders attended the first meeting and confirmed the proposed approach. Between now and the fall, we will be managing consultant work to document existing conditions and needs before the second Working Group meeting. The effort is expected to conclude in the winter with final recommendations that will be publicized and serve as a roadmap for moving forward with promising solutions.

**Mineta Transportation Institute Honors Retiring Executive Director Rod Diridon** – I was pleased to join many Bay Area transportation community members and colleagues at the Mineta Transportation Institute convocation ceremonies this past weekend to honor Executive Director Rod Diridon on his retirement and to thank him for his decades of leadership to the region and industry. We appreciate his years of dedication, public service and vision for a strong transit system both locally and at the national level.

## **MANAGEMENT AND ADMINISTRATION ISSUES**

**Fiscal Year-End Close – Work Underway:** In conjunction with our end-of-the-year closing process, we have contacted project sponsors to encourage timely submission of fourth quarter invoices for reimbursement and to close out Prop B (the predecessor to Prop K) and Prop K projects for which no billings have been received in the last year. In addition and as approved in the amended Fiscal Year 13/14 annual budget, we will pay down \$15 million of the \$150 million of outstanding commercial papers this Thursday and the remaining balance through a graduated payment structure over the next several years. This pay down comes at a time when our commercial paper rolls are trading at a record low of 0.06% (6 basis points) and allows us to continue to borrow at a low cost.