

DRAFT MINUTES

TREASURE ISLAND MOBILITY MANAGEMENT AGENCY COMMITTEE

Tuesday, November 27, 2018

1. Roll Call

Chair Kim called the meeting to order at 11:03 a.m.

Present at Roll Call: Commissioners Kim, Ronen and Yee (3)

Absent at Roll Call: (0)

2. Approve the Minutes of the October 4, 2018 Meeting – ACTION

There was no public comment.

Commissioner Ronen moved to approve the minutes, seconded by Commissioner Yee.

The minutes were approved without objection by the following vote:

Ayes: Commissioners Kim, Ronen and Yee (3)

3. Recommend Approval of the Treasure Island Transit Pass, Toll Policy, and Affordability Program – ACTION

Eric Cordoba, Deputy Director for Capital Projects and Rachel Hiatt, Principal Planner, presented the item per the staff memorandum.

Chair Kim asked for a breakdown of the \$262.6 million Treasure Island Community Development (TICD) contribution.

Mr. Cordoba said the \$262.6 million contribution included multimodal improvements, on-island shuttles and funding for the ferry terminal and breakwaters.

Bob Beck, Executive Director at the Treasure Island Development Agency (TIDA), said the developers were responsible for the total cost of developing the ferry terminal and breakwaters included in the \$262.6 million figure.

Chair Kim asked if the figures displayed were the total cost and if there was a funding gap.

Mr. Cordoba said the developers were obligated to purchase buses for A.C. Transit and the project team was working with the developers to ensure the appropriate funding was lined up. He added that the project team would pursue other funding sources.

Chair Kim asked what the other funding sources would cover.

Mr. Cordoba said the other funding sources would pay for the transit vehicles and added that staff was aggressively pursuing additional revenue streams to help offset the developer contribution. He said acquiring additional funding sources would help the entire program from a financial feasibility standpoint.

Chair Kim said she would best understand the value of the tolling program by receiving a breakdown of the total cost of each program.

Mr. Cordoba said the tolling program would pay for the operations and maintenance of the on-island shuttle, AC Transit service, as well as the ferry service. He said those were the three main drivers as it related to toll costs. He added that there were other costs in terms of administration and the affordability program. Mr. Cordoba said that the affordability program had a financial impact of approximately \$3 million a year for the \$300 a month stipend that was proposed.

Chair Kim said from her perspective, the stipend meant that less revenue would be raised for the operational cost of the different modes of public transportation, and would require additional revenue sources to cover a budget gap, if it was not coming through the tolling program.

Mr. Cordoba said capital construction would be funded by the developer or by state and federal funds, with some matching funds from the developer and Bay Area Toll Authority (BATA).

Chair Kim said it was difficult to approve a policy without understanding what the budget cost would be and that it would be most helpful to view the total cost of operation. She said it would also be beneficial to know the projected headways for the ferry, shuttle and AC Transit to ensure Treasure Island residents received high quality transit that justified the tolling program costs. She added that while she supported mobility management and generating revenue from private vehicle transportation, she continued to struggle with the fact that Treasure Island was the only neighborhood that was paying for its transit.

Mr. Cordoba said to avoid having high toll fares in the early years and to have incremental service that worked in conjunction with the development the project team intended to establish 30 minute peak ferry service headways for 2021. He added that they also intended to establish 60 minute peak service headways for AC Transit and increased Muni service to approximately 10-15 minutes, in terms of turnaround. Mr. Cordoba said the project team needed to work with Muni to establish the buildout scenario, which would be 5-7.5 minute headways.

Chair Kim asked what the full buildout would look like.

Mr. Cordoba said the full buildout would approximately be 8,000 units by 2035.

Chair Kim asked at what point in the buildout there would be quicker headways.

Mr. Cordoba replied that at approximately 2500 units there would be an increase in transit service. He said that was the critical mass, with incremental increases as additional units got built. He added that all information was available in the travel demand and financial model.

Chair Kim asked how the 60 minute headway for AC Transit was determined and if it was based on the survey of residents going to the East Bay from Treasure Island.

Mr. Cordoba said the 60 minute headway was determined by analyzing development itself and the homes that would be sold in those first five years. He said the headway time would possibly be refined moving forward as they continued to work with AC Transit.

Chair Kim recommended further evaluation of the headway times and said a 60 minute headway could possibly lead to loss in ridership and be viewed as unreliable. She said she was skeptical of the Muni headway, because of its current inconsistencies, and asked how the project team would guarantee that the new revenue would improve wait times for residents.

Mr. Cordoba said staff would continue to engage with the San Francisco Municipal Transportation Agency (SFMTA) and look for ways to improve current service reliability issues on the island.

Chair Kim shared a previously mentioned anecdote detailing the lengths one of her youth commissioners, and Treasure Island resident, had to take to get to her school in the Sunset. She said stories like that fed to the mistrust residents had about paying an additional toll for improved services when they did not trust the service that currently existed.

Mr. Cordoba acknowledged Chair Kim's point and said the project team sympathized with the residents and would follow up with the SFMTA. He noted the importance of approving the policy and said it would put staff in a better position to clarify unknowns.

Chair Kim said it was unclear why the TIMMA Committee would put forward a policy with many unknowns and that it felt early to be approving something for 2021. She said it was difficult to commit to a policy with so much changing in terms of development and transit options in San Francisco.

Chair Kim noted that not a single unit of new housing had been occupied since she approved the entitlement for Treasure Island in June of 2011 and asked why there was so much confidence that housing would be built by 2021.

Mr. Cordoba said there had been delays with the development in obtaining various approvals but noted that the island was under construction. He said major infrastructure was being constructed, which included a new water, sewer and power lines and that the development team was preparing housing construction.

Chair Kim noted the infrastructure construction but said that she did not see vertical construction. She said it was difficult to approve a toll policy when the vertical construction start date was unknown.

Bob Beck, Treasure Island Director at TIDA, said developers were in the planning process for the first four vertical projects on Yerba Buena Island. He said the TIDA project team was in communication with the planning department and the first project on the Yerba Buena Island was slated to break ground spring of 2019.

Chair Kim asked how many units of housing would be built with the above mentioned projects.

Mr. Beck said the first building on Yerba Buena Island would have 124 units, with 280 units total on the Yerba Buena Island. He said TIDA's first project would have 105 units, with an expected start date in 2020.

Chair Kim asked how many units needed to be built to trigger the investment in the ferry terminal.

Mr. Beck said the plan was to begin the ferry terminal project in Spring 2019 and start construction over the summer. He said construction would be done over two windows, with completion by the fall of 2020.

Chair Kim asked when the ferry service would need to begin.

Mr. Beck said the current plan was to begin ferry service with the commencement of tolling and AC Transit service in 2021.

Chair Kim asked if ferry service would begin regardless of the number of units built.

Mr. Beck said the first occupancy was planned to coincide with the start of ferry service and that everything was being synchronized to first occupancy.

Chair Kim said that were many unknowns and that 200 units were not enough to start a tolling program on Treasure Island. She felt that the general fund should pay for the initial increased need

for public transit on the island, similar to other neighborhoods that had been built out. She said she understood that once the number of units built hit the thousands it would be important to have a mobility program that funded increased transit.

Mr. Beck noted that the tolling program was not a mitigation measure for the project but rather part of the baseline assumptions for the development of the island. He said it was an essential element to implement at the current point in time. Mr. Beck added that AC Transit service was to start service with first new occupancy and revenue was required to help subsidize that AC Transit service. He said as new residents come to the island a framework that included a toll would be needed to demonstrate that it was part of life on the island. He said bringing new residents to the island without a toll would make it much more difficult to implement in the future.

Chair Kim asked if surveying had been conducted when visitors come to the island during weekdays and how they support small businesses. She said she was concerned that the toll might affect small businesses on the island.

Ms. Hiatt said a small business survey was conducted in November 2018 and asked what type of visitors' businesses attracted, what times and days yielded the most services and what transportation expenses most affected small business workers. She said it was imperative to understand the survey results and refine them with the businesses to propose a stipend level.

Ms. Cordoba said the first year cost related to AC Transit and the ferry service being established was anticipated to be \$10.4 million. He added that the staff costs and affordability program was included in that cost. Mr. Cordoba said the cost would ramp up over the following five-year period to approximately \$16 million a year, with an expected construction of 1500 units.

Chair Kim said that she would prefer to continue to move forward with flushing out a budget, to better understand the cost benefits of the program and continue to explore other revenue sources to pay for some of the services. She stated there should be no off-peak toll between 10:00 a.m. and 3:00 p.m., wanted to see a subsidy for existing residents and wanted to understand how a toll program would impact small businesses who need customers coming on the island to make their businesses viable.

Chair Kim said the 50% discount on the transit pass was not enough and \$75 was still a burden to low income households. She asked if the free Muni for youth program would extend to Treasure Island residents and if ferry service would be included.

Ms. Hiatt said the free Muni for youth program applied to Treasure Island, but it was Muni only. She added that there was not yet agreement with the ferry operator that the youth program would extend to ferries but that it was something to include in the ongoing discussions.

Chair Kim said she would like ferry service to be part of the free Muni for youth discount pass and that there should be no barriers for young people.

Commissioner Yee said he agreed with Chair Kim's assessment and concerns over the proposed toll policy and added that residents residing in affordable units should qualify for free transit passes. He said low-income residents should have the option to take public transportation for free or if really needed use their vehicles.

Director Chang said she wanted to acknowledge that it was important to adhere to the principle that the Board embraced early on and added that it was important for new residents to know what they were signing up for when they choose to purchase or locate on the island. She said while it was not urgent to implement a tolling system now, it was important to be timely and have an orderly progression towards implementation. She noted that the transit planning work had been

excellent and acknowledged that work was needed to ensure Muni service on the island was akin to any other neighborhood. Director Chang said the project team was trying to be sensitive to the affordability needs of the community and was open to considering different stipend options suggested by the TIMMA Committee.

Chair Kim said her other hesitation was that a new Board would be starting on January 8, 2019 and would be overseeing the actual implementation of the toll policy. She reiterated her concerns around the budget, small businesses, and the burden the toll policy and transit pass costs would have on current residents.

Director Chang said the idea of the transit pass was not to require residents to have the upfront pass costs on the first day but rather purchase it over time with each ride, up to the cost of the pass itself. She added that would spread out the cost.

Commissioner Yee said he would defer his vote to Chair Kim.

Commissioner Ronen complimented Chair Kim for her thoughtfulness and engagement on behalf of the Treasure Island residents. She also said she would defer her vote to what Chair Kim felt was best. She said the ferry service was an exciting new transportation option for the island and believed once implemented would be widely used. She added that this was the best of government, with a highly competent staff that was thoughtful about the project and a very engaged and effective advocate on behalf of the constituents.

Chair Kim said Treasure Island would pilot many concepts that could spread across San Francisco and to other parts of the country. She thanked Commissioners Yee and Ronen for their service on the TIMMA Committee.

During public comment Ace Washington said the proposed project would force low income residents of color out of San Francisco.

Arielle Fleisher spoke in support of the toll policy and said it was important to commit to solving solutions for the issues raised by the Committee and residents. She said tolling would be essential to ensuring people did not sit in traffic, contributing to economic loss for the region and climate. She added that it would be more advantageous to provide a transit pass for free in a chopped or smaller cash subsidy and that the pass would be an important achievement to support the neighborhood.

Jim Mirowski, Treasure Island businesses owner, spoke on behalf of the business community and stated that they were categorically against the toll policy. He said visitors, vendors, and employees have commented that they would not frequent the island if a toll was implemented. He added that the toll was a regressive tax on the existing residents and businesses and said that businesses did not have adequate notice to attend outreach events.

Chair Kim asked Mr. Mirowski when his customers typically visit the island.

Jim Mirowski said he had commercial customers that come up during the week and weekend retail customers who frequent the business from 10:00 a.m. - 5:00 p.m.

Director Richardson, TIDA Board member, said the toll program was necessary to subsidize the cost of the ferry service, AC Transit and Muni and could not wait until the number of Treasure Island residents grew to 25,000. She reiterated the concerns of the TIMMA Committee in regard to protecting low income residents and small businesses on the island, but said the project had the opportunity to develop a comprehensive transportation system that would benefit the region.

Chair Kim said she would recommend approval of the program toll policy if the following conditions were met; no toll fee during off-peak hours, a \$3.50 toll during peak hours and \$2.00 toll fee on weekends, with the understanding that with further studies this may change. She said she would recommend approval of the affordability program if the following conditions were met; further study on the transit pass to ensure low-income residents had a way to pay for their pass over the course of the month and a monthly \$300 stipend. She said she would also like to add in free Muni for youth and a study on free ferry for low income youth.

Chair Kim said she would move forward and approve the item with an understanding that over the course of the next two years there would be changes and refinements to understand the revenue and expenses of the programs. She also requested a study of AC Transit and whether there would be usage at a 60-minute headway and a survey of when residents, tourists, visitors and clients move on and off the island.

Chair Kim asked that staff draft a resolution asking the city to evaluate revenue options and budget contributions to transit and affordability programs for Treasure Island residents.

Commissioner Yee asked if staff could study an extension beyond the five years.

Chair Kim agreed with Commissioner Yee's request and asked that staff look into studying transit pass options for existing 2018 leaseholders beyond five years.

Commissioner Ronen moved to approve the item, seconded by Commissioner Yee.

The item was approved without objection by the following vote:

Ayes: Commissioners Kim, Ronen and Yee (3)

4. Internal Accounting Report for the Three Months Ending September 30, 2018 – INFORMATION

Cynthia Fong, Deputy Director for Finance and Administration, presented the item per the staff memorandum.

There was no public comment.

5. Introduction of New Items – INFORMATION

There were no new items introduced.

6. Public Comment

There was no public comment.

7. Adjournment

The meeting was adjourned at 12:32 p.m.