



DRAFT MINUTES

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

Tuesday, October 23, 2018

1. Roll Call

Chair Peskin called the meeting to order at 10:07 a.m.

Present at Roll Call: Commissioners Brown, Cohen, Mandelman, Peskin, Safai, Stefani, and Tang (7)

Absent at Roll Call: Commissioners Kim (entered during Item 2), Yee (entered during Item 3), Fewer (entered during Item 10) and Ronen (entered during Item 10) (4)

Chair Peskin called Item 3 before Item 2.

2. Chair's Report – INFORMATION

Chair Peskin thanked the Board members who traveled with Transportation Authority staff to Los Angeles earlier in the month to attend a study tour of the Los Angeles Metro Express Lanes project. He noted that Commissioner Yee had also recently traveled and invited him to share his learnings from attending the international Child in the City World Conference in Vienna, Austria.

Commissioner Yee shared some slides and presented his learnings from the Child in the City World Conference.

There was no public comment.

3. Executive Director's Report – INFORMATION

Tilly Chang, Executive Director, presented the Executive Director's Report.

There was no public comment.

Consent Agenda

4. Approve the Minutes of the October 16, 2018 Meeting – ACTION
5. [Final Approval] Allocate \$1,470,529 in Prop K Sales Tax Funds for Eight Requests, with Conditions, and Appropriate \$490,000 in Prop K Sales Tax Funds for Three Requests – ACTION
6. [Final Approval] Adopt Ten 2019 Prop K 5-Year Prioritization Programs (5YPPs) and Amend Six 2014 5YPPs – ACTION
7. [Final Approval] Approve Part 2 of the Fiscal Year 2018/19 Transportation Fund for Clean Air Program of Projects, with Conditions – ACTION
8. [Final Approval] Award an 18-month Professional Services Contract with Golden State Bridge/Obayashi Joint Venture in an Amount Not to Exceed \$675,000 for Construction

Manager/General Contractor Preconstruction Services for the Yerba Buena Island Westside Bridges Seismic Retrofit Project and Increase the Amount of the Professional Services Contract with WMH Corporation by \$4,000,000, to a Total Amount Not to Exceed \$15,300,000, to Complete Final Plans, Specifications and Estimates for the Yerba Buena Island Bridge Structures Project – ACTION

There was no public comment.

Commissioner Yee moved to approve the Consent Agenda, seconded by Commissioner Kim.

The Consent Agenda was approved without objection by the following vote:

Ayes: Commissioners Brown, Cohen, Kim, Mandelman, Peskin, Safai, Stefani, Tang, and Yee (9)

Absent: Commissioners Fewer and Ronen (2)

End of Consent Agenda

9. Update on Cordon Pricing and Incentive-Based Congestion Management Strategies – INFORMATION

Jeff Hobson, Deputy Director for Planning, presented the item.

Commissioner Kim thanked Mr. Hobson for the presentation, expressed how great it was seeing the work on congestion pricing continue. She spoke of having seen how mobility management worked in London and how congestion pricing had been a much more controversial topic when she first started office. Commissioner Kim asked why the boundary for the cordon extended so far north, noting that the idea of congestion pricing had been pretty controversial in Fisherman's Wharf and Chinatown.

Mr. Hobson explained that the 2010 study had tried to strike a delicate balance between not making the area too big so there's a lot of traffic wholly within the area, nor so small that it would have lots of spillover effects on nearby neighborhoods by drivers trying to avoid paying the toll. He said the geographical boundary also needed to be easily understood by drivers, but that a new study could take another look at the proposed cordon area.

Director Chang added that since the northeast quadrant was the most heavily supplied transit zone, the thinking was that cordon pricing could be supported in that area, especially with Central Subway coming on-line.

Commissioner Kim commented that one of the reasons why congestion pricing was so successful in London was that they heavily invested in transit service throughout the city from the beginning and asked if staff had considered how to invest in improving the city's transit services before revenue was collected from congestion pricing.

Mr. Hobson agreed that the issue should be addressed by agencies and said Transportation Authority staff would work closely with the San Francisco Municipal Transportation Agency (SFMTA) to address this topic in the anticipated refresh of the 2010 study. He also commented that in London, congestion pricing resulted in significant decreases in driving and congestion and significant increases in bus ridership and biking.

Director Chang added that the help of additional funding, such as from state and federal resources, would be needed to plan and implement transit improvements. She cited San Mateo County, New York, and Los Angeles as examples.

Commissioner Kim asked if the SFMTA was able to demonstrate how much improvement had occurred with the influx of funding over the last few years, since there was public doubt that revenue was the only reason transit had not been as strong as desired in the city. She asked how the Transportation Authority could ensure more revenue would lead to demonstrably improved outcomes for riders. She also said she would like to see investment in a citywide protected bike lane plan.

Director Chang agreed with and thanked Commissioner Kim for highlighting the importance of measuring the efficacy of funding investments and listed out several successful projects implemented by Muni, BART, and Caltrain.

Commissioner Kim expressed that her constituents were not as excited about buses as they are about trains and subways, and she asked how could the SFMTA get more interest in buses. She asked if there was a study available on the topic.

Director Chang commented that the agency was working on increasing ridership and interest in riding buses through the bus rapid transit network.

Mr. Hobson stated that the increase in ridership in London was due to increased frequency and speed of buses, both of which were made possible by reduced congestion from their pricing system. He added that London's fastest growing group of riders were young professionals, indicating that under the right conditions, buses could be the popular choice.

Commissioner Brown said she was agreement with Commissioner Kim's comments and expressed her excitement about the resurfacing of the topic. She further commented that providing the transit service first before implementing congestion pricing was important in preventing disgruntled commuters through the area. She continued by asserting that having a subway system in place would also decrease congestion in the area and make commuting much faster for riders, noting that her choice would be the subway first. Commissioner Brown also commented on the need for a more robust citywide bike plan and protected bike lanes. She also asked which groups the agency had contacted as part of community engagement in the original study.

Mr. Hobson stated that he was not at the agency when the study was completed and could not speak to which specific groups had been contacted, but that there were both neighborhood-level groups as well as citywide groups, some of which are still active in discussions today. He said these included groups such as the San Francisco Bicycle Coalition, Walk San Francisco, San Francisco Transit Riders, and others.

Director Chang added that multiple working groups, mostly comprised of community transit organizations, were involved in outreach to numerous communities, including communities of concern, as well as neighborhood groups. At the time, a significant piece of community feedback was that a \$3 charge could accumulate quickly and would be a hardship for those with limited income. In response, staff included a cap and a discount program as part of the pricing model. She also said public feedback reported a concern about the 18th Street boundary dividing neighborhoods.

Commissioner Brown asked if another equity study would be conducted, if the plan were to move forward, and requested that the agency involve the Human Rights Commission in the study.

Director Chang replied in the affirmative and concurred with the suggestion.

Chair Peskin asked Transportation Authority staff to share details of the infrastructure construction costs and the pros and cons of implementing congestion pricing.

Mr. Hobson commented that various cities had used different types of infrastructure, such as transponder systems or license plate recognition. He noted that the latter was a more popular choice of late and could be installed on existing infrastructure. He also mentioned the possibility of using cell phone-based technology, but stated that is not yet a proven method.

Director Chang relayed some additional experience from London. Initially, London's operating costs were 50% of revenue, but over time that fell to only 30% of the revenue. London also experienced a reduction in the number of vehicle trips in early years. Since then, the number of trips has grown again due to user behavior (people getting used to the pricing scheme and exhibiting a strong tendency to drive). She also said that London had made sure to lock in some of the benefits of reduced congestion by making early infrastructure changes, such as dedicating portions of right-of-way space for walking, biking, and transit.

Commissioner Cohen commented about the concerns of the public over this topic and asked about both the timeline for the study and what information she could report back to her constituents on the topic.

Mr. Hobson said there was no active study and no timeline as of yet. He further explained that when the MAPS study concluded in late 2010, it had projected a five-year timeline to implementation.

Commissioner Cohen commented that she had read an article in which Commissioner Kim expressed support for congestion pricing but not targeting a specific neighborhood and asked Commissioner Kim if she could elaborate.

Commissioner Kim explained that there were discussions about the mobility management plan for Treasure Island and said that her biggest criticism of the plan was that it singled out one particular neighborhood (Treasure Island) to pay a fee for ferry, bus service and other improvements to and from the island, rather than all the neighborhoods in the city paying. Commissioner Kim further commented that she did support the suggested cordon pricing for the entire downtown area, so that anyone who drives through would be equally impacted. She further discussed the issue of equity in the pricing scheme and said that pricing impact on lower-income consumers should be studied, as well as considering equity and health of the lower income residents who are forced to deal with bad air quality (from car traffic congestion) on a daily basis.

Commissioner Cohen said the air quality also affected her district citing the effects of particulate matter from cars driving on the freeways that bisect District 10. She commented that this topic should be addressed on a regional level. She also said that congestion is a regional issue and asked how the entities south of San Francisco were addressing the matter.

Mr. Hobson commented that the Transportation Authority had not spoken recently with San Mateo County transportation officials about downtown pricing specifically. However, he noted the 2013 and 2017 San Francisco countywide transportation plans had both included downtown congestion pricing, and the region had included it in the relevant regional transportation plans as one of the high performing projects. He commented that congestion pricing played a key role in the regional plans because it would cause a reduction in car use and in greenhouse gases, helping the region meet its environmental goals.

Commissioner Cohen asked if the Bay Area discussion included San Jose.

Mr. Hobson confirmed that it was part of the nine-county plan.

Commissioner Mandelman thanked the staff for the presentation and commented that his

constituents were frustrated about traffic congestion in their neighborhoods and that the notion of a potential plan taking at least five years was not encouraging. He urged the Transportation Authority to quickly set up conversations on this topic with the Board. Commissioner Mandelman also commented that his district was also frustrated about (light rail) train service into downtown and asked that improving this train service be a part of the discussion in parallel to congestion pricing.

Chair Peskin reflected on board members' comments noting that their seemed to be support for staff to update the MAPS study.

During public comment, Bob Feinbaum, President of Save Muni, suggested that the Board watch a video on the group's website showcasing the Stockholm experience with congestion pricing. Mr. Feinbaum supported Commissioner Cohen's comment on developing the plan on a regional level and for a study to be developed on the topic.

Roland Lebrun commented that in London they only had congestion pricing on the weekdays, between certain hours, at a flat rate and if a driver was found anywhere on street in the zone, they were charged the fee. He also commented that buses help with air quality and that Uber in London was expected to be fully electric by 2025.

Jim Patrick, owner of Patrick & Company, expressed that he was not in favor of congestion pricing and that collection of fees was a big problem in the city. He further stated that if congestion pricing was implemented, it would push the problem further out into surrounding areas because no one would want to pay the fee.

Ian Lewis, member of Hotel & Restaurants Workers Local 2 union, expressed that his colleagues working in the cordon zone were open to the idea of congestion pricing, but also asked that consideration of the service industry's late night and early morning work schedule be considered in the study due to limited transit during those hours.

Tracy McTag said she supported the city's protected bike lanes installation and asked the Board how the congestion pricing would impact roads, including expressing concern that it would result in people parking outside the cordon zone and walking into it.

Mr. Wright commented that congestion pricing affects workers in the cordon zone, but high-tech companies are not held responsible for paying taxes. He also had further statements regarding the city's finances.

After public comment, Commissioner Safai asked for clarity on what the Board was authorizing and if staff was going to come back with studies to present.

Chair Peskin clarified that this was an information item and said the intent of the discussion was to get an update on the study. He also asked staff to respond.

Director Chang stated that staff would come back to the Board with an action plan to update the study, including a proposed scope, schedule, and budget.

Commissioner Kim asked about the timeframe for the presentation.

Director Chang said the staff would get the study to the Board as soon as possible.

Commissioner Kim commented that it was important to set the right size scope for the study and not to over study the topic. She further expressed that the current environmental state of the city was unacceptable and to look at the issue as more a way to protect the air quality and health of the city's residents, as well as a way to reach the city's carbon neutral goal.

Chair Peskin called Item 10 and 11 together.

10. Update on Fissures Found on Steel Girders at the Transbay Transit Center – INFORMATION

11. [Final Approval on First Appearance] Authorize the Executive Director to Suspend All Further Financial Assistance to the Transbay Joint Powers Authority (TJPA) Provided through the Proposition K (Prop K) Standard Grant Agreement with the TJPA for Downtown Extension - 30% Design Part 1 (Project NO. 105-914033) Under Section 2, Article VII A. – ACTION

Chair Peskin stated that the current situation at the Salesforce Transit Center had forced a further delay in being able to provide the public with a fully functioning intermodal transit hub in downtown, including lack of train service into the terminal. Chair Peskin also commented that the next phase of the project, the Caltrain Downtown Extension, should be approached more prudently. In light of the building closure's impact on operating income, Chair Peskin asked what actions could be taken to utilize and/or generate revenue in the available space, including in the train box and mezzanine levels until such time as they are needed for construction activities related to the rail extension.

Mark Zabaneh, Executive Director at the Transbay Joint Powers Authority (TJPA) and Dennis Turchon, Senior Construction Manager at the TJPA, presented an update on the fissures found in the transit center.

Chair Peskin asked when the transit center would be in use again.

Mr. Turchon answered that the testing results would be received in mid-November, by which time the TJPA would be able to report back to the Board with the projected timing for re-opening of the center.

Chair Peskin further asked if the welding access holes were made on-site or pre-fabricated.

Mr. Turchon answered that the holes were pre-fabricated offsite.

Chair Peskin asked if those holes were part of the original design.

Mr. Turchon answered that the access holes were not in the original drawings, they were added in the shop drawings.

Chair Peskin asked if the welding access holes were the cause of the cracked beams.

Mr. Turchon answered that they would have to wait for the results from the testing in order to determine the answer.

Chair Peskin asked if a structural failure (collapse of building) would have occurred above Fremont Street, had the damage not been detected.

Director Zabaneh answered that it would be hard to determine, and that quality control was done at every level of the building. He reiterated that they needed to wait for the test results to come back in order to determine the specific cause of the damage and party responsible.

Chair Peskin questioned Mr. Zabaneh on the specifics of square footage of the different parts of the building and how they were currently being used, including the train box.

Director Zabaneh answered accordingly.

Chair Peskin questioned Mr. Zabaneh on the operating costs and revenue being collected for the

building, pointing out the building was running at a \$15 million per year operating deficit.

Director Zabaneh answered that he could not give specific numbers on the deficit, but would be happy to follow up with information after the meeting.

Chair Peskin further questioned Mr. Zabaneh on the \$260 million loan made by the City and County of San Francisco to TJPA for the transit center and how the repayment on the loan was going.

Director Zabaneh answered that the repayment plan was based on the sale of the bonds by the city for the Community Service District, which was in process. He said that sale would enable the TJPA to pay back the city on the loan.

Commissioner Cohen pointed out that no one from the TJPA had reached out to the Chair of the Budget Committee on these issues.

During public comment, Roland Lebrun addressed the Board and commented that the top priority was to restore public confidence of the structural integrity of the transit center before resuming bus operations. He suggested acoustic monitoring as a way of determining potential cracking in steel beam structures and requested that the Metropolitan Transportation Commission direct the implementation of the testing. Mr. Lebrun also supported the item to pause Phase 2 activities but suggested that the focus be more on the rail connection to the East Bay.

David Fong stated that downtown rail extension was a critical component in the city's and region's transit infrastructure and that approval of the suspension would only further delay construction at the transit center. Mr. Fong urged the Board to reconsider the resolution.

Jim Patrick, owner of Patrick & Company, stated delaying funding to the transit center would only risk the project never reaching completion in the long-run. Mr. Patrick urged the Board to vote no on the proposed resolution to suspend work on the rail extension.

Ron Miguel addressed the Board and thanked them for supporting the Pennsylvania alignment from the RAB Study. He urged the Board to not delay the transit center project any longer than necessary.

Mr. Wright commented on the financial situation of the project and stated that TJPA should take responsibility for their actions.

Bruce Agid, Chair of the TJPA Citizens Advisory Committee, addressed the Board and thanked them for moving forward with the resolution, expressing that it was an example of good governance. He commented on how the area would not be able to safely and efficiently handle the growing population much longer. Mr. Agid asked the Board to parallel the resolution with continuing the 30% design, so that the downtown rail extension could be built in time to support the projected growth.

Peter Straus, board member of the San Francisco Transit Riders association, said he supported the Board's need to exercise due diligence over the project but asked that the work on DTX still continue, and for alternatives to be considered like having San Francisco Public Works Director Mohammed Nuru and his staff audit the 30% design work rather than shutting down the project entirely.

Jim Hass, former member of the RAB working group, commented on the history of TJPA's former director's secrecy over the project. Mr. Haas asked the Board to allow work to continue on the transit center project and suggested a delay no longer than 90 days to decide on management

structure of the transit center.

Bob Feinbaum, President of Save Muni, expressed the organization's support of the downtown rail extension and the RAB Study, which could not come to fruition if funding to the transit center project was halted. Mr. Feinbaum asserted that the funding and governance of the project were completely separate issues, and that the 30% design engineering drawings for DTX should still move forward, in parallel to the governance issue.

After public comment, Chair Peskin asked Mr. Zabaneh about the estimated cost of Phase 2 for the downtown extension, including grade separations.

Director Zabaneh answered that the cost would be \$4 billion, not including the 16th Street grade separation which would be addressed through the Pennsylvania alignment. Mr. Zabaneh said he was working with staff to develop an updated cost, including for the grade separation.

Chair Peskin said that based on the RAB Study, the estimated for the downtown extension including the grade separations (at 16th Street and Mission Bay Drive) was north of \$6 billion and he asked Mr. Zabaneh to confirm if this was accurate.

Director Zabaneh answered that this was the current planning-level estimate, but more assessment was needed to determine the actual cost, factoring in various funding sources and revenue to be generated.

Chair Peskin commented that he was asking these questions to make it known that the project was not fully funded and echoed some concerns of public commenters about getting it right from the beginning of Phase 2 and noting the lack of transparency of the TJPA towards the City and County of San Francisco. He stated that money was the only tool that the city's governance structure had to force a change and expressed concerns that providing continued funding would allow TJPA to continue down their same path. Chair Peskin stated the importance of having the City Controller evaluate the TJPA's management and delivery of Phase 1 and for staff to develop a new governance and oversight model for Phase 2 of the project. He further expressed his hope of having these due diligence procedures completed within a few months' time.

Director Zabaneh clarified that there had been a change in leadership at the TJPA over the past two years, and he noted that the TJPA works with stakeholders like the Transportation Authority, MTC, and Caltrain, and has much improved transparency with stakeholders. He welcomed the city's plan for evaluation by the City Controller's Office, evaluation of governance and management structure, and any improvement that could be made to the TJPA. Mr. Zabaneh asserted that the city's due diligence activities could be done in parallel to the 30% design so that more delays would not be incurred, and also to enable the project to capture any future funding opportunities.

Commissioner Tang acknowledged that Mr. Zabaneh's comments were being heard, but that the Board and the public had lost confidence in the TJPA. She said she supported approval of the proposed resolution.

Commissioner Tang moved to approve Item 11, seconded by Commissioner Brown.

Item 11 was approved without objection by the following vote:

Ayes: Commissioners Brown, Cohen, Fewer, Kim, Mandelman, Peskin, Ronen, Stefani, Tang, and Yee (10)

Absent: Commissioner Safai (1)

Other Items

12. Introduction of New Items – INFORMATION

There were no new items introduced.

13. Public Comment

During public comment, Mr. Wright said funding used for Treasure Island's bicycle path should instead be used for soil material testing of Hunter's Point Naval Shipyard.

Bob Feinbaum from Save Muni commented on the vote on Item 11.

14. Adjournment

The meeting was adjourned at 12:30 p.m.