



Memorandum

Date: November 19, 2018
To: Transportation Authority Board
From: Anna LaForte – Deputy Director for Policy and Programming
Subject: 12/04/2018 Board Meeting: Allocate \$25,847,913 in Prop K Sales Tax Funds, With Conditions, for Eight Requests

<p>RECOMMENDATION <input type="checkbox"/> Information <input checked="" type="checkbox"/> Action</p> <ul style="list-style-type: none"> ● Allocate \$22,405,670 in Prop K funds to the San Francisco Municipal Transportation Authority (SFMTA) for five requests: <ol style="list-style-type: none"> 1. Central Subway (\$964,968) 2. Presidio Bus Lifts (\$4,400,000) 3. L-Taraval Transit Enhancements (Segment B) (\$11,240,331) 4. 16th Street Transit Enhancements Project (22 Fillmore Phase 2) (\$5,600,371) 5. Battery and Sansome Bicycle Connections [NTIP Capital] (\$200,000) ● Allocate \$3,442,243 in Prop K funds to San Francisco Public Works (SFPW) for three requests: <ol style="list-style-type: none"> 6. Great Highway Terminus Narrowing (\$292,243) 7. Taraval Street Pavement Renovation (West Portal to Sunset Blvd) (\$1,400,000) 8. Alemany Blvd Pavement Renovation (\$1,750,000) <p>SUMMARY</p> <p>We are presenting eight requests totaling \$25,847,913 in Prop K funds to the Board for approval. Attachment 1 lists the requests, including requested phase(s) and supervisorial district(s) for each project. Attachment 2 provides a brief description of each project. Attachment 3 contains the staff recommendations.</p>	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Fund Allocation <input type="checkbox"/> Fund Programming <input type="checkbox"/> Policy/Legislation <input type="checkbox"/> Plan/Study <input type="checkbox"/> Capital Project Oversight/Delivery <input type="checkbox"/> Budget/Finance <input type="checkbox"/> Contracts <input type="checkbox"/> Other: <hr/>
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DISCUSSION

Attachment 1 summarizes the subject allocation requests, including information on proposed leveraging (i.e. stretching Prop K sales tax dollars further by matching them with other fund sources) compared with the leveraging assumptions in the Prop K Expenditure Plan. Attachment 2 includes a brief description of each project. Attachment 3 summarizes the staff recommendations for the requests, highlighting special conditions and other items of interest. An Allocation Request Form for each project is enclosed, with more detailed information on scope, schedule, budget and funding.

Central Subway

One of the SFMTA’s allocations request is for the last \$964,968 in Prop K funds in the Central Subway line item. We identified these funds through the 2019 Prop K Strategic Plan, scheduled for

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final approval by the Board at its November 27 meeting. The enclosed allocation request form reflects the proposed Regional Improvement Program (RIP) backfill funding plan that we briefed the Citizens Advisory Committee and Board at the October 24 and November 13 meetings, respectively, as part of approval of the Prop K 5-Year Prioritization Programs. The RIP backfill plan includes a number of fund exchanges to enable funds to be directed to the Central Subway project. We are working with SFMTA and the Metropolitan Transportation Commission (MTC) to support an anticipated January 2019 approval of the MTC-related fund exchanges.

We also wanted to provide some updated schedule information on the Central Subway. The SFMTA has requested an extension from the Federal Transit Administration to the revenue service date in the Central Subway's New Starts Full Funding Grant Agreement from December 26, 2018 to December 25, 2019, with a five-month schedule risk contingency to May 7, 2020. The main cause of the schedule delay is the mining of the Chinatown Station which is on the critical path. According to SFMTA staff, the method of mining was difficult, and the contractor did not achieve the schedule as anticipated in the original contract due to various factors including condition of the soil and differing site conditions. The SFMTA is trying to accelerate other areas of the Central Subway Program to reduce the overall delay to the project, but it is having limited success in this regard.

The SFMTA has updated its budget forecast and confirms that it remains consistent with the \$1.578 billion baseline budget approved by the Board in March 2010. The SFMTA does not anticipate the need for any additional funds.

FINANCIAL IMPACT

The recommended action would allocate \$25,847,913 in Prop K funds. The allocations would be subject to the Fiscal Year Cash Flow Distribution Schedules contained in the enclosed Allocation Request Forms.

Attachment 4 shows the approved Fiscal Year (FY) 2018/19 allocations and appropriations to date, with associated annual cash flow commitments as well as the recommended allocations, appropriation and cash flow amounts that are the subject of this memorandum.

Sufficient funds are included in the adopted FY 2018/19 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.

CAC POSITION

The CAC will be briefed on this item at its November 28, 2018 meeting.

SUPPLEMENTAL MATERIALS

Attachment 1 – Summary of Applications Received

Attachment 2 – Project Descriptions

Attachment 3 – Staff Recommendations

Attachment 4 – Prop K Allocation Summaries – FY 2018/19

Enclosure – Prop K/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	Current Prop AA Request	Total Cost for Requested Phase(s)	Leveraging		Phase(s) Requested	District(s)
							Expected Leveraging by EP Line ³	Actual Leveraging by Project Phase(s) ⁴		
Prop K	3	SFMTA	Central Subway	\$ 964,968		\$ 1,226,547,988	81%	92%	Construction	3, 6
Prop K	20M	SFMTA	Presidio Bus Lifts	\$ 4,400,000		\$ 5,236,000	90%	16%	Construction	2
Prop K	22M	SFMTA	L-Taraval Transit Enhancements (Segment B)	\$ 11,240,331		\$ 82,105,598	78%	86%	Construction	4, 7
Prop K	22M	SFMTA	16th Street Transit Enhancements (22 Fillmore Phase 2)	\$ 5,600,371		\$ 26,900,371	78%	79%	Construction	8, 9, 10
Prop K	26	SFPW	Great Highway Terminus Narrowing	\$ 292,243		\$ 292,243	86%	0% for design; overall project leveraging expected to be 88%	Design	7
Prop K	34	SFPW	Taraval Street Pavement Renovation (West Portal to Sunset Blvd)	\$ 1,400,000		\$ 1,700,000	79%	18%	Construction	4, 7
Prop K	34	SFPW	Alemany Blvd Pavement Renovation	\$ 1,750,000		\$ 3,500,000	79%	50%	Construction	8, 11
Prop K	39	SFMTA	Battery and Sansome Bicycle Connections [NTIP Capital]	\$ 200,000		\$ 200,000	28%	0% for construction; overall project leveraging is 27%	Construction	3
TOTAL				\$ 25,847,913	\$ -	\$ 1,346,482,200	80%	91%		

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 2017 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) and SFPW (San Francisco Public Works)

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%.

Attachment 1: Summary of Applications Received

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 Funds Requested	Project Description
3	SFMTA	Central Subway	\$964,968	<p>This request is to allocate de-obligated funds from prior fund exchanges in the Central Subway category that along with two fund exchanges (Board approval anticipated November 27, 2018) direct a total of \$21 million to help backfill the Transportation Authority's \$61.75 million commitment of Regional Improvement Program funds to the project. SFMTA is currently requesting an extension from the Federal Transit Administration to the revenue service date in the Central Subway's New Starts Full Funding Grant Agreement from December 26, 2018 to December 25, 2019, with a five month schedule risk contingency to May 7, 2020. The main cause of the schedule delay is the mining of the Chinatown Station which is on the critical path. According to SFMTA staff, the method of mining was difficult, and the contractor did not achieve the schedule as anticipated in the original contract due to various factors including condition of the soil and differing site conditions. The SFMTA is trying to accelerate other areas of the Central Subway Program to reduce the overall delay to the project, but it is having limited success in this regard. The project is expected to cost \$1.578 billion as approved in the baseline budget (2010).</p>
20M	SFMTA	Presidio Bus Lifts	\$4,400,000	<p>This project will replace six vehicle lifts as well as security doors and gates at the SFMTA's Presidio Maintenance Facility, which services and stores approximately 165 40-foot trolley coaches. The project will improve worker safety, improve security at the facility, increase the productivity of the maintenance crew, and improve fleet reliability. SFMTA expects the new lifts to be in service by December 2020.</p>
22M	SFMTA	L-Taraval Transit Enhancements (Segment B)	\$11,240,331	<p>Funds will be used to replace light rail track and overhead contact system components along the L-Taraval light rail line from West Portal Station to Sunset Blvd, along Ulloa Street, 15th Avenue and Taraval Street. This scope is part of a larger set of transit and street improvements including transit stop placement optimization, bus bulbs, pedestrian safety improvements, boarding islands, traffic signals, street resurfacing (see request below) and traffic and turn lane modification. SFMTA expects to start construction in Summer 2019, with the project open for use in Summer 2021.</p>

Attachment 2: Brief Project Descriptions ¹

EP Line No./ Category	Project Sponsor	Project Name	Prop K Funds Requested	Project Description
22M	SFMTA	16th Street Transit Enhancements (22 Fillmore Phase 2)	\$5,600,371	This request will fund the replacement of overhead contact system and transit communications infrastructure between Church and Utah Streets along the 22-Fillmore trolleybus line. The scope is part of a larger set of transit and Vision Zero pedestrian safety improvements along 16th Street including transit bulbs, transit boarding islands, new traffic signals, pedestrian bulbs, raised crosswalks and curb ramps, all of which will improve transit reliability, travel time, safety, and accessibility. SFMTA expects construction to start in Spring 2019 and the project to be open for use by October 2020.
26	SFPW	Great Highway Terminus Narrowing	\$292,243	Requested funds will fund the design phase of narrowing of the Great Highway roadway from 4 lanes to 2 lanes from where the SFPW Great Highway Restoration Project ends and the intersection of the Great Highway and Skyline Boulevard. This work will need to be completed to accommodate the South Ocean Beach Trail and parking lot project. SFPW expects design to be completed by December 2019 and the project to be open for use by December 2020.
34	SFPW	Taraval Street Pavement Renovation (West Portal to Sunset Blvd)	\$1,400,000	Funds will be used for pavement renovation of 26 blocks, including construction or reconstruction of 83 curb ramps, new sidewalks, and traffic control on Ulloa Street from Forest Side Avenue to 15th Avenue, on 15th Avenue from Ulloa to Taraval streets, on Taraval from 15th Avenue to Sunset Boulevard. This scope will be included in the same construction contract as the SFMTA-led Taraval Street Improvement East of Sunset (see request above) to minimize disruption to the public and maximize the construction coordination opportunity. SFPW expects construction of the paving scope to be complete by summer 2020.
34	SFPW	Alemany Blvd Pavement Renovation	\$1,750,000	Request will fund street resurfacing of 28 blocks on Alemany Boulevard, from Congdon Street to Seneca Avenue including construction or reconstruction of 44 curb ramps. Project is expected to be open for use by Spring 2020. Funds include \$1.75 million in Senate Bill 1 Local Partnership Program funds programmed by the Transportation Authority.

Attachment 2: Brief Project Descriptions ¹

EP Line No./ Category	Project Sponsor	Project Name	Prop K Funds Requested	Project Description
39	SFMTA	Battery and Sansome Bicycle Connections [NTIP Capital]	\$200,000	<p>This Neighborhood Transportation Improvement Program (NTIP) project will implement traffic safety improvements along the Battery and Sansome corridors between the Embarcadero and Broadway, and along Vallejo and Davis Streets south to Washington Street, including Class II bike lanes (buffered where possible), striping and signage upgrades, and traffic signal adjustments, and possible vehicle turn restrictions at The Embarcadero/Chestnut/ Sansome intersection. Project will result in a safe and attractive alternative to The Embarcadero for bicycling trips between the Financial District and the northeast waterfront, safer intersections along the Embarcadero, and a better pedestrian environment in the Jackson Square and lower Telegraph Hill neighborhoods. SFMTA expects the project to be open for use by summer 2019.</p>
TOTAL			\$25,847,913	

¹ See Attachment 1 for footnotes.

Attachment 3: Staff Recommendations ¹

EP Line No./ Category	Project Sponsor	Project Name	Prop K Funds Recommended	Recommendations
3	SFMTA	Central Subway	\$ 964,968	Special Condition: Recommendation is conditioned upon SFMTA's continued compliance with the Ground Rules for Financial Management of the Central Subway Project and existing oversight protocols. See enclosed allocation request form for details.
20M	SFMTA	Presidio Bus Lifts	\$ 4,400,000	Special Condition: Recommendation is conditioned upon Board approval of the 2019 Strategic Plan and comprehensive 2014 Facilities-Muni 5YPP amendment, anticipated November 27, 2018.
22M	SFMTA	L-Taraval Transit Enhancements (Segment B)	\$ 11,240,331	Special Condition: Recommendation is conditioned upon Board approval of the 2019 Strategic Plan and comprehensive 2014 Guideways-Muni 5YPP amendment, anticipated November 27, 2018.
22M	SFMTA	16th Street Transit Enhancements (22 Fillmore Phase 2)	\$ 5,600,371	Special Condition: Recommendation is conditioned upon Board approval of the 2019 Strategic Plan and comprehensive 2014 Guideways-Muni 5YPP amendment, anticipated November 27, 2018.
26	SFPW	Great Highway Terminus Narrowing	\$ 292,243	Special Condition: Recommendation is conditioned upon Board approval of an amendment to the 2014 Great Highway 5YPP, anticipated November 27, 2018.
34	SFPW	Taraval Street Pavement Renovation (West Portal to Sunset Blvd)	\$ 1,400,000	Special Condition: Recommendation is conditioned upon Board approval of an amendment to the 2014 Street Resurfacing, Rehabilitation, and Maintenance 5YPP, anticipated November 27, 2018.
34	SFPW	Alemany Blvd Pavement Renovation	\$ 1,750,000	
39	SFMTA	Battery and Sansome Bicycle Connections [NTIP Capital]	\$ 200,000	
TOTAL			\$25,847,913	

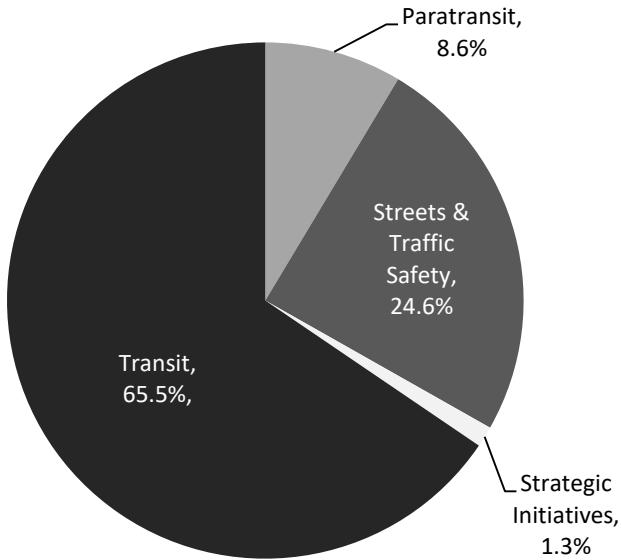
¹ See Attachment 1 for footnotes.

**Attachment 4.
Prop K Allocation Summary - FY 2018/19**

PROP K SALES TAX							
	Total	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Prior Allocations	\$ 51,336,598	\$ 38,291,857	\$ 11,712,739	\$ 1,156,268	\$ 175,734	\$ -	\$ -
Current Request(s)	\$ 25,847,913	\$ 1,861,089	\$ 6,266,122	\$ 14,870,331	\$ 2,281,308	\$ 569,063	\$ -
New Total Allocations	\$ 77,184,511	\$ 40,152,946	\$ 17,978,861	\$ 16,026,599	\$ 2,457,042	\$ 569,063	\$ -

The above table shows maximum annual cash flow for all FY 2018/19 allocations and appropriations approved to date, along with the current recommended allocation(s).

**Investment Commitments,
per Prop K Expenditure Plan**



Prop K Investments To Date

