



MEMORANDUM

DATE: October 14, 2016

TO: SFMTA Board of Directors
Tom Nolan, Chairman
Cheryl Brinkman, Vice Chairman
Gwyneth Borden, Director
Malcolm Heinicke, Director
Lee Hsu, Director
Joel Ramos, Director
Cristina Rubke, Director

THROUGH: Edward D. Reiskin 
Director of Transportation

FROM: Sonali Bose 
Chief Financial Officer

SUBJECT: SFMTA Revenue Bond Program (Series 2013) – Sixth Reallocation of Proceeds

The purpose of this memorandum is to advise the SFMTA Board of Directors of a reallocation within the approved bond funded projects from the Series 2013 issuance. This reallocation is allowable under both the bond documents and the appropriation approvals. Please see Appendix A for a summary of previous reallocation letters, Appendix B for the summary of reallocation of bond proceeds to-date related to Series 2013, and Appendix C for a project by project summary of reallocations to-date for Series 2013.

Series 2013 – Sixth Reallocation

This sixth reallocation of Series 2013 revenue bonds redirects \$1,009,991 to the Muni Fleet Program to fund the Procurement of Light Rail Vehicles project as follows: 1) a total of \$349,991 from within the Transit System Safety & Other Transit Improvements in cost savings from both the Transit Spot Improvement - Muni Forward – 24th Street & Castro Bus Bulb project (\$5,046) and the Transit Spot Improvement – Muni Forward – 5 Fulton Mid Route Phase I project (\$344,945), and 2) \$660,000 from within the Transit Fixed Guideway program from the M-Ocean View Track Replacement project. The construction of the M-Ocean View Track Replacement project is in coordination with the subway shutdowns for the construction of the Twin Peaks Tunnel Rail Replacement project scheduled to begin in January 2017. As a result, the M-Ocean View Track Replacement project's cash flow needs are later than originally anticipated and the \$660,000 for the project will be backfilled with other capital funds within the Transit Fixed Guideway program. The Procurement of Light Rail Vehicles project is currently underway and the overall project budget has not increased. The project

has immediate cash flow needs, and redirecting the \$1,009,911 in Series 2013 funds to the LRV project will ensure that the funds are expended within three years from the bond issuance.

Attachments: Appendix A: Summary of Revenue Bond Reallocation Letters
Appendix B: Summary of SFMTA Revenue Bond Fund Reallocations (Series 2013)
Appendix C: Project by Project Summary of Revenue Bond Funded Reallocations (Series 2013)



Appendix A: Summary of SFMTA Revenue Bond Reallocation Letters October 14, 2016

Series 2012B

On July 11, 2012, \$25.7 million in SFMTA revenue bonds was issued for new projects as approved by the SFMTA Board (Series 2012B). Of the \$25.7 million, \$5 million was designated for garage projects and \$20.7 million for accessibility and reliability of the transit system, i.e. safe routes to transit (bicycle, pedestrian and signal improvements).

To date \$25.6 million of the \$25.7 million has either been spent or encumbered. However, since the issuance, certain projects have required an adjustment based on either realized cost savings or additional costs above original budget.

In a memorandum dated August 7, 2013 (Reallocation 1), the SFMTA Board was advised that \$1.93 million in Series 2012B revenue bonds was reallocated from the Radio Replacement Project and Muni Metro System Public Announcement & Public Display System projects to the Systemwide Transit Access & Reliability Program and Muni Green Light Rail Facility Rehabilitation projects.

In a memorandum dated May 2, 2014 (Reallocation 2), the SFMTA Board was advised that the Muni Metro Turnback Rehabilitation project was completed under budget by \$590,073, and this amount of Series 2012B bond funds was transferred to Green Center Light Rail Facility Rehabilitation project, which includes the replacement of the rail at the Green Yard and replacement of the roof at the facility.

In a memorandum dated October 15, 2014 (Reallocation 3), the SFMTA Board was advised that \$150,001 in cost savings from the completed Muni Metro Turnback Rehabilitation project was transferred to two projects: 1) \$149,501 to the Muni Green Light Rail Facility Rehabilitation project, and 2) \$500 to the Muni Metro System Public Announcement and Public Display System project, both of which needed additional funds for completion.

In a memorandum dated February 13, 2015 (Reallocation 4), the SFMTA Board was advised that \$1,275,035 from two other projects was redirected to the Sunset Tunnel Rehabilitation project in order to ensure the bond funds were spent within the allowable 3-year window. The reallocation of \$1,275,035 included the following: \$162,448 savings from the completed Muni Metro Turnback Rehabilitation project; and \$1,187,587 from the Systemwide Transit Access & Reliability program. Additionally, \$75,000 was redirected from Muni Metro Turnback Rehabilitation to Muni Green Light Rail Facility Rehabilitation and \$194,514 in interest earned to date on the Series 2012B bonds was redirected to the Sunset Tunnel Rehabilitation Project.

In memorandum dated October 5, 2015 (Reallocation 5), the SFMTA Board was advised that \$35,439 in cost savings from the following completed projects within the Systemwide Transit Access and Reliability Program was redirected to Muni Metro Sunset Tunnel Rail Rehabilitations 1) \$8 from Balboa Streetscape 2) \$28,458 from Bicycle Strategy Capital Projects – Polk Street

Northbound Separated Bikeway 3) \$6,714 from Church and Duboce Project and 4) \$259 from Franklin Street Bulbouts.

In a memorandum dated May 16, 2016 (Reallocation 6), the SFMTA Board was advised that \$21,523 in project savings from the Muni Green Light Rail Facility Rehabilitation and \$40,674 of the Series 2012B revenue bonds from the Systemwide Transit Access and Reliability Program's Geary-Gough Peter Yorke Bulbout project was redirected to the Muni System Radio Replacement Project.

Series 2013

On November 13, 2013, \$75 million in SFMTA revenue bonds was issued for new projects as approved by the SFMTA Board (Series 2013). Of the \$75 million, \$40.5 million has either been spent or encumbered.

In a memorandum dated February 13, 2015 (Reallocation 1), the SFMTA Board was advised that \$1,187,587 was redirected from the Transit Fixed Guideway Improvements program as follows: \$750,000 to the Facility Improvements Program for the Van Ness Station Elevator Modernization project and \$437,587 to the Pedestrian Safety and Traffic Signal Improvements program for the Gough Street Pedestrian Improvements project. This replaced the Series 2012B funds reallocated from those projects described above.

In a memorandum dated October 5, 2015 (Reallocation 2), the SFMTA Board was advised that \$750,000 from the Transit Fixed Guideway Improvements Program was directed to the Facilities Program to fund the Elevator Safety and Reliability project. The Van Ness Elevator Modernization project will be coordinated with additional elevator upgrades at Forest Hill, Church, and Castro Muni Metro stations, and it will be incorporated into the Elevator Safety and Reliability project scope and budget. Bond funds redirected from Fixed Guideway Program will be replenished with another funding source once there is project need in order to maintain the same level of funding for the program. In addition, \$722,431 from Parking Garage Projects was directed within the Facilities Program to Islais Creek Phase II also within the Facilities Program. It was determined that the seismic upgrades assessment and conceptual design work included within the Parking Garage Projects scope will not result in the construction of a fully funded seismic upgrade project within the three-year bond window, and as a consequence, will be funded with an alternative funding source. This reallocation had no net impact on the funding programmed within the Facilities program.

In a memorandum dated June 1, 2015 (Reallocation 3), the SFMTA Board was advised that \$13,542,781 from the Transit Fixed Guideway Improvements Program was redirected to the Facilities Program to fund the Islais Creek Phase II Improvements project.

In a memorandum dated June 22, 2016 (Reallocation 4), the SFMTA Board was advised that \$1,765,091 within the Complete Street Capital Improvements program was redirected to fund the complete streets scope elements of the Van Ness Bus Rapid Transit (BRT) project from the following 1) \$712,548 in unallocated funds within the Complete Street Capital Improvements

program; 2) \$998,275 from the Broadway Chinatown Streetscape project; and 3) \$54,268 from cost savings in the Oak and Fell Bikeways Resurfacing project.

In a memorandum dated August 26th, 2016 (Reallocation 5), the SFMTA Board was advised that a total of \$449,200 was redirected in project savings from the Transit Spot Improvement - Muni Forward – 5 Fulton Outer project within the Transit System Safety & Other Improvements program to the Facilities Program to fund the Islais Creek Phase II Improvement project.

Series 2014

On December 10, 2014, \$75 million in SFMTA revenue bonds was issued for new projects as approved by the SFMTA Board (Series 2014). Of the \$75 million, \$34.6 million has either been spent or encumbered.

In memorandum dated October 5, 2015 (Reallocation 1), the SFMTA Board was advised that \$9 million was directed from the Parking Program to the Radio Replacement Project to fund a change order to exercise Contract Options and accommodate an \$11 million cost increase. The bond funds have remained programmed to Parking Program reserve since being issued and redirecting these funds ensures the \$9 million will be spent within the allowable three-year window.

In memorandum dated October 5, 2015 (Reallocation 1), the SFMTA Board was additionally advised that \$10,227,540 from the Muni Fleet program was directed for the Procurement of Light Rail Vehicles to the Complete Streets Capital Improvements program for the Masonic Streetscape Project. In order to meet the schedule for the Masonic Streetscape Project, a swap of funding was required using \$10.2 million in One Bay Area grant (OBAG) funds for the base light rail vehicle base procurement and \$10.2 million in revenue bonds for the Masonic Streetscape Project. This had no net impact on the total funding allocated to either project.

Appendix C - Project by Project Summary of Revenue Bond Fund Reallocations (Series 2013)
As of October 14, 2016

PROJECT/PROGRAM (From)	Capital Project (From)	PROJECT/PROGRAM (To)	Capital Project (To)	Amount of Reallocation	Reallocation Date	Reallocation Number	Required Authority	Reason for Reallocation
Transit Fixed Guideway Improvements	Unallocated	Pedestrian Safety & Traffic Signal Improvements	Gough Street Pedestrian Improvements	\$437,587	2/13/2015	1	BOC/MTAB Notification	Funding swap with another bond series
Transit Fixed Guideway Improvements	Unallocated	Facility Improvements	Van Ness Station Elevator Modernization	\$750,000	2/13/2015	1	BOC/MTAB Notification	Funding swap with another bond series
Facility Improvements	Parking Garage Projects	Facility Improvements	Islais Creek Phase II Improvements	\$722,431	10/5/2015	2	Administrative Authority	Project determined infeasible
Transit Fixed Guideway Improvements	Unallocated	Facility Improvements	Elevator Safety and Reliability Projects	\$750,000	10/5/2015	2	BOC/MTAB Notification	Project funding need
Transit Fixed Guideway Improvements	Unallocated	Facility Improvements	Islais Creek Phase II Improvements	\$13,542,781	6/1/2016	3	BOC/MTAB Notification	Identified funds will not be spent within 3 year window
Street Capital Improvements	Bicycle Strategy Capital Projects - Oak and Fell Bikeways Resurfacing	Street Capital Improvements	Van Ness Bus Rapid Transit	\$54,268	6/22/2016	4	Administrative Authority	Cost savings from completed project
Street Capital Improvements	Broadway Chinatown Streetscape	Street Capital Improvements	Van Ness Bus Rapid Transit	\$998,275	6/22/2016	4	Administrative Authority	Funding swap with another bond series
Street Capital Improvements	Unallocated	Street Capital Improvements	Van Ness Bus Rapid Transit	\$712,548	6/22/2016	4	Administrative Authority	Identified funds will not be spent within 3 year window

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As of October 14, 2016

Transit System Safety & Other Transit Improvements	Transit Spot Improvement - Muni Forward – 5 Fulton Outer	Facility Improvements	Islais Creek Phase II Improvements	\$449,200	8/26/2016	5	BOC/MTAB Notification	Cost savings from active project
Transit Fixed Guideway Improvements	M Ocean View Track Replacement	MUNI Fleet	Procurement of Light Rail Vehicles	\$660,000	10/14/2016	6	BOC/MTAB Notification	Identified funds will not be spent within 3 year window
Transit System Safety & Other Transit Improvements	Transit Spot Improvement - Muni Forward – 5 Fulton Mid Route Phase I	MUNI Fleet	Procurement of Light Rail Vehicles	\$344,945	10/14/2016	6	BOC/MTAB Notification	Cost savings from completed project
Transit System Safety & Other Transit Improvements	Unallocated	MUNI Fleet	Procurement of Light Rail Vehicles	\$5,046	10/14/2016	6	BOC/MTAB Notification	Identified funds will not be spent within 3 year window
TOTAL				\$17,967,890				