

THIS PRINT COVERS CALENDAR ITEM NO.: 13

**SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY**

DIVISION: Finance and Information Technology

BRIEF DESCRIPTION:

Providing the SFMTA Board with the Addendum to the Real Estate and Facilities Vision for the 21st Century Report (Vision Report) and introduction of the draft Citywide Public Sites Development Principles.

SUMMARY:

- The Vision Report originally presented to the Board on January 29, 2013 has been updated due to changes in fleet expansion and accelerated delivery schedule of bus procurement. This has resulted in a revised project implementation strategy with revised project priority.
- The Addendum to the Vision Report (Addendum) also identifies that additional land will be required to support the additional vehicles. Staff also continues to explore ways to increase vehicle storage capacity at existing facilities.
- The projects have been included in the Agency's capital program.
- A multi-departmental process is underway to define a Citywide Public Sites Development framework that SFMTA would follow in development of underutilized real estate.

ENCLOSURES:

1. Draft Citywide Public Sites Development Principles
2. Addendum to the Real Estate and Facilities Vision for the 21st Century Report

APPROVALS:

DATE

DIRECTOR _____

_____July 8, 2014_____

SECRETARY _____

_____July 8, 2014_____

ASSIGNED SFMTAB CALENDAR DATE: July 15, 2014

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PURPOSE

The purpose of this calendar item is to provide the SFMTA Board with the Addendum to the Real Estate and Facilities Vision for the 21st Century Report (Vision Report), and the introduction of the draft Citywide Public Sites Development Principles.

GOAL

By providing an implementation strategy for management and expansion of real estate assets and facilities at SFMTA, this item meets the following goals and objectives of the SFMTA Fiscal Year 2013-2018 Strategic Plan:

Goal 2: Make transit, walking, bicycling, taxi, ridesharing and carsharing the preferred means of travel.

Objective 2.2: Improve transit performance; and

Objective 2.3: Increase use of all non-private auto modes.

Goal 3: Improve the environment and quality of life in San Francisco;

Objective 3.3: Allocate capital resources effectively;

Objective 3.4: Deliver services efficiently; and

Objective 3.5: Reduce capital and operating structural deficits.

Goal 4: Create a workplace that delivers outstanding service;

Objective 4.1: Improve internal communications;

Objective 4.2: Create a collaborative and innovative work environment;

Objective 4.3: Improve employee accountability; and

Objective 4.4: Improve relationships and partnerships with our stakeholders.

BACKGROUND

On January 17, 2012, the SFMTA Board of Directors (Board) adopted Resolution 2012-012, authorizing the Director of Transportation to execute an agreement with Parsons Brinkerhoff to develop the *SFMTA Real Estate and Facilities Vision for the 21st Century Report* (Vision Report). The Vision Report was presented to the SFMTA Board on January 29, 2013. The purpose of the Vision Report is to create a roadmap to find ways to reconfigure, consolidate, or expand existing facilities to best meet operational needs, while identifying cost savings and revenue-generating opportunities. The presentation detailed the SFMTA's real estate and facilities maintenance, operations, and ongoing improvement needs. The SFMTA Board received the report and accepted the findings described in the Report.

Since the Vision Report was presented to the SFMTA Board, the SFMTA has updated the Transit Fleet Plan (Fleet Plan), as is done every two to three years. The version of the Transit Fleet Plan (2010) upon which many of the Vision Report recommendations relied, forecasted vehicle needs through 2030 on a projected straight-lined basis adjusted for a specific year.

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This year’s update incorporates the latest jobs and housing projections from the Association of Bay Area Governments (ABAG) and the Planning Department. In addition to a long-range 2040 forecast, the 2014 Transit Fleet Plan includes a 2020 forecast to better understand the near-term needs. It was important to refine the projection of fleet needs through 2020 as the Transit Effectiveness Project’s (TEP) service plan is anticipated to be implemented, and the entire bus and trolley bus fleet will be replaced during this timeframe. From this analysis, a better understanding of the near-term (pre-2020) versus long-term (2020-2040) needs was developed. To optimize the efficiency with which bus service is provided, for the bus routes for which SFMTA forecasts high frequency and large increases in capacity, the 2014 Fleet Plan proposes using 60-foot articulated buses in place of 40-foot standard buses. The updated Fleet Plan shows fleet expansion needs above that assumed in the original Vision Report, as well as a detailed procurement plan through 2020, which exceeds the number of vehicles assumed in the original Vision Report. This requires improved facilities on a more accelerated timeline and the need for additional real estate compared to what was originally envisioned.

This following discussion summarizes these changes, and provides context as to how SFMTA staff proposes to manage implementation of the Vision Report projects.

Fleet Plan Changes

The table below shows the difference in planned total coaches (motor and trolley) and 40-foot vehicle equivalents from the data used in the original Vision Report, as well as new fleet projections through 2040. As discussed above, the major fleet change is in 60-foot motor coaches, with expansion of this fleet occurring between 2015 and 2020 (a net increase of 44 60-foot motor coaches) to provide bus service more efficiently on high frequency routes. The procurement process for these vehicles has commenced.

Total Coaches	2015	2020	2025	2030	2040*
Original Vision Report	802	831	860	886	NA
Vision Report Addendum	909	896	931	942	978
Difference	107	65	71	56	NA

Total 40' Vehicle Equivalents	2015	2020	2025	2030	2040*
Original Vision Report	910	956	1,001	1,044	NA
Vision Report Addendum	1,028	1,053	1,106	1,120	1,184
Difference	118	98	104	76	NA

*Comparison of 2030 in original Vision Report vs. 2040 in the addendum.

Currently, the 60-foot fleet can be serviced only at Flynn, with additional 60-foot maintenance capability at Islais Creek coming online in 2016. The near-term expansion of the 60-foot motor coach fleet requires additional maintenance capacity for this vehicle size in the near term as well.

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Additionally, storage capacity is needed for the 50-vehicle contingency fleet. In the original Vision Report, this contingency fleet was combined in other fleet numbers. For clarity and planning purposes, the Addendum separates the contingency fleet into a separate vehicle type.

Tables showing the full fleet projections used in the original Vision Report and the Addendum are available as part of the Addendum.

Implementation Strategy

The Addendum provides a revised approach to SFMTA motor coach facility improvements based on the most recent Fleet Plan. The Addendum focuses solely on the motor coach fleet, as this fleet is planned for rapid expansion in the near term. The Fleet Plan also projects a large increase in light rail vehicles, which may exceed the capacity of SFMTA's two rail facilities. A separate study, the Rail Capacity Analysis, will evaluate alternative ways to meet the projected demand instead of relying solely on vehicle expansion.

Based on the Addendum findings, facility improvements now fall into two major categories: 1) improvements needed to accommodate near-term motor and trolley coach fleet growth, and 2) improvements needed to rebuild facilities at the end of their useful lives, to accommodate long-term fleet needs, or to allow for joint development.

Shops and yards that fall into Category 1 include the following: Marin, Islais Creek, Burke, Muni Metro East (MME) Paint & Body Shop, Woods, and a new site to provide additional maintenance and storage capacity. Shops and yards in Category 2 include Flynn, Presidio, Potrero, and Overhead Lines (Bryant Street).

To accommodate projected near-term fleet growth, specifically the growth in the number of 60-foot articulated buses, the Category 1 projects must proceed first. Staff is currently assembling funding and has updated the 5-Year Capital Improvement Program to accommodate the priority projects: Phase II of Islais Creek (maintenance and operations building), modifications to the Burke warehouse, construction of a new Paint and Body Shop at MME, and modifications to the service bays and storage at Woods.

One crucial finding in the Addendum is that the projected number and types of vehicles will require development of a new maintenance and operations facility, or expansion of an existing facility. In the original draft of the Vision Report, acquisition of an additional site, or expansion of an existing site, was recommended to reduce strain on existing facilities. Given the revised fleet numbers, this is now a stated necessity. The Addendum provides two options to satisfy this need. The first is acquisition of an approximately 10-acre site for development of a new maintenance facility and bus yard. The second is expansion of an existing site that could leverage existing maintenance capacity, which would reduce development cost and timelines associated with constructing a separate new maintenance facility. The consultant preparing the Vision Report, including the Addendum, Parsons Brinckerhoff, estimates significant savings from expansion of an existing site.

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The findings in the Addendum provide a revised critical path for Vision Plan implementation. The Addendum has been vetted and reviewed by a team representing various divisions within the SFMTA, and this team has internal consensus to begin activities immediately to seek real property options to accommodate expansion vehicles arriving as soon as 2016.

Introduction of the Citywide Public Sites Development Framework

Implementation of the Vision Report also calls for partnership with City departments and private partners for joint development of SFMTA-owned properties to generate new sources of revenue, as well as to maximize the use of publically owned properties. Other City departments, such as the SF Public Utilities Commission, are also looking into use intensification of City-owned sites through joint use developments.

To this end, the SFMTA has engaged in a collaborative multi-departmental effort to outline the Framework for Development of Public Sites ('Framework'), which will guide the development of SFMTA property as well as other City properties. The interagency working group is composed of SFMTA, Planning, Office of Economic and Workforce Development (OEWD), Mayor's Office, Recreation and Parks Department (RPD), Mayor's Office of Housing and Community Development (MOHCD), the Department of Public Health (DPH), and the Department of Real Estate. The group is developing a strategy to coordinate potential development of selected public sites and the public benefits they can contribute. The collaboration of these various agencies to create a collective, comprehensive approach for these sites can more effectively support public service and public benefits delivery than any single department could accomplish alone. The Framework has been presented to the Planning Commission, and the Planning Department will work with the relevant agencies and the community to lead a stakeholder outreach effort to receive input on policy priorities and objectives.

The Vision Report recommends development of SFMTA-owned sites in partnership with private partners and developers. SFMTA-owned properties that are considered for joint development in the future will benefit from development guidance resulting from public vetting of the Framework and incorporation of its principles into these future developments. A current draft of the Framework is attached for the Board's information.

SFMTA is currently in the implementation phase of several joint developments with City partners and private partners, including:

- Broadway & Sansome affordable rental housing development in partnership with MOHCD and Chinatown Community Development Corporation (CCDC).
- Phelan Loop redevelopment and relocation project, including MOHCD's affordable rental housing development, SFMTA public plaza, and Avalon's Bay's mixed use project.
- Chinatown Central Subway Station Plaza with OEWD and CCDC.

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Using the draft Framework as a guide, staff is also in various stages of predevelopment on several other public sites, including:

- The Upper Yard, in partnership with MOHCD and the Bay Area Rapid Transit (BART)
- 4th & Folsom, including analysis of assemblage opportunities with adjacent landowner.
- Moscone Garage
- Off-street parking lots and parking garages

California Environmental Quality Act

The Vision Report is not a project under CEQA Guidelines section 15060(c). Individual projects will have CEQA and NEPA review as required.

ALTERNATIVES CONSIDERED

Alternatives to preparation of the Addendum include not updating the original Vision Report in light of changing fleet conditions or not moving forward with the Vision Plan recommendations, neither of which is recommended.

Alternatives to engaging in the multi-departmental process to draft the Framework include not seeking development opportunities on SFMTA underutilized or surplus properties, which is not recommended.

FUNDING IMPACT

The implementation of Vision Report projects will represent a significant capital investment on the part of SFMTA into 2030. Various projects have been incorporated into the SFMTA capital program. As each project is scoped and developed further, the project budget will be refined as necessary.

RECOMMENDATION

Staff requests that the SFMTA Board receive the Addendum to the Real Estate and Facilities Vision for the 21st Century Report (Vision Report) and the draft Citywide Public Sites Development Principles.

ENCLOSURE 1:

Draft Public Sites Development Guiding Principles

January 2014

These draft principles were collected through a City agency working group comprised of the Planning Department, Office of Economic and Workforce Development (OEWD), Mayor's Office of Housing (MOH), San Francisco Municipal Transportation Agency (SFMTA), the Real Estate Division, the Recreation and Parks Department (RPD), and the Department of Public Health (DPH) from August to December 2013. These principles are intended to guide individual development of specific publicly-owned sites, and will be presented for informational purposes to the Planning Commission, SFMTA Board, and the Board of Supervisors in early 2014.

INTRODUCTION

San Francisco serves as an attractive place to live in the region. It is anticipated that the city will grow to 940,000 residents by 2040 and will add approximately 142,000 jobs. In the high-cost and dense urban environment of San Francisco, certain underutilized publicly-owned sites throughout the city could help contribute towards the City's needs for housing, jobs, transportation and other services. These sites provide a valuable resource that could often be better utilized, repurposed or redeveloped to maximize opportunities. In order to support land-owning agencies in their efforts for more productive use of their real estate assets, the City is launching an effort to holistically evaluate use of such underutilized sites. This effort parallels the work by the City's Real Estate Division to address the findings of a recent report by the Civil Grand Jury on surplus and underutilized properties, which called for revisions to the Surplus City Property Ordinance.

The City will create a framework which would guide the use of underutilized publicly-owned properties. As public resources, their re-use or redevelopment presents the potential to deliver a higher level of public services than typically provided by private development – an opportunity for the land-owning agencies to showcase strategies that relate to their public mission, or pilot innovative ideas that are not yet tested by the private market. This framework will also help City agencies to coordinate and collectively consider these sites for a variety of public benefits so that each individual site would deliver the most suitable and appropriate benefits, and ensure that benefits not achievable in one site could potentially be delivered at a different location. Of particular note, housing developed on these sites would collectively deliver a minimum thirty percent of its units as permanently affordable. Affordable housing is one of the City's high priorities, and this rate is typical in former Redevelopment Areas and in past projects with significant city-ownership and participation. Beyond housing, these sites will also be looked at to achieve high standards of public benefit delivery for other City priorities such as transportation, open space and other needs.

These principles are intended to guide use and potential development of those sites ensuring they provide civic opportunities and public benefits while helping to advance owning-agency missions. Development of sites should address the principles on balance and advance multiple objectives as well as clearly identify the public benefits provided, including when the main benefit is deficit reduction or increased operating or capital revenue for an owning agency. The principles are based on existing adopted City policy documents, including:

- The General Plan
- Planning Code Sections 101.1(b), 415, and Priority Policies Findings
- The Surplus City Property Ordinance, Administrative Code, Chapter 23A
- San Francisco Charter Section 8A.115 Transit First Policy
- San Francisco Health Care Services Master Plan (HCSMP)
- SFMTA's Real Estate & Facilities Vision for the 21st Century
- The City & County of San Francisco Consolidated Plan

The principles are a road map to guide government officials and staff in establishing consistent, effective and coordinated processes across all public sites to be proposed for development. The accompanying documents to the principles detail how they will be implemented and what public benefits will be considered.

PRINCIPLES

1. OPTIMIZE LAND UTILIZATION.

1-1 Optimize productive use of public real estate assets in order to provide developable space that can help address critical City needsⁱ.

1-2 Work with partner agencies to relocate and co-locate services to more efficiently serve the public, particularly in cases where such services are not currently suitably located.ⁱⁱ

1-3 Develop and maintain a property inventory and regularly updated plan for the short and long-term use of public properties by each owning-agency.ⁱⁱⁱ

2. PROVIDE PUBLIC BENEFITS.

2-1 Deliver multiple benefits and identify the appropriate public benefits and amenities that proposed development on public sites will provide, including what additional revenue will fund, and how they will be greater than what private development could deliver^{iv}.

2-2 Evaluate sites holistically and balance citywide needs with individual neighborhood needs in considering appropriate public benefits each site can provide.

2-3 Balance city policy requirements with the need to create public benefits, allowing public agencies to provide public benefits and other requirements in-kind.

3. FUND PUBLIC SERVICES.

3-1 Optimize productive use of public real estate assets, maximizing revenue in order to reduce owning agencies' budget deficits, help enhance the delivery of city services, including both capital infrastructure and operations, and provide additional resources to support future growth in service demand^v.

3-2 Prioritize development strategies that enable property to serve and remain as a long-term source of revenue, in order to assist the land-owning agencies in fulfilling their mission over the long term^{vi}. Consider sale of property as a last resort given the scarcity of land and its value in the City.

4. UTILIZE INNOVATIVE APPROACHES TO DELIVER PROJECTS & PUBLIC BENEFITS.
 - 4-1 Enhance public benefit opportunities by employing new and creative solutions and financing mechanisms such as public private partnerships, tax increment financing, tax abatement and infrastructure finance districts.
 - 4-2 Demonstrate innovative development and public benefits delivery models which can serve as an example for private site development^{vii}.
5. COMPLEMENT NEIGHBORHOOD CONTEXT & ENGAGE THE COMMUNITY
 - 5-1 Ensure development proposals are compatible with nearby existing and envisioned uses and are consistent with adopted Area Plans^{viii}.
 - 5-2 Program uses in the development proposals that would serve neighborhood needs and specifically address demonstrated gaps in public services^{ix}.
 - 5-3 Promote interim uses to activate underutilized public sites, promote economic development and provide additional amenities to the public if permanent re-use or redevelopment is not envisioned in the near term^x.
 - 5-4 Educate, engage, and involve the public to generate community-supported development proposals for publicly-owned sites.

ⁱ See C&I Policy 1.1 Encourage development which provides substantial net benefits and minimizes undesirable consequences; and Housing Element 1.3 - 1.6 Work proactively to identify and secure opportunity sites for permanently affordable housing; and Air Quality Element 1.3 Support development of affordable housing on surplus public lands; and Rincon Hill 2.3 Develop publicly owned lands with 100 percent affordable housing; and HCSMP Guideline 1.1.4 Continue to support the expansion of permanent supportive housing and other affordable, safe housing options that have robust connections to health care facilities and services and to wellness opportunities.

ⁱⁱ See Community Facilities Objective 3 Assure that neighborhood residents have access to needed services and a focus for neighborhood activities; and HCSMP Recommendation 3.1 Increase access to appropriate care for San Francisco's vulnerable populations

ⁱⁱⁱ See Administrative Code, Chapter 23A: Surplus City Property Ordinance, Section 23A.5.

^{iv} See C&I Policy 1.1 Encourage development which provides substantial net benefits and minimizes undesirable consequences;

^v See SFMTA Real Estate Vision; and C&I Policy 5.5 Assure adequate funding for capital investments as well as operational expenses of the port.

^{vi} SFMTA Real Estate Vision; and C&I Policy 5.5 Assure adequate funding for capital investments as well as operational expenses of the port.

^{vii} See Transportation Element 12.1 Develop and implement strategies that promote the use of alternative public transit; and 12.3 Implement private and public sector TDM programs.

^{viii} See C&I Policy 1.1 Encourage development which provides substantial net benefits and minimizes undesirable consequences; and Urban Design Objective 4, IMPROVE THE NEIGHBORHOOD ENVIRONMENT TO INCREASE PERSONAL SAFETY, COMFORT, PRIDE AND OPPORTUNITY.

^{ix} See Community Facilities Objective 3 Assure that neighborhood residents have access to needed services and a focus for neighborhood activities; and ROSE Objective 4 PROVIDE OPPORTUNITIES FOR RECREATION AND THE ENJOYMENT OF OPEN SPACE IN EVERY SAN FRANCISCO NEIGHBORHOOD; and HCSMP Recommendation 3.6 Ensure collaboration between San Francisco's existing health and social services networks and the community to maximize service effectiveness and cost-effectiveness.

^x See *C&I Policy 6.10 Promote neighborhood commercial revitalization, including community-based and other economic development efforts where feasible.*