




MEMORANDUM

DATE: October 5, 2015

TO: SFMTA Board of Directors
Tom Nolan, Chairman
Cheryl Brinkman, Vice-Chairman
Malcolm A. Heinicke, Director
Joél Ramos, Director
Cristina Rubke, Director
Gwyneth Borden, Director

THROUGH: Edward D. Reiskin 
Director of Transportation

FROM: Sonali Bose 
Chief Financial Officer

SUBJECT: SFMTA Revenue Bond Program - Reallocation of Proceeds

The purpose of this memorandum is to advise the SFMTA Board of Directors of reallocations within the approved bond funded projects from the Series 2012B, Series 2013, and Series 2014 revenue bonds issuances. These reallocations are 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 2012B, Appendix C for the summary of reallocation of bond proceeds to-date related to Series 2013, and Appendix D for the summary of relocation of bond proceeds to-date related to Series 2014.

Series 2012B – Fifth Reallocation

This fifth reallocation of Series 2012B revenue bonds redirects \$35,439 in cost savings from the following completed projects within the Systemwide Transit Access and Reliability Program to Muni Metro Sunset Tunnel Rail Rehabilitations which requires additional funding: 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.

Series 2013 – Second Reallocation

This second reallocation of the Series 2013 revenue bonds redirects \$750,000 from the Transit Fixed Guideway Improvements Program to the Facilities Program to fund the Elevator Safety and Reliability project which requires additional funding. 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 a project need in order to maintain the same level of funding for the program.

This second reallocation of the Series 2013 revenue bonds additionally redirects \$722,431 from Parking Garage Projects within the Facilities Program to Islais Creek Phase II also within the Facilities Program. The redirection of funds is not due to an overall budget increase for Islais Creek Phase II. 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 has no net impact on the funding programmed within the Facilities program.

Series 2014 – First Reallocation

This first reallocation of Series 2014 revenue bonds redirects \$9 million from the Parking Program to the Radio Replacement Project to fund a change order to exercise Contract Options and accommodate a \$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. The SFMTA Board approved a supplemental appropriation for this reallocation on September 15, 2015 and it will be before the Board of Supervisors for approval in the next few weeks.

This first reallocation also redirects \$10,227,540 from the Muni Fleet program 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 is required using \$10.2 million in One BayArea grant (OBAG) funds for the base light rail vehicle base procurement and \$10.2 million in revenue bonds for the Masonic Streetscape Project. This has no net impact on the total funding allocated to either project. The SFMTA Board approved a supplemental appropriation for this reallocation on April 7, 2015 and the Board of Supervisors approved the supplemental appropriation on June 2, 2015.

Attachments: Appendix A: Summary of Revenue Bond Reallocation Letters
Appendix B: Summary of SFMTA Revenue Bond Fund Reallocations (Series 2012B)
Appendix C: Summary of SFMTA Revenue Bond Fund Reallocations (Series 2013)
Appendix D: Summary of the SFMTA Revenue Bond Reallocations (Series 2014)



Appendix A: Summary of Revenue Bond Reallocation Letters

Background – Series 2012B

On July 2012, \$25.7 million in 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 \$21.7 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.

Background Series 2013

On November 13, 2013, \$75 million in revenue bonds was issued for new projects as approved by the SFMTA Board (Series 2013). Of the \$75 million, \$26.9 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.

Background Series 2014

On December 10, 2014, \$75 million in revenue bonds was issued for new projects as approved by the SFMTA Board (Series 2014). Of the \$75 million, \$16.2 million has either been spent or encumbered.



**Appendix C - Summary of Revenue Bond Fund Reallocations (Series 2013)
 As of October 5, 2015**

PROJECT/PROGRAM	ORIGINAL AMOUNT	Reallocation 1 2/13/2015 Board Letter		Reallocation 2 10/5/15 Board Letter		TOTAL Reallocation
		CHANGE	REVISED PROJECT TOTAL	CHANGE	REVISED PROJECT TOTAL	
Pedestrian Safety & Traffic Signal Improvements	\$5,000,000	\$437,587	\$5,437,587	\$0	\$5,437,587	\$437,587
Transit System Safety & Other Transit Improvements	\$11,000,000	\$0	\$11,000,000	\$0	\$11,000,000	\$0
Street Capital Improvements	\$9,000,000	\$0	\$9,000,000	\$0	\$9,000,000	\$0
Facility Improvements	\$7,000,000	\$750,000	\$7,750,000	\$750,000	\$8,500,000	\$1,500,000
Transit Fixed Guideway Improvements	\$30,500,000	(\$1,187,587)	\$29,312,413	(\$750,000)	\$28,562,413	(\$1,937,587)
MUNI Fleet	\$12,500,000	\$0	\$12,500,000	\$0	\$12,500,000	\$0
TOTAL	\$75,000,000	\$0	\$75,000,000	\$0	\$75,000,000	\$0

SFMTA Board of Directors
 SFMTA Revenue Bond Program (Series 2014) - First Reallocation of Proceeds
 October 5, 2015

**Appendix D - Summary of Revenue Bond Fund Reallocations (Series 2014)
 As of October 5, 2015**

PROJECT/PROGRAM	ORIGINAL AMOUNT	Reallocation 1 10/5/2015 Board Letter		TOTAL Reallocation
		CHANGE	REVISED PROJECT TOTAL	
Pedestrian Safety & Traffic Signal Improvements	\$11,000,000	\$0	\$11,000,000	\$0
Transit System Safety & Other Transit Improvements	\$7,500,000	\$9,000,000	\$16,500,000	\$9,000,000
Street Capital Improvements	\$5,000,000	\$10,227,540	\$15,227,540	\$10,227,540
Facility Improvements	\$39,000,000	(\$9,000,000)	\$30,000,000	(\$9,000,000)
MUNI Fleet	\$12,500,000	(\$10,227,540)	\$2,272,460	(\$10,227,540)
TOTAL	\$75,000,000	\$0	\$75,000,000	\$0