

THIS PRINT COVERS CALENDAR ITEM NO. : 10.7

**SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY**

DIVISION: Finance and Information Technology

BRIEF DESCRIPTION:

Programming \$49 million from the sale of San Francisco Municipal Transportation Agency (SFMTA) Revenue Bonds in FY2016-17 of the SFMTA Capital Improvement Program to fully fund the Van Ness Transit Corridor Improvement Project.

SUMMARY:

- The Van Ness Transit Corridor Improvement Project (Project) will construct the first Bus Rapid Transit (BRT) lines in San Francisco. Its main goal is to create efficient and more reliable transit service along the Van Ness Avenue corridor between Mission and Lombard streets.
- In June 2014, with the approval of its conceptual engineering report, the SFMTA completed preliminary engineering and established a Project budget of \$162 million, \$26 million of which to be funded with SFMTA Revenue Bonds.
- On December 31, 2014, a risk assessment report suggested adding \$23 million to cover extra contingency and a management reserve, increasing the Project budget to \$185 million.
- In order to obtain Federal Small Starts funds from the Federal Transit Administration (FTA), the Project must complete the Small Starts Construction Grant Agreement (SSGA) process.
- This process requires, among other things, that the SFMTA show a fully committed funding plan by March 2015.

ENCLOSURES:

1. Resolution

APPROVALS:

DATE

DIRECTOR _____

3/10/15

SECRETARY _____

3/10/15

ASSIGNED SFMTAB CALENDAR DATE: March 17, 2015

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PURPOSE

The purpose of this resolution is to obtain the SFMTA Board's commitment to program \$49 million of SFMTA Revenue Bonds in FY2016-17 of the CIP to fully fund the Van Ness Transit Corridor Improvement Project.

GOAL

The Project will help the Agency meet the following Goal of the SFMTA Strategic Plan:

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

DESCRIPTION

The Van Ness Transit Corridor Improvement Project, scheduled to be completed in 2018, will create the first Bus Rapid Transit (BRT) lines in San Francisco, resulting in greater transit reliability for the 47 and 49 Muni routes as well as improved transit connections to transfer routes. Strengthening transit along this two-mile stretch of Van Ness will also positively affect the efficiency of connecting routes. The transit service and infrastructure changes are expected to reduce transit travel times by over 30 percent. By 2035, with the implementation of BRT, ridership is projected to be greater than 60,000 passengers per day along the corridor.

In June 2014, with the approval of its conceptual engineering report (CER), the SFMTA completed preliminary engineering for the Project. The CER included a budget and funding plan amounting to \$162 million for construction of the full Project.

With the Project now in the detailed design phase, the remaining federal funds for the construction phase must be secured through the SSGA process. In order to obtain an SSGA, the SFMTA must demonstrate to the FTA by March 2015 that all funding sources have been committed. The Project's funding plan includes \$26 million from the sale of SFMTA Revenue Bonds (debt repaid with SFMTA revenue proceeds) in FY2016-17 of the Capital Improvement Program (CIP) approved by the SFMTA Board in May 2014.

On December 31, 2014, HNTB Corporation, a consultant of the SFMTA, issued a risk report recommending an increase to the Project budget to account for additional contingency and a management reserve. Conservatively, this increase could be as high as \$23 million. Therefore, staff recommends the programming of \$49 million (\$26 million from the original budget and \$23 million of additional funding) from the sale of SFMTA Revenue Bonds in FY2016-17 of the CIP to fully fund the Project. Staff will continue to pursue a strategy of reducing uncertainty in order to potentially reduce any need for added contingency and management reserve funding.

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ALTERNATIVES CONSIDERED

Alternatives to programming \$49 million in SFMTA Revenue Bonds in the CIP are to partially fund the project or to fund the project with other non-federal funding sources. However, if the project is not fully funded, the SFMTA will be unable to obtain the Federal Small Starts funds planned for the Project and it will not proceed. Additionally, no feasible alternative source of non-federal funding to the SFMTA Revenue Bonds has been identified.

FUNDING IMPACT

As mentioned above, execution of the SSGA is critical to obtain the full \$74.9 million in federal funds planned for the Project. Therefore, demonstrating the funding commitments required to finalize the SSGA is a high priority for the Project.

OTHER APPROVALS RECEIVED OR STILL REQUIRED

On September 10, 2013, the SFCTA as the lead agency under CEQA, certified the Project Final EIS/EIR and approved the Project. On September 17, 2013, the SFMTA Board, acting in the capacity as a responsible agency under CEQA, adopted Resolution No. 13-214, which approved the Project, adopted environmental findings and a mitigation, monitoring and reporting program, and authorized the Director of Transportation to direct staff to continue with obtaining the necessary approvals and to implement the Project. SFMTA adopted and made mitigation measures a condition of the Van Ness BRT's project approval. The proposed action is a necessary approval to implement the Project.

Since the adoption of CEQA Findings and the approval of the Project, the SFCTA prepared a memo to file dated July 15, 2014, titled "Van Ness Avenue Bus Rapid Transit Project – Environmental Compliance for the Proposed Parking Removal from Conceptual Engineering Report" (Memo to File), which concludes that the removal of eleven parking spaces more than assumed in the Project Final EIS/EIR, as proposed by SFMTA in the CER, will not result in a new significant environmental impact due to parking loss.

On October 17, 2014, the SFMTA adopted Resolution No. 14-147, authorizing the SFMTA to seek approval from the Board of Supervisors for a Project-specific ordinance to implement the CM/GC delivery method for implementation of the Project. The Board of Supervisors approved such an ordinance (No. 255-14), which became effective on January 15, 2015.

On November 18, 2014, the SFMTA Board adopted Resolution No. 14-164, approving various parking and traffic modifications for the Project and making associated CEQA findings, after considering the Project Final EIS/EIR and Memo to File.

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RECOMMENDATION

Staff recommends that the SFMTA Board of Directors program \$49 million from the sale of SFMTA Revenue Bonds in FY2016-17 of the SFMTA Capital Improvement Program (CIP) to fully fund the Van Ness Transit Corridor Improvement Project.

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No. _____

WHEREAS, On May 15, 2012, the San Francisco Municipal Transportation Agency (SFMTA) Board of Directors adopted Resolution No. 12-070, which identified and endorsed the Locally Approved Alternative (LPA) for the Van Ness Avenue Bus Rapid Transit Project (now known as the Van Ness Transit Corridor Improvement Project) (Project), “The Center-running BRT with Right Side Boarding Platforms Single Median and Limited Left Turns,” for further analysis in the Final Environmental Impact Statement/Environmental Impact Report (EIS/EIR); and,

WHEREAS, The San Francisco County Transportation Authority (SFCTA) Board certified the EIS/EIR as adequate, accurate and objective and reflecting the independent judgment of the SFCTA on September 10, 2013, including the Vallejo Northbound Station Variant; and,

WHEREAS, On September 17, 2013, the SFMTA Board of Directors adopted Resolution No. 13-214, approving the Project, analyzed as the Locally Preferred Alternative in the Final EIS/EIR for the Project, and adopted the CEQA Findings and Statement of Overriding Considerations for the EIS/EIR, including the Vallejo Northbound Station Variant; and

WHEREAS, On December 20, 2013, the Federal Transit Administration issued a Record of Decision (ROD) for the Project, determining that the requirements of the National Environmental Policy Act (NEPA) have been met through the Final EIS/EIR document and process; and

WHEREAS, In June 2014, with the approval of its conceptual engineering report (CER), the SFMTA completed preliminary engineering for the Project; and

On October 17, 2014, the SFMTA adopted Resolution No. 14-147, authorizing the SFMTA to seek approval from the Board of Supervisors for a Project-specific ordinance to implement the Construction Manager/General Contractor delivery method for implementation of the Project; the Board of Supervisors approved such an ordinance (No. 255-14), which became effective on January 15, 2015; and

WHEREAS, On November 18, 2014, the SFMTA Board adopted Resolution No. 14-164, approving various parking and traffic modifications for the Project and making associated CEQA findings, after considering the Project Final EIS/EIR and a Memo to File prepared by the SFCTA; and

WHEREAS, The CER contained a budget and funding plan amounting to \$162 million for construction of the full Project, which plan included \$26 million of SFMTA Revenue Bonds; and,

WHEREAS, On December 31, 2014, a risk assessment report suggested adding \$23 million to cover extra contingency and a management reserve, increasing the Project budget to \$185 million; and

WHEREAS, The remaining federal funds for the construction phase of the Project must be secured through the Small Starts Construction Grant Agreement (SSGA) process; and,

WHEREAS, As part of the SSGA process, the SFMTA must demonstrate by March 2015 that all funding sources have been committed; now, therefore, be it

RESOLVED, That the SFMTA Board of Directors has considered the Project Final EIS/EIR, the CEQA Findings that were previously adopted by the SFMTA Board for the Project, including, without limitation, the statements of overriding considerations and mitigation, monitoring and reporting program; and adopts the CEQA Findings as its own; and be it further

RESOLVED, That the SFMTA Board finds and determines that the proposed programming action requires no further environmental review beyond the Project Final EIS/EIR, pursuant to State CEQA Guidelines Sections 15180, 15162 and 15163 for the following reasons:

(1) no substantial changes have occurred with respect to the circumstances under which the project analyzed in the Project Final EIS/EIR will be undertaken that would require major revisions to the Project Final EIS/EIR due to the involvement of new significant environmental effects, or a substantial increase in the severity of effects identified in the Project Final EIS/EIR; and,

(2) no new information of substantial importance to the project analyzed in the Project Final EIS/EIR has become available that would indicate that (i) the project will have significant effects not discussed in the Project Final EIS/EIR; (ii) significant environmental effects will be substantially more severe; (iii) mitigation measures or alternatives found not feasible, which would reduce one or more significant effects, have become feasible; or (iv) mitigation measures or alternatives, which are considerably different from those in the Project Final EIS/EIR will substantially reduce one or more significant effects on the environment that would change the conclusions set forth in the Project Final EIS/EIR; and be it further

RESOLVED, That the SFMTA Board of Directors programs \$49 million from the sale of SFMTA Revenue Bonds in FY2016-17 of the SFMTA Capital Improvement Program to fully fund the Van Ness Transit Corridor Improvement Project.

I certify that the foregoing resolution was adopted by the Municipal Transportation Agency Board of Directors at its meeting of March 17, 2015.

Secretary, Municipal Transportation Agency
Board of Directors