



## MEMORANDUM

**DATE:** February 13, 2015

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

**THROUGH:** Edward D. Reiskin  
Director of Transportation

**FROM:** Sonali Bose   
Chief Financial Officer

**SUBJECT:** SFMTA Revenue Bond Program (Series 2012B) – Fourth Reallocation of Proceeds  
SFMTA Revenue Bond Program (Series 2013) – First 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 2012B and Series 2013 issuances. This reallocation is allowable under both the bond documents and the appropriation approvals. Please see Appendix A for the summary of reallocation of bond proceeds to-date related to Series 2012B and Appendix B for the summary of reallocation of bond proceeds to-date related to Series 2013. No reallocation of proceeds has been made for the Series 2014 bonds.

### 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 \$21.3 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 \$590,000, 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.

#### **Fourth Reallocation – Series 2012B**

This fourth reallocation of Series 2012B revenue bonds is required to redirect \$1,275,035 from two other projects to the Sunset Tunnel Rehabilitation project in order to ensure the bond funds are spent within the allowable 3-year window. It should be noted that the overall project budget for the Sunset Tunnel Rehabilitation project has not increased and that the additional Series 2012B bond proceeds and interest will be offset by an equal reduction in other fund sources programmed to the project.

The reallocation of \$1,275,035 includes the following: \$162,448 savings from the completed Muni Metro Turnback Rehabilitation project; and \$1,187,587 from the Systemwide Transit Access & Reliability program due to the bidding timeline for the Van Ness Station Elevator Modernization project and underground utility and sewer work that needs to be completed before the Gough Street Pedestrian Improvements can be installed. Additionally, \$75,000 is being redirected from Muni Metro Turnback Rehabilitation to Muni Green Light Rail Facility Rehabilitation to fully fund the project's approved budget.

This fourth reallocation also directs \$194,514 in interest earned to date on the Series 2012B bonds to the Sunset Tunnel Rehabilitation Project.

#### **Series 2013 – First Reallocation**

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, \$19.8 million has either been spent or encumbered

This first reallocation of Series 2013 revenue bonds directs \$1,187,587 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 will replace the Series 2012B funds reallocated from those projects described above.

Appendix A - Summary of Revenue Bond Fund Reallocations (Series 2012B) As of February 13, 2015										
PROJECT/PROGRAM	ORIGINAL AMOUNT	Reallocation 1 8/7/2013 Board Letter		Reallocation 2 5/2/2014 Board Letter		Reallocation 3 10/15/2014 Board Letter		Reallocation 4 2/13/15 Board Letter		TOTAL Reallocation
		CHANGE	REVISED PROJECT TOTAL	CHANGE	REVISED PROJECT TOTAL	CHANGE	REVISED PROJECT TOTAL	CHANGE	REVISED PROJECT TOTAL	
Systemwide Transit Access & Reliability Program	\$1,500,000	\$1,600,000	\$3,100,000	\$0	\$3,100,000	\$0	\$3,100,000	(\$1,187,587)	\$1,912,413	\$412,413
Muni Metro Sunset Tunnel Rail Rehabilitation	\$900,000	\$0	\$900,000	\$0	\$900,000	\$0	\$900,000	\$1,275,035	\$2,175,035	\$1,275,035
Muni Metro Turnback Rehabilitation	\$3,000,000	\$0	\$3,000,000	(\$590,073)	\$2,409,927	(\$150,001)	\$2,259,926	(\$162,448)	\$2,097,478	(\$902,522)
Muni Green Light Rail Facility Rehabilitation	\$7,200,000	\$325,000	\$7,525,000	\$590,073	\$8,115,073	\$149,501	\$8,264,574	\$75,000	\$8,339,574	\$1,139,574
Muni System Radio Replacement Project	\$1,600,000	(\$1,600,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$1,600,000)
Muni Metro System Public Announcement and Public Display System	\$6,500,000	(\$325,000)	\$6,175,000	\$0	\$6,175,000	\$500	\$6,175,500	\$0	\$6,175,500	(\$324,500)
Parking Garage Projects	\$5,000,000	\$0	\$5,000,000	\$0	\$5,000,000	\$0	\$5,000,000	\$0	\$5,000,000	\$0
<b>TOTAL</b>	<b>\$25,700,000</b>	<b>\$0</b>	<b>\$25,700,000</b>	<b>\$0</b>	<b>\$25,700,000</b>	<b>\$0</b>	<b>\$25,700,000</b>	<b>\$0</b>	<b>\$25,700,000</b>	<b>\$0</b>

**Appendix B - Summary of Revenue Bond Fund Reallocations (Series 2013)  
 As of February 13, 2015**

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