

**THIS PRINT COVERS CALENDAR ITEM NO. : 15**

**SAN FRANCISCO  
MUNICIPAL TRANSPORTATION AGENCY**

**DIVISION:** Finance and Information Technology

**BRIEF DESCRIPTION:**

Adopting the San Francisco Municipal Transportation Agency's FY 2017 – 2021 Capital Improvement Program (CIP) totaling \$3.44 billion within 11 capital programs, including transit, taxi, streets, parking, and traffic projects and other one-time project initiatives.

**SUMMARY:**

- On September 15, 2015, the SFMTA Board of Directors approved the Agency's 20-Year Capital Plan for FY 2015 through FY 2034. The Capital Plan represents the Agency's fiscally unconstrained capital needs for the upcoming 20 years. The 20-Year Capital Plan serves as the basis for developing the fiscally constrained FY 2017 – 2021 Capital Improvement Program (CIP) and the Two-Year Capital Budget.
- On April 5, 2016, the SFMTA Board of Directors approved the SMFTA FY 2017 and FY 2018 Capital Budget, which are the first two years of the FY 2017 – 2021 CIP.
- More than 15 presentations have been made to the public and to coordinating departments and agencies, with feedback integrated into the final FY 2017 – 2021 CIP.
- The FY 2017 – 2021 CIP balances all anticipated revenues and expenditures totaling \$3.44 billion for capital improvement projects.
- The FY 2017 – 2021 CIP funds approximately 250 projects within 11 capital programs, and addresses infrastructure needs related to transit reliability, street safety, state of good repair, facilities, communications/IT, taxi, system safety and accessibility.

**ENCLOSURES:**

1. SFMTAB Resolution
2. SFMTA FY 2017 – 2021 Capital Improvement Program

**APPROVALS:**

**DATE**

DIRECTOR \_\_\_\_\_

7/12/16

SECRETARY R. Boomer \_\_\_\_\_

7/12/16

**ASSIGNED SFMTAB CALENDAR DATE:** July 19, 2016

## **PURPOSE**

Adopting the San Francisco Municipal Transportation Agency's FY 2017 – 2021 Capital Improvement Program (CIP) totaling \$3.44 billion within 11 capital programs, including transit, taxi, streets, parking, and traffic projects and other one-time project initiatives.

## **GOAL**

The FY 2017 – 2021 CIP is designed to be a tool to implement the SFMTA Strategic Plan. Adoption of the FY 2017 – 2021 CIP will therefore advance many of the goals and objectives within the Strategic Plan including:

Goal 1 – Create a safer transportation experience for everyone

Objective 1.1 – Improve security for transportation system users.

Objective 1.2 – Improve workplace safety and security.

Objective 1.3 – Improve the safety of the transportation system.

Goal 2 – Make transit, walking, bicycling, taxi, ridersharing, and carsharing the preferred means of travel

Objective 2.1: Improve customer service and communications.

Objective 2.2 – Improve transit performance.

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

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

Objective 3.1 – Reduce the Agency's and the transportation system's resource consumption, emissions, waste, and noise.

Objective 3.3 – Allocate capital resources effectively.

Objective 3.4 – Deliver services efficiently.

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.

Objective 4.4 – Improve relationships and partnerships with our stakeholders.

## **DESCRIPTION**

The FY 2017 – 2021 CIP represents the culmination of the SFMTA's efforts to strategically plan and prioritize capital and other one-time project activities from FY 2017 to FY 2021. The purpose of the FY 2017 – 2021 CIP is to: develop a financially constrained five-year program of projects; develop an implementation tool of various plans and strategies including the SFMTA Strategic Plan; prevent funding accessibility from being a barrier to project delivery; and build credibility with external funding agencies. Aligned with the SFMTA Budget Process, the FY 2017 – 2021 CIP is reviewed, updated, and reissued every two years.

On September 15, 2015, the SFMTA Board of Directors approved the Agency's 20-Year Capital Plan for FY 2015 through FY 2034. The Capital Plan represents the Agency's *fiscally unconstrained capital needs* for the upcoming 20 years at the time of approval. The 20-Year

Capital Plan serves as the basis for developing the *fiscally constrained* FY 2017 – 2021 CIP and the Two-Year Capital Budget. Given limited funding availability, the FY 2017 – 2021 CIP represents the subset of capital projects identified in the 20-Year Capital Plan that are likely to be funded and active within the next five years.

On April 5, 2016, the SFMTA Board of Directors approved SFMTA’s Two-Year Capital Budget for Fiscal Years 2017 and 2018<sup>1</sup> which are the first two years of the FY 2017 – 2021 CIP. Board adoption of the FY 2017 – 2021 CIP will include all five years (from FY 2017 to FY 2021), including all funding sources anticipated for transportation investments. The current five-year CIP, which covers FY 2015 – FY 2019 was approved by the MTAB on May 20, 2014.

The FY 2017 – 2021 CIP is a financially constrained plan, which provides the SFMTA with a financial strategy to deliver projects that keep the transportation system in a state of good repair, improve safety, maximize resources through complete street investments, and improve the reliability of the transit system. The FY 2017 – 2021 CIP balances anticipated revenues and expenditures totaling \$3.44 billion for capital improvement projects over the five year period. Revenues and expenditures include \$220 million of additional revenue contingent upon voter approval of possible November 2016 and 2018 ballot initiatives.

Projects are prioritized based on revenue constraints and have specific scopes, schedules and budgets to establish accountability in project delivery and efficient use of available resources. Full scope, schedule and budget information for each project is included in Enclosure Two. While not a guarantee of funding, the FY 2017 – 2021 CIP conveys specific commitments from funding agencies to support the SFMTA’s highest priorities and most ready capital improvement projects.

Eleven capital program areas are presented within the FY 2017 – 2021 CIP and described in detail in Enclosure Two. Each program area includes various projects, phases and initiatives to be implemented with an initiation date and duration based schedule. In addition to the eleven programs an “Other” program includes non-capital investments funded by capital grant funds, such as education and outreach campaigns. Two policy thresholds must be met in order for a project to be included in the FY 2017 – 2021 CIP. First, a proposed project must be an identified “public priority,” meaning the need was identified and prioritized through a public planning process such as the SFMTA 20-Year Capital Plan, the Bicycle Strategy, Pedestrian Strategy or other adopted area of land use plans of the City and County of San Francisco. Second, a proposed project must have a funding plan that identifies funding of 90% of the total estimated cost for that phase of delivery or for the full project, depending on what is anticipated to occur and be delivered within the FY 2017 – 2021 CIP period.

Each project proposal included in the FY 2017 – 2021 CIP is scrutinized from a variety of perspectives before it is included in the CIP. Projects that are included in the FY 2017 – 2021 CIP are identified by various staff within the SFMTA based upon the following: (1) input from the community received at various meetings during the year; (2) input from the SFMTA Board

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Since the SFMTA board approved the Two-Year budget in April there have been some changes to the FY 2017 and FY 2018 projects as a result of additional revenue available and further refinement of certain project priorities and delivery schedules. These changes are within the 5% authority provided by the SFMTA Board to the Director of Transportation.

of Directors (received during April 2016 Capital Budget Adoption), San Francisco Board of Supervisors (or the BOS sitting as the Transportation Authority Board) and other commissions and advisory committees identified over a two-year period (identified in Enclosure Two); (3) the SFMTA Board or other City and County of San Francisco approved plans for growth, improvements, and rehabilitation; (4) SFMTA Board adopted 20-Year Capital Plan and associated prioritization criteria for selecting priority needs to advance policy goals; and (5) staff-identified projects based on critical need due to safety issues or to comply with new mandates.

The FY 2017 – 2021 CIP will provide \$3.44 billion for approximately 250 capital projects that fall within 11 Capital Program areas as listed in the table below. The table below presents proposed funding by program. Please refer to the attached FY 2017 – 2021 CIP book (Enclosure Two) for a complete list of proposed capital projects and associated funding.

<b>Capital Program</b>	<b>FY 2017 (\$M)</b>	<b>FY 2018 (\$M)</b>	<b>FY 2019 (\$M)</b>	<b>FY 2020 (\$M)</b>	<b>FY 2021 (\$M)</b>	<b>Five- Year Total (\$M)</b>
Central Subway	\$154	\$150	\$99	-	-	\$403
Communications/IT	9	0.4	0.7	\$0.7	\$0.7	11
Facility	104	53	25	11	51	244
Fleet	505	352	159	101	73	1,190
Parking	1	5	10	-	-	16
Security	6	10	3	3	3	25
Streets	26	56	79	49	46	257
Taxi	0.4	0.4	0.4	0.4	0.4	2
Traffic/Signals	36	28	15	8	12	100
Transit Fixed Guideway	48	47	57	35	36	223
Transit Optimization/Expansion	217	153	259	229	107	965
Other	4	5	0.7	0.8	0.2	10
<b>Total</b>	<b>\$1,110</b>	<b>\$860</b>	<b>\$708</b>	<b>\$438</b>	<b>\$329</b>	<b>\$3,445</b>

The FY 2017 – 2021 CIP represents increased investment compared with the \$3.3 billion FY 2015 – 2019 CIP. Investments in the core system (excluding Central Subway) will increase by 21%. Another key change with this CIP is the creation of the Streets capital program. This

program represents “complete street” projects and reflects the Agency’s goal of delivering integrated, multi-modal projects. The current Streets program is the combination of prior programs: Traffic Calming, Bicycle, Pedestrian and School.

## **PUBLIC OUTREACH**

The SFMTA held public hearings and Town Hall meetings to hear public comment on the FY 2017 and FY 2018 Capital Budget and FY 2017 – 2021 CIP. The SFMTA Citizens’ Advisory Council also held meetings to consider the FY 2017 and FY 2018 Capital Budget and FY 2017 – 2021 CIP. SFMTA staff met with numerous stakeholder groups to brief them and solicit their feedback. In total, more than 15 presentations have been made to the public and to coordinating departments and agencies, with feedback integrated into the final FY 2017 – 2021 CIP. See Enclosure Two for more details on the public outreach for the CIP.

## **ALTERNATIVES CONSIDERED**

Various capital projects were considered during the development of the FY 2017 – 2021 CIP, which was based on extensive input over time from the SFMTA Board, Board of Supervisors, staff, and community stakeholders on desirable project priorities. Staff also received technical guidance on expected funding from local and regional experts. The projects in Enclosure Two were selected based on project prioritization methodology discussed in detail in the attachment.

## **ENVIRONMENTAL REVIEW**

On June 22, 2016, the SFMTA, under authority delegated by the Planning Department, determined that the proposed FY 2017 – 2021 CIP is not defined as a “project” under the California Environmental Quality Act (CEQA) pursuant to Title 14 of the California Code of Regulations Sections 15060(c) and 15378(b).

A copy of the CEQA determination is on file with the Secretary to the SFMTA Board of Directors and is incorporated herein by reference.

While the FY 2017 – 2021 CIP identifies discrete projects under consideration by SFMTA, Board adoption of the FY 2017 – 2021 CIP does not constitute approval of any project or projects. SFMTA retains the discretion to deny or disapprove these projects and will not proceed with any individual project until appropriate environmental review is completed, pursuant CEQA and San Francisco Administrative Code Chapter 31. Some projects identified in the FY 2017 – 2021 CIP may have already undergone environmental review and Board approval and, with the necessary funding, may proceed.

If any of the projects are found to cause significant adverse environmental impacts, the SFMTA retains absolute discretion to implement one or more of the following actions to mitigate significant adverse environmental impacts: (1) modify the project, (2) select feasible alternatives which avoid significant impacts of the project, (3) require the implementation of specific measures in compliance with CEQA to mitigate significant environmental impacts of the project, (4) reject the project as proposed if the economic and social benefits of the project do not outweigh unavoidable significant adverse impacts of the project, or (5) approve the project upon a finding that the economic and social benefits of the project outweigh otherwise unavoidable

significant adverse environmental impacts.

### **FUNDING IMPACT**

The Proposed FY 2017 – 2021 CIP will provide \$3.44 billion for capital projects which includes additional revenue of \$220 million contingent upon voter approval of possible November 2016 and 2018 ballot initiatives. Should potential revenue measures not be approved, this revenue will be removed from the CIP.

### **OTHER APPROVALS RECEIVED OR STILL REQUIRED**

No other approvals are needed. The SFMTA Board and Board of Supervisors will approve contracts as necessary required for completion of capital projects.

The City Attorney has reviewed this report

### **RECOMMENDATION**

Staff recommends that the SFMTA Board of Directors adopt the FY 2017 – 2021 Capital Improvement Program totaling \$3.44 billion within 11 capital programs, including transit, taxi, streets, parking, and traffic projects and other one-time project initiatives.

SAN FRANCISCO  
MUNICIPAL TRANSPORTATION AGENCY  
BOARD OF DIRECTORS

RESOLUTION No. \_\_\_\_\_

WHEREAS, The FY 2017 - 2021 Capital Improvement Program (CIP) represents the culmination of the SFMTA's efforts to strategically plan and prioritize capital and other one-time project activities from FY 2017 to FY 2021 and is a projection of the planned expenditures and anticipated revenues; and

WHEREAS, The FY 2017 to FY 2021 CIP establishes a baseline of available revenues to program to specific capital investments with projects prioritized based on revenue constraints and specific scope, schedules and budgets to establish accountability in project delivery and efficient use of available financial and staff resources; and

WHEREAS, On September 15, 2015, the SFMTA Board of Directors approved the Agency's 20-Year Capital Plan for FY 2015 through FY 2034, which represents the Agency's unconstrained capital needs for the upcoming 20 years and serves as the basis for developing the fiscally constrained FY 2017 – 2021 CIP; and

WHEREAS, The SFMTA held public hearings and Town Halls to hear public comment on the budget. The Citizens Advisory Committee also held meetings to consider the FY 2017 and FY 2018 Capital Budget which are the first two years of the FY 2017 – 2021 CIP; and

WHEREAS, On April 5, 2016, the SFMTA Board of Directors approved the SMFTA FY 2017 and FY 2018 Capital Budget; and

WHEREAS, Presentations have been made to the public and to coordinating departments and agencies, with feedback integrated into the final FY 2017 – 2021 CIP; now therefore be it

RESOLVED, That the SFMTA Board of Directors adopts the FY 2017 – 2021 Capital Improvement Program totaling \$3.44 billion within 11 capital programs, including transit, taxi, streets, parking, and traffic projects and other one-time project initiatives.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of July 19, 2016.

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Secretary to the Board of Directors  
San Francisco Municipal Transportation Agency