

THIS PRINT COVERS CALENDAR ITEM NO. : 10.8

**SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY**

DIVISION: Finance and Information Technology

BRIEF DESCRIPTION:

Authorizing reprogramming of bond proceeds and the related accounting revisions for the SFMTA Series 2013 and Series 2014 Revenue Bonds and requesting the Board of Supervisors approve reprogramming \$9 million of bond proceeds to support the Radio Replacement Project from parking garage projects and \$437,587 to support Gough Street pedestrian improvements from the Sunset Tunnel project.

SUMMARY:

- On September 3, 2013, the Board of Directors approved the issuance of \$150 million in revenue bonds to finance various transportation projects.
- On April 7, 2015, the SFMTA Board authorized a swap of One Bay Area Grant (OBAG) funds for Light Rail Vehicle (LRV) base procurement and revenue bonds for the Masonic Streetscape project and the related accounting adjustment of \$10.2 million, and accounting corrections to transfer \$30 million from the Parking and Traffic/Sustainable Street accounting sub fund to the Parking Garage accounting sub fund to ensure appropriate accounting.
- In order to meet the funding needs for the Radio Replacement Project and Gough Street pedestrian improvements, additional bond proceeds are required.
- This requires authorization from the SFMTA Board of Directors to transfer bond proceeds. This will also require Board of Supervisors approval

ENCLOSURES:

1. SFMTAB Resolution

APPROVALS:

DATE

DIRECTOR _____

9/8/15

SECRETARY _____

9/8/15

ASSIGNED SFMTAB CALENDAR DATE: September 15, 2015

PAGE 2.

PURPOSE

Authorizing reprogramming of bond proceeds and the related accounting revisions for the SFMTA Series 2013 and Series 2014 Revenue Bonds and requesting the Board of Supervisors approve reprogramming \$9 million of bond proceeds to support the Radio Replacement Project from parking garage projects and \$437,587 to support Gough Street pedestrian improvements from the Sunset Tunnel project.

GOAL

This item will meet the following goals and objectives of the FY2013 – FY2018 SFMTA Strategic Plan:

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, ridesharing and carsharing the most attractive and 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.

Objective 2.4: Improve parking utilization and manage parking demand.

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 3.2: Increase the transportation system's positive impact to the economy.

Objective 3.3: Allocate capital resources effectively.

Objective 3.4: Deliver services efficiently.

Objective 3.5: Reduce capital and operating structural deficits.

DESCRIPTION

Background

On September 3, 2013, the Board of Directors approved the issuance of \$150 million in revenue bonds to finance various transportation projects. On September 24, 2013, the Board of Supervisors concurred.

On December 4, 2013 the SFMTA issued \$75,444,000 of its Revenue Bonds, Series 2013 (the "2013 Bonds"). On December 10, 2014 the SFMTA issued \$70,605,000 of its Revenue Bonds, Series 2014 (the "2014 Bonds"). Proceeds of the 2013 and 2014 Bonds were to be applied to various capital projects of the SFMTA, including pedestrian safety improvements, transportation safety improvements, street capital improvements, light rail and facility improvements.

PAGE 3.

On April 7, 2015, the SFMTA Board approved Resolution 15-056 authorizing:

1. A swap of One Bay Area Grant (OBAG) funds for Light Rail Vehicle (LRV) base procurement and revenue bonds for the Masonic Streetscape project and the related accounting adjustment of \$10.2 million, and
2. Accounting corrections to transfer \$30 million from the Parking and Traffic/Sustainable Street accounting sub fund to the Parking Garage accounting sub fund to ensure appropriate accounting.

Additional reprogramming of the Series 2013 and Series 2014 Revenue Bonds are required as summarized below.

Amendment 1: Transferring \$9 million from the Parking Garage Accounting Subfund to Transit Accounting Subfund

The Radio Replacement Project is proposing to issue change orders to exercise Contract Options and accommodate SFMTA's current needs, resulting in an \$11 million cost increase. These changes include the relocation of a radio base station from South Hill to Bayview Park, adding Mobile Data Terminal (MDT) devices to F-Line vehicles, providing Global Positions System (GPS) location data to onboard Closed Circuit Television (CCTV) recorder, new Automated Passenger Counter (APC) system, and new bus fleet expansion for Van Ness Bus Rapid Transit (BRT). The new radio system must integrate with several legacy systems, including scheduling software and vehicle and wayside data systems. The integration of the radio system to legacy systems has delayed completion of final design, which in turn has delayed system testing and equipment installation. The design-build contract is currently one and half years behind schedule. This schedule delay increases the cost for in house support of the project.

Additionally, many other services and projects are reliant on the completion of the Radio Replacement Project, including the transit management center startup, new bus procurement and the light rail vehicle procurement.

As of August 2015, \$9 million of the \$30 million revenue bond proceeds allocated for parking garage projects is projected to be available to be used for transit projects. As a result, this \$9 million in bond funds is available for reprogramming to the Radio Replacement Project to address the funding gap. In order to do this, a supplemental appropriation is required to be approved by the Board of Supervisors to transfer the \$9 million from the parking garage accounting subfund to transit accounting subfund to ensure appropriate accounting.

Amendment 2: Transferring \$437,587 from the Transit Accounting Subfund) to the Parking and Traffic Accounting Subfund for Gough Street Pedestrian Improvements

The Gough Street Pedestrian Improvements project had \$437,587 of Series 2012B proceeds unspent, and as a result, those funds were redirected to the Muni Metro Sunset Tunnel Rehabilitation project. The SFMTA Board of Directors and the Bond Oversight Committee were notified of this reprogramming in a February 11, 2015 memorandum ("Fourth Reallocation of Bond Proceeds "). At this time, the Gough Street Pedestrian Improvements project is ready to expend the additional \$437,587 and this amount will be reprogrammed from the Muni Metro

PAGE 4.

Sunset Tunnel Rehabilitation project which requires transferring the funds from Transit Accounting Subfund to the Parking and Traffic Accounting Subfund.

Summary

The following table summarizes the status of the SFMTA Series 2013 and 2014 Revenue Bonds by accounting fund type and the revised reprogramming.

| Summary Table | Project (\$ millions) | Accounting Fund Type | Original Approved Supplemental Appropriation by Board of Supervisors (September 24, 2013) | SFMTA Board Action (April 7, 2015) | Proposed Reprogramming |
|----------------------|---------------------------------|-------------------------------------|--|---|-------------------------------|
| 1. | Transit Projects | Transit Accounting Fund | 90.0 | 79.8 | 88.4 |
| 2. | Bicycle and Pedestrian Projects | Parking and Traffic Accounting fund | 30.0 | 40.2 | 40.6 |
| 3. | Parking Garage | Parking and Traffic Fund | 30.0 | 0.0 | 0.0 |
| 4. | Parking Garage | Parking Garage Fund | 0.0 | 30.0 | 21.0 |
| TOTAL | | 150.0 | 150.0 | 150.0 | 150.0 |

PUBLIC OUTREACH

No public outreach is required.

ALTERNATIVES CONSIDERED

If the SFMTA Board of Directors chooses not to approve this resolution, there will be a \$9 million funding gap in the Radio Replacement Project, which would not allow for the project to be fully completed and would delay the project. Additionally, if the SFMTA Board of Directors does not approve of reallocating the Series 2013 and Series 2014 revenue bonds to Gough Street Improvement project from Muni Metro Sunset Tunnel Rehabilitation, another Vision Zero project will need to be defunded.

FUNDING IMPACT

There is no additional funding impact to the Agency. It does address funding gaps for the Radio Replacement Project and the Gough Street pedestrian improvements.

ENVIRONMENTAL REVIEW

The San Francisco Planning Department made a CEQA determination on December 15, 2011 that the SFMTA Radio System Replacement Project was categorically exempt from environmental review pursuant to the provisions of CEQA under Section 15301 of the CEQA guidelines (Existing Facilities). [Planning Department Case Number 2011.1383E]
Contract modification No. 12 is consistent with the December 15, 2011 CEQA determination.

The San Francisco Planning Department made a CEQA determination on August 20, 2013 that the Gough Street Pedestrian Improvements was categorically exempt from Environmental Review pursuant to provisions of CEQA under Section 15301 of the CEQA guidelines (Existing Facilities). [Planning Department Case Number 2013.1244E]

OTHER APPROVALS RECEIVED OR STILL REQUIRED

The Board of Supervisors will be asked to approve the supplemental appropriations set forth in this calendar item.

RECOMMENDATION

Authorizing reprogramming of bond proceeds and the related accounting revisions for the SFMTA Series 2013 and 2014 Revenue Bonds and requesting the Board of Supervisors approve reprogramming \$9 million of bond proceeds to support the Radio Replacement Project from parking garage projects and \$437,587 to support Gough Street pedestrian improvements from the Sunset Tunnel project.

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No. _____

WHEREAS, On September 3, 2013, the SFMTA Board of Directors approved the issuance of \$150 million in revenue bonds to finance various transportation projects. On September 24, 2013, the Board of Supervisors concurred; and

WHEREAS, On April 7, 2015, the SFMTA Board approved Resolution 15-056 authorizing: (1) a swap of One Bay Area Grant (OBAG) funds for Light Rail Vehicle (LRV) base procurement and revenue bonds for the Masonic Streetscape project and the related accounting adjustment of \$10.2 million and (2) accounting corrections to transfer \$30 million from the Parking and Traffic/Sustainable Street accounting sub fund to the Parking Garage accounting sub fund to ensure appropriate accounting; and

WHEREAS, Additional reallocation of bond proceeds and the related accounting revisions is required for the SFMTA Series 2013 and 2014 Revenue Bonds to reprogram \$9 million of bond proceeds to support the Radio Replacement Project from parking garage projects and \$437,587 to support Gough Street pedestrian improvements from the Sunset Tunnel project; now, therefore, be it;

RESOLVED, That the San Francisco Municipal Transportation Agency Board of Directors authorizes the reprogramming of bond proceeds and the related accounting revisions for the SFMTA Series 2013 and 2014 Revenue Bonds and requesting the Board of Supervisors approve reprogramming \$9 million of bond proceeds to support the Radio Replacement Project from parking garage projects and \$437,587 to support Gough Street pedestrian improvements from the Sunset Tunnel project.

I certify that the foregoing resolution was adopted by the Municipal Transportation Agency Board of Directors at its meeting of September 15, 2015.

Secretary, Municipal Transportation Agency
Board of Directors