

MINUTES

**TRANSBAY TRANSIT CENTER PROGRAM
COST REVIEW COMMITTEE SPECIAL MEETING**

Friday, June 7, 2019

12:30 p.m. to 2:00 p.m.

TJPA Office
201 Mission Street, Suite 2100
San Francisco, CA

COMMITTEE MEMBERS

Ben Rosenfield, City and County of San Francisco (CCSF) Controller (Chair)
Therese McMillan, Executive Director of the Metropolitan Transportation Commission (MTC)
Mark Zabaneh, Executive Director of the Transbay Joint Powers Authority (TJPA)

Secretary
Michelle Dea

ORDER OF BUSINESS

1. Call to Order
The meeting was called to order at 12:30 p.m.
2. Roll Call
Present: Ben Rosenfield, Mark Zabaneh, Therese McMillan
3. Action Item:
Approving the Minutes of the February 22, 2019 Meeting
Public Comment
4. Action Item:
Approving the Minutes of the April 9, 2019 Meeting
Public Comment

Ms. McMillan motioned to approve the minutes, seconded by Mr. Zabaneh. The minutes of the February 22, 2019 and April 9, 2019 meetings were approved.

(Per concurrence from the Committee, items 3 and 4 were called together.)

5. Discussion Item:
Status Updates from Planning Department and Office of Community Investment and Infrastructure (OCII) on Projects in the Redevelopment Area/Transit Center District

Nick Foster, Senior Planner from the San Francisco Planning Department presented the item.

Mr. Foster noted the following, regarding developments listed in the meeting materials: The Temporary Certificate of Occupancy (TCO) date for Block 9 was expected in the 4th quarter of 2019. Additional Planning Commission approval was required for 555 Howard, due to changes from residential units to hotel units. The project status for 524 Howard was unknown. Changes in office allocations, and other uses for 550 Howard St. were anticipated.

Mr. Zabaneh inquired about the expected issuance of the next permit for the Oceanwide development at 50 1st Street. Mr. Foster stated that he did not have that information available, and could provide updates at a future date.

Chair Rosenfield asked which projects in Category 3 of the meeting handout would not be completed in 2019. Mr. Foster stated that the Office of Community Investment and Infrastructure (OCII) would be the appropriate agency to address the question.

6. Discussion Item:

Update on Program Budget, Construction and Temporary Closure of the Salesforce Transit Center

Dennis Turchon, TJPA Senior Construction Manager, presented this item. Mr. Turchon provided updates on the girder repair and remaining construction work. He reviewed the schedule and action items needed to re-open the transit center. He stated that the budget for Phase 1 of the Transbay Program was still trending within budget, and that soft costs may increase due to an extended duration of the project.

Public Comments:

Mr. Lebrun asked if and where the presentation would be posted. Mr. Turchon stated that the presentation was posted on TJPA's website.

There was a public comment from another attendee on whether the weight of water and soil was taken into consideration for the transit center. Mr. Turchon stated that TJPA's structural engineer's design assumed full saturation at the roof level.

7. Discussion Item/Possible Action:

Review of Proposed TJPA Fiscal Year 2019-2020 Budget

Erin Roseman, TJPA Chief Financial Officer, presented the proposed fiscal year 2019-2020 budget.

Chair Rosenfield stated that this agenda item was not formally within the CRC's jurisdiction and that a brief overview was being provided to the committee. He asked whether transit operators, such as SFMTA and AC Transit, had any outstanding disagreements on contributions. Mr. Zabaneh stated that the operators requested TJPA reevaluate the contingencies. He also stated that TJPA would monitor and adjust the contingencies over

time, as there were no historical costs for operations yet. Ms. Roseman stated that the fiscal year 2019-2020 final budget for operations, totaling \$24.3 million did not include \$3.8 million in contingencies. She stated that TJPA intended to revisit discussions on contingency usage after 50% of the operations budget is expended.

Chair Rosenfield asked whether annual revenue or upfront payment from the Naming Rights Agreement would be used for operations. Ms. Roseman replied that \$4.9 million, a portion of the initial Naming Rights payment, was budgeted for the current year of operations. She stated that budgeting of \$3 million in new annual revenue was anticipated to start in fiscal year 2021 – 2022.

Chair Rosenfield asked whether there was any budget added to the \$2.259 billion budget, presented in the program budget update from the previous agenda item. Ms. Roseman stated that the Phase 1 portion of the \$100 million capital budget for fiscal year 2019 – 2020 was a snapshot in time of the \$2.259 billion budget. She stated that the overall capital budget for Phase 1 had not changed.

Ms. McMillan asked what would happen to the temporary terminal after the new transit center opened. Ms. Roseman stated that the property would be developed in accordance with the Transit Center District Plan. Mr. Zabaneh stated that after transitioning from the temporary terminal to the transit center, the property would be turned over to the redevelopment agency, OCII. The planned development included affordable housing and a park.

Chair Rosenfield asked how TJPA allocated budgets for TJPA administration of Phase 1, Phase 2 and operations. Ms. Roseman stated that the allocations were based on estimated staffing time. Mr. Zabaneh added that certain staff were budgeted at 100% for certain phases, or operations.

Public comment:

Mr. Lebrun stated that he would like to see more granularity on the \$18.3 million for engineering and design services, shown on slide 11 of this item. He stated that he wanted to understand how much was being spent on the Downtown Extension (DTX) engineering and design; what the revenue sources would be; and who had approved the budgets. Chair Rosenfield stated that there was additional information in the staff report, and that the information can be forwarded to Mr. Lebrun.

Ms. Jones requested a copy of the meeting materials. Chair Rosenfield stated that meeting materials would be provided, as requested.

8. Discussion Item:

Retail Leasing Update

Martha Velez, TJPA facility manager, presented updates on retail leasing. She reported that retail spaces for Fitness SF, Venga Empanadas, Phiz Coffee and Onsite Dental were under construction. She stated that tenant occupancy was expected between late 2019 to early

2020. Ms. Velez stated that interest to lease at the park level remained steady, and that ten leases were projected in the next quarter.

Ms. McMillan asked what were the average terms of the leases. Ms. Velez replied that the average was 10 to 15 years.

9. Discussion Item/Possible Action:

Opportunity to Comment on Contracts, Change Orders and Contract Amendments that Require CRC Review

Chair Rosenfield stated that the committee had no comments on this item.

There was no public comment.

10. Public Comment

This item allows members of the public to comment generally on matters within the CRC's purview that are not on the agenda.

Mr. Lebrun stated that the Federal Railroad Administration (FRA) may potentially seek the return of \$400 million from the project, due to certain conditions not being met. He also stated that the team should review previous documents related to Senator Feinstein and MTC, on this topic.

Ms. Jones asked if AC Transit had been paying fees for the transit center lease. Ms. Roseman stated that AC Transit had not made contributions for fiscal year 2018-2019 because the transit center was closed.

Chair Rosenfield discussed the frequency of future CRC meetings. He stated that the CRC's primary purpose was to monitor expenditures of the Interim Financing. Given that the City's contributions to the Interim Financing would be repaid during sales of Community Facilities District (CFD) bonds, and MTC's contributions did not need to be drawn, the purpose of the CRC was largely accomplished. Chair Rosenfield suggested meeting less frequently. In the meantime, project staff were to forward contracts and amendments monthly through the Clerk. He stated that generally the CRC had opted not to comment on the contracts and amendments, but the committee may request a meeting to do so. Absent any committee member request to meet, the CRC's meetings would be reduced. Ms. McMillan and Mr. Zabaneh stated that they supported the proposal.

11. Adjourn – The meeting was adjourned at 1:15 p.m.

The Ethics Commission of the City and County of San Francisco has asked us to remind individuals that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [Campaign and Gov't Conduct Code, Article II, Chapter 1, § 2.100, et seq.) to register and report lobbying activity. For more information about the Lobbyist Ordinance, please

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