



**TRANSBAY JOINT POWERS AUTHORITY
BOARD OF DIRECTORS**

MINUTES

Thursday, June 25, 2020

SPECIAL MEETING
9:30 a.m.

WATCH LIVE ON SFGOVTV: www.sfgovtv.org/tjpa

PUBLIC COMMENT CALL-IN: 1-408-418-9388 -- Access Code: 146 633 4383

Due to the COVID-19 health emergency, the Board's Meeting Room in City Hall is closed. Members of the public are encouraged to participate remotely. Please see additional information on the next page for remote meeting access.

In compliance with the Governor's Executive Order N-25-20 (March 12, 2020) as superseded by Order N-29-20 (March 17, 2020), this meeting will be held *exclusively* via teleconference participation of a quorum of Board members in locations not open to the public. The purpose of the orders is to provide the safest environment for all persons consistent with San Francisco Department of Public Health Orders of the Health Officer and current public health recommendations, while allowing the public to observe and address the Board.

BOARD OF DIRECTORS

Nadia Sesay, Chair
Jeff Gee, Vice Chair
Elaine Forbes
Matt Haney
Michael Hursh
Boris Lipkin
Jeffrey Tumlin
Tony Tavares (*ex-officio*)

Executive Director
Mark Zabaneh

Secretary
Nila Gonzales

REMOTE MEETING ACCESS

WATCH LIVE ON SFGOVTV: www.sfgovtv.org/tjpa

PUBLIC COMMENT CALL-IN: 1-408-418-9388 -- Access Code: 146 633 4383

Providing Public Comment

Ensure you are in a quiet location – Speak Clearly – Turn off any TVs or radios around you

1. When prompted, “raise hand” to speak by pressing *3 (star, 3) to be added to the queue.
2. Callers will hear silence when waiting for their turn to speak.
3. When prompted, callers will have the standard three minutes to provide comment.

ACCESSIBLE MEETING POLICY

In accordance with the Americans with Disabilities Act, California Law, and the Governor’s Executive Orders, any individual with a disability may request reasonable modifications or accommodations so that they may observe and address the Board at this teleconference meeting. If you are disabled and require special accommodations to participate, please contact the Board Secretary Nila Gonzales at 415.597.4620 or ngonzales@tjpa.org, at least 72 hours prior to the meeting. Late requests will be honored if possible. Calendars and minutes of the meeting may be available in alternative formats; please contact Nila Gonzales at 415.597.4620 or ngonzales@tjpa.org at least 72 hours in advance of need. Written reports or background materials for calendar items are available online at www.TJPA.org.

If you need to use the services of a language interpreter, contact TJPA by calling 415.597.4620 or at info@TJPA.org. We require an advance notice of three business days to accommodate your request.

Si necesita usar los servicios de un intérprete de idioma, comuníquese con TJPA llamando al 415.597.4620 o en info@TJPA.org. Solicitamos un aviso previo de tres días hábiles para atender su solicitud.

如果您需要使用语言口译员，请联系TJPA，电话：415.597.4620，或电子邮件：info@TJPA.org。我们需要您在三个工作日之前告知，以满足您的要求

9:30 – SPECIAL MEETING

ORDER OF BUSINESS

1. Call to Order

Chair Sesay called the meeting to order at 9:38 a.m.

2. Roll Call

Secretary Gonzales announced that Director Forbes was experiencing technical difficulties joining the meeting.

Present: Matt Haney
Michael Hursh
Boris Lipkin
Jeffrey Tumlin
Jeff Gee
Nadia Sesay

Absent: Elaine Forbes
Tony Tavares

3. Communications

Secretary Gonzales provided instructions on the Public Comment process and noted a slight change to the process.

4. Board of Director's New and Old Business

Director Haney requested the interim use of the temporary terminal site be placed on the agenda for next month and asked TJPA staff make efforts to gather feedback from surrounding residential and commercial neighbors on desired uses for the space. He suggested that, as the City reopens, the temporary terminal space should have the potential to be a neighborhood space on an interim basis for retailers and restaurants with safe social distancing activity. Director Haney mentioned there had been confusing and contradictory information circulating to the East Cut residents about the lease with the City. He stated that it was previously determined that the site was not going to be used as a safe sleeping site and the lease would be terminated which seems to not be the case now. Director Haney stated that since TJPA is the responsible property owner of the site, conversations with surrounding residents should take place about the appropriate use. Director Haney requested the Board discuss the item at the next Board meeting. Chair Sesay stated that she will work with staff to address Director Haney's request.

5. Executive Director's Report

- Federal Legislative Update
- Facility Operations Update
- Quarterly Financial Reports

Executive Director Zabaneh reported on the TJPA's continued efforts to support the Bay Area's phased reopening during the COVID-19 health crisis and the agency's goal of helping to reduce community spread of the virus. The TJPA was closely monitoring the guidelines and guidance from local, state and federal health officials on updated protocols and providing the most up-to-date information to transit riders and other visitors. Enhanced cleaning protocols remain in place. Executive Director Zabaneh announced that Onsite Dental will reopen effective this week. Additionally, since gyms are currently not allowed to reopen, TJPA continues to work with anchor tenant Fitness SF, on a reopening strategy to be fully prepared to safely reopen when it is allowed. Executive Director Zabaneh stated that the TJPA continues to operate the transit center to support transit riders and is seeing increases in transit ridership. Further, the park remains a place of respite for the neighborhood and visitors for exercise and fresh air, consistent with the Bay Area health orders, however, active programming on the park remains suspended. The TJPA also requires the public to wear face coverings in all areas of the transit center, consistent with state and local health orders and is educating visitors and transit riders to socially distance from one another, wash hands and stay at home when sick. Executive Director Zabaneh stated the TJPA will continue to monitor updated orders issued by Bay Area health officers to ensure compliance with all county and regional health measures. As previously reported, the Board approved the issuance of tax bond refinancing so that the TJPA could pay all or portions of the City Financing and finance additional costs associated with the construction and design of the Transbay Project. Executive Director Zabaneh reported that on June 17, 2020, the TJPA successfully sold \$271 million of Tax Allocation Bonds with a 3.415% interest rate, far more favorable than the TIFIA loan interest rate of 4.57%. The TJPA received more than 360 orders for Tax Allocation Bonds in excess of \$3.5 billion. Additionally, the refinancing will generate more than \$25 million in net present value savings, or approximately 14% of the refunded bonds. This was a significant accomplishment by the TJPA, being the first bond sale. Executive Director Zabaneh thanked the TJPA Finance Team for their significant achievement during these uncertain economic and challenging times.

Regarding the Downtown Rail Extension (DTX)/Phase 2 project, Executive Director Zabaneh reported that the San Francisco Peninsula Rail Program Memorandum of Understanding (MOU) is now fully executed by all partners and its Executive Steering Committee (ESC) meetings will be scheduled on a monthly basis. The ESC meetings will be open to the public, noticed and conducted in accordance with the Brown Act. The first meeting of the ESC will be on July 17, 2020 at 11:00 a.m. He also reported that, on June 12th, the Metropolitan Transportation Commission (MTC) staff presented their initial staff recommendation for projects to be included in Plan Bay Area 2050 to their Planning Committee. MTC staff recommendations marked projects as included, considered or excluded in the Final Blueprint Strategies.

Executive Director Zabaneh stated, as previously announced, he will be transitioning to a new career opportunity in September. He thanked the TJPA Board for their years of leadership and together, the TJPA has successfully accomplished a great deal, including the completion of Phase 1, along with opening a world class transit center, transforming a neighborhood, and making bold steps forward to begin to deliver the DTX/Phase 2 of the Transbay Program, making high-speed rail a reality in downtown San Francisco. Further, he stated that he is committed to working closely with Chair Sesay and Vice Chair Gee on a plan to ensure a smooth transition.

Julie Minerva of Carpi & Clay presented the Federal Legislative Update. Ms. Minerva noted that her remarks would provide a brief overview of the Federal Emergency Relief Response to COVID-19 as well as the Federal Infrastructure Package. Ms. Minerva continued by noting that the House Transportation and Infrastructure Committee introduced the “Invest in America” Act. She explained that should this legislation become law it could provide Transbay with several opportunities. First, it modifies and expands the freight program to make transit an eligible applicant. She stated that this would be a competitive grant intended for large projects of \$100 million or more and would be the TJPA’s best chance to secure significant funding similar to the \$400 million that was secured for the train box. Second, she noted that the bill would increase annual funding for the FTA’s capital grant program. Third, she furthered noted that the bill’s rail title would include funding for high-speed rail projects. She concluded her report by noting that these funds will not be earmarked and that the Invest Act will be changed to the “Moving Forward” Act.

John Updike, TJPA Facility Director, presented the Facility Operations Update. Director Tumlin asked about tenant expectations on opening, considering market conditions in the financial district. Mr. Updike stated that in conversations with tenants, many of whom have businesses throughout the Bay Area, that some businesses have reopened with positive experiences and tenants believe the transit center remains a robust location.

Erin Roseman, TJPA Chief Financial Officer, provided the Quarterly Financial Reports.

Director Tumlin thanked Executive Director Zabaneh for his service and for leading the TJPA through a series of challenges.

Vice Chair Gee thanked Executive Director Zabaneh for his service and appreciated the federal update.

Chair Sesay thanked Executive Director Zabaneh for his report and was pleased that Onsite Dental was reopening and work was continuing with tenant improvements. Chair Sesay was pleased with the federal legislative update and the TJPA should be ready to ensure the same success as seen in project delivery of Phase 1, to receive bonded dollars as well as accessing the CARES Coronavirus Aid, Relief, and Economic Security Act and the Transportation Infrastructure Finance and Innovation Act (TIFIA) funding.

Public Comment:

Roland Lebrun thanked TJPA for making the meetings viewable to the public and inquired about notifications for the ESC meetings.

6. Construction Closeout Update

Ron Alameida of SF Public Works, Director of Design and Construction for the Transbay Transit Center project, presented the item.

7. Citizens Advisory Committee (CAC) Update

Secretary Gonzales stated that Derrick Holt, CAC Chair, advised that there was nothing new to report.

8. Public Comment

Members of the public may address the Authority on matters that are within the Authority's jurisdiction and are not on today's calendar.

Abby, a resident of District 6, believes the temporary terminal site is an unacceptable safe sleeping site and the TJPA has lacked transparency with residents and was in violation of the Bylaws. The TJPA should focus on the planning and execution of the space for its intended use; for affordable housing units and much needed public space. She said Mayor Breed indicated she did not plan to use this site for a safe sleeping site but now information posted on Department of Public Works social media sites remains conflicted and this should have been discussed by the Board with a vote. Abby said it was time for the Board to be actively involved with the issue and fully support Director Haney's request to have a discussion at the meeting next month.

Katina Johnson, a resident of District 6 for 11 years and President of the East Cut Community Benefit District Board, supports Director Haney's request to have a discussion about the best use of the temporary terminal site. Residents were told that the agreement had been cancelled and were disappointed to learn that was not the case and felt better communication was needed. The park and the terminal are neighborhood treasures and she said she wants the TJPA to continue to be a good neighbor and explore options for the East Cut unhoused neighbors. Ms. Johnson said the site plans do not work for a number of reasons and requests this agreement be cancelled. Ms. Johnson also thanked Executive Director Zabaneh for all of his work, especially during challenging situations on the project.

THE FOLLOWING MATTERS BEFORE THE TRANSBAY JOINT POWERS AUTHORITY ARE RECOMMENDED FOR ACTION AS STATED BY THE EXECUTIVE DIRECTOR OR THE CHAIR.

CONSENT CALENDAR

9. All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Transbay Joint Powers Authority, and will be acted upon by a single vote. There will be no separate discussion of these items unless a member of the Board or the public so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.

(9.1) Approving the Minutes of the May 14, 2020 meeting.

(9.2) Approving the Operating Assistance Proposal dated May 11, 2020, and an Implementing Agency Resolution for the allocation of Regional Measure 2 Funds in an amount not to exceed \$7,484,027 for the Transbay Program.

RESOLUTION 20-020

(9.3) Authorizing the Executive Director to execute an agreement for Independent Auditing Services with Maze and Associates for an amount not to exceed \$207,441 for a three-year term.

RESOLUTION 20-021

No public comment.

On motion to approve the Consent Calendar:

ADOPTED: AYES – Haney, Hursh, Lipkin, Tumlin, Gee and Sesay

SPECIAL CALENDAR

10. Approving the Fiscal Year 2020-2021 (FY 20-21) Operating Budget in the amount of \$22,425,369, FY 20-21 Capital Budget for Phase 1, Phase 2, and Tenant Improvements in the amount of \$90,626,061 and FY 20-21 Debt Service Budget in the amount of \$ 21,123,458.

Erin Roseman, TJPA Chief Financial Officer, and Dennis Turchon, Senior Construction Manager, presented the item.

Director Tumlin asked about savings to achieve without jeopardizing the retail program commitments in terms of ongoing improvements to the building on the unleased retail spaces. Executive Director Zabaneh stated that currently, 20 percent of the retail spaces unleased could be put on pause and taken off the market as TJPA would not be liable for tenant allowances or landlord improvements, which would create savings. However, he noted that utility relocation work would be difficult to do in the future.

Director Lipkin congratulated Ms. Roseman on the Bond Sale. Mr. Lipkin asked for clarification regarding the transfer of funds from the Fiscal Reserve to the Tenant Improvement budget, and followed up by asking when the kitchen exhaust work will be approved. He then suggested that, moving forward, the items that require some type of approval not be lumped together on the Board's agenda. He also expressed concern regarding employment vacancies and the timeline to fill those open positions. Executive Director Zabaneh stated that TJPA will hire a Project Director for Phase 2 who would recruit for open vacancies and the TJPA plans to implement recommendations previously made by the American Public Transportation Association peer review panel. Director Lipkin also requested a quarterly update on employment vacancy reports.

Director Hursh expressed reservations with adopting a budget with a line item of \$1 million that is already spent. Executive Director Zabaneh stated that the TJPA included a holistic picture as the Board had previously approved \$35.5 million for tenant improvement work, with \$3 million in contingency to perform improvements at the TJPA office to accommodate staff which was replenished back into the contingency budget, however, the TJPA encountered an issue with the kitchen exhaust system and the utility relocation costs. Director Hursh requested staff to remain vigilant and monitor authorized budget and requested more visibility due to the severe economic impacts of the COVID-19 pandemic.

Vice Chair Gee congratulated Ms. Roseman on the Bond Sale and thanked the partner agencies for working together on the budget. He asked if there was a potential risk to investment on any of the tenant leases with the current shelter in place order as TJPA completes the kitchen exhaust and utility relocation improvements. Mr. Turchon stated that the exhaust system will not be complete until the second quarter which was forecasted to be strong. Mr. Updike explained that

based on individual meetings with each tenant, interest remains high in continuing to lease at the transit center.

Chair Sesay thanked TJPA staff for the thorough staff report and presentation and requested to aggregate all the reserves so they are visible in one place making it easier to track. She also congratulated Ms. Roseman on the Bond Sale which resulted in a low borrowing cost for the TJPA. Additionally, she highlighted the benefits of having more flexibility to manage the budget and to respond to needs.

RESOLUTION 20-022

RESOLUTION 20-023

No public comment.

On motion to approve:

ADOPTED: AYES – Haney, Hursh, Lipkin, Tumlin, Gee and Sesay

11. Authorizing the Executive Director to execute an agreement for Physical Security Systems Maintenance Services with G4S Secure Integration for an amount not to exceed \$1,050,000 for a three-year term.

Rodney Harris, Chief Security Officer, presented the item.

RESOLUTION 20-024

No public comment.

On motion to approve:

ADOPTED: AYES – Haney, Hursh, Lipkin, Tumlin, Gee and Sesay

12. Adopting a retail/commercial leasing strategy to respond to COVID-19 impacts to tenancies that, among other things, authorizes TJPA staff to negotiate certain lease amendments consistent with the strategy, subject to TJPA Board of Directors approval and applicable Board-approved budget.

John Updike, TJPA Facility Director, presented the item.

Director Hursh requested any permanent lease negotiations be presented to the Board for approval.

Director Haney supported the item and asked about opportunities for tenants to utilize outdoor spaces. Mr. Updike stated that Fitness SF may have opportunities to perform fitness activities outside. The TJPA has been in conversations with Eddie Rickenbacker about a mobile option that could be rolled out adjacent to their space. Mr. Updike also stated that most of the leases come with an outdoor space defined as part of the premises and TJPA would like to expand outdoor space opportunities without it conflicting with operations.

Director Lipkin thanked Mr. Updike for the presentation and noted the TJPA should do whatever possible to keep the retail leasing program strong. He also suggested to have an update on the overall health of the leasing program at next month's meeting since there has been base building improvements increasing in cost as well as delays with new leases and Mr. Updike responded affirmatively.

Director Tumlin suggested Mr. Updike review the San Francisco Shared Spaces Program application which invites commercial businesses to creatively use street space and Mr. Updike confirmed that the TJPA has been paying attention to the Shared Spaces Program.

Chair Sesay appreciated the parameters outlined to allow flexibility and explore possibilities of deferral or delay and utilization of shared space on the rooftop park. She was also pleased with the conversations taking place which demonstrates TJPA partnering with tenants.

RESOLUTION 20-025

No public comment.

On motion to approve:

ADOPTED: AYES – Haney, Hursh, Lipkin, Tumlin, Gee and Sesay

13. San Francisco Peninsula Rail Program Update.

Executive Director Zabaneh presented the item.

Public Comment:

Roland Lebrun stated he felt this item should have been posted to the website prior to the meeting. Mr. Lebrun urged the Board to consider assigning an agency on this program that would report to the MTC. He also stated that the Transbay Tunnel has to take precedent over DTX. He expressed concerns that the tracks where the trains come in are a bit congested and should be addressed. He concluded by stating that the MTC should provide oversight and be the lead agency.

ADJOURN – Chair Sesay adjourned the meeting at 12:10 p.m.

A recording of the meeting is on file in the office of the Secretary to the Transbay Joint Powers Authority Board of Directors.

Nila Gonzales
Board Secretary

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 contact the Ethics Commission at 25 Van Ness Avenue, Suite 220, San Francisco, CA 94102, telephone (415) 252-3100, fax (415) 252-3124 and website: www.sfethics.org.