

**TRANSBAY JOINT POWERS AUTHORITY
BOARD OF DIRECTORS**

MINUTES

Thursday, June 13, 2019

1 Dr. Carlton B. Goodlett Place, Room 416
San Francisco, CA

REGULAR MEETING
9:30 a.m.

BOARD OF DIRECTORS

Mohammed Nuru, Chair
Jeff Gee, Vice Chair
Matt Haney
Michael Hursh
Boris Lipkin
Edward Reiskin
Nadia Sesay
Tony Tavares

Executive Director
Mark Zabaneh

Secretary
Nila Gonzales

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9:30 – REGULAR MEETING

ORDER OF BUSINESS

1. Call to Order

Chair Nuru called the meeting to order at 9:30 a.m.

2. Roll Call

Secretary Gonzales announced that Director Chang was joining as Director Haney's alternate and Director Tavares was absent.

Present: Tilly Chang
Michael Hursh
Boris Lipkin
Ed Reiskin
Nadia Sesay
Jeff Gee
Mohammed Nuru

Absent: Matt Haney
Tony Tavares

3. Communications

Secretary Gonzales stated that the July 11, 2019 Board meeting would be cancelled and she would reach out to Board members regarding a potential Special meeting in July.

Chair Nuru indicated that he may need to depart early for the Board of Supervisors budget committee hearing.

4. Board of Director's New and Old Business

None.

5. Executive Director's Report

- Quarterly Financial Reports

Executive Director Zabaneh reported that TJPA will reopen the transit center to the public on July 1, 2019 following a temporary closure that began in September 2018, after workers discovered fissures in two steel beams on the bus deck over Fremont Street. He stated that the request by Mayor London Breed and Mayor Libby Schaff for the Metropolitan Transportation Commission (MTC) to impanel a Peer Review to determine the cause of the fissures and provide

a comprehensive and independent facility wide review is now complete and all of the experts determined that the transit center is safe to reopen to the public and resume all operations. Executive Director Zabaneh stated that Dr. Michael Engelhardt, Chair of MTC's Peer Review Panel (PRP), would provide an update on the conclusion of the peer review later in the agenda. Executive Director Zabaneh also conveyed that TJPA has begun to ramp up staffing and conduct testing of building systems in preparation for the July 1, 2019 reopening and that bus operations will resume later in the summer.

Christine Falvey of SF Public Works, Director of Communications for TJPA, presented the reopening communications plan.

Executive Director Zabaneh further reported that the TJPA is 60 percent complete with retail leasing and an upsurge in interest is expected once the transit center reopens. He also reported that TJPA staff will be meeting with the Federal Transit Administration (FTA) on June 17, 2019 to address items regarding the Downtown Rail Extension (DTX)/Phase 2 amended Record of Decision (ROD) for the Supplemental Environmental Impact Statement/Environmental Impact Report (SEIS/EIR) and is hopeful it is the final step for approving the ROD. Regarding the San Francisco County Transportation Authority (SFCTA) peer review, the SFCTA continues to hold workshops on the management and delivery of Phase 1 and the review of alternative oversight and governance models for the management and delivery of Phase 2; their effort is expected to be complete in June 2019 and presented to the TJPA Board. Executive Director Zabaneh stated, at the request of the TJPA Board, he is working with Director Chang to organize a meeting with SFCTA and the American Public Transportation Association (APTA) peer review members.

Executive Director Zabaneh indicated that the Quarterly Financial Reports were provided by Erin Roseman, TJPA Chief Financial Officer, and she was available to answer questions.

6. Update on Construction and Temporary Closure of the Salesforce Transit Center

Dennis Turchon, TJPA Senior Construction Manager, and Ron Alameida of SF Public Works, Director of Design and Construction for the Transit Center, presented the item.

Director Reiskin asked if the contingency forecasted use of \$2 million for design services related to non-conforming steel girders would eventually be recovered through insurance. Mr. Alameida responded affirmatively and stated that the TJPA has already started some of the recapture with deductive change orders. Director Reiskin offered support in escalating the issue of the delay of the fuse limiters from Pacific Gas & Electric (PG&E). Mr. Alameida stated that he is in constant communication with PG&E and Chair Nuru has scheduled a meeting with PG&E to address the issue; however, staff would send the information to Director Reiskin for assistance as well. Director Reiskin stated he was glad there would be monitoring, and suggested reporting initial milestones of the structural health monitoring system followed by regular reports.

Director Hursh complimented the team for the tremendous review that was conducted and stated he is comfortable resuming bus operations at the transit center as public confidence has been restored.

7. Facility Operations Update

Martha Velez, TJPA Facility Manager, presented the item.

Director Hursh inquired about the status of the Clipper add value machines at the transit center. Executive Director Zabaneh stated that the TJPA will follow up with MTC.

Director Reiskin asked about the risk of Amtrak not moving into the transit center. Ms. Velez stated the second-floor space initially planned for Amtrak was absorbed by Fitness SF based on a change to Amtrak's business model. Amtrak originally decided to reduce their footprint by adding a few ticket vending machines in the shared passenger area, however, that is no longer the case. She also stated that negotiations between AC Transit and Amtrak for bays on the bus deck continue. Director Reiskin said it would be unsatisfactory if riders could not access the main commuter rail from the East Bay at the transit center.

Director Chang emphasized the need for future reporting on the full range of financial impacts associated with negotiations related to Amtrak and AC Transit.

8. Citizens Advisory Committee (CAC) Update

Derrick Holt, CAC Chair, reported that the CAC was excited about the transit center reopening with a clean bill of health, which will attract commuters, residents and visitors from the entire Bay Area. The CAC expressed appreciation to TJPA staff, the MTC PRP and the Mayor's office on the extensive review conducted during the temporary closure. The CAC appreciated the comprehensive communications plan and use of ambassadors and social media blasts for a seamless reopening of the transit center. The CAC was pleased with TJPA securing a lease with Kaiser Permanente and expressed excitement about the underlying health and wellness theme developing at the transit center as there will be a gym, medical/dental offices and exercise classes on the park. The CAC felt confident that the security plan presented was appropriate for the transit center and the surrounding areas. The CAC was appreciative of having their questions addressed regarding insurance rates, information presented about the weld points in the construction update, and that a new structural health monitoring system will be installed to monitor the transit center. The CAC also appreciated the clarity provided on costs related to the girder repairs and the park pathway and reiterated that the costs should be passed on to the entities responsible and not the public. The CAC looks forward to receiving an update on the conclusions from the SFCTA Peer Review so that work on DTX/Phase 2 can resume.

9. 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.

None.

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

CONSENT CALENDAR

10. 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.

(10.1) Approving the Minutes of the May 9, 2019 meeting.

(10.2) Approving the updated Initial Project Report dated May 29, 2019, and a Resolution of Project Compliance for the rescission of Regional Measure 2/AB 1171 bridge toll funds in the amount of \$317,974.45, and allocation of Regional Measure 2/AB 1171 bridge toll funds in the amount of \$317,974.45 for construction for the Transbay Program.

RESOLUTION 19-012

(10.3) Authorizing the Executive Director to complete negotiations and execute a lease agreement with Kaiser Foundation Health Plan, Inc. (d.b.a. Kaiser Permanente) for about 3,996 square feet of commercial/retail space on the second level of the transit center (space number 200) for a 10 year term.

RESOLUTION 19-013

No public comment.

On motion to approve the Consent Calendar:

ADOPTED: AYES – Chang, Hursh, Lipkin, Reiskin, Sesay, Gee and Nuru

REGULAR CALENDAR

11. Presentation by the Metropolitan Transportation Commission Peer Review Panel on the Temporary Closure of the Salesforce Transit Center.

Andrew Fremier, MTC Deputy Director, introduced the item which was presented by Dr. Michael Engelhardt, MTC PRP Chair.

12. Adoption of Fiscal Year 2019-20 (FY 2019-20) Operating Budget in an amount not to exceed \$38,719,021 and FY 2019-20 Capital Budget in an amount not to exceed \$100,067,175.

Erin Roseman, TJPA Chief Financial Officer, presented the item.

Director Reiskin emphasized the need to recover any Estimate at Completion (EAC) expenses related to the temporary closure and Executive Director Zabaneh replied that the EAC expenses were included to increase transparency, however, the TJPA fully intends to recoup those costs to bring down the EAC and replenish the program reserve.

Director Reiskin motioned to approve the item with an amendment to reduce the amount of contingency on the expenditure side by \$1,381,700 and reduce the amount of Naming Rights on the revenue side by a corresponding \$1,381,700 with the understanding that staff would instead propose that the Board allocated that same amount in the FY 20-21 budget. Director Hursh seconded the motion to approve the item with the proposed amendment by Director Reiskin.

Director Sesay thanked Ms. Roseman for the detailed presentation and echoed Director Reiskin's comments.

No public comment.

RESOLUTION 19-014

RESOLUTION 19-015

On motion to approve as amended:

ADOPTED: AYES – Chang, Hursh, Lipkin, Reiskin, Gee and Nuru

ABSENT – Sesay (*departed during item 12*)

RECESS REGULAR MEETING AND CONVENE CLOSED SESSION

There was no member of the public who indicated that they would like to comment on the items scheduled for discussion in closed session.

CLOSED SESSION

13. Call to Order

Chair Nuru called the Closed Session to order at 11:00 a.m.

14. Roll Call

Present: Tilly Chang

Michael Hursh

Boris Lipkin

Ed Reiskin

Jeff Gee

Mohammed Nuru (*departed at 11:15am*)

Absent: Matt Haney

Nadia Sesay

Tony Tavares

15. CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION
(Paragraph (1) of subdivision (d) of Gov. Code Section 54956.9)

Name of case: *Webcor/Obayashi Joint Venture v. Transbay Joint Powers Authority*, San Francisco County Superior Court, Case No. CGC-18-570621.

Name of case: *Skanska USA Civil West California District, Inc. v. Webcor Builders/Obayashi Corp., A Joint Venture, et al.*, San Francisco County Superior Court Case No. CGC-18-566431 (consolidated under Case No. CGC-18-570621).

Name of case: *Pacific Structures v. Shimmick Construction Company et al.*, San Francisco County Superior Court, Case No. CGC-18-564434 (consolidated under Case No. CGC-18-570621).

Name of case: *Desert Mechanical v. WOJV et al.*, San Francisco County Superior Court, Case No. CGC-19-573549.

Name of case: *Bratton Masonry, Inc. v. Skanska USA Building, et al.*, San Francisco County Superior Court, Case No. CGC-19-575545.

Name of case: *Fisk Electric Company v. WO*, United States District Court, Northern District of California, Case No. 3:18-cv-07671.

ADJOURN CLOSED SESSION AND RECONVENE REGULAR MEETING – The Closed Session was adjourned at 11:25 a.m.

16. Announcement of Closed Session.

Secretary Gonzales announced that there was nothing to report.

ADJOURN – Vice Chair Gee adjourned the meeting at 11:30 a.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 web site: www.sfethics.org.