

**TRANSBAY JOINT POWERS AUTHORITY
BOARD OF DIRECTORS**

MINUTES

Thursday, May 13, 2021

REGULAR MEETING

9:30 a.m.

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

PUBLIC COMMENT CALL-IN: 1-855-282-6330 -- Access Code: 182 626 2059

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In compliance with the Governor's Executive Order N-25-20 (March 12, 2020) as superseded by Order N-29-20 (March 17, 2020), this meeting will be held *exclusively* via teleconference participation of a quorum of Board members in locations not open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

Jeff Gee, Chair

Rafael Mandelman, Vice Chair

Elaine Forbes

Alicia John-Baptiste

Boris Lipkin

Diane Shaw

Jeffrey Tumlin

Dina El-Tawansy (*ex-officio*)

Interim Executive Director

Nila Gonzales

Interim Secretary

Donald Pollitt II

9:30 – REGULAR MEETING

ORDER OF BUSINESS

1. Call to Order

Chair Gee called the meeting to order at 9:33 a.m.

2. Roll Call

Present: Elaine Forbes

Alicia John-Baptiste

Boris Lipkin

Diane Shaw

Jeffrey Tumlin

Rafael Mandelman (*arrived during Item 4*)

Jeff Gee

Absent: Dina El-Tawansy

3. Communications

Interim Secretary Pollitt provided instructions on the Public Call-in/Comment process.

4. Board of Director's New and Old Business

None.

5. Executive Director's Report

Interim Executive Director (ED) Gonzales reported that the TJPA continues to move with the City, which is now in the yellow-tier, as it reopens, and the State is expected to fully open on June 15. The TJPA continues to increase free rooftop park activities for the public to participate in and noted there has been a steady increase of people at the park and in attendance at activities. Since April, TJPA has added fitness, photography, birding walks, and knitting classes. The TJPA also returned tables and chairs to the park for the first time since the pandemic. She also reported that the Centers for Disease Control and Prevention released updated guidance on mask wearing in April regarding vaccinated individuals' use of masks in outdoor capacities, which the City and State are expected to adopt. She further reported that the Transportation Security Administration also extended its security directive, which continues to require wearing masks at and in transit facilities, which includes the Transit Center.

Regarding the facility update, Interim ED Gonzales reported that high winds damaged two trees on the park, which led to their removal, but noted they will be replaced. The TJPA continues to work with its tenants to facilitate tenant improvements prior to a late summer handoff to prepare for opening to the public. She also reported that the TJPA continues to monitor ridership data, in

and adjacent to the Transit Center, and thanked Directors Shaw and Tumlin for their support in securing ridership data. The TJPA also continues to work with Salesforce by hosting virtual events, which allows the rooftop park to be showcased to the world, while securing critical revenues during this pandemic period.

Regarding cybersecurity, Interim ED Gonzales stated staff is seeking Board approval for a Cisco Cybersecurity agreement, which will provide additional security measures, and will be presented under the consent calendar later in the meeting.

Interim ED Gonzales reported that an overview of TJPA's Fiscal Year 2021-22 budget will be provided later in the meeting and noted the operating budget reflects a projected increase in activity based on recovery from the pandemic. The TJPA continues to seek funding for Wayfinding enhancements from the Federal American Rescue Plan and others. The TJPA also submitted a Federal Emergency Management Agency (FEMA) Transit Security grant on May 12, which will help fund planning, purchase, and installation of 100 replacement security cameras. Interim ED Gonzales stated the TJPA continues to work with its federal and state advocates to track federal and state funding opportunities as it relates to the Transbay Program and noted the TJPA received Senator Padilla's earmark request opportunity and staff are preparing to submit an application.

Regarding the Downtown Rail Extension (DTX), the TJPA continues to advance important details of the project, which include working together with partner agencies on the accelerated Work Plan and progressing the Phasing Study analysis of deferral concepts, and she noted the Integrated Program Management Team remains on schedule to bring recommendations to the Executive Steering Committee (ESC) in July, with an expected agenda item for TJPA Board consideration in August. As part of its outreach and rebranding task outlined in the San Francisco Peninsula Rail Program Memorandum of Understanding (MOU), the TJPA held three listening sessions in late April to gather insight from community and transit stakeholders regarding the DTX project and released an online survey to 400 registered voters and the greater public to obtain feedback. Interim ED Gonzales and staff continue to hold briefings with legislative offices to introduce and reintroduce the DTX project, which over the last month included California State Transportation Agency Chief Deputy Secretary for Rail and Transit, Chad Edison; Metropolitan Transportation Commission (MTC) Commissioners Rabbitt, Dutra-Vernaci, Worth, and Glover; and, newly elected State Senator Becker along with Senator Padilla's San Francisco office and the Bay Area Council.

Regarding DTX funding, the TJPA is coordinating with the San Francisco County Transportation Authority (SFCTA) and ESC partners to ensure the DTX project has adequate funding for the upcoming Federal Transit Administration's (FTA) Project Development work later this Fall. As the TJPA prepares to request entry into Project Development, the TJPA will need to demonstrate that it is committed to completing the work, and that the necessary funding has been committed. Additionally, the TJPA anticipates bringing more information and a resolution about the Project Development work to the Board in the coming months.

Interim ED Gonzales concluded her report by stating the TJPA is working with the City's Office of Public Finance to transfer Community Facility District (CFD) funds to TJPA and to issue

CFD bonds to demonstrate the Project Development commitment of about \$50 million. The TJPA continues to work with SFCTA and its MOU partners to secure additional funds for engineering work over the next three years and noted more information on this topic will be provided later in the meeting.

Director Forbes asked for clarification regarding the Transit Center's mask wearing policy and Interim ED Gonzales stated that masks are still required at the rooftop park when visitors are within six-feet of others not in their household.

Director Shaw asked if the TJPA met with Assemblymember Alex Lee during past DTX briefings and Interim ED Gonzales confirmed the TJPA met with him back in March. Director Shaw also asked if the TJPA was working with partner agencies to ensure its cybersecurity measures are up-to-date and aligned and Interim ED Gonzales replied affirmatively.

Public Comment:

Roland Lebrun suggested that the ED report be included as part of the Board's packet and posted online.

6. Citizens Advisory Committee (CAC) Update

Belal Aftab, TJPA CAC Vice Chair, reported the CAC had a productive meeting on May 11 and noted that CAC members appreciated the TJPA update on its mask policy. He also reported that the CAC members truly appreciated the behind-the-scenes tour of the Salesforce Transit Center.

He stated that CAC member Owen Stephens suggested the TJPA host pop-up events to invite the public back to the park and offered Circus San Francisco as an option, of which he is a performer.

CAC Vice Chair Aftab stated CAC members appreciated the presentation by the California High-Speed Rail Authority and noted CAC members are curious to see how ridership trends develop, especially as the City and region start to see more riders.

He concluded his report by noting that the CAC is appreciative of the TJPA's effort towards accelerating the completion of the DTX project and expressed gratitude for CAC Secretary Pollitt for his consistent effort in providing CAC members meeting information in a timely manner.

Director Forbes noted that the Port of San Francisco recently issued a Request for Quote for pop-up activation and concurred with CAC member Stephens that it is a viable opportunity for the Transit Center.

Public Comment:

John Goldsmith stated he is a 30-year San Francisco resident and noted he submitted two parklet applications to San Francisco Parks Alliance and San Francisco Public Works back in 2017 in an effort to preserve the only greenbelt in the Muni system. He asked the Board to consider

protecting these transit assets and requested the item stay on the Board's radar and noted that he has 1,800 signatures supporting his initiative for parklet uses.

Roland Lebrun expressed concern regarding the accurateness of the CAC minutes and recommended that the TJPA consider enabling closed captioning on its WebEx meeting system.

7. 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.

Jim Patrick noted that cybersecurity is an important issue and suggested that there be more discussion on Item 8.2.

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

CONSENT CALENDAR

8. 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.

(8.1) Approving the Minutes of the April 8, 2021 meeting.

(8.2) Authorizing the Interim Executive Director to execute a purchase order with NetXperts Inc. and an enterprise agreement with Cisco Systems, Inc. for cybersecurity services for a five-year term, and an amount not to exceed \$1,363,383.91.

RESOLUTION 21-012

(8.3) Approving updates to Board Policy No. 009, Investment Policy.

RESOLUTION 21-013

On the motion to approve the Consent Calendar:

ADOPTED: AYES – Forbes, John-Baptiste, Lipkin, Shaw, Tumlin, Mandelman and Gee

REGULAR CALENDAR

9. Presentation of and Public Hearing for draft budgets for Fiscal Year 2021-2022 (FY 21-22) Operating Budget in the amount of \$29,214,530 and FY 21-22 Capital Budget for Phase 1, Phase

2, and Tenant Improvements in an amount of \$72,340,666 and FY 21-22 Debt Service Budget in the amount of \$30,219,279.

TJPA staff, which included Interim ED Gonzales, Financial Consultant Mary Pryor of NWC Partners, Facility Director John Updike, Senior Construction Manager Dennis Turchon, City and County of San Francisco Architect/Transbay Program Phase 1 Director of Design & Construction Ron Alameida, and Interim DTX Project Director Stephen Polechronis, collectively presented the item.

Director Shaw asked if the 11 remaining Phase 1 trade packages, would be required for Phase 2 or if there would be additional closeouts from Phase 1 for the remaining trade packages. Mr. Alameida stated the trade packages were exclusively for Phase 1, with 38 already closed, and noted the remaining 11 are currently being negotiated. Regarding security at the Transit Center, Director Shaw referenced the Preliminary Operating Budget that was presented in January and asked for clarification relating to the six percent increase surrounding security, which includes the Unarmed Security Services contract, and how it compares to the previous year. Interim ED Gonzales stated the Preliminary Operating Budget that was presented in January did not anticipate the pandemic recovery and noted the draft Budget reflects the anticipated increase in activity. She also stated the Unarmed Security Services contract is currently in the procurement process, which she expects will be before the Board in June and reflected in the final budget. Regarding how the security budget compares to the previous year, Ms. Pryor stated that it will be similar to the pre-COVID era; however, there may some financial differences with the new Unarmed Security Services contract.

Director Lipkin referenced the \$2.9 million dollars allocated for Salesforce Park-related items and the \$200,000 dollars for maintenance and noted the East Cut Community Benefit District (CBD) contribution of \$1.6 million dollars and asked how the CBD 80 percent contribution relates to the \$2.9 million. Mr. Updike stated the difference is related to ongoing negotiations with CBD regarding expenses for operating Salesforce Park.

Director John-Baptiste commented on the reserve funds, noting the current rate is at 6 percent and that the policy requires a 25 percent rate, and encouraged an ongoing dialogue moving forward on how to reach and maintain the required policy rate, or potentially consider lowering the required rate.

Public Comment:

Jim Patrick expressed concern regarding the security budget for the Transit Center and suggested the Board reexamine how those funds are being allocated.

Roland Lebrun referenced slide 17 in the presentation and expressed concern regarding the budget for engineering and design services for the DTX project and suggested the categories be broken down to better identify cost.

10. Authorizing the Interim Executive Director to execute a professional services agreement with Seifel Consulting Inc. for real estate economics services for a five-year term, with the

option to extend the term for up to two additional two-year terms, and an amount not to exceed \$500,000.

John Updike, TJPA Facility Director, presented the item.

Public Comment:

Jim Patrick expressed concern regarding the necessity of the item as he believes the TJPA currently has capable staff in place and urged the Board not to approve the item.

RESOLUTION 21-014

On motion to approve:

ADOPTED: AYES – Forbes, John-Baptiste, Lipkin, Shaw, Tumlin, Mandelman and Gee

11. San Francisco Peninsula Rail Program ESC Update.

Tilly Chang, ESC Chair along with Jesse Koehler, SFCTA Rail Program Manager, presented the item.

Chair Gee asked for clarification regarding FTA's New Starts deadline and Mr. Koehler stated the DTX project is scheduled to be submitted by the TJPA in November of this year. Chair Gee thanked Vice Chair Mandelman and SFCTA for their support in accelerating the Work Plan and asked, if the DTX project does not meet the November 2021 deadline, when is the next opportunity for submittal. Ms. Chang stated the November 2021 deadline is for the DTX project to enter into the process, while simultaneously pursuing a partnership funding agreement with partners to ensure the project schedule stays on track. Mr. Polechronis clarified that the request to enter into FTA's Project Development phase is scheduled for October 2021, not November 2021, and noted the FTA approval is anticipated by the end of 2021.

Vice Chair Mandelman asked what has been committed by San Francisco and what is assumed to be committed by San Francisco as it relates to the DTX project. Ms. Chang stated that there is an outstanding allocation of Proposition K sales tax funds from SFCTA to the TJPA, which TJPA will receive by the end of 2021 and noted the next phase of work is not yet funded by the SFCTA. Ms. Chang also stated \$30 million dollars is needed for design and noted SFCTA would potentially allocate an additional \$5 million, while funds from the City's Mello Roos/CFD would help the TJPA make up the difference. Vice Chair Mandelman asked if this has been presented to SFCTA or the City Board of Supervisors and Ms. Chang stated that it has not yet been presented. Vice Chair Mandelman stated it needs to be determined whether DTX is a San Francisco or regional project and suggested there be consistent funding conversations that show the DTX is a regional project to ensure it continues to receive the necessary support to keep advancing forward. Interim ED Gonzales explained that the Mello Roos/CFD funds managed by the City were collected for the DTX project. Ms. Pryor added that a majority of the collected CFD revenues fund the DTX project with a portion of the revenues for a few other projects within the Transbay area.

Director John-Baptiste asked if there was a benefit or an opportunity cost to issuing CFDs earlier rather than later in the process, or would it be beneficial to simply hold off. Ms. Pryor stated that CFDs are collected for 30 years, with the intent that the funds would be bonded against to provide benefits that they are designated to fund. Ms. Pryor also stated that there could be some savings in debt service cost, for example, if the debt issuance were postponed, but the current interest rates are very low and could increase in the future. Ms. Pryor further stated that postponing the debt issuance could potentially put pressure on the project schedule, which could have long-term cost implications that could exceed the savings from postponing the debt issuance.

Public Comment:

Roland Lebrun expressed concern regarding SFCTA's Prop K allocation towards the DTX project as it is the same funding being used for Caltrain. He also expressed that MTC might take a more active role in DTX should it become a regional project.

RECESS REGULAR MEETING AND CONVENE CLOSED SESSION

Public Comment:

Jim Patrick expressed concern regarding the items being discussed in Closed Session and suggested that the public be included in ongoing lease negotiations.

CLOSED SESSION

12. Call to Order

Chair Gee called the Closed Session to order at 11:02 a.m.

13. Roll Call

Present: Elaine Forbes

Alicia John-Baptiste

Boris Lipkin

Diane Shaw

Jeffrey Tumlin

Rafael Mandelman

Jeff Gee

Absent: Dina El-Tawansy

14. CONFERENCE WITH REAL PROPERTY NEGOTIATORS (Gov. Code section 54956.8)

Property: 425 Mission Street, space # 107, 111

Agency negotiators: Nila Gonzales, Interim Executive Director; John Updike, Facility Director

Negotiating parties: Acquolina

Under negotiation: Price and terms of payment for retail lease in the transit center

RESOLUTION 21-017

Property: 425 Mission Street, space # 103

Agency negotiators: Nila Gonzales, Interim Executive Director; John Updike, Facility Director

Negotiating parties: Eddie Rickenbacker's

Under negotiation: Price and terms of payment for retail lease in the transit center

RESOLUTION 21-017

Property: 425 Mission Street, space # 100, 143

Agency negotiators: Nila Gonzales, Interim Executive Director; John Updike, Facility Director

Negotiating parties: Philz Coffee, Inc.

Under negotiation: Price and terms of payment for retail lease in the transit center

RESOLUTION 21-016

Property: 425 Mission Street, space # 207, 208, 212

Agency negotiators: Nila Gonzales, Interim Executive Director; John Updike, Facility Director

Negotiating parties: Transbay Fitness, Inc.

Under negotiation: Price and terms of payment for retail lease in the transit center

RESOLUTION 21-015

Property: 425 Mission Street, space # 121

Agency negotiators: Nila Gonzales, Interim Executive Director; John Updike, Facility Director

Negotiating parties: Tycoon Kitchen

Under negotiation: Price and terms of payment for retail lease in the transit center

RESOLUTION 21-017

Property: 425 Mission Street, space # 123

Agency negotiators: Nila Gonzales, Interim Executive Director; John Updike, Facility Director

Negotiating parties: Venga Empanadas

Under negotiation: Price and terms of payment for retail lease in the transit center

RESOLUTION 21-017

ADJOURN CLOSED SESSION AND RECONVENE REGULAR MEETING – The Closed Session was adjourned at 11:35 a.m.

15. Announcement of Closed Session.

Deborah Miller, TJPA counsel, announced that the Board unanimously adopted three resolutions, which authorizes Interim ED Gonzales to make amendments to the existing retail leases for Acquolina, Eddie Rickenbacker's, Philz Coffee, Inc., Transbay Fitness, Tycoon Kitchen, and Venga Empanadas.

ADJOURN – Chair Gee adjourned the meeting at 11:39 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.

Donald Pollitt II
Interim 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.