Resolution approving the Seven-Party Supplement to 2012 Memorandum of Understanding, regarding Financial Commitments to Address the Funding Gap for the Peninsula Corridor Electrification Project.

WHEREAS, On January 15, 2013, the Mayor, on behalf of the City and County of San Francisco (the City), approved execution, with conditions, of a Memorandum of Understanding (2013 MOU) with the California High-Speed Rail Authority (CHSRA), the Metropolitan Transportation Commission (MTC), the Peninsula Corridor Joint Powers Board (PCJPB), the San Francisco County Transportation Authority (SFCTA), and four other local and regional entities to establish a funding framework for a High-Speed Rail Early Investment Strategy for a blended system in the Peninsula Corridor; and

WHEREAS, The Early Investment Strategy, also known as the Early Investment Program, consists of three components: the Communications Based Overlay Signal System (also known as Positive Train Control), the electrification of the Caltrain line between San Jose and San Francisco (PCEP), and the purchase of electric multiple unit vehicles to operate on the electrified railroad (collectively, “the Projects”); and

WHEREAS, The program will modernize the corridor, reduce train-related emissions by up to 90 percent, provide faster and increased service to more stations, and prepare the Caltrain system for shared use with high-speed rail; and

WHEREAS, On January 8, 2015, the JPB Board of Directors adopted Resolution No. 2015-03, certifying the PCEP Final Environmental Impact Report (PCEP FEIR) for the Peninsula Corridor Electrification Project in conformance with CEQA law and Guidelines; and
WHEREAS, On January 8, 2015, the JPB Board of Directors, as part of Resolution No. 2015-04 approving the PCEP, approved and adopted CEQA Findings of Fact, including a Statement of Overriding Considerations and a Mitigation Monitoring and Reporting Plan (MMRP); and

WHEREAS, Under Resolution No. 7-16, adopted on January 26, 2016, the Board of Supervisors approved an Agreement with the PCJPB regarding administration of up to $39,000,000 of capital funding for the Projects (a copy of the agreement is in Board of Supervisors File No. 151148); and

WHEREAS, Also under Resolution No. 7-16, The Board of Supervisors, representing the City as a responsible agency under CEQA, reviewed and considered the PCEP FEIR and record as a whole, and found that the PCEP FEIR is adequate for the actions taken under the Resolution, incorporated the CEQA findings contained in JPB Resolution No. 2015-04, including the Statement of Overriding Considerations and MMRP, including the commitment to participate with the JPB to implement Mitigation Measure TRA-3b (surface pedestrian facility improvements to address the PCEP’s additional pedestrian movements at and immediately adjacent to the San Francisco 4th and King Station, with implementation costs shared on a fair-share basis as determined mutually by the JPB and the City), and agreed to Mitigation Measure TRA-3b; and

WHEREAS, At the time the MOU was executed, the total cost for the Early Investment Program was $1.456 million, with a proposed $60 million local contribution from each of the three PCJPB member counties (San Francisco, San Mateo and Santa Clara); and

WHEREAS, The SFCTA has committed funds to cover $20.86 million of San Francisco’s proposed original $60 million contribution (mostly from Prop K sales tax, with $4 million in Regional Improvement Program funds), with the City’s Prop A General Obligation bond (2014) covering the rest; and
WHEREAS, The initial budget was subsequently updated by Caltrain staff to reflect a
cost estimate study conducted in 2014 and to account for received bids, resulting in a new
projected cost of $1.22 billion, an increase of $755 million; and

WHEREAS, The 2013 MOU identified $125 million in Federal Transit Administration
(FTA) transit formula funds, which are now needed by the PCJPB to advance critical state-of-
good-repair improvements necessary to maintain existing Caltrain operations; the PCJPB has
requested removal of these funds from the Early Investment Strategy, which creates a $125
million funding gap; and

WHEREAS, The parties have negotiated a Seven-Party Supplement to the MOU
(Agreement), a copy of which is in Board of Supervisors File No. 160796, under which most of
the cost increase and funding gap is proposed to be covered by an FTA Core Capacity grant
($647 million) and State Cap and Trade Program funds (including some from CHSRA’s
share), with MTC and PCJPB members also making increased contributions; and

WHEREAS, This Agreement would commit the three PCJPB members to a total local
contribution of $80 million each for the Early Investment Program for the Peninsula Corridor, a
$20 million increase to the amount proposed in the MOU; and

WHEREAS, Under this Agreement, the $20 million increase would be covered by the
City and/or the SFCTA; and

WHEREAS, There is $3.9 million remaining in the Electrification line item in the SFCTA
Prop K Strategic Plan that has been included in the proposed Fiscal Year 16/17 capital
budget, which was approved at the June 28, 2016, SFCTA Board meeting; and

WHEREAS, The City and the SFCTA are jointly seeking to identify the remaining $16.1
million, which could include General Fund revenues associated with a proposed 2016 charter
amendment establishing, among other things, a transportation set-aside or a transportation
sales tax measure; and
WHEREAS, This Agreement will be subject to a Funding Partners Oversight Protocol for Caltrain’s Cal Mod Program, a copy of which is in Board of Supervisors File No. 160796, under which the funding partners will be able to closely monitor the Caltrain electrification project, have access to all project information, and participate in the decision-making process, especially when related to changes in scope, schedule, or cost; and

WHEREAS, At its June 28, 2016, meeting, the SFCTA reviewed the subject request and unanimously approved authorization for the Executive Director to execute, with conditions, this Agreement; now, therefore, be it

RESOLVED, That the Board of Supervisors incorporates the CEQA findings and determinations it made under Resolution No. 07-16 for the purposes of this action; and further finds that since the PCEP FEIR was certified, there have been no substantial project changes and no substantial changes in project circumstances that would require major revisions to the FEIR due to the involvement of new significant environmental effects or an increase in the severity of previously identified significant impacts, and there is no new information of substantial importance that would change the conclusions set forth in the FEIR; and be it

FURTHER RESOLVED, That the Board of Supervisors approves the Seven-Party Supplement to the 2012 Memorandum of Understanding, including the City’s Special Conditions attached as Exhibit C, and also approves the Funding Partners Oversight Protocol (Protocol) for Caltrain’s Cal Mod Program as a condition to approval of the Agreement, and authorizes the Director of Transportation to sign the Protocol on behalf of the City; and be it

FURTHER RESOLVED, That the Board of Supervisors authorizes the Mayor to enter into any amendments or modifications to the Agreement, and authorizes the Director of Transportation to enter into any amendments or modifications to the Protocol, that the Mayor or the Director of Transportation, respectively, determines, in consultation with the City Attorney and the Controller, are in the best interest of the City, do not materially increase the

Supervisor Cohen
BOARD OF SUPERVISORS
obligations or liabilities of the City, are necessary or advisable to effectuate the purposes of
this Resolution, and are in compliance with all applicable laws, including City's Charter.

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Resolution approving the Seven-Party Supplement to 2012 Memorandum of Understanding, regarding Financial Commitments to Address the Funding Gap for the Peninsula Corridor Electrification Project.

July 27, 2016 Budget and Finance Sub-Committee - RECOMMENDED

August 02, 2016 Board of Supervisors - AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE
Ayes: 11 - Avalos, Breed, Campos, Cohen, Farrell, Kim, Mar, Peskin, Tang, Wiener and Yee

August 02, 2016 Board of Supervisors - CONTINUED AS AMENDED
Ayes: 6 - Avalos, Campos, Kim, Mar, Peskin and Tang
Noes: 5 - Breed, Cohen, Farrell, Wiener and Yee

August 08, 2016 Board of Supervisors - AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE
Ayes: 7 - Breed, Kim, Mar, Peskin, Tang, Wiener and Yee
Excused: 4 - Avalos, Campos, Cohen and Farrell

August 08, 2016 Board of Supervisors - ADOPTED AS AMENDED
Ayes: 7 - Breed, Kim, Mar, Peskin, Tang, Wiener and Yee
Excused: 4 - Avalos, Campos, Cohen and Farrell
File No. 160796

I hereby certify that the foregoing Resolution was ADOPTED AS AMENDED on 8/8/2016 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

8/15/2016
Date Approved