



CITY AND COUNTY OF SAN FRANCISCO

OFFICE OF THE CONTROLLER

Ben Rosenfield
Controller

Todd Rydstrom
Deputy Controller

Nadia Sesay
Director
Office of Public Finance

MEMORANDUM

TO: Honorable Members, Board of Supervisors

FROM: Ben Rosenfield, City Controller *BR*
Nadia Sesay, Public Finance Director *NS*

SUBJECT: Legislation Approving the Transbay Transit Center Project Construction Management and Oversight Services Intergovernmental Agreement

DATE: Tuesday, May 10, 2016

The Controller's Office respectfully recommends approval of the attached Resolution and supporting documentation by the Budget and Finance Committee in connection with the Transbay Project construction management and oversight services intergovernmental agreement between the Transbay Joint Powers Authority ("TJPA") and the Department of Public Works (Public Works).

The Transbay Project:

The TJPA is a joint powers agency responsible for financing, design, development, construction, and the operation of the Transbay Transit Center Program ("Transbay Project"). The Transbay Project includes (1) the design and construction of a temporary terminal and then the permanent Transbay Transit Center, including open space on the roof of the Transit Center, a bus ramp, bus storage facility and the Train Box component of the rail extension ("Phase 1"); (2) the extension of Caltrain rail tracks from their current San Francisco terminus at Fourth and Townsend Streets to a new underground terminus beneath the Transbay Transit Center to accommodate Caltrain and California High Speed Rail ("Phase 2"); and (3) in coordination with the Office of Community Investment and Infrastructure ("OCII"), certain activities related to implementation of the Redevelopment Plan for the Transbay Redevelopment Project Area.

Phase 1 will create a new six-story Transit Center with above-grade bus level, rooftop park, above grade bus level, concourse retail and circulation level, ground-floor, two below-grade rail levels serving Caltrain and future California High Speed Rail (the exterior shell of the two below-grade levels collectively referred to as the "Train Box") a new off-site bus storage facility and a

new bus ramp that will connect the Transit Center the bus storage facility and the San Francisco-Oakland Bay Bridge. Completion of Phase 1 is anticipated in fall 2017.

The Phase 1 of the Transbay Project has increased by \$360 million, to \$2.259 billion from \$1.899 billion, following a cost review performed by the Metropolitan Transportation Commission ("MTC").

Interim Financing:

On May 3, 2016, the Board of Supervisors approved legislation authorizing short-term interim financing in an amount not to exceed \$260 million to cover the funding gap of approximately \$250 million plus financing costs for Phase 1 of the Transbay Project.

Financial Oversight and Construction Management:

As part of the interim financing, the City and MTC established a Cost Review Committee ("Committee") comprised of the City Controller, Executive Director of MTC and Executive Director/Chief Financial Officer of the TJPA. The Committee is authorized to make recommendations to the TJPA Board regarding financial and budgetary issues, any new or amended contract over \$250,000, internal controls and conduct financial or performance audits as deemed necessary.

In addition, in November 2015, pursuant to an amendment to the bylaws of the TJPA, the Department of Public Works will provide construction, management and oversight services to the TJPA board. The Transbay Project Construction Management and Oversight Services Intergovernmental Agreement ("Agreement") was approved by the TJPA Board on April 22, 2016.

Additional Information:

A form of the Agreement is attached for you review.

Your consideration of this matter is greatly appreciated. Please contact Ben Rosenfield or Nadia Sesay at 415-554-7500 if you have any questions.

CC: Angela Calvillo, Clerk of the Board of Supervisors
Harvey Rose, Budget and Legislative Analyst
Nicole Elliott, Director of Legislative & Government Affairs
Melissa Whitehouse, Acting Mayor's Budget Director
Mark Blake, Deputy City Attorney
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