



**November 30, 2015**

**The Honorable Members of the Board of Supervisors  
City and County of San Francisco  
1 Dr. Carlton Goodlett Place, Room 244  
San Francisco, CA 94102**

***Subject: Request for Approval – Agreement for funding Caltrain projects***

**Honorable Members of the Board of Supervisors:**

The San Francisco Municipal Transportation Agency (SFMTA) requests that the San Francisco Board of Supervisors authorize the Director of Transportation to execute the Agreement between the City and County of San Francisco and the Peninsula Corridor Joint Powers Board Regarding Administration of Capital Funding for the Design and Construction of the Communications-Based Overlay Signal System Positive Train Control Project and the Peninsula Corridor Electrification Project.

**Background**

In 1988, the Santa Clara County Transit District (now known as the Santa Clara Valley Transportation Authority), the San Mateo County Transit District, and the City and County of San Francisco (collectively, Member Agencies) entered into a Joint Powers Agreement (JPA) creating the Peninsula Corridor Joint Powers Board (JPB) for the purpose of conducting planning studies related to Peninsula commute service (PCS).

In 1991, the Member Agencies expanded the powers of the JPB to enable it to plan, oversee and operate the PCS following transfer of the system assets from the State of California to local control, and allocate among the parties the administrative, capital and operating expenses attendant to ownership of the Peninsula Corridor right-of-way and operation.

Under the JPB Agreement, the three Member Agencies share equally in the costs of capital projects when those costs are not covered by outside sources. Two major capital improvements to the Caltrain Corridor are currently underway and require local contributions—the Communications Based Overlay Signal System Positive Train Control system (CBOSS-PTC) and the Peninsula Corridor Electrification Project (PCEP) (cumulatively, Caltrain Projects).

The CBOSS-PTC system will track train locations and prevent unsafe train movements through the use of equipment on board the locomotives and in the field. This system is a key component of the Caltrain Modernization Program, which will electrify and upgrade the performance, operating efficiency, capacity, safety and reliability of Caltrain's commuter rail service, providing Peninsula communities with modernized rail service that will help meet growing ridership demand between San Francisco and San Jose.

PCEP is a key component of the Caltrain Modernization program. PCEP will electrify the Caltrain Corridor from the 4th and King Station in San Francisco to approximately the Tamien Station in San Jose, convert the fleet from diesel to electric trains, and increase service by up to six Caltrain trains per peak hour per direction. Electrification will improve Caltrain system performance; improve travel time; enable the system to accommodate more riders; reduce the long-term environmental impact by decreasing noise, improving regional air quality, and cutting greenhouse gas emissions. The project will also be designed to enable the corridor to be used in the future by both Caltrain and high speed rail.

### **Description of Work**

In furtherance of the Initial Investment Strategy set forth in a Memorandum of Understanding among the Member Agencies, dated Jan. 25, 2013, the City agreed to work with the other Member Agencies to identify the appropriate amounts and types of local resources that may be used to support the completion of the CBOSS-PTC and PCEP projects.

In Nov. 2013, Mayor Ed Lee's Transportation Task Force issued its plan to address the City's future transportation capital needs. The Task Force's recommendations included contributing \$39 million toward Caltrain Electrification from future new revenue sources.

In Nov. 2014, San Francisco voters approved the \$500 million Transportation and Road Improvement General Obligation Bond (2014 GO Bond), as recommended by the Mayor's Transportation Task Force. As noted in the June 2014 Bond Report, the City has designated that \$39 million from the 2014 GO Bond be used toward the City's required contribution to CBOSS-PTC and PCEP.

The SFMTA will serve as the fiscal agent for disbursement of these bond proceeds on behalf of the City and County of San Francisco. The Agreement establishes how the SFMTA will disburse and administer the GO Bond proceeds for CBOSS-PTC and PCEP and the JPB's role in implementing the project, including maintaining records of expenditures, and providing reports in order to obtain reimbursement from the SFMTA. The Agreement also sets forth dispute resolution provisions and remedies in the event of any default by the parties.

### **Alternatives Considered**

The agreement is required to make the funds already appropriated by the Board of Supervisors available to the JPB.

### **Funding Impact**

On May 5, 2015, the SFMTA Board of Directors adopted Resolution No. 15-070, which recommended, among other things, that the Board of Supervisors appropriate \$7.8 million from GO Bond sale proceeds to the SFMTA to be used as the City's contribution to Caltrain for the CBOSS-PTC Project. On June 18, 2015, the City approved Ordinance No. 93-15, which appropriated

\$7.76 million from the first issuance and sale of the 2014 GO Bond to satisfy a portion of the City's contribution to the JPB for the CBOSS-PTC project. An additional \$31.2M is expected to be appropriated for PCEP from future GO Bond issuances. Debt service on the GO Bond will be paid out of the City's levy of ad valorem property taxes.

### **SFMTA Board Action**

On Dec. 1, 2015, the SFMTA Board approved a Resolution authorizing the Director of Transportation to execute the Agreement between the City and County of San Francisco and the JPB Regarding Administration of Capital Funding for the Design and Construction of the CBOSS-PTC Project and the PCEP, pending approval by the Board of Supervisors.

### **Recommendation**

The SFMTA urges the Board of Supervisors to pass the resolution approving an agreement between the City and County of San Francisco and the Peninsula Corridor Joint Powers Board regarding administration of capital funding for the design and construction of the Communications-Based Overlay Signal System Positive Train Control Project and the Peninsula Corridor Electrification Project.

**Sincerely,**

**Edward D. Reiskin**  
**Director of Transportation**