

1 [Seven-Party Supplement to the 2012 Memorandum of Understanding - Peninsula Corridor
2 Electrification Project]

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

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

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

19 WHEREAS, The program will modernize the corridor, reduce train-related emissions by
20 up to 97 percent, provide faster and increased service to more stations, and prepare the
21 Caltrain system for shared use with high-speed rail; and

22 WHEREAS, On January 8, 2015, the PCJPB Board of Directors adopted Resolution
23 No. 2015-03, certifying the PCEP Final Environmental Impact Report (PCEP FEIR) for the
24 Peninsula Corridor Electrification Project in conformance with CEQA law and Guidelines; and

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1 WHEREAS, On January 8, 2015, the PCJPB Board of Directors, as part of Resolution
2 No. 2015-04 approving the PCEP, approved and adopted CEQA Findings of Fact, including a
3 Statement of Overriding Considerations and a Mitigation Monitoring and Reporting Plan
4 (MMRP); and

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

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

19 WHEREAS, At the time the MOU was executed, the total cost for the Early Investment
20 Program was \$1,456,000,000 with a proposed \$60,000,000 local contribution from each of the
21 three PCJPB member counties (San Francisco, San Mateo and Santa Clara); and

22 WHEREAS, The SFCTA has committed funds to cover \$20,860,000 of San Francisco's
23 proposed original \$60,000,000 contribution (mostly from Prop K sales tax, with \$4,000,000 in
24 Regional Improvement Program funds), with the City's Prop A General Obligation bond (2014)
25 covering the rest; and

1 WHEREAS, The initial PCEP budget was subsequently updated by Caltrain staff to
2 reflect a cost estimate study conducted in 2014, add contingency, and account for received
3 bids, resulting in a new total Early Investment Program projected cost of \$2,210,000,000 an
4 increase of \$755,000,000; and

5 WHEREAS, The MOU identified \$125,000,000 in Federal Transit Administration (FTA)
6 transit formula funds, which are now needed by the PCJPB to advance critical state-of-good-
7 repair improvements necessary to maintain existing Caltrain operations; the PCJPB has
8 requested removal of these funds from the Early Investment Strategy, which creates a
9 \$125,000,000 funding gap: and

10 WHEREAS, The parties have negotiated a Seven-Party Supplement to the MOU
11 (Agreement), a copy of which is in Board of Supervisors File No. 160796, under which most of
12 the PCEP cost increase and funding gap is proposed to be covered by an FTA Core Capacity
13 grant (\$647,000,000) and State Cap and Trade Program funds (including some from
14 CHSRA's share), with MTC and PCJPB members also making increased contributions; and

15 WHEREAS, This Agreement would commit the three PCJPB members to a total local
16 contribution of \$80,000,000 each for the Early Investment Program for the Peninsula Corridor,
17 a \$20,000,000 increase to the amount proposed in the MOU; and

18 WHEREAS, Under this Agreement, the \$20,000,000 increase would be covered by the
19 City and/or the SFCTA; and

20 WHEREAS, There is \$3,900,000 remaining in the Electrification line item in the SFCTA
21 Prop K Strategic Plan that has been included in the proposed FY2016-2017 capital budget,
22 which was approved at the June 28, 2016, SFCTA Board meeting; and

23 WHEREAS, The City and the SFCTA are jointly seeking to identify the remaining
24 \$16,100,000 which could include General Fund revenues associated with a proposed 2016
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1 charter amendment establishing, among other things, a transportation set-aside or a
2 transportation sales tax measure; and

3 WHEREAS, As a precondition of this Agreement, the parties have agreed on a Funding
4 Partners Oversight Protocol for Caltrain's Cal Mod Program, a copy of which is in Board of
5 Supervisors File No. 160796, under which the funding partners will be able to closely monitor
6 the Projects, have access to all project information, and participate in the decision-making
7 process, especially when related to changes in scope, schedule or cost; and

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

11 RESOLVED, That the Board of Supervisors incorporates the CEQA findings and
12 determinations it made under Resolution No. 7-16 for the purposes of this action; and further
13 finds that since the PCEP FEIR was certified, there have been no substantial project changes
14 and no substantial changes in project circumstances that would require major revisions to the
15 FEIR due to the involvement of new significant environmental effects or an increase in the
16 severity of previously identified significant impacts, and there is no new information of
17 substantial importance that would change the conclusions set forth in the FEIR; and, be it

18 FURTHER RESOLVED, That the Board of Supervisors approves the Seven-Party
19 Supplement to the 2012 Memorandum of Understanding, including the City's Special
20 Conditions attached as Exhibit C, and also approves the Funding Partners Oversight Protocol
21 for Caltrain's Cal Mod Program as a condition to approval of the Seven-Party Supplement.

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