

1 [Seven-Party Supplement to the 2012 Peninsula Corridor Electrification Project MOU.]

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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 (2013 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 (PCEP), and the purchase of electric multiple unit vehicles to operate
18 on the electrified railroad (collectively, "the Projects"); and

19 WHEREAS, The program will modernize the corridor, reduce train-related emissions by
20 up to 90 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 JPB Board of Directors adopted Resolution No.
23 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

1 WHEREAS, On January 8, 2015, the JPB Board of Directors, as part of Resolution No.
2 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 JPB 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 million, with a proposed \$60 million 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 \$20.86 million of San
23 Francisco's proposed original \$60 million contribution (mostly from Prop K sales tax, with \$4
24 million in Regional Improvement Program funds), with the City's Prop A General Obligation
25 bond (2014) covering the rest; and

1 WHEREAS, The initial budget was subsequently updated by Caltrain staff to reflect a
2 cost estimate study conducted in 2014 and to account for received bids, resulting in a new
3 projected cost of \$1.22 billion, an increase of \$755 million; and

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

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

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

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

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

22 WHEREAS, The City and the SFCTA are jointly seeking to identify the remaining \$16.1
23 million, which could include General Fund revenues associated with a proposed 2016 charter
24 amendment establishing, among other things, a transportation set-aside or a transportation
25 sales tax measure; and

1 WHEREAS, This Agreement will be subject to a Funding Partners Oversight Protocol
2 for Caltrain’s Cal Mod Program, a copy of which is in Board of Supervisors File No. 160796,
3 under which the funding partners will be able to closely monitor the Caltrain electrification
4 project, have access to all project information, and participate in the decision-making process,
5 especially when related to changes in scope, schedule, or cost; and

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

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

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

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

1 obligations or liabilities of the City, are necessary or advisable to effectuate the purposes of
2 this Resolution, and are in compliance with all applicable laws, including City's Charter.

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