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June 21, 2019

**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: Agreement No. 2019-63, Administration of Capital Funding for the  
BART/Muni Market Street Entrance Modernization Project**

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

The San Francisco Municipal Transportation Agency (SFMTA) requests authorization on behalf of the City, to execute the Agreement No. 2019-63, Administration of Capital Funding for the BART/Muni Market Street Entrance Modernization Project, pursuant to Charter section 9.118. This agreement will fund half of the cost of installing canopies over the four BART/Muni station entrances on Market Street with proceeds from the sale of General Obligation bonds, in an amount not to exceed \$45,000,000, and for a term beginning as of February 1, 2018, and ending December 31, 2025, and was authorized by the SFMTA Board of Directors on June 18, 2019.

## **Background**

In November 2014, San Francisco voters approved the \$500 million Transportation and Road Improvement General Obligation Bond (2014 GO Bond).

The City will provide up to \$45 million, which represents half the cost for design and construction of canopies that are part of the Canopy Project, using proceeds from the sale of the second and future issuances from the 2014 GO Bond.

On May 16, 2017, the SFMTA Board of Directors adopted Resolution No. 170516-065, which recommended, among other things, that the Board of Supervisors appropriate \$3 million from the second issuance of GO Bond sale proceeds for the Canopy Project. On February 01, 2018, the City approved Resolution No. 17-18, which authorized the sale of Series 2018B GO Bonds from the 2014 Bond, in an amount not to exceed \$177,000,000. Subsequently on February 9, 2018, the City approved Ordinance No. 19-18, which appropriated \$3 million from the sale of the second issuance of the 2014 GO Bond for the Canopy Project.

Under the Canopy Project, BART intends to install canopies above the entrances to the BART/Muni stations along Market Street as required by State code to protect newly installed



escalators from weather-related damage and to enhance safety. The canopies are going up in conjunction with the Market Street Escalators Renovation Project that will install and replace 41 escalators in downtown San Francisco. In March 2019, the BART Board of Directors awarded a \$96.5 million contract for the Escalators Renovation Project that will install and replace 41 escalators in downtown San Francisco. It is anticipated that BART can complete work on six escalators per year and the first escalators are expected to be delivered for installation in spring 2020. Under the maintenance agreement with BART, SFMTA will fund \$34 million of the escalator project, which represents half of the cost of the shared station elevators.

The canopies will not only protect the new escalators from the wear-and-tear of elements like rain and wind-swept debris, they will provide an added layer of station security and cleanliness through motorized gates that allow the entrances to be locked at the street level when stations are closed. Each canopy includes a real-time digital display that shows train arrival times, a retractable gate, LED lighting and security cameras. BART estimates that the Canopy Project will be completed by the end of 2025.

In November 2018, BART opened the first two canopies above the entrances to the Powell Street Station (north side of Market and Ellis Streets) and the Civic Center Station (south side of Market and 7th Streets). The two canopies were built as a pilot project. The remaining canopies will be installed at 19 BART/Muni entrances (Embarcadero, Montgomery, Powell, and Civic Center). BART intends to include three options in the contract (not included in the \$90 million estimated project cost) that may be exercised in coordination with the City's Civic Center Public Realm and Better Market Street projects which may affect the entrances and if funding is available as follows:

- Option 1: Two street level canopies at Powell Street Station (which may be jointly agreed by BART and the City to be closed)
- Option 2: One new street level canopy at the UN Plaza entry of Civic Center Station (where the City is contemplating constructing a building that would take the place of the canopy)
- Option 3: Incorporation of patterned art into the ceilings of the canopies.

The SFMTA will serve as the fiscal agent for disbursement of these bond proceeds on behalf of the City. The Agreement establishes how the SFMTA will disburse and administer the GO Bond proceeds for the Canopy Project and BART'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 appropriated by the Board of Supervisors available to BART. No other alternative was considered.

## **Funding Impact**

The City's Board of Supervisors has appropriated \$3 million from the sale of the second issuance of GO Bonds for the Canopy Project (Ordinance No. 19-18). Other disbursements of GO Bond proceeds for the Project are planned for the future as additional GO Bonds are issued and sold. This Agreement will cover all future disbursements of GO Bond proceeds for the Canopy Project, as the bonds are sold and the funds are appropriated by the Board of Supervisors. The GO Bond proceeds will be reduced by the actual costs incurred for issuance of the bonds, when known.

Previously, BART has estimated that the Canopy Project would cost \$60 million, to be split equally between BART and the City (\$30 million each). BART's current estimated cost is \$90 million (\$45 million each). According to BART, the project cost has increased due to recent cost estimates reflecting current market conditions, e.g. Bay Area labor shortages, material tariffs, escalation. BART also reevaluated the Project schedule and project risks based on the pilot canopy project. Subject to approval and appropriation by the City, the agreement allows for the GO Bond to cover up to \$45 million of the City's share.

## **Environmental Review**

On December 21, 2015, BART found that the Canopy/Escalator Replacement Project – Powell Street and Civic Center Station (pilot project for two canopies at Powell Station and one canopy at Civic Center Station, along with escalator improvements) was exempt from the California Environmental Quality Act (CEQA), Public Resources Code section 21000 et seq, under Title 14 of the California Code of Regulations Section 15301 ("the exemption"), and filed a Notice of Exemption.

On June 28, 2018, the BART Board of Directors adopted a Mitigated Negative Declaration (MND) under CEQA, as well as a Mitigation Monitoring and Reporting Program, and approved the entire BART Market Street Canopies and Escalators Modernization Project.

On June 18, 2019, the SFMTA Board of Directors adopted Resolution No. 190618-070, approving the BART/Muni Market Street Entrance Modernization Project, and found that the exemption and MND were adequate for the SFMTA Board's use as the decision-making body



for the actions taken, and incorporated the CEQA findings adopted by the BART Board of Directors by reference.

The proposed Agreement is within the scope of the Canopy/Escalator Replacement Project – Powell Street and Civic Center Station exemption and the BART Market Street Canopies and Escalators Modernization Project MND. Copies of the CEQA determinations are on file with the Secretary to the SFMTA Board of Directors and may be found in the records of the Bay Area Rapid Transit District at 300 Lakeside Drive, Oakland.

### **Recommendation**

The SFMTA requests that the San Francisco Board of Supervisors authorize the Director of Transportation to execute the Agreement No. 2019-63, Administration of Capital Funding for the BART/Muni Market Street Entrance Modernization Project, with BART, to fund half of the cost of installing canopies over the four BART/Muni station entrances on Market Street with proceeds from the sale of General Obligation bonds, in an amount not to exceed \$45,000,000, and for a term beginning as of February 1, 2018, and ending December 31, 2025.

Thank you for your time and consideration of this proposal. Should you have any questions or require more information, please do not hesitate to contact me at any time.

Sincerely,

A handwritten signature in black ink, appearing to read 'E. Reiskin'.

Edward D. Reiskin  
Director of Transportation