

THIS STAFF REPORT COVERS CALENDAR ITEM NO.: 7.3
FOR THE MEETING OF: July 15, 2010

TRANSBAY JOINT POWERS AUTHORITY

BRIEF DESCRIPTION:

Approve an Amendment to the Intergovernmental Agreement between the Transbay Joint Powers Authority (TJPA) and the San Francisco Planning Department (Department) to (1) extend the term of the Agreement; (2) increase the compensation to the Department for its services in developing the Transit Center District Plan (TCDP); and (3) enhance the cooperation between TJPA and the Department in developing the TCDP.

EXPLANATION:

In early 2006, the San Francisco Mayor's Interagency Working Group on the Transbay Terminal Program published its report proposing new financing sources for the Transbay Transit Center Program. The report recommended that the City and County of San Francisco adopt a Transbay Transit Center District Plan (TCDP) with the Transbay Transit Center Project as the focal point. The primary purpose of the TCDP was to create additional mechanisms for financing the Transbay Project. The report proposed the creation of a Mello-Roos Community Facilities District and the imposition of new development impact fees on commercial and residential development in the District, among others.

On September 20, 2007, the TJPA and the Department entered into an Intergovernmental Agreement (Agreement) under which the TJPA agreed to fund the Department's work to develop a land-use and implementation plan for the TCDP. The primary purpose of the TCDP is to create additional mechanisms for financing the Transbay Transit Center Program (Program). The Department's land-use planning is expected to be used as the basis for an amendment to the City and County of San Francisco's General Plan.

Under the Agreement, the Department issues and manages contracts to provide land-use plans, environmental review, and a nexus study to support development impact fees to finance the Program and other infrastructure in the TCDP, and implement those plans for the Transbay Center District Plan. The Agreement has a maximum compensation of \$730,000, which has been paid in full at this time. The City's adoption of the Transbay District Plan could result in significant benefit to the Program, including the provision of land-use analysis necessary to update the TJPA's funding projections and financial benefits from development in the Transbay District and of TJPA properties. When the Agreement was approved, it was acknowledged that the value to the TJPA of these benefits would exceed the \$730,000 that the TJPA would compensate the Department under this Agreement.

In May 2009, the San Francisco County Transportation Authority approved additional funding for the TCDP at the request of TJPA and the Department due to additional complexity in terms of coordination, and the financial, transportation, public realm, and sustainability aspects of the TCDP. A substantial amount of unforeseen coordination with other City departments and offices as well as property owners and TJPA consultants has been required, justifying the funding

increase. The maximum compensation under the Agreement will be increased by \$145,000 under the Amendment, for a total maximum compensation of \$875,000.

The term of the Agreement will also be extended for an additional year under the Amendment, as the original three-year term would expire in September 2010.

Additionally, the Amendment establishes a process for monthly meetings between the TJPA and its consultants and the Department and its consultants to discuss the nexus study and the other plans, studies, and reports currently underway.

RECOMMENDATION:

Approve the Amendment to the Agreement between TJPA and Department to (1) extend the term of the Agreement by one year; (2) increase the compensation to the Department for its services in developing the Transit Center District Plan (TCDP) by \$145,000; and (3) enhance the cooperation between TJPA and the Department in developing the TCDP.

ENCLOSURES:

1. Resolution
2. Amendment

**TRANSBAY JOINT POWER AUTHORITY
BOARD OF DIRECTORS**

Resolution No. _____

WHEREAS, The Transbay Joint Powers Authority (TJPA) is a joint powers agency organized and existing under the laws of the State of California; and

WHEREAS, The San Francisco Planning Department (Department) is a department of the City and County of San Francisco; and

WHEREAS, The Transbay District Center Plan (TCDP) is under development by the Department, the purpose of which is to create additional funding mechanisms for financing the Transbay Transit Center Program (Program); and

WHEREAS, On September 20, 2007, the TJPA Board authorized an intergovernmental agreement with the Department authorizing the Department to perform planning studies for development of the TCDP for a three-year term and maximum compensation not to exceed \$730,000; and

WHEREAS, A substantial amount of unforeseen coordination by the Department with other City departments and offices as well as property owners and TJPA consultants has been required, and there has been unforeseen complexity in the financial, transportation, public realm and sustainability aspects of the TCDP development; and

WHEREAS, The Amendment establishes a process for monthly meetings between the TJPA and its consultants and the Department and its consultants to discuss the nexus study currently underway; and

WHEREAS, Additional funding for the TCDP has been approved by the San Francisco County Transportation Authority; and

WHEREAS, Staff recommends that the TJPA Board approve the Amendment to the Agreement between the TJPA and the Department to (1) extend the term of the Agreement; (2) increase the compensation to the Department for its services in developing the TCDP; and (3) enhance the cooperation between TJPA and the Department in developing the TCDP; now, therefore, be it

RESOLVED, That the TJPA Board authorizes the Executive Director to execute the Amendment to the Agreement between the TJPA and the Department to (1) extend the term of the Agreement by one year; (2) increase the compensation to the Department for its services in developing the TCDP by \$145,000; and (3) enhance the cooperation between TJPA and the Department in developing the TCDP.

I hereby certify that the foregoing resolution was adopted by the Transbay Joint Powers Authority Board of Directors at its meeting of July 15, 2010.

Secretary, Transbay Joint Powers Authority

**FIRST AMENDMENT TO INTERGOVERNMENTAL AGREEMENT BETWEEN THE
TJPA AND THE SF PLANNING DEPARTMENT**

Recitals

A. In early 2006, the San Francisco Mayor’s Interagency Working Group on the Transbay Terminal Program published its report proposing new financing sources for the Transbay Transit Center Program. The report recommended that the City and County of San Francisco adopt a Transbay Transit Center District Plan (“TCDP”) with the Transbay Transit Center Project as the focal point. The primary purpose of the TCDP was to create additional mechanisms for financing the Transbay Project. The report proposed the creation of a Mello-Roos Community Facilities District and the imposition of new development impact fees on commercial and residential development in the District, among others.

B. On September 20, 2007, the Transbay Joint Powers Authority (“TJPA”) and the San Francisco Planning Department (“Department”) entered into an intergovernmental agreement (“Agreement”) under which the TJPA agreed to fund the Department’s work to develop a land-use and implementation plan for the TCDP.

C. Paragraph 25 of the Agreement allows for its modification by written instrument executed and approved according to the TJPA’s requirements.

D. In view of the primary purpose of the TCDP to provide mechanisms for additional funding for the Transbay Project, the Department and the TJPA wish to modify the Agreement to (1) extend the term of the Agreement; (2) increase the compensation to the Department for its services in developing the TCDP; and (3) enhance their cooperation in developing the TCDP by allowing the TJPA to review and comment on TCDP documents before those documents are circulated to other agencies or the public.

E. This First Amendment modifies Section 2, Term of the Agreement and Appendix A of the Agreement regarding the TCDP Schedule and compensation. All other provisions of the Agreement remain the same.

Agreement

Now, THEREFORE, the parties agree as follows:

1. The Department anticipates publishing a Draft Nexus Study in August 2010 to support the development impact fees proposed in the Draft TCDP.
2. The Department will publish a Final Nexus Study after the Draft Nexus Study.
3. The Department anticipates publishing the Draft EIR/EIS for the TCDP in October 2010.
4. The Department anticipates circulating further drafts of the TCDP, including the Implementation Section, to outside agencies and groups from time to time.

5. The Department anticipates publishing the Final Plan for the TCDP in March 2011.

6. The Department anticipates publishing the General Plan and Planning Code/Zoning Map Ordinances for the TCDP in March 2011.

7. The Department anticipates certifying the Final EIR/EIS for the TCDP in March 2011, and adoption hearings at the Board of Supervisors in March – May 2011.

8. The Department will keep the TJPA fully informed of any changes contemplated to the schedule above. Commencing on June 23, 2010, and every 30 days thereafter until the TCDP is finally approved by the Planning Commission, the Department and its consultants preparing any nexus studies to support the TCDP will meet with the TJPA and its consultants to review the most current drafts of the reports, studies, plans, policies, and ordinances identified in items 1-6 of this Agreement and supporting documentation (collectively, "Plans"). Notwithstanding this monthly meeting, the Department and its consultants agree to seek the comments of the TJPA and its consultants on the Plans at any point during their preparation where appropriate. The Department and its consultants will give full consideration to the comments of the TJPA and its consultants in preparing the Plans for final publication and approval by the Planning Commission.

9. Section 2 of the Agreement is amended to read as follows:

Subject to Section 1, this Agreement shall expire on October 31, 2011; provided that: (i) TJPA shall have the right to extend this Agreement for an additional year by providing to Department written notice of such extension on or before the expiration of this Agreement, and (ii) any such extension shall be subject to and conditioned upon the written agreement of Department and the approval of such extension by resolution adopted by the TJPA's Board of Directors.

10. The compensation to the Department for Item 3, "Planning Analysis," in the Proposed Scope of Work and Costs of Appendix A of the Agreement shall be increased from \$225,000 to \$295,000. Item 10 of the Proposed Scope of Work and Costs shall be modified to read "Planning Department Staffing Costs \$75,000."

THIS First Amendment shall become effective on the date it is executed by the Parties.

I, Maria Ayerdi-Kaplan, on behalf of and under the authority vested in my by the TJPA Board of Directors, am authorized to and do modify the Agreement under the terms and conditions set forth above.

Maria Ayerdi-Kaplan, Executive Director

Dated: _____

APPROVED AS TO FORM:

By _____
Andrew W. Schwartz, Counsel for TJPA

I, John Rahaim, on behalf and under the authority vested in me by the City and County of San Francisco, am authorized to and do modify the Agreement under the terms and conditions set forth above.

John Rahaim, Director of Planning

Dated: _____

APPROVED AS TO FORM:

By _____
Deputy City Attorney