



TRANSBAY JOINT POWERS AUTHORITY

Maria Ayerdi • Executive Director

**TRANSBAY JOINT POWERS AUTHORITY
CITIZENS ADVISORY COMMITTEE
MEETING MINUTES**

Tuesday, February 12, 2008
Yerba Buena Center for the Arts
701 Mission Street
2nd Floor Conference Room
San Francisco, CA

Meeting #009

5:30 p.m.

CITIZENS ADVISORY COMMITTEE

Jim Lazarus, Chair
Karen Knowles-Pearce, Vice Chair
Andrew Baglino
Adrian Brandt
Richard Brooks
Tracy Cramer
Alfonso Felder
Peter Hartman
Adrienne Heim
Michael Kiesling
Shawn Leonard
Jane Morrison
Jul Lynn Parsons
Norm Rolfe
Dave Snyder

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1. Welcome & Call to Order

The meeting was called to order by Jim Lazarus, Chair, at 5:35 pm. A quorum was formed by 10 of the 15 voting members as follows: Jim Lazarus, Andrew Baglino, Adrian Brandt, Richard Brooks, Alfonso Felder, Peter Hartman, Adrienne Heim, Jane Morrison, Norm Rolfe, and Dave Snyder. Non-voting member Bob Beck was also present.

2. Approval of December 11, 2007 Meeting Minutes

Adrian Brandt made a motion to approve the Draft Meeting Minutes for the December 11, 2007 meeting and the motion was seconded by Richard Brooks. A vote was called by voice and the motion was unanimously moved and carried.

3. Staff Report – Bob Beck

Bob Beck welcomed the attendees and thanked them for coming to the meeting. He reminded the members that the CAC's one year anniversary is coming up, that the term limits for those who had a one year initial term will be expiring, and invited questions. Norm Rolfe asked if those whose first term was for 1 year would be eligible for 3 terms. Bob said that he will get clarification on that point. Bob mentioned that some members have mentioned possible conflicts with the Tuesday evening meeting schedule and asked for input regarding the possibility of making a change in the day of the week that the meetings are held. He recognized that many people are on other committees and that a change may not be possible. Jane Morrison mentioned that there were many committees who already meet on Wednesday. Dave Snyder asked if there will be a chance to know if the day could be changed before submitting his application to reapply and Bob replied probably not and that he should reapply and make a notation on his application as it is subject to his availability.

Bob highlighted the following milestones that had been reached by the TJPA since the last meeting:

- Received approval from the California Transportation Commission for the transfer of the Caltrans parcels to the TJPA;
- Closed on two of the three parcels within the footprint on the Temporary Terminal and in negotiation for the third property; and
- Received approval from the SFCTA for funding to continue Preliminary Engineering of the Downtown Extension (DTX) for the next 18 months.

Bob also summarized the TJPA goals for 2008 as follows:

- Complete the real estate acquisitions for Phase 1 and the DTX right-of-way preservation;
- Complete the design, advertise/bid/award, and begin construction on the Temporary Terminal;
- Continue work on the New Transit Center and ramps to award the design contract, program/concept verification with Pelli, issue RFQ and RFP for Construction Manager/General Contractor, plan and advertise existing terminal and ramp demolition, hazmat assessment and remediation planning, complete utility relocation design, and complete Transit Center schematic design;
- Continue work on the DTX project to develop the contracting strategy, move into the next phase of Preliminary Engineering, advance to 30% design, and initiate the loop environmental assessment; and
- Continue work on the Tower by assisting with the completion of the Transbay Transit District Plan study and executing an Exclusive Negotiation Agreement with Hines regarding the Transit Tower Development Agreement.

Jim Lazarus asked Bob where the TJPA is in their negotiations with Hines. Bob replied that negotiations are underway and that a draft agreement may be arrived at between March and June. Jim commented that the design of the Transit Center would continue and Bob said yes that it would be based on the Pelli design subject to the City Planning Environmental report.

4. Program Funding Report – Nancy Whelan

Nancy Whelan provided a PowerPoint presentation to update the members on the TJPA funding status. Recent progress in financing includes: finalization of the Phase 1 Baseline Budget, engagement of real estate economic advisors, updates of tax increment and land sales revenue estimates, updates of the cost and revenue cash flow plan, and completion of the State action on the land transfer in December 2007.

Since the preparation of the 2006 preliminary cost estimate, there have been double digit escalation in the bay area and the Program Phase 1 Budget was updated. The 2006 Preliminary Cost Estimate was \$983M and this has been increased to \$1,189M. The change was due to cost escalation (\$102M), additional construction costs (\$41M), reallocation of costs from Phase 2 to Phase 1 (\$38M), and additional contingencies (\$25M). Norm Rolfe asked if the reallocation costs from Phase 2 to Phase 1 is the train box and Nancy replied no. The box cost is approximately \$350M in Phase 2. She did say that if they can get the funding, they would like to bring the work into Phase 1.

Ms. Whelan reviewed the funding plan for Phase 1 and Phase 2 by comparing the August 2006 and November 2007 updated plans. She outlined the impacts of the AB1171 bridge toll money being available now, the land sales amount adjustment to \$411, the reduction of the TIFIA loan amount needs in Phase 1 so that more will be available for Phase 2, and that the train box cannot be built in Phase 1 due to the time frame regarding money availability.

Nancy confirmed that the San Francisco real estate market can support the state owned parcels redevelopment plan mix of residential, retail and office space. The sale and development of the state owned parcels will help pay for the cost of the Transbay Transit Center with 100% of the land sale and 60% of tax increment revenue going to the TJPA Transbay Transit Center. Once the tax base is established, any growth above that amount will come to the TJPA. The tax is currently 0%; therefore, this amount should be considerable. At minimum, the TJPA will apply for a \$227M Transportation Infrastructure Finance and Innovation Act (TIFIA) loan which will be repaid with the tax increment. We can lock in the loan at the treasury rate. The next milestone is to have the TJPA rated (Fitch Rating) on the revenue stream. We hope to receive an investment grade rating.

Ms. Whelan summarized the funding allocation sources and as of this date, a total of \$214,430,066 has been allocated and \$90,056,610 is pending. Phase 1 is fully funded and Phase 2 partial funds have been increased and additional funds are being pursued. Upcoming funding activities include application for Prop 1C funds, securing the TIFIA loan for Phase 1, executing a Lease and Use Agreement with AC Transit, and issuing RFP's for development of previously state-owned parcels.

Andrew Baglino asked if it is possible to get a North Bay / East Bay sales tax and Nancy advised that the TJPA has not had that opportunity. The East Bay is supportive with the bridge tolls and AC Transit will be contributing as a primary tenant.

Bob Beck mentioned that, regarding the train box, Pelli's design will carry through just short of design documents and that there could be a decision to add the box to the scope if funding comes available.

Jim Lazarus suggested that the TJPA be aggressive if the bond issue passes. Nancy advised that they are watching it. She mentioned that the TJPA numbers are intentionally conservative and that they will not include any bond funds until it passes and that the TJPA has a strong funding plan.

Peter Hartman asked if there was any "feel" for the environmental review that the SF Planning Department is doing and if it will have an impact on funding. Bob said he did not think it would impact funding.

A request was made to post Ms. Whelan's PowerPoint presentation on the Website and Bob Beck said it would be done.

5. Public Comment

None

6. Next Meeting

The next meeting is scheduled on Tuesday, March 11, 2008.

7. Adjourn

A motion to adjourn was made by Richard Brooks and seconded by Adrian Brandt. A vote was called by voice and the motion was unanimously moved and carried. The meeting was adjourned by Chair Lazarus at 6:40 pm.

The Ethics Commission of the City and County of San Francisco has asked us to remind individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Admin. Code Sections 16.520 - 16.534] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 1390 Market Street, Suite 801, San Francisco, CA 94102, telephone (415) 554-9510, fax (415) 554-8757 and web site: sfgov.org/ethics.