



**TRANSBAY JOINT POWERS AUTHORITY
BOARD OF DIRECTORS**

MINUTES

Thursday, November 8, 2018
1 Dr. Carlton B. Goodlett Place, Room 416
San Francisco, CA

REGULAR MEETING
9:30 a.m.

BOARD OF DIRECTORS

Mohammed Nuru, Chair
Jeff Gee, Vice Chair
Michael Hursh
Jane Kim
Boris Lipkin
Edward Reiskin
Nadia Sesay
Tony Tavares

Executive Director
Mark Zabaneh

Secretary
Nila Gonzales

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9:30 – REGULAR MEETING

ORDER OF BUSINESS

1. Call to Order

Chair Nuru called the meeting to order at 9:30 a.m.

2. Roll Call

Secretary Gonzales announced that Michael Hursh was joining as AC Transit's newly appointed representative and Director Chang was attending as Director Kim's alternate.

Present: Tilly Chang
Jeff Gee
Michael Hursh
Boris Lipkin
Ed Reiskin
Nadia Sesay
Mohammed Nuru

Absent: Jane Kim
Tony Tavares

3. Communications

None.

4. Board of Director's New and Old Business

None.

5. Executive Director's Report

- Quarterly Project Labor Agreement (PLA) Report

Executive Director Zabaneh provided an update on the progress of reopening the transit center and stated the team was working diligently with the Metropolitan Transportation Commission (MTC), who is conducting an independent investigation, to determine the cause of the fissures. He said the TJPA is eager to welcome the entire Bay Area back to the transit center and park, as it is a critical piece of the transportation network and an important source of open space for the neighborhood and the City. He reported that Fremont Street was reopened on October 14, 2018 after the temporary shoring was installed and that the shoring on First Street was installed during night closures to minimize impacts to the public. With the shoring system in place, crews took samples of the beams on Fremont Street and First Street and sent the samples to LPI, Inc. to determine the cause of fissures in the girders. Executive Director Zabaneh further stated the testing results were expected in late November and would be presented to the MTC Peer Review Panel. After testing is completed and the findings are accepted by the MTC Peer Review Panel, TJPA will develop a schedule to repair and reopen the transit center. He reassured the TJPA

Board that the team was working as quickly as possible to complete a thorough investigation in order to rebuild trust with transit riders and the public. He thanked MTC and their Peer Review Panel for their continued support, oversight and expertise along with their expeditious review.

Executive Director Zabaneh reported that the TJPA received final comments from the Federal Transit Administration (FTA) for the Supplemental Environmental Impact Statement / Environmental Impact Report (SEIS/EIR) and plans to send the SEIS/EIR back to the FTA, with their comments incorporated, for signature. He stated the final SEIS/EIR will be presented to the TJPA Board in December for approval.

Executive Director Zabaneh also reported that the San Francisco County Transportation Authority (SFCTA) passed Resolution 19-18, which suspended \$9.7 million Prop K allocation funds for the Downtown Rail Extension (DTX). He stated the suspension of funding will remain in place until the City Controller's office conducts an evaluation of TJPA management and delivery of Phase 1 as well as review alternative oversight and governance models for the delivery of DTX/Phase 2 by SFCTA staff. He welcomed the review by SFCTA and stated it will provide valuable lessons learned and the ability to deliver Phase 2 while remaining in full partnership with all stakeholders. He stated he will work directly with SFCTA Executive Director Chang and the City Controller's office on the conditions specified in Resolution 19-18.

Additionally, Executive Director Zabaneh reported that bus operations continue at the temporary terminal and since the temporary closing of the transit center, TJPA has taken steps to reduce staffing levels at the transit center. He stated the TJPA has developed a schedule for ramp-up time to augment staff upon reopening and information on the impact of the closure in regard to the operational budget will be presented to the TJPA Board in December. The TJPA is tracking all costs associated with the temporary closure throughout this process.

Furthermore, Executive Director Zabaneh reported another retail lease was on the agenda for the Board's consideration and he reemphasized the importance of the revenue generated from each retail lease to support operations. He stated the current operating projections for the transit center in a stabilized year is approximately \$32 million and that projected revenue for leasing, sponsorship and advertisement, naming rights, and contributions from the East Cut Community Benefit District for park operations is \$18 million. The remaining amount would come from toll funds, which is \$11 million, and an additional \$3 million from operator subsidies. Executive Director Zabaneh also stated that in addition to generating revenue from retail leasing and advertisement activities, the TJPA is looking to increase efficiencies by decreasing the reliance on revenue generated by tolls and operator subsidies for the transit center. He concluded his report by stating the importance of the transit center and the impact it has on the entire Bay Area and the State and highlighted that it is an economic driver for the neighborhood, creating direct and indirect jobs as well as sales tax revenue for the City and State. He reaffirmed that the TJPA will reopen the transit center as soon as it is safely possible.

Director Chang thanked Executive Director Zabaneh for attending the October 23, 2018 SFCTA meeting and providing an update on the transit center. She stated the SFCTA Board strongly supports the DTX project and intends to complete the review expeditiously to unsuspend the funds as soon as possible.

Vice Chair Gee suggested that the TJPA consider having a second peer review by the American Public Transportation Association (APTA) to examine the SFCTA review.

Director Hursh stated he would need to report back to the AC Transit Board of Directors, operators and riders that the TJPA has examined the entire facility and it is safe.

Executive Director Zabaneh said he agreed with Vice Chair Gee and would be pleased to have a second peer review by APTA to examine the SFCTA review. Chair Nuru concurred and stated another review would be beneficial.

Director Reiskin emphasized that if a second peer review is put in place, the TJPA should consider the timeframe since these types of reviews can take several months to complete.

Director Lipkin suggested that if the TJPA ends up having two peer review groups, one could examine the Phase 1 project while the other group is implementing best practices into Phase 2.

Executive Director Zabaneh confirmed he would follow up with APTA and report back to the TJPA Board.

Dennis Turchon, Senior Construction Manager, presented the PLA Report.

6. Update on Construction and Temporary Closure of the Salesforce Transit Center

Dennis Turchon, Senior Construction Manager, and Ron Alameida of SF Public Works, Director of Design and Construction for the Transit Center, presented the item.

Director Reiskin inquired if the same design solution for Fremont Street would be applied to First Street. Mr. Turchon replied that the testing of the core samples will be an important element in determining any required repairs for First Street. Director Reiskin also emphasized the need to examine the entire structure to restore credibility of the transit center. Executive Director Zabaneh confirmed that, based on the findings of the test results and once the cause is identified, TJPA will work with the Peer Review Panel to determine any required additional inspections.

Vice Chair Gee supported comments by Directors Reiskin and Hursh but emphasized the need for two paths to run concurrently, which are the repairs to the structure as well as assurance to the operators and riders that the building is safe.

Director Chang suggested that the evaluation of other elements of the transit center by the MTC Peer Review Panel should take place before the reopening of the facility. Director Reiskin stated that he felt the facility would not be given the green light to reopen if there are any lingering safety issues and felt that putting non-safety issues ahead of the reopening of the facility could cause unnecessary delays. Executive Director Zabaneh assured the Board that the transit center would not be reopened unless it is structurally sound.

Director Sesay requested a report on costs associated with the temporary closure of the transit center including the MTC Peer Review Panel because, although it is a warranty issue, it would be helpful to track these costs.

7. Citizens Advisory Committee (CAC) Update

Bruce Agid, CAC Chair, reported that the CAC Members had a thorough discussion regarding SFCTA's passing of Resolution 19-18 and noted three areas of concern which were increased costs, missed federal and state funding opportunities, and capacity issues at 4th and King. He further stated the CAC's preference would have been for the design activities to continue while conditions in the SFCTA Resolution were met. The CAC expressed their understanding of the SFCTA's decision and suggested 1) evaluation and review by SFCTA and the City Controller's office should be conducted with a sense of urgency and completed in a timely manner; 2) informational updates of the review be provided to the SFCTA Board and the TJPA Board on a regular basis, preferably every 4-6 weeks; and 3) based upon the updates, if the SFCTA Board and City Controller's office feel the conditions in the Resolution have been met, make the appropriate changes to lift the funding suspension and restart the 30% design for Phase 2. Chair Agid also stated the CAC was pleased with the advancement of the SEIS/EIR and their appreciation for the thorough update on the progress to identify the cause of the fissures. Additionally, the CAC was impressed with the Peer Review Panel's qualifications and CAC members appreciated the team's precautions taken to refrain from speculating on the cause of the fissures, any associated fix, and when the transit center would reopen. He also reported that CAC members were pleased that the Estimate At Completion was holding, and contract closeout work continued to progress. Furthermore, CAC members were satisfied with the brief retail leasing update which confirmed the continued high level of interest and the variety of the types of services. He expressed CAC concerns with the timing of finalizing the leases, as 26 leases are to be signed by the end of the year and currently only 10 have been signed. The concerns are on the impact of forecasted revenue generation, which are intended to cover the forecasted portion of the Operations and Maintenance costs. Chair Agid said the CAC looks forward to discussing this information at their next meeting to provide feedback for the retail leasing presentation.

8. Public Comment

Members of the public may address the Authority on matters that are within the Authority's jurisdiction and are not on today's calendar.

Jim Patrick, Patrick & Company, stated his disappointment with Director Kim because she had no comments at the SFCTA Board meeting, has sat on the TJPA Board for several years, yet voted in favor of Resolution 19-18. He further stated he did not understand why she was not more supportive of the project. He also presented an article from the internet regarding an exchange between Elon Musk and Mark Benioff on the potential of building rapid transportation in downtown San Francisco and in parts of California and felt the TJPA Board should review.

THE FOLLOWING MATTERS BEFORE THE TRANSBAY JOINT POWERS AUTHORITY ARE RECOMMENDED FOR ACTION AS STATED BY THE EXECUTIVE DIRECTOR OR THE CHAIR.

REGULAR CALENDAR

9. Approving a Cooperative Agreement with the Metropolitan Transportation Commission (MTC) to reimburse MTC for certain fees related to the established panel of technical experts independently reviewing matters related to the fissures in girders in the transit center for an amount not to exceed \$510,000.

Executive Director Zabaneh presented the item.

No public comment.

RESOLUTION 18-041

On motion to approve:

ADOPTED: AYES – Chang, Hursh, Lipkin, Sesay, Gee, Reiskin and Nuru

10. Authorizing the Executive Director to execute a lease agreement with Ugochukwu and Carlynn Ihenacho (d/b/a Charleys Philly Steaks) for about 971 square feet of commercial/retail space on the ground level of the new transit center (space number 139) for a 15-year term.

Martha Velez, TJPA Facility Manager, presented the item.

Director Lipkin requested a year-by-year basis to get a better sense of where leases are in regard to forecast.

No public comment.

RESOLUTION 18-042

On motion to approve:

ADOPTED: AYES – Chang, Hursh, Lipkin, Reiskin, Sesay, Gee, and Nuru

11. Resolution of Appreciation for Greg Harper.

Executive Director Zabaneh presented the item.

Director Harper stated that the entire TJPA Board should be on the same page about what is being discovered during the closure of the transit center and the evidentiary value needs to be maximized for future litigation purposes. He also stated that, once it is determined who is responsible for the fissures, an assessment can be done of other areas that may have been affected. He thanked the TJPA Board for the recognition and stated he enjoyed working on the project throughout the years. He also stated he was confident in his successor, Michael Hursh, General Manager of AC Transit, as he has a great understanding of operations.

Public Comment:

Jim Patrick thanked Director Harper and said he added value to the TJPA Board.

RESOLUTION 18-043

On motion to approve:

ADOPTED: AYES – Chang, Hursh, Lipkin, Reiskin, Sesay, Gee, Nuru

12. Approving the Minutes of the September 13, 2018 meeting.

No public comment.

On motion to approve:

ADOPTED: AYES – Chang, Lipkin, Reiskin, Sesay and Nuru
ABSTAIN – Hursh and Gee

13. Approving the Minutes of the October 2, 2018 meeting.

This item was continued.

14. Approving the Minutes of the October 11, 2018 meeting.

No public comment.

On motion to approve:

ADOPTED: AYES – Chang, Lipkin, Reiskin, Sesay and Gee
ABSTAIN – Hursh and Nuru

RECESS REGULAR MEETING AND CONVENE CLOSED SESSION

There was no member of the public who indicated that they would like to comment on the items scheduled for discussion in closed session.

CLOSED SESSION

15. Call to Order

Chair Nuru called the Closed Session to order at 11:00 a.m.

16. Roll Call

Present: Tilly Chang
Michael Hursh
Boris Lipkin
Ed Reiskin
Nadia Sesay
Jeff Gee
Mohammed Nuru

Absent: Jane Kim
Tony Tavares

17. CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION
(Paragraph (1) of subdivision (d) of Gov. Code Section 54956.9)

Name of case: *Skanska USA Civil West California District, Inc. v. Webcor Builders/Obayashi Corp., A Joint Venture, et al.*, San Francisco County Superior Court Case No. CGC-18-566431

18. CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION
(Paragraph (1) of subdivision (d) of Gov. Code Section 54956.9)

Name of case: *Webcor/Obayashi Joint Venture v. Transbay Joint Powers Authority*, San Francisco County Superior Court, Case No. CGC-18-570621

ADJOURN CLOSED SESSION AND RECONVENE REGULAR MEETING – The Closed Session was adjourned at 11:45 a.m.

19. Announcement of Closed Session.

Secretary Gonzales announced that there was nothing to report.

ADJOURN – Chair Nuru adjourned the meeting at 11:50 a.m.

A recording of the meeting is on file in the office of the Secretary to the Transbay Joint Powers Authority Board of Directors.

Nila Gonzales
Board Secretary

The Ethics Commission of the City and County of San Francisco has asked us to remind individuals that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [Campaign and Gov't Conduct Code, Article II, Chapter 1, § 2.100, et seq.] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 25 Van Ness Avenue, Suite 220, San Francisco, CA 94102, telephone (415) 252-3100, fax (415) 252-3124 and web site: www.sfethics.org.