

MEMORANDUM

January 4, 2019

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Willie Adams, Vice President
Hon. Gail Gilman
Hon. Victor Makras
Hon. Doreen Woo Ho

FROM: Elaine Forbes
Executive Director

SUBJECT: Request authorization to (1) apply for, accept, and expend up to \$300,000 in Proposition K Sales Tax funds for Downtown Ferry Terminal – Pedestrian Circulation Improvements from the San Francisco County Transportation Authority; (2) enter into one or more Standard Grant Agreements with the San Francisco County Transportation Authority for the Downtown Ferry Terminal – Pedestrian Circulation Improvements; and (3) enter into a Memorandum of Understanding between the Port of San Francisco and the San Francisco Bay Area Water Emergency Transportation Authority for delivery of the Downtown Ferry Terminal – Passenger Circulation Improvements

DIRECTOR'S RECOMMENDATION: Approve Attached Resolution

EXECUTIVE SUMMARY

On October 23, 2018 the San Francisco County Transportation Authority (“SFCTA”) approved a five-year prioritization program of Proposition K funds for fiscal years (FY) 2019-20 through 2023-24, and an amendment to the 2014-15 through 2018-19 program for Expenditure Plan category nine, which funds improvements to the San Francisco downtown ferry terminal. The Port is an eligible project sponsor in this category. The Port requested, and the SFCTA programmed, \$300,000 for the Downtown Ferry Terminal – for Pedestrian Circulation Improvements (“Pedestrian Project” or “Project”) starting in FY 2018-19 and continuing in to FY 2019-20.

THIS PRINT COVERS CALENDAR ITEM NO. 10A

The Port will request that the SFCTA allocate up to \$300,000 of Proposition K funding for the Pedestrian Project. If awarded, the Port would be the recipient of the funds as the eligible sponsor under the Proposition K Expenditure Plan. These funds would supplement the ongoing construction of the Downtown Ferry Terminal, a project that the Water Emergency Transportation Authority (WETA) is delivering. WETA will have responsibility for final design and delivery of the Pedestrian Project, as well. As an eligible project sponsor, the Port will serve as the fiscal agent for the funds, seeking reimbursements from SFCTA for eligible expenditures incurred by WETA.

Port staff requests Port Commission approval to accept and expend the \$300,000 allocation of Proposition K funds for the Project, enter in to the associated Standard Grant Agreements for this work with the SFCTA, and enter into a Memorandum of Understanding (“MOU”) with WETA to govern each agency’s role in the administration of those grant funds.

STRATEGIC OBJECTIVES

The Downtown Ferry Terminal - Passenger Circulation Improvements and Proposition K grant funds will assist with achieving the Livability objective of the Port’s Strategic Plan:

Livability: Work with transportation agency partners to ensure an integrated transportation plan that includes programs to ease traffic congestion along the waterfront and expand public transit – including water taxis and ferries – as well as pedestrian and bicycle access. In particular, this project ensures safe pedestrian circulation to and around the expanded Downtown Ferry Terminal.

BACKGROUND

The Project

The Port and WETA have been working together for the past ten years on a coordinated effort to expand the Downtown Ferry Terminal (DFT). The Pedestrian Project will provide a safe, vehicle separated walkway for ferry passengers between the Embarcadero Promenade and Ferry Pier by separating vehicles and pedestrians with furnishings and walkway lighting. The Project is immediately adjacent to the north edge of the DFT expansion project, sharing a seismic joint, electrical power, and adjustments to paved surfaces.

The Pedestrian Project was publicly reviewed, completed environmental review and fully entitled along with the DFT project. The Port and WETA have conducted public outreach efforts to involve stakeholders throughout development of the project, presenting the project and updates to several organizations, including the Port’s Northeastern Waterfront Advisory Group, Maritime Commerce Advisory Committee, the San Francisco Historical Preservation Commission, and at joint meetings of the Waterfront Design Advisory Committee and the BCDC Design Review Board.

Proposition K

In November 2003, San Francisco voters approved Proposition K, a half-cent local sales tax for transportation that is administered by the SFCTA. The Proposition K Expenditure Plan describes the types of projects that are eligible for funds, establishes limits on sales tax funding by Expenditure Plan line item, and sets expectations for leveraging of sales tax funds.

Category nine of the voter-approved Expenditure Plan is for “Improvements to downtown ferry terminals to accommodate increases in ferry ridership.” Included are additional intermodal connections, new ferry berths, improved emergency response systems, and landside improvements to serve increased passenger flows. Also included is rehabilitation of passenger-serving facilities. There are two eligible sponsoring agencies for projects in this category: the Port of San Francisco and the Golden Gate Bridge, Highway and Transportation District.

The Proposition K Expenditure Plan requires that each programmatic category develop a 5-Year Prioritization Program (5YPP) prior to receiving Proposition K allocations. At the Port’s request, on October 23, 2018 the San Francisco County Transportation Authority (“SFCTA”) approved a five-year prioritization program for fiscal years (FY) 2019-20 through 2023-24, and an amendment to the 2014-15 through 2018-19 program for Proposition K (the half-cent local sales tax for transportation) Expenditure Plan category number nine, which included \$300,000 for the Pedestrian Project. The approved programming includes \$60,000 for design of the project in FY 2018-19 and \$240,000 for construction in FY 2019-20.

As funds become available, Port staff will submit Proposition K allocation requests for up to \$300,000 from SFCTA to fund the Pedestrian Project, and if approved, enter into one or more Standard Grant Agreements (SGAs) as a condition to receiving these funds. As summarized below, the material terms of the SFCTA SGA would set forth the Port’s obligations for receipt and expenditure of the funds:

- Grant funds may only be expended on scope approved by SFCTA after execution of the SGA and may not be used to supplant other funds;
- Project shall comply with SFCTA’s attribution and signage requirements at the construction site;
- Recipient shall submit quarterly and annual reports; and
- Recipient shall retain records for five years after closeout and comply with any third-party contract, financial, or performance audits, should they be requested by SFCTA.

Port Staff now seeks Port Commission approval for the Executive Director to execute one or more SFCTA Standard Grant Agreements, should the allocation requests be approved, and enter into an MOU with WETA for delivery of the project with Proposition K funds (Attachment 1). This proposed MOU mirrors the MOU between WETA and the Port which the Port Commission approved on September 25, 2018 by Resolution No. 18-51, and executed on October 5, 2017, governing the expenditure of Proposition K

funds on the DFT project. Staff also seeks Port Commission approval to waive building permit fees for the Pedestrian Project.

ROLES AND RESPONSIBILITIES DETAILED IN THE MOU

Port staff and WETA staff negotiated the MOU to detail each agency's role in delivery of the Proposition K-funded Project. As the Project sponsor and grant recipient, the Port would be responsible for seeking reimbursements from the SFCTA for Proposition K-eligible expenses.

WETA will continue to serve as the lead agency delivering the Project and managing all grant funds and reporting to SFCTA. WETA will prepare invoices and associated documentation and submit them to the Port. If the Port finds the invoices to be consistent with the Proposition K requirements, Port staff will transmit the reimbursement requests to the SFCTA and will in turn reimburse WETA, once funds are received from the SFCTA. WETA will not incur any expenses for this work that exceed the grant amount.

FUNDING

The Pedestrian Project's total budget is \$300,000, which will come exclusively from Proposition K.

SCHEDULE

Because of the Project's adjacency and inter-related construction to the DFT Expansion Project, WETA will utilize change orders with existing contractors complete the design and construction without causing delay to the DFT. Design of the Pedestrian Project is expected to immediately follow approval of design funding (February 2019), and construction is expected to commence in mid-2019. WETA plans to have the DFT project completed with all gates open by the end of 2019.

RECOMMENDATION

Port staff seeks Port Commission authorization for the Executive Director to apply for, accept, and expend up to \$300,000 in Proposition K Sales Tax funds for Downtown Ferry Terminal – Pedestrian Circulation Improvements from the SFCTA, and upon SFCTA approval, and enter into one or more SGAs for the project. Additionally, Port staff recommends that the Port Commission authorize the Director or her designee to execute an MOU between the Port and WETA for delivery of the Proposition K-funded portion of Downtown Ferry Terminal – Pedestrian Circulation Improvements.

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For: Katharine Petrucione, Deputy
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Attachment 1: Draft memorandum of understanding

Attachment 2: Sample SFCTA Standard Grant Agreement

**PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO**

RESOLUTION NO. 19-01

WHEREAS, The Port and the San Francisco Bay Area Water Emergency Transportation Authority (“WETA”) have jointly developed plans for the Pedestrian Circulation Improvements (“Pedestrian Project”) to complement the Downtown San Francisco Ferry Terminal Expansion Project to ensure safe pedestrian access to the expanded ferry terminal and Ferry Pier from The Embarcadero Promenade; and

WHEREAS, WETA and the Federal Transit Administration completed a Final Environmental Impact Statement/Environmental Impact Report (State Clearing House No. 2011032066, October 2014) that meets requirements of both the National Environmental Policy Act and the California Environmental Quality Act for environmental clearance of the Project; and

WHEREAS, Port staff, in cooperation with WETA, sought funding for the Pedestrian Project through the Proposition K Expenditure Plan designated for the expansion of the Downtown San Francisco Ferry Terminal and administered by the San Francisco County Transportation Authority (“SFCTA”); and

WHEREAS, The Port and WETA anticipate that the SFCTA will approve allocation requests of up to \$300,000 for the Pedestrian Project; now therefore be it

RESOLVED, That the Port Commission hereby authorizes the Executive Director to apply for, accept, and expend up to \$300,000 in Proposition K grant funds from the SFCTA, and to enter into one or more a Standard Grant Agreements with the SFCTA substantially in the form found in Attachment 2 to this staff report with a total grant amount not to exceed \$300,000, with such changes as approved by the City Attorney’s office; and be it further

RESOLVED, That the Port Commission hereby authorizes the Executive Director to waive the Building Permit fee for the Pedestrian Project; and be it further

RESOLVED, That the Port Commission hereby approves the proposed Memorandum of Understanding (“MOU”) between the Port and WETA in substantially the form found in Attachment 1 to this staff report; and be it further

RESOLVED, That following approval by the Executive Director of WETA, the Port Commission hereby authorizes the Executive Director of the Port, or her designee, to execute the proposed MOU and one or more associated Standard Grant Agreements.

I hereby certify that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of January 8, 2019.

Secretary