

**THIS PRINT COVERS CALENDAR ITEM NO. :**

**SAN FRANCISCO  
MUNICIPAL TRANSPORTATION AGENCY**

**DIVISION:** Sustainable Streets

**BRIEF DESCRIPTION:**

Approval of appropriations for the Capital Program for FY 2011 and FY 2012.

**SUMMARY:**

- Staff submits the Capital Program for approval by the SFMTA Board every two years. It was last adopted by the SFMTA Board in June 2008 (along with a 5-Year Capital Investment Plan (CIP)).
- The Capital Program lays out the expected expenditures for projects to rehabilitate, replace, enhance, or expand SFMTA capital assets for the next two fiscal years. It covers all Agency modes, including public transit, paratransit/taxis, streets, bicycles, and pedestrian projects. It covers planning, design, construction, and procurement efforts for fleet, facilities, infrastructure, and equipment.
- Expenditures must be constrained by the likely available funds. Based on this, the proposed Capital Program appropriates \$375 million for FY 2011 (2010/11) and \$377 million for FY 2012 (2011/12).
- The Capital Program is generally consistent with the adopted long-range CIP, although the CIP is an unconstrained planning document. The CIP is being revised and is expected to be presented to the Board in fall 2010.

**ENCLOSURES:**

1. SFMTAB Resolution
2. Attachment A - FY 2011 and FY 2012 - Capital Projects and Programs

**APPROVALS:**

**DATE**

DIRECTOR OF DIVISION

PREPARING ITEM \_\_\_\_\_

FINANCE \_\_\_\_\_

EXECUTIVE DIRECTOR/CEO \_\_\_\_\_

SECRETARY \_\_\_\_\_

ADOPTED RESOLUTION

BE RETURNED TO Frank Markowitz

**ASSIGNED SFMTAB CALENDAR DATE:** \_\_\_\_\_

## **PAGE 2.**

### **PURPOSE**

Adoption of proposed Capital Program for FY 2011 (2010/11) and FY 2012 (2011/12).

### **GOAL**

Project intends to fulfill all goals and objectives of the SFMTA Strategic Plan, especially:

Goal 4 - Financial Capacity: To ensure financial stability and effective resource utilization.

Objective 4.2. Ensure efficient and effective use of resources.

### **DESCRIPTION**

The Capital Program represents a strategic approach to protecting and enhancing the Agency's capital assets. This should improve service delivery and achievement of Strategic Plan goals.

The Capital Program establishes expenditure limits, based on expected revenues, for priority projects and programs for FY 2011 and FY 2012. It does not include the details of individual capital projects. That detail is available from other documents, including the CIP.

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### **Previously Adopted Capital Program**

The previously adopted Capital Program forecast total funding of \$1.1 billion for the two-year period and set expenditure limits based on this expected funding, although this was below the identified need of \$1.7 billion. The FY 2009 expenditure limit of \$762 million was based partly on \$353 million in carry forward funding. Staff aggressively sought additional funding, bringing in grants totaling \$192 million in FY 2009 and \$226 million in FY 2010 (through Feb. 2010). However, there were shortfalls in major funding categories. In particular, State Proposition 1B infrastructure bond funds were not available due to the State budget crisis, and sales tax revenues were lower than expected. The budget also assumed over \$200 million in transfers from the operating budget that did not materialize.

Because of funding shortfalls, it was necessary to re-scope some major projects in order to bring planned contracts into alignment with available funding. This delayed progress on a number of major projects (e.g., Central Subway, Islais Creek, and LRV overhauls) and limited capital expenditures to about \$88 million in FY 2009.

Progress on carrying out the capital program has improved significantly over the last year. Successes have been achieved both in protecting Agency assets and advancing strategic enhancement/expansion projects. As a result, FY 2010 capital expenditures are expected to reach about \$157 million (annualized based on year-to-date trends).

Recent State of Good Repair achievements include:

- Capital asset inventory initiated;
- Transit vehicle rehabilitation underway;
- Radio replacement design nearly complete;
- Transit infrastructure replacement/rehabilitation underway; and
- Traffic signal upgrade projects completed.

Key enhancement/expansion achievements include:

- Central Subway: Initiated final design and utility relocation; Groundbreaking (Feb. 2010);
- Metro East Light Rail Facility: Opened (Sept. 2008);
- SFgo: Phase 1 completed;
- SFpark: Pilots initiated;
- Bicycle Plan: Nine bike lane projects, bike parking and sharrows installed citywide; and
- Citywide Traffic Calming and Pedestrian Projects underway.

### **Proposed Capital Program**

The Agency has responded proactively to funding constraints. Key organizational changes have been made to ensure staffing for critical projects. Projects have been re-scoped to fit within available funds. Many major projects have been in development over the past years and are now under contract or expected to be so soon. Thus, capital expenditures are expected to continue to increase in the next two years.

The FY 2011 and FY 2012 Capital Program will fund a variety of construction and construction-related activities, summarized below. The expenditure limits are based on recent annual averages, plus increases for several large, maturing projects.

	<b>FY 2011</b>	<b>FY 2012</b>	<b>Total</b>
<b>State of Good Repair Projects</b>	\$215.7 M	\$168.3 M	\$384.0 M
<b>Enhancement/Expansion Projects</b>	\$159.3 M	\$208.2 M	\$367.5 M
<b>TOTAL</b>	<b>\$375.0 M</b>	<b>\$376.5 M</b>	<b>\$751.5 M</b>

Further details are provided in Attachment A.

## **NEXT STEPS**

Following adoption of the Capital Program for FY 2011 and FY 2012, staff will periodically update the Board on progress on carrying out the capital plan. Staff is also undertaking a major revision of the CIP. Staff will request Board review of proposed capital investment priorities in spring 2010. The full CIP is expected to be presented to the Board in fall 2010.

## **ALTERNATIVES CONSIDERED**

The development of the Capital Program was based on extensive input over time from the Board, staff, and community stakeholders on desirable project priorities. Staff also received technical guidance on expected funding from local and regional experts. Staff feels the Capital Program before the SFMTA Board has taken into account the feedback and requirements.

## **FUNDING IMPACT**

The Capital Program will be funded from a combination of Federal, State, Regional and Local revenues. The expenditure limits for the Capital Program are based on anticipated funding levels.

## **OTHER APPROVALS RECEIVED OR STILL REQUIRED**

No other approvals are needed. Environmental clearance is provided for specific projects as appropriate when individual project approvals are sought.

The City Attorney has reviewed this report.

## **RECOMMENDATION**

Staff recommends that the SFMTA Board of Directors adopt the Capital Program for FY 2011 and FY 2012, appropriating \$375 million for FY 2011 and \$377 million for FY 2012.

**ATTACHMENT A**  
**FY 2011 AND FY 2012 CAPITAL PROJECTS AND PROGRAMS:**

<b>Project/Program</b>	<b>FY11</b>	<b>FY12</b>	<b>TOTAL</b>
Fleet Procurements & Rehab	\$ 92.0 M	\$ 39.0 M	\$ 131.0 M
Central Control & Communications (C3)	22.0 M	35.0 M	57.0 M
Islais Creek	31.2 M	20.8 M	52.0 M
Radio Communications System	19.0 M	26.0 M	45.0 M
Infrastructure - Transit	20.0 M	20.0 M	40.0 M
Automatic Fare Collection Equipment	16.0 M	12.0 M	28.0 M
SFgo	10.0 M	10.0 M	20.0 M
Facilities - Transit	4.5 M	4.5 M	9.0 M
Equipment - Transit	1.0 M	1.0 M	2.0 M
<b>Subtotal State of Good Repair</b>	<b>\$215.7 M</b>	<b>\$168.3 M</b>	<b>\$384.0 M</b>
Central Subway	138.0 M	185.0 M	323.0 M
Sustainable Streets (Ped., Bike, Traffic Calming, Signals)	17.0 M	17.0 M	34.0 M
Van Ness Bus Rapid Transit (BRT)	1.5 M	4.2 M	5.7 M
Transit Effectiveness Project	1.8 M	1.0 M	2.8 M
Other Projects	1.0 M	1.0 M	2.0 M
<b>Subtotal Enhancement/Expansion</b>	<b>\$159.3 M</b>	<b>\$208.2 M</b>	<b>\$367.5 M</b>
<b>TOTAL</b>	<b>\$375.0 M</b>	<b>\$376.5 M</b>	<b>\$751.5 M</b>

SAN FRANCISCO  
MUNICIPAL TRANSPORTATION AGENCY  
BOARD OF DIRECTORS

RESOLUTION No. \_\_\_\_\_

WHEREAS, The San Francisco Municipal Transportation Agency (SFMTA) wishes to adopt a Capital Program for Fiscal Years 2011 (2010/11) and 2012 (2011/12); and

WHEREAS, The SFMTA Board of Directors last adopted the FY 2009 and FY 2010 Capital Program in June 2008; and

WHEREAS, The Capital Program lays out the expected expenditures and revenues for projects to rehabilitate, replace, enhance, or expand SFMTA capital assets for two fiscal years, covering all modes and construction/procurement activities; now therefore be it

RESOLVED, That the SFMTA Board of Directors adopts the Capital Program for FY 2011 and FY 2012 in the amounts of \$375 million and \$377 million respectively, as itemized in Attachment A; and be it further

RESOLVED, That the Executive Director/CEO is authorized to make any necessary technical and clerical corrections to the approved Capital Program of the SFMTA and to allocate additional revenues and/or City and County discretionary revenues in order to fund additional adjustments to the Capital Program, provided that the Executive Director/CEO shall return to the SFMTA Board of Directors for approval of technical or clerical corrections that, in aggregate, exceed a five percent increase of the total amount allocated for the SFMTA FY 2011 and FY 2012 Capital Program.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of \_\_\_\_\_.

\_\_\_\_\_  
Secretary to the Board of Directors  
San Francisco Municipal Transportation Agency