

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
300 Lakeside Drive, P. O. Box 12688, Oakland, CA 94604-2688

BOARD MEETING AGENDA

June 9, 2016

9:00 a.m.

A regular meeting of the Board of Directors will be held at 9:00 a.m. on Thursday, June 9, 2016. This meeting shall consist of a simultaneous teleconference call at the following locations:

| | |
|---|--|
| BART Board Room Kaiser Center 20 th Street Mall – Third Floor 344 – 20 th Street Oakland, CA 94612 | 347 North La Jolla Avenue Los Angeles, CA 90048 |
|---|--|

Members of the public may address the Board of Directors regarding any matter on this agenda. Please complete a “Request to Address the Board” form (available at the entrance to the Board Room) and hand it to the Secretary before the item is considered by the Board. If you wish to discuss a matter that is not on the agenda during a regular meeting, you may do so under Public Comment.

Any action requiring more than a majority vote for passage will be so noted.

Items placed under “consent calendar” are considered routine and will be received, enacted, approved, or adopted by one motion unless a request for removal for discussion or explanation is received from a Director or from a member of the audience.

Please refrain from wearing scented products (perfume, cologne, after-shave, etc.) to these meetings, as there may be people in attendance susceptible to environmental illnesses.

BART provides service/accommodations upon request to persons with disabilities and individuals who are limited English proficient who wish to address BART Board matters. A request must be made within one and five days in advance of Board meetings, depending on the service requested. Please contact the Office of the District Secretary at 510-464-6083 for information.

Rules governing the participation of the public at meetings of the Board of Directors and Standing Committees are available for review on the District's website (<http://www.bart.gov/about/bod>), in the BART Board Room, and upon request, in person or via mail.

Meeting notices and agendas are available for review on the District's website (<http://www.bart.gov/about/bod/meetings.aspx>), and via email (https://public.govdelivery.com/accounts/CATRANBART/subscriber/new?topic_id=CATRANBART_1904) or via regular mail upon request submitted to the District Secretary. Complete agenda packets (in PDF format) are available for review on the District's website no later than 48 hours in advance of the meeting.

Please submit your requests to the District Secretary via email to BoardofDirectors@bart.gov; in person or U.S. mail at 300 Lakeside Drive, 23rd Floor, Oakland, CA 94612; fax 510-464-6011; or telephone 510-464-6083.

Patricia K. Williams
Assistant District Secretary

Regular Meeting of the
BOARD OF DIRECTORS

The purpose of the Board Meeting is to consider and take such action as the Board may desire in connection with:

1. CALL TO ORDER

- A. Roll Call.
- B. Pledge of Allegiance.
- C. Introduction of Special Guests.

2. CONSENT CALENDAR

- A. Agreement with Sperry Capital, Inc., for Ad Hoc Financial Advisory Services (Agreement No. 6M2057).* Board requested to authorize.
- B. Renaming of the Board Communications & Technology Modernization Committee to “Technology and Communications Committee.”* Board requested to authorize. (Director Josefowitz’s request.)
- C. Award of Contract No. 04SF-170, Construction of East Contra Costa BART Extension Project Sanitary Sewer Connection.* Board requested to authorize.
- D. Award of Contact No. 15BN-120, Relief Shaft Blast Dampers BD39 and BD40 at San Francisco Transition Structure and BD42 at Oakland Transition Structure.* Board requested to authorize.
- E. Award of Invitation for Bid No.8980A, Generators, Standby Mobile Engine with Trailers.* Board requested to authorize.

3. PUBLIC COMMENT – 15 Minutes

(An opportunity for members of the public to address the Board of Directors on matters under their jurisdiction and not on the agenda. An additional period for Public Comment is provided at the end of the Meeting.)

4. PLANNING, PUBLIC AFFAIRS, ACCESS, AND LEGISLATION ITEMS

Director Raburn, Chairperson

- A. Potential 2016 Funding Measure for District Infrastructure: BART Safety, Reliability and Traffic Relief.* Board requested to authorize.
- B. Adoption of the Station Access Policy and Adoption of the Transit-Oriented Development Policy.* Board requested to adopt.

5. ADMINISTRATION ITEMS

Director Saltzman, Chairperson

- A. Issuance and Sale of the District’s Sales Tax Revenue Bonds, 2016 Refunding Series A.* Board requested to authorize.

- B. Downtown Berkeley Bike Station Third One-Year Lease Extension. * Board requested to authorize.
- C. Award of Agreements for Consulting Services for Enterprise Asset Management System.*
 - a. Agreement No. 6M4434, with Accenture LLP
 - b. Agreement No. 6M4435, with Interloc Solutions, Inc.
 - c. Agreement No. 6M4436, with TechTu Business Solutions, Inc.
 Board requested to authorize.
- D. Resolution Approving the Fiscal Year 2017 Annual Budget.* Board requested to adopt.

6. ENGINEERING AND OPERATIONS ITEMS

Director McPartland, Chairperson

- A. East Contra Costa BART Extension Project.
 - a. Project Update.* For information.
 - b. Change Order to Contract 04SF-130, Construction of East Contra Costa BART Extension Project Trackwork, Systems, and Facility Finishes, with Stacy and Witbec/Amoroso/Modern Railway Systems, a Joint Venture, for Installation of Two Escalators at Antioch Station.* Board requested to authorize.
- B. Award of Contract No. 09DJ-140A, Repair and Maintenance of Anode Cables, Anode Array Assemblies, and Cathodic Protection System.* Board requested to authorize.
- C. Change Order to Contract No. 15EK-210, Procurement of Traction Power Substations Phase 1, with Powell Electrical Systems, Inc., to Remove Design, Engineering, and Traction Power Equipment (C.O. No. 22).* Board requested to authorize.

7. GENERAL MANAGER'S REPORT

- A. Review of the Draft Agenda for the Capitol Corridor Joint Powers Board Meeting of June 15, 2016.* For information.
- B. Report of Activities, including Updates of Operational, Administrative, and Roll Call for Introductions Items.

8. BOARD MATTERS

- A. 2016 State Legislation.* Board requested to authorize. (Director Josefowitz's request.)
- B. Board Member Reports.
(Board member reports as required by Government Code Section 53232.3(d) are available through the Office of the District Secretary. An opportunity for Board members to report on their District activities and observations since last Board Meeting.)

C. Roll Call for Introductions.
(An opportunity for Board members to introduce a matter for consideration at a future Committee or Board Meeting or to request District staff to prepare items or reports.)

D. In Memoriam.
(An opportunity for Board members to introduce individuals to be commemorated.)

9. PUBLIC COMMENT

(An opportunity for members of the public to address the Board of Directors on matters under their jurisdiction and not on the agenda.)

10. CLOSED SESSION (Room 303, Board Conference Room)

A. PUBLIC EMPLOYMENT:

Agency Negotiators: Directors Radulovich, Murray, and Saltzman
Title: Independent Police Auditor
Gov't. Code Section: 54957

B. CONFERENCE WITH LABOR NEGOTIATORS:

Designated representatives: Grace Crunican, General Manager; Paul Oversier, Assistant General Manager, Operations; Carter Mau, Assistant General Manager, Administration and Budget; and Carol Isen, Chief Employee Relations Officer

Employee Organizations: (1) Amalgamated Transit Union, Local 1555;
(2) American Federation of State, County and Municipal Employees, Local 3993;
(3) BART Police Officers Association;
(4) BART Police Managers Association;
(5) Service Employees International Union, Local 1021;
and
(6) Service Employees International Union, Local 1021, BART Professional Chapter
(7) Unrepresented employees (Positions: all)

Government Code Section: 54957.6

11. OPEN SESSION



EXECUTIVE DECISION DOCUMENT

| | | | | |
|---|---------------------------------------|--|---------------------------|---|
| GENERAL MANAGER APPROVAL: <i>[Signature]</i> | | GENERAL MANAGER ACTION REQ'D: | | |
| DATE: <i>6/1/16</i> | | BOARD INITIATED ITEM: No | | |
| Originator/Prepared by: Rose Poblete Dept. Controller-Treasurer x6070 <i>[Signature]</i> <i>5/31/14</i> | General Counsel <i>[Signature]</i> | Controller/Treasurer <i>[Signature]</i> <i>6/1/16</i> | District Secretary [] | BARC <i>[Signature]</i> <i>6-2-16</i> [] |

TITLE:

Award of Agreement No. 6M2057 for Ad Hoc Financial Advisory Services

NARRATIVE:

Purpose: Authorize the Controller-Treasurer to award Agreement No. 6M2057 for on-call Financial Advisory Services to Sperry Capital, Inc. for a three year period from fiscal year 2016 to fiscal year 2019 with the option to extend the Agreement for up to two additional years.

On April 15, 2016, RFP No. 6M2057 was posted on the BART Procurement Portal and seven (7) prospective Proposers were invited to respond to the District's requirement for Ad Hoc Financial Advisory Services. A pre-proposal conference was held on April 20, 2016 with representatives from seven companies in attendance.

On May 10, 2016 six (6) proposals were received from the following Proposers:

| <u>Proposer</u> | <u>Business Location</u> |
|--------------------------------|---------------------------|
| First Southwest Company | Dallas, Texas |
| KNN Public Finance | Oakland, California |
| Montague Derosé and Associates | Walnut Creek, California |
| The PFM Group | San Francisco, California |
| Prager & Co., LLC | San Francisco, California |
| Sperry Capital, Inc. | Sausalito, California |

The proposals were reviewed by a Selection Committee ("Committee") consisting of staff from the Controller-Treasurer/Finance Department, Assistant General Manager of Administration and Budget, Orrick, Herrington & Sutcliffe, LLP (District's bond counsel) and Contract Management (in a non-voting capacity). The Proposals were first reviewed for responsiveness to the requirements of the RFP. All submittals were found responsive.

Subsequently, the Proposals were evaluated and scored on the basis of the criteria contained in the RFP with respect to technical qualifications of the proposing firms, key personnel, and depth of resources and transportation experience in the debt issuance and other financial transactions as specified in the RFP. Price Proposals were subsequently reviewed. The Committee determined that all Proposals were within the competitive range and conducted oral interviews with each Proposer. Based on the oral and written evaluations, the Committee ranked the six proposers and determined that Sperry Capital, Inc. scored the highest overall scores.

The Committee evaluated the proposals using the best value methodology. Under this approach, the District evaluates not only the price of the proposals submitted, but also other criteria which when assessed together, identifies the proposer that best meets the District's needs. Based on the best value analysis, the Selection Committee unanimously determined that Sperry Capital, Inc. offered the best overall value to the District.

Pursuant to the District's Non-Discrimination for Subcontracting Program, the availability percentages for this agreement are 16% Minority Business Enterprises and 20% for Women-owned Business Enterprises. Sperry Capital, Inc. will not be subcontracting any work and will do all work with its own forces. Therefore, the District's Non-Discrimination for Subcontracting Program does not apply.

Pursuant to the District's Non-Federal Small Business Program, the Office of Civil Rights set a 5% prime preference for this agreement for Small Businesses certified by the California Department of General Services. Sperry Capital, Inc. is a certified Small Business making it eligible for the preference.

Accordingly, the Committee recommends award of Agreement No. 6M2057 to Sperry Capital, Inc. The Office of the General Counsel will approve the Agreement as to form.

Fiscal Impact: Funding for financial advisory services for FY 2016 are included in the FY 2016 operating budget of the Controller-Treasurer's Office. Funding for each subsequent year will be included in the future operating budgets of the Controller-Treasurer's Office. The financial advisory fees relating to bond issuance will be paid out of bond proceeds.

Alternative: The District could reject the proposals and re-solicit new proposals, which most likely will generate the same response from the same financial advisory firms.

Recommendation: It is recommended the Board adopt the following motion:

Motion: The Controller-Treasurer is authorized to award Agreement No. 6M2057 to Sperry Capital, Inc. to provide Ad Hoc Financial Advisory Services in the amount not to exceed \$300,000 for a term of three-years with two options to extend the Agreement for one additional year each for an amount not to exceed \$100,000 per year, subject to availability of funds and compliance with the District's protest procedures.

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT

MEMORANDUM

TO: Board of Directors

DATE: June 3, 2016

FROM: Assistant District Secretary

SUBJECT: Proposed Name Change for Board Communications & Technology Modernization Committee

In order to more accurately reflect the scope of work of the committee, Director Josefowitz has proposed changing the name of the Board Communications & Technology Modernization Committee to "Technology and Communications Committee."

This item will be on the June 9, 2016, Board Meeting agenda under Consent Calendar.

Please contact President Radulovich or me if you require any further information on this matter.

Thank you.



cc: Board Appointed Officers
Deputy General Manager
Executive Staff

MOTION: The Board Communications and Technology Modernization Committee shall be renamed "Technology and Communications Committee."



EXECUTIVE DECISION DOCUMENT

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|---|---------------------------------------|---|---------------------------|----------------------------|
| GENERAL MANAGER APPROVAL: <i>[Signature]</i> | | GENERAL MANAGER ACTION REQ'D: Approve and forward to the E&O Committee Meeting | | |
| DATE: 6/1/16 | | BOARD INITIATED ITEM: No | | |
| Originator/Prepared by: Olga Perez Dept: <i>[Signature]</i> | General Counsel <i>[Signature]</i> | Controller/Treasurer <i>[Signature]</i> | District Secretary [] | BART <i>[Signature]</i> |
| Signature/Date: 5/31/16 | 6/1/16 | 5/31/16 | [] | 6/1/16 |

TITLE:
Award of Contract No. 04SF-170 for Construction of East Contra Costa BART Extension Project Sanitary Sewer Connection

NARRATIVE:

PURPOSE To obtain Board authorization for the General Manager to Award Contract No. 04SF-170, Construction of East Contra Costa BART Extension Project (eBART Project) Sanitary Sewer Connection to California Trenchless, Inc. for the amount of \$911,800.00.

DISCUSSION

Contract No. 04SF-170 provides for the construction of a sanitary sewer main, sewer tie-in for the existing BART Maintenance Facility, and connection to the City of Antioch Sewer System as part of the eBART Project. The eBART Project consists of an approximately ten-mile extension of the BART System, using Diesel Multiple Unit (DMU) rail vehicles, from the existing Pittsburg/Bay Point BART Station along the median of State Highway Route 4 to the new Antioch Station located near Hillcrest Avenue.

The Contract scope of work includes the installation of approximately 1,000 feet of Polyvinylchloride (PVC) pipe and four sanitary sewer manholes to connect the eBART Maintenance Facility's sanitary system to the City of Antioch's sewage system at an existing manhole. The alignment of the pipe begins at the eBART Maintenance Facility and continues north along Willow Street, a private access road, crossing the Union Pacific railroad right-of-way and under a box culvert for East Antioch Creek prior to arriving at the existing tie-in manhole. The depth of the pipe varies from 6 feet to 24 feet below the existing surface (See attached).

The Contract was advertised in various publications and newspapers on March 7, 2016, and a Pre-Bid Meeting held on March 18, 2016. The Bid Documents were purchased by four firms and distributed to 21 plan rooms. Two (2) Bids were received and publicly opened on April 26, 2016 from the following Bidders:

After review by the District staff, the two Bids were determined to have arithmetical errors in the Total Bid Price. Article 15.B, Evaluation, of the Instructions to Bidders in the Contract clearly states that item totals are provided by the Bidder for the convenience of the District, and that the District will independently calculate such prices based on the unit or lump sum prices bid. In the event of a discrepancy, the District's calculations govern. Tabulation of the Bids, with the arithmetic corrections and including the Engineer's Estimate, is as follows:

| BIDDER | TOTAL BID PRICE | EVALUATED BID WITH SMALL BUSINESS PREFERENCE |
|---|-----------------|--|
| California Trenchless, Inc., Hayward, California | \$911,800.00 | \$866,705.00 |
| A-S Pipelines, Inc., Pittsburg, California | \$901,900.00 | Not Applicable |
| Engineer's Estimate | \$676,099.00 | |

Both Bids submitted were higher than the Engineer's Estimate. Even though the Engineer's Estimate was prepared using recent project cost data, several factors exist which may have influenced the cost variations. One factor is that only two Bids were received, thereby limiting competition. Another factor is the potential that the Bidders could have overestimated the risk associated with work adjacent to various oil and gas pipe lines, as well as the level of coordination efforts required with various oil and gas pipe line owners and the Union Pacific railroad. In addition, Bidders may have foreseen increased overhead costs associated with equipment they may have had to rent at higher costs compared to contractor-owned equipment.

The Bid submitted by A-S Pipelines, Inc. for \$901,900.00 (after the arithmetic correction) was the apparent low Bid. Pursuant to the District's non-Federal Small Business Program, the Office of Civil Rights set a 5% prime preference for this Contract for Small Businesses certified by the California Department of General Services. California Trenchless Inc. (CTI), is a certified Small Business making it eligible for the preference. Therefore, although A-S Pipelines submitted the lowest Bid of \$901,900.00, the application of the Small Business prime preference makes CTI the lowest responsive Bidder with an adjusted Bid price of \$866,705.00 (after the arithmetic correction).

Staff has determined that CTI's Bid is fair and reasonable based upon adequate price competition and responsiveness to the solicitation. A review of CTI's business experience and financial capabilities resulted in a determination that CTI is a responsible Bidder. Notwithstanding the difference between the Bid price and the Engineer's Estimate, staff recommends proceeding with the Award, which is within the available Project funding.

Pursuant to the District's Non-Discrimination in Subcontracting Program, the availability percentages for this Contract are 23% for Minority Business Enterprises (MBEs) and 12% for Women Business Enterprises (WBEs). CTI did not commit to subcontracting any percentage of the Work to MBEs or to WBEs in its Listing of Subcontractors. Therefore, CTI was requested to provide the District with information to determine if it had discriminated. Based on the review of the information submitted by CTI, the Office of Civil Rights found no evidence of discrimination.

FISCAL IMPACT

Funding of \$911,800.00 for the award of Contract No. 04SF-170 is included in the total project budget for FMS#04SF170 – eBART Sanitary Sewer. The Office of Controller/Treasurer certifies that funds are currently available to meet this obligation. The following table depicts funding assigned to the referenced project and is included in totality to track funding history against spending authority.

As of April 28, 2016, \$920,000.00 is available for this project from the following sources:

| Fund Number | Fund Description | Fund Source | Funded Amount |
|--------------------|--------------------------|--------------------|----------------------|
| 535A | FY10-11 Prop 1B –PTMISEA | State | \$420,000.00 |
| 651C | eBART-CCTA Resol.12-54-P | Local | \$500,000.00 |
| Total | | | \$920,000.00 |

BART has expended \$0, committed \$0 and reserved \$0 to date for other actions. This Board action will commit \$911,800.00 for this Contract, leaving an available fund balance of \$8,200.00. There is no fiscal impact on available unprogrammed District Reserves.

ALTERNATIVE

The Board may decline to authorize award of the Contract and reject all Bids. If this Contract is re-advertised, there is no assurance that new Bids will be lower than the amount of the current Bids received.

RECOMMENDATION

It is recommended that the Board adopt the following motion:

MOTION

The General Manager is authorized to award Contract No. 04SF-170, for the Construction of East Contra Costa BART Extension Project Sanitary Sewer Connection to California Trenchless, Inc. of Hayward, CA for the amount of \$911,800.00, pursuant to notification to be issued by the General Manager and subject to the District's protest procedures.



EXECUTIVE DECISION DOCUMENT

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|---|--|---|---------------------------|--------------------------------------|
| GENERAL MANAGER APPROVAL <i>Marcia de la Cruz</i> | | GENERAL MANAGER ACTION REQ'D: Approve and forward to the Board | | |
| DATE: <i>6/1/16</i> | | BOARD INITIATED ITEM: No | | |
| Originator/Prepared by: Swinder Chhina Dept. May 9, 2016 | General Counsel <i>V. P. N. [Signature]</i> | Controller/Treasurer <i>[Signature]</i> | District Secretary [] | BARC <i>[Signature]</i> |
| Signature/Date: <i>[Signature]</i> <i>5/27/2016</i> | <i>5/27/16</i> | <i>5/31/16</i> | [] | <i>[Signature]</i> <i>5/31/16</i> |

TITLE:

**Award of Contact No. 15BN-120
Relief Shaft Blast Dampers BD39 and BD40 at SFTS and BD42 at OTS**

NARRATIVE:

PURPOSE:

To obtain Board authorization for the General Manager to award Contract No. 15BN-120, Relief Shaft Blast Dampers BD39 and BD40 at San Francisco Transition Structure (SFTS) and BD42 at Oakland Transition Structure (OTS), to Blocka Construction, Inc. of Fremont, California for the Bid amount of \$197,000.00.

DISCUSSION:

Relief shaft dampers save traction power costs by providing additional large openings at each end of the Trans Bay Tube (TBT) for compressed air piled in front of fast moving trains to escape. If there should be a fire in the TBT, closing these relief shaft dampers permits the suction of smoke from the TBT and away from the passengers.

The reliability of the existing damper system is at some risk in its operation due to the fact that if one actuator damper fails, it may render other actuator dampers inoperative.

Contract No. 15BN-120 provides for replacing damper actuators, wiring and control systems at three (3) locations. These changes will increase damper system reliability and decrease response time from 90 seconds to 5 seconds. Also, with these changes, if one actuator damper fails, it will not render other actuator dampers inoperable.

On January 18, 2016, Advance Notices were sent to 81 prospective Bidders and 23 Plan Rooms. The Contract was advertised on January 19, 2016.

A Pre-Bid meeting was held on March 31, 2016 with three prospective Bidders who attended this meeting. Two (2) of the three (3) prospective Bidders attended the site visit on April 1, 2016.

Two firms submitted the following Bids which were opened on April 19, 2016.

| <u>BIDDER</u> | <u>LOCATION</u> | <u>TOTAL BID PRICE</u> |
|--------------------------------|-----------------|------------------------|
| Blocka Construction, Inc. | Fremont, CA | \$197,000.00 |
| Shimmick Construction, Company | Oakland, CA | \$201,992.00 |

ENGINEER'S ESTIMATE \$133,100.00

The apparent lowest Bid is 33% over the Engineer's Estimate. The Engineer's estimate is based upon work done in 2014 for Blast Damper BD41. The higher price from the Bidders was caused by difficult access to the work site and high demand for electricians due to intense construction activities in the San Francisco Bay Area. Upon review of the apparent low Bidder's business and financial capabilities, staff has determined that the Bidder is responsible and the Bid price is fair and reasonable. Due to the safety and security needs being addressed, this work should be awarded as soon as possible.

This Contract was advertised pursuant to the revised Disadvantaged Business Enterprise (DBE) Program requirements. The Office of Civil Rights reviewed the scope of work for this Contract and determined that there were subcontracting opportunities; therefore, a DBE participation goal of 21% was set for this Contract. The low Bidder, Blocka Construction, Inc., committed to subcontracting 22.8% to DBEs.

FISCAL IMPACT:

Funding of \$197,000 for the award of Contract No. 15BN-120 is included in total project budget for FMS # 15BN200 – Vent Fan Rehab - Bay. The Office of the Controller/Treasurer certifies that funds are currently available to meet this obligation. The following table depicts funding assigned to the referenced project and is included in totality to track funding history against spending authority. Funds required to meet this request will be expended from a combination of the sources listed.

As of May 4, 2016, \$953,569 is available for this project from the following sources:

| Fund No. | Fund Description | Source | Amount |
|----------|----------------------------------|--------|--------------|
| 354G | FY08 Capital Projects , Amend #4 | FTA | \$953,569.31 |
| | TOTAL | | \$953,569.31 |

BART has expended \$203,982 and has committed \$353,089 and reserves \$0 to date for other action. This action will commit \$197,000 leaving an available fund balance of \$199,498 in this project.

There is no fiscal impact on available un-programmed District Reserves.

ALTERNATIVES:

The alternative to awarding the Bid would be to reject all Bids and to re-advertise the Contract. Staff does not believe that rebidding would result in more competitive bids or a lower bid price than what was submitted by the Bidders for this Contract.

RECOMMENDATION:

It is recommended that the Board adopt the following Motion:

MOTION:

The General Manager is authorized to award Contract No. 15BN-120, Relief Shaft Blast Dampers BD39 and BD40 at SFTS and BD42 at OTS to Blocka Construction Inc., of Fremont, California for the Bid amount of \$197,000.00 pursuant to notification to be issued by the General Manager and subject to compliance with the District's protest procedures and FTA's requirements related to protest procedures.



EXECUTIVE DECISION DOCUMENT

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|---|------------------|-------------------------------|--------------------|---------------------------|
| GENERAL MANAGER APPROVAL: <i>Marcia DeLuca</i> | | GENERAL MANAGER ACTION REQ'D: | | |
| DATE: 6/1/16 | | BOARD INITIATED ITEM: No | | |
| Originator/Prepared by: Luis Leon | General Counsel | Controller/Treasurer | District Secretary | BART |
| Dept: <i>for d.l.</i> | <i>MB</i> | <i>MARTIN</i> | [] | <i>Paul Jensen</i> |
| Signature/Date: <i>Luis Leon 6-1-16</i> | <i>MB 6/1/16</i> | <i>MARTIN 6/1/16</i> | | <i>Paul Jensen 6/1/16</i> |
| TITLE: | | | | |

Award of IFB 8980A, Generators, Standby Mobile Engine with Trailers

NARRATIVE:

PURPOSE:

To request Board authorization to award Invitation For Bid (IFB) No. 8980A to CD & Power, Martinez, CA in the amount of \$1,142,374.08, including all applicable sales tax, for the purchase of Generators, Standby Mobile Engine with Trailers, three (3) pairs of two hundred kilowatt (200kW) and two (2) pairs of two hundred seventy-five kilowatt (275kW).

DISCUSSION:

The District relies on portable standby mobile engine generators to provide backup power to operate lights and electrical equipment in stations and other structures, and to ensure the uninterrupted operation of fire pumps, fans and critical equipment during power outages and emergencies. Backup power is essential to maintaining life safety systems and equipment that support evacuations as needed throughout the District, especially for the Oakland vent structure, Transbay tube and subways.

IFB 8980A succeeds IFB 8980 originally advertised on February 9, 2016, for the purchase of two (2) sets of two hundred kilowatt (200kW) generators. IFB 8980 received a single bid rejected by the Board on March 10, 2016. IFB 8980A is a re-advertisement for increased quantities, totaling three (3) pairs of 200kW and two (2) pairs of 275kW, trailer mounted generators with all accessories. The units are to be auto synchronized and configured to run in parallel so that when paired they will provide a combined load of 400 kW and 550 kW respectively.

Currently three (3) generators rated 300kW and one (1) generator rated 675kW are available to provide portable emergency power. As the new 200kW generators are placed in service, the 300kW units which require a large truck and a commercially licensed operator to move will be redesignated to supply power in BART railyards. Weighing less than ten thousand pounds the new trailer mounted units can be towed by small truck driven by a non-commercially licensed driver. The 675kW unit purchased in 1975 uses a two (2) cycle diesel engine which no longer meets CA carbon emission requirements, and will be retired following this procurement. The new generators have four (4) cycle, tier four (4) final diesel powered engines and can transit to emergency sites with faster response times.

A notice requesting bids was published on April 22, 2016 and bids were mailed to five (5) prospective bidders. Bids were opened on May 10, 2016 and three (3) bids were received.

Total including

Award of IFB 8980A, Generators, Standby Mobile Engine with Trailers

| <u>Bidder</u> | <u>Unit Price</u> | <u>Quantity</u> | <u>9.5 % Sales Tax</u> |
|------------------------------|-------------------|-----------------|------------------------|
| CD & Power | \$198,633.00 | 200kW (3 pairs) | \$ 595,899.00 |
| Martinez, CA | \$273,237.54 | 275kW (2 pairs) | \$ 546,475.08 |
| Total: | | | \$1,142,374.08 |
| Cummins Pacific LLC | \$233,881.00 | 200kW (3 pairs) | \$ 701,643.15 |
| San Leandro, CA | \$305,696.63 | 275kW (2 pairs) | \$ 611,393.25 |
| Total: | | | \$1,313,036.40 |
| Peterson Power Systems, Inc. | \$318,579.30 | 200kW (3 pairs) | \$ 955,737.90 |
| San Leandro, CA | \$497,677.50 | 275kW (2 pairs) | \$ 995,355.00 |
| Total: | | | \$1,951,092.90 |

The independent cost estimate by BART Staff is: \$1,350,000, including 9.5% sales tax.

Staff has determined that the apparent low bidder, CD & Power, Martinez, CA submitted a responsive bid, with a fair and reasonable price based upon a market survey of qualified suppliers and the independent cost estimate by BART staff.

Pursuant to the revised DBE Program, the Office of Civil Rights is utilizing race and gender neutral efforts for Procurement contracts. Therefore, no DBE goal was set for this contract.

FISCAL IMPACT:

Funding of \$1,142,374 for the award of Invitation for Bid #8980A is included in the total project budget for FMS #15EK200 – Traction Power Substation - Procurement. The Office of Controller/Treasurer certifies that funds are currently available to meet this obligation. The following table depicts funding assigned to the referenced project and is included in totality to track funding history against spending authority. Funds needed to meet this request will be expended from a combination of these sources as listed.

As of May 26, 2016, \$33,385,262 is available for this project from the following sources:

BART has expended \$14,003,190, committed \$14,713,958, and reserved \$109,755 to-date for other action. This action will commit \$1,142,374 leaving an available fund balance of \$3,415,985 in this project.

As of May 26, 2016, \$33,385,262 is available for this project from the following sources:

| Fund Group | Amount |
|---------------------------|-------------------|
| Various FTA Grant Sources | 26,762,155 |
| Local Area Bridge Toll | 4,134,127 |
| BART Funds | 2,488,980 |
| Total | 33,385,262 |

BART has expended \$14,003,190, committed \$14,713,958, and reserved \$109,755 to-date for other action. This action will commit \$1,142,374 leaving an available fund balance of \$3,415,985 in this project.

There is no fiscal impact on available unprogrammed District Reserves.

ALTERNATIVE:

Reject the bid and re-advertise the Contract. This is not likely to lead to increased competition or improved response time to access standby power during outages and emergencies.

RECOMMENDATION:

On the basis of analysis by Staff and certification by the Controller-Treasurer that the funds are available for this purpose, it is recommended that the Board adopt the following motion.

MOTION:

The General Manager is authorized to award Invitation For Bid No. 8980A for the procurement of Generators, Standby Mobile Engine with Trailers, three (3) pairs of 200kW and two (2) pairs of 275 kW generators, to CD & Power, Martinez, CA in the amount of \$1,142,374.08, including all applicable sales tax, pursuant to notification to be issued by the General Manager, subject to compliance with the District's Protest Procedures and FTA requirements related to protests.



EXECUTIVE DECISION DOCUMENT

| | | | | |
|--|------------------------------|--|--------------------------------------|------------------------|
| GENERAL MANAGER APPROVAL: <i>Alberca de Bueken</i> | | GENERAL MANAGER ACTION REQ'D: | | |
| DATE: 6/1/16 | | BOARD INITIATED ITEM: No | | |
| Originator/Prepared by: Tamar Allen Dept: <i>TA</i> | General Counsel <i>MB</i> | Controller/Treasurer <i>[Signature]</i> | District Secretary <i>Y. Nune</i> | BARC <i>Power</i> |
| Signature/Date: 5.31.2016 | <i>6/1/16</i> | <i>6/1/16</i> [] | <i>6-3-16</i> [] | <i>1 June 2016</i> [] |
| Status: Routed | | Date Created: 05/31/2016 | | |

TITLE:
General Obligation Bond Measure for BART Safety, Reliability and Traffic Relief Program

NARRATIVE:

Purpose:

To obtain Board of Directors (Board) adoption of the attached General Obligation Bond (G.O. Bond) Resolution, which will:

- Call a special district bond election for November 8, 2016 general election to authorize the issuance of a G.O. Bond in the aggregate amount of \$3.5 billion;
- Specify a ballot proposition for the special district bond election;
- Request that the District counties consolidate said election;
- Authorize preparation and filing of tax rate statement;
- Authorize the expenditure of an amount estimated to be \$2.0 million to cover election related expenses;
- Authorize the Board to file a ballot argument in support of the bond measure; and
- Authorize the establishment of an independent oversight committee to review and publicly report bond expenditures.

Also, to obtain Board adoption of the attached Reimbursement Resolution, which declares BART's intent to reimburse itself from G.O. Bond proceeds, if approved by the electorate, for bond program related costs.

Staff further recommends that the Board approve the attached General Obligation Bond Program Report, as required by the District Act.

Discussion:

The proposed \$3.5 billion G.O. Bond measure would fund BART's System Renewal Plan, estimated to cost \$6.83 billion over time including debt service and bond issuance costs.

BART uses a Strategic Asset Management Plan to assess asset condition and determine the appropriate level of investment needed to maintain the BART plant in a state of good repair. This plan assesses asset condition, likelihood of failure and the

impact such failure would have on BART operations. The programs identified for funding under this bond address BART's most critical infrastructure needs.

The BART Safety, Reliability and Traffic Relief Program seeks to upgrade facilities to accomplish two goals:

1. Repair and replace critical safety infrastructure (90% of investment)
2. Relieve crowding, reduce traffic congestion, and expand safe access to stations (10% of investment).

Specific programs estimated to be funded include:

| | |
|---|----------|
| ● Renew Track | \$625M |
| ● Renew Power Infrastructure | \$1,225M |
| ● Renew Tunnels and Structures | \$570M |
| ● Renew Mechanical Infrastructure | \$135M |
| ● Replace Train Control & Other Infrastructure to Increase Capacity | \$400M |
| ● Renew Stations | \$210M |
| ● Expand Safe Access to Stations | \$135M |
| ● Relieve Crowding, Traffic Congestion | \$200M |

At the meeting of the Board Capital reinvestment Committee on February 1, 2016 and during the Board Workshop on March 10, 2016, staff presented the revised and updated BART Safety, Reliability and Traffic Relief Program, at an estimated \$3.5 billion. A G.O. Bond measure would require a two-thirds vote of the consolidated electorate in the District. A G.O. Bond authorized by such a measure would be secured with a dedicated ad valorem property tax levy. The committee directed staff to include in the program provisions for an oversight committee to verify that bond revenues are spent as promised.

In order to place the G.O. Bond measure before the voters at the November 2016 general election, the actions listed above under "Purpose" must be taken and the bond resolution and tax rate statement must be submitted to the County Registrars by August 12, 2016.

Fiscal Impact:

No immediate fiscal impact. If the Board approves the attached G.O. Bond Resolution, then the County Registrars will assess the District for election-related costs in an aggregate amount across all three counties estimated to be approximately \$2.0 million, payable after the November election. If the G.O. Bond measure is approved by the voters in November, the District will be reimbursed for these expenses from the G.O. Bond Program. If the G.O. Bond is not approved by the voters, sufficient funds to cover election expenses have been set aside in the FY17 Operating Budget.

Alternatives:

That if the Board does not approve the attached G.O. Bond Resolution and the General Obligation Bond Program Report, a General Obligation Bond measure will

not be presented to voters in November 2016. In this circumstance, BART will not have sufficient funding in the foreseeable future to undertake renovation of critical infrastructure. If the Board does not approve the attached reimbursement Resolution, BART would be unable to seek reimbursement of program costs from the G.O. Bond proceeds, were the the bond measure to be approved by the electorate in the November election.

Recommendation:

That the Board adopt the attached G.O. Bond Resolution and Reimbursement Resolution. Also, that the Board approve the attached BART General Obligation Bond Program Report (System Renewal Plan 2016 and the BART Safety, Reliability, and Traffic Relief Engineers' Report) .

Motion:

That the Board of Directors adopt the attached G.O. Bond Resolution and Reimbursement Resolution and approve the attached BART General Obligation Bond Program Report (System Renewal Plan 2016 and the BART Safety, Reliability, and Traffic Relief Engineers' Report) .

**BOARD OF DIRECTORS OF THE
SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT**

Resolution No. _____

RESOLUTION CALLING A SPECIAL DISTRICT BOND ELECTION FOR THE PURPOSE OF SUBMITTING TO THE QUALIFIED VOTERS OF THE DISTRICT THE PROPOSITION OF INCURRING BONDED INDEBTEDNESS TO ACQUIRE AND IMPROVE AND REPLACE BART FACILITIES, FIXING THE DATE OF SAID ELECTION, THE MANNER OF HOLDING THE SAME, PROVIDING FOR NOTICE THEREOF, AND CONSOLIDATING SAID DISTRICT BOND ELECTION WITH THE STATE OF CALIFORNIA GENERAL ELECTION TO BE HELD ON NOVEMBER 8, 2016, AUTHORIZING PREPARATION AND FILING OF A TAX RATE STATEMENT TO BE PUBLISHED IN CONNECTION WITH SAID ELECTION, AND AUTHORIZING BOARD MEMBERS TO FILE A BALLOT ARGUMENT IN SUPPORT OF SUCH BOND MEASURE

WHEREAS, the Board of Directors (The "Board" of San Francisco Bay Area Rapid Transit District (the "District" or "BART") heretofore developed reports the ("Original Reports") pursuant to Section 29152 of the Public Utilities Code of the State of California (the "Public Utilities Code") which contained general plans, estimates and general specifications pertaining to the construction of the BART system; and

WHEREAS, the Boards of Supervisors of each of the County of Alameda, the County of Contra Costa, and the City and County of San Francisco approved by a resolution adopted by a majority vote the Original Reports; and

WHEREAS, the District heretofore called a special election and submitted to the qualified voters of the District a proposition to incur bonded indebtedness for the acquisition and construction of rapid transit facilities by the District as described in the Original Reports; and

WHEREAS, the District has heretofore issued all of its first authorized issue of bonds; and

WHEREAS, subsequent to its first authorized issue of bonds, the District found and determined that the bonded indebtedness then authorized and issued was insufficient to cover all costs of the acquisition and construction of its facilities, and, on November 2, 2004, voters in the District approved a bond measure (known as "Proposition AA") authorizing an additional \$980 million of bonds to improve seismic safety; and

WHEREAS, pursuant to Section 29157 of the Public Utilities Code, it appears to the board that the bonded indebtedness heretofore authorized and issued is insufficient to cover all costs of the acquisition and construction of its facilities, and the board now wishes to make an order determining the amount of bonds that should be issued in order to raise the additional funds necessary for the completion of such facilities; and

WHEREAS, the BART has heretofore developed the BART System Renewal Program (the “Safety, Reliability, and Traffic Relief Program”) to invest in the renewal of the BART system by improving safety and access, repairing and replacing critical infrastructure, and increasing capacity, and the District has duly employed engineers, economists, fiscal experts and others deemed necessary to develop general plans, estimates and general specifications pertaining to the projects for which a bond issue is proposed, as hereinafter set forth, sufficient in the opinion of this Board to enable this Board to determine the feasibility of such projects;

WHEREAS, said engineers, economists, fiscal experts and others have made a report entitled “BART Safety, Reliability, and Traffic Relief Engineer’s Report” (the “Engineer’s Report”) and a report entitled “BART System Renewal Program Plan 2016” (the “System Renewal Plan,” and together with the Engineer’s Report, the “Bond Program Report”) to the District in time, form and manner required by law, and this Board hereby determines and declares that the proposed Safety, Reliability, and Traffic Relief Program as specified in the Bond Program Report is feasible and that the Safety, Reliability, and Traffic Relief Program as outlined in the Bond Program Report is necessary;

WHEREAS, this Board desires pursuant to Section 29157.1 of the Public Utilities Code to duly determine the amount of bonds which should be issued in order to raise the amount of money necessary for the Program specified in the Bond Program Report and as otherwise provided by law and pursuant to Section 29158 of the Public Utilities Code to call a special election and submit to the qualified voters of the District the proposition of incurring such bonded indebtedness;

WHEREAS, this Board desires that the special district election hereinafter provided for shall be consolidated with the State of California general election to be held in the State and in the District on November 8, 2016, and desires to take all steps necessary for the purpose of effecting such consolidation;

WHEREAS, Section 9400 *et seq.* of the Elections Code of the State of California (the “Elections Code”) requires that a tax rate statement be contained in all official publications and ballot pamphlets prepared, sponsored or published by the District which relate to said election;

WHEREAS, this Board now desires to authorize the filing of a ballot argument in favor of the proposition to be submitted to the voters at said election;

WHEREAS, if the electors approve the bond proposition, this Board desires to establish an independent citizens’ oversight committee to review and report to the public expenditures of the bond proceeds; and

WHEREAS, all acts, conditions and things required by law to exist, happen and be performed precedent to and in connection with the calling and holding of said special district bond election hereinafter provided for have existed, happened and been performed in due time, form and manner as required by law, and this Board is now duly empowered to call said special district bond election in all respects, as hereinafter set forth;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT, AS FOLLOWS:

Section 1. A special district bond election is hereby ordered and will be held in the District on Tuesday, November 8, 2016, at which election shall be submitted to the qualified electors of the District the question of incurring a bonded indebtedness of the District for the objects and purposes set forth in the following measure:

Measure [] (*Measure Designation to be assigned by the County*) **BART Safety, Reliability and Traffic Relief.** To keep BART safe; prevent accidents/breakdowns/delays; relieve overcrowding; reduce traffic congestion/pollution; and improve earthquake safety and access for seniors/disabled by replacing and upgrading 90 miles of severely worn tracks; tunnels damaged by water intrusion; 44-year-old train control systems; and other deteriorating infrastructure, shall the Bay Area Rapid Transit District issue \$3.5 billion of bonds for the acquisition or improvement of real property subject to independent oversight and annual audits?

Said measure shall be set forth on the ballots to be used at said special bond election within the District in substantially the form hereinabove set forth. Pursuant to Section 29169 of the Public Utilities Code and Section 1 of Article XIII A of the Constitution of the State of California, the above proposition shall become effective only upon the affirmative vote of two-thirds of those electors voting on the measure.

Section 2. The Board hereby determines and declares that the proposed plan of work for the Safety, Reliability, and Traffic Relief Program in the Bond Program Report is feasible and the Safety, Reliability, and Traffic Relief Program as set forth in the Bond Program Report is necessary. The estimated cost of the proposed Safety, Reliability, and Traffic Relief Program in the Bond Program Report is \$3.5 billion. Said estimate includes planning, design, engineering, acquisition, construction and improvement costs for the Safety, Reliability, and Traffic Relief Program, which includes improvements to train tracks, power systems, tunnels and structures, mechanical systems, train control systems, repair and maintenance facilities, and BART stations.

Section 3. The maximum amount of the principal of the bonds that the Board hereby orders should be issued to raise the amount of money necessary for said Program as set forth in the foregoing measure is \$3.5 billion, which amount is estimated to be required to finance the Safety, Reliability, and Traffic Relief Program in the Bond Program Report, including sufficient funds to cover the cost of inspection of works in course of construction and the costs of issuing the bonds.

Section 4. The maximum term that the bonds proposed to be issued shall run before maturity is forty years, providing that the bonds of said authorized issue may be divided into two or more series or divisions, and the last date of maturity of any such series of bonds may be fixed at any date or dates up to but not exceeding forty years after the date of the bonds of that series. The District may fix different dates for the bonds of each series, and the bonds of any series may be made to mature and become payable at different times from those of any other series, provided (i) that said maximum maturity above specified shall be calculated from the date

on the face of each bond, separately, irrespective of the fact that different dates may be prescribed for the bonds of each separate series or division of said authorized issue and (ii) that the maturity dates of each separate series or division shall comply with the provisions of law.

Section 5. The interest rate on each series of bonds will be determined upon the sale thereof and shall not exceed a maximum rate of interest of 12% per annum, the maximum rate permitted by law.

Section 6. Interest to be paid upon said bonds during the estimated period of construction of the works of the District (and for three years thereafter or less) shall be a capital charge and may be payable out of the principal sum realized from the sale of the bonds in an aggregate amount not to exceed \$100,000,000 exclusive of premium generated by the sale of the bonds and deposited in the debt service fund. Such interest not so paid from bond proceeds shall be paid by the levy and collection of taxes in the manner and to the extent provided by law.

Section 7. The proceeds of the bonds shall be deposited in a special account created by the District and applied to the specific purposes set forth in the Measure (as specified in Section 1 hereof), and the District shall prepare an annual report on the expenditure of the proceeds and the projects funded thereby all pursuant to Government Code Section 53411.

Section 8. The estimate of the taxes required to be levied for all District purposes for the fiscal years 2017-18 to 2065-66, the sources from which such taxes shall be obtained, and the portion or amount to be derived from each source are set forth in Exhibit A attached hereto.

(a) The foregoing estimate of taxes is based upon the District's contemplated program of financing, which may be modified to conform to construction, marketing and financial conditions existing in the future. The actual tax levy in each year will vary, depending upon the then requirements for bond principal, interest, sinking fund payments, the then assessed values of taxable property in each county comprising the District, market interest rates at the time of each issuance, and the District's credit rating at the time of each issuance.

(b) The source from which such taxes shall be obtained is the net amount derived from the levy and collection of taxes upon all taxable property in the District based upon the equalized assessment roll of each county in which the District is situated. The District is not now authorized to levy income taxes or other similar types of taxes, other than transactions and use taxes, for the payment of its general obligation bonded indebtedness or administrative and general expenses.

(c) The proportion or amount of such taxes to be derived from the sources above stated are as follows:

(i) Annual tax levy for bond principal and interest and for sinking funds -- The law requires that the Board shall, at the time of fixing the general tax levy and in the manner provided for the general tax levy, levy and collect annually until the general obligation bonds of the District are paid, or until there is a sum in the treasury of the District set apart for that purpose to meet all sums coming due for principal and interest on the bonds as they become due and payable, a tax sufficient to pay the annual interest on the bonds and such part of the principal thereof, including any sinking fund

installments required by any of the District's agreements with its bondholders, as becomes due before the proceeds of a tax levied at the next general tax levy will be available for such purposes. The taxes required to be levied and collected on account of interest, principal, and sinking fund of general obligation bonds of the District shall be in addition to all other taxes levied for District purposes, and shall be collected at the time and in the same manner as other district property taxes are collected, and be used for no other purpose than the payment of the bonds and accruing interest. The District shall provide for the payment of the principal of and interest on the bonds by the levy and collection of taxes upon all property in the District subject to taxation by the District without limitation of rate or amount as provided by law, except that such taxes need not be levied to the extent that the District deposits in the treasury set apart for that purpose moneys derived from surplus revenues or any appropriations which may be made to it for that purpose or from any other funds howsoever derived.

(ii) Annual tax levy for administrative and general expense -- Following the adoption of Proposition 13 by the voters and the passage of implementing legislation, the District receives a small portion of the constitutionally limited 1% county-wide general tax levy in each of the three BART Counties for administrative and general expense and has no authority to increase such amount. The amount of the District's portion of such 1% levy for the 2015-16 fiscal year was approximately \$37,400,000.

(iii) The District levies a 1/2¢ transactions and use tax, 3/4^{ths} of the revenues of which are allocated to the District and 1/4th of which is allocated to the Metropolitan Transportation Commission. Revenues from such tax are pledged to secure sales tax revenue bonds of the District and are used to pay general operating and capital costs of the District.

Section 9. This Board does hereby submit to the qualified electors of the District at said special district bond election the measure of incurring bonded indebtedness set forth in Section 1 hereof, and hereby designates and refers to said measure as that measure to be set forth on the ballots as herein prescribed for use at said election:

(a) Said special district bond election shall be held and conducted and the votes thereat canvassed and the returns thereof made and the result thereof ascertained and determined, as herein provided; and in all particulars not prescribed by this resolution said special district bond election shall be held as provided by law.

(b) All residents of the City and County of San Francisco, the County of Alameda and the County of Contra Costa, respectively, who are qualified electors possessing the qualifications prescribed by the general election laws of the State of California shall be entitled to vote at said special district bond election. Whether a resident of the District is a qualified elector within the District shall be conclusively determined by the register of voters of the City and County of San Francisco, the County of Alameda and the County of Contra Costa, respectively, in which said election is held.

(c) Said special district bond election hereby called shall be consolidated and the Board of Supervisors of the City and County of San Francisco, the Board of Supervisors of the

County of Alameda and the Board of Supervisors of the County of Contra Costa are hereby each requested to order the consolidation of said special district bond election with the State of California general election to be held in said State and in said District on November 8, 2016, all as required by and pursuant to law, and the election precincts, polling places and officers of election within the District for said special district bond election shall be the same as those selected and designated by the Registrar of Voters or the Board of Supervisors, as appropriate, of the City and County of San Francisco, the County of Alameda and the County of Contra Costa, respectively, for said State of California general election, and reference is hereby made to said State of California general election for the designation of the precincts, polling places and election officers for said special district bond election hereby called.

(d) The hours during which the polls shall be kept open in the City and County of San Francisco, the County of Alameda and the County of Contra Costa (collectively, the "Counties" and each a "County"), respectively, shall be the same as those provided for the State of California general election to be held on November 8, 2016 in each of the Counties, respectively, being the election with which the election called pursuant to this resolution is consolidated, and the manner of voting for and against the incurring of such indebtedness shall be as provided for in the ballots in such general election. The Registrar of Voters or the Board of Supervisors, as appropriate, of the City and County of San Francisco, the County of Alameda and the County of Contra Costa, respectively, are and each of them is authorized to canvass, or cause to be canvassed as provided by law (including the provisions of Section 10411 of the Election Code), the returns of said special district bond election with respect to the votes cast in each of the Counties, respectively, and to certify the result to this Board in all respects as provided by law, and upon the certification of such results to this Board, this Board shall cause to be spread upon its minutes a statement of the results of said special district bond election as ascertained by such canvass.

(e) The acquisition or improvement of real property to be undertaken with the proceeds of the bonds is assumed to include the costs of the election and bond issuance and other construction-related costs, such as construction management, architectural, engineering, inspection and other planning costs, legal, accounting and similar fees, independent annual audits, and other incidental or necessary costs. The District shall reimburse itself for all costs incurred in connection with the calling and conduct of the special district bond election and any other costs permitted by law from proceeds of the bonds when issued.

Section 10. Notice of said special district bond election shall be given by publication of the text of this resolution calling such election together with, in each case, a form of notice of election substantially as set forth in Section 29163 of the Public Utilities Code. Such notice, together with the text of this resolution, shall be published once a week in each calendar week for two successive calendar weeks, at any time prior to said election (the first publication to be not less than twenty (20) or more than ninety (90) days prior to the date fixed for such special election), in the following newspapers of general circulation, hereby designated by this Board, which are printed and published in each County within the District, as follows:

Alameda County – East Bay Times

Contra Costa County – East Bay Times

City and County of San Francisco – San Francisco Chronicle

No other notice of the election hereby called need be given. The Secretary is hereby directed to cause such notice and the text of this resolution to be published as hereinabove provided.

Section 11. (a) Upon approval of the bond proposition by the voters, the Board shall establish a Bond Oversight Committee (the “Committee”) who represent a diversity of expertise, geography and demographic characteristics. Committee members shall consist of seven members and be appointed for two year terms and be eligible to serve for up to 6 years in total and are appointed as follows:

(b) The BART Board of Directors (the “Board”) shall appoint:

(i) One member nominated by the American Society of Civil Engineers, or its successor organization, who has expertise in civil engineering management and oversight;

(ii) One member nominated by the American Institute of Electrical Engineers, or its successor organization, who has expertise in electrical engineering management and oversight;

(iii) One member nominated by the American Institute of Certified Public Accountants, or its successor organization, who has expertise in audit or financial oversight;

(iv) One member nominated by the Association for Budgeting & Financial Management section of the American Society for Public Administration, or its successor section or organization, who has expertise in municipal finance;

(v) One member nominated by the Project Management Institute, or its successor organization, who has expertise in construction project management;

(vi) Two members nominated by the League of Women Voters, Bay Area, or its successor organization or chapter; provided that the Board may designate alternative professional organizations other than those set forth above from which to request nominations of members to serve on the Committee.

(c) Committee members shall:

(i) Not be a District employee or official, or be an owner, employee or consultant to a District contractor;

(ii) Not participate or interfere in the selection process of any vendor hired to execute bond funded projects;

(iii) Be required to sign a conflict of interest statement and to disclose any potential conflicts that may arise in the course of their service.

(d) The Committee shall provide diligent, independent and public oversight over the expenditure of funds from the sale of District general obligation bonds.

(e) The Committee shall be staffed by the Controller/Treasurer's Office.

(f) The Committee shall report directly to the public. The Committee shall focus its oversight on:

(i) Assessing how bond proceeds are spent to ensure that all spending is authorized by the ballot measure;

(ii) Assessing whether projects funded by bond proceeds are completed in a timely, cost-effective and quality manner consistent with the best interests of BART riders and District residents.

(g) The Committee is also charged with the responsibility of communicating its findings and recommendations to the District and the public.

(h) If the projects funded by bond proceeds are not being completed in a timely, cost-effective, and quality manner, the Committee may identify the reasons why and make suggestions in writing to the Board and District Staff for improvements.

(i) The Committee shall publish an annual report, which shall include the following:

(i) A detailed account of the Committee's activities, including its expenditures;

(ii) A detailed breakdown on the uses of bond funds in the previous year, and a confirmation that they were expended legally and in compliance with the will of the voters. The breakdown shall include an estimate of the impact to the BART system and to BART riders of the projects, including any consequences of construction;

(iii) A detailed breakdown of the anticipated use of bond funds already received by the District to be used in the following years to be provided by BART staff to the Committee. The breakdown provided by BART staff shall include an estimate of the impact to the BART system and to BART riders of the projects, including any consequences of construction;

(iv) A detailed progress report on the projects funded by bond expenditures. The progress report shall include whether the projects are progressing on time, on budget, and in accordance with the District's quality and sustainability standards. The report shall lay out the original and current estimates for cost and completion, and explicitly highlight any significant variances or risk or significant future variances compared to estimates of the budget, timeliness or scope;

(v) A report on any suggestions made by the Committee in the previous year, and whether previous suggestions have been adopted;

(vi) A report on the results of any financial or performance audits, relevant to the Bond and the Committee's work, performed by the District during the previous year.

(j) The Committee may be disbanded when all bond funds are spent.

Section 12. The Secretary of the District is hereby directed to deliver, no later than August 12, 2016 (which date is not fewer than 88 days prior to the date set for the election), a copy of this resolution and order to the Registrar of Voters of each County, and shall file a copy of this resolution and order with the Clerk of the Board of Supervisors of each County and the Registrar of Voters of each County.

Section 13. Pursuant to Resolution no. 5208 (the "Fare Increase Resolution") of this Board, adopted February 28, 2013, this Board extended the District's productivity-adjusted inflation-based fare increase program (the "Fare Increase Program") to raise fares in January of 2014, 2016, 2018, and 2020. The Fare Increase Program was then estimated to generate approximately \$325 million in additional fare revenue for capital renovation projects over the eight year period beginning in 2014 and ending in 2022. The District hereby reconfirms its intention to use such additional fare revenue generated in the period beginning in 2014 and ending in 2022 by the District's productivity-adjusted inflation-based fare increase program (as such program is set forth in Exhibit A to the Fare Increase Resolution) for capital renovation projects; provided that such revenue is not reduced by unforeseen economic circumstances or decreased ridership or is required to address costs in the event of a natural disaster.

Section 14. (a) The Controller/Treasurer of the District is hereby authorized to prepare a tax rate statement (the "Tax Rate Statement") conforming to the requirements of Section 9401 of the Elections Code, and to file said Tax Rate Statement with the Registrar of Voters of each County.

(b) The Registrar of Voters of each County is hereby requested to include the Tax Rate Statement in all official publications or postings pertaining to the Election, pursuant to the terms of Section 9402 of the Elections Code.

Section 15. The members of the Board are hereby authorized, but not directed, to prepare and file with the Registrar of Voters of each County a ballot argument in favor of the proposition contained in Section 1 hereof, within the time established by the Registrar of Voters of each County.

Section 16. This resolution, being a resolution relating to an election, shall take effect immediately upon adoption.

PASSED AND ADOPTED this _____ day of June, 2016, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

President

Secretary

EXHIBIT A

ESTIMATE OF DISTRICT TAXES

| Fiscal Year | Current Earthquake Safety Debt Service | 2018 Proposed Remaining Earthquake Safety Debt Service | Proposed 3.5b BART Bond Debt Service | Administrative and General Expenses Paid from Ad Valorem Taxes* | General Expenses and Capital Costs Paid from Transactions and Use Taxes* | Existing Bond Debt Paid from Transactions And Use Taxes* | Total Annual Cost Paid from Taxes |
|--------------|--|--|--------------------------------------|---|--|--|-----------------------------------|
| 2018 | \$50,378 | | \$13,010 | \$39,724 | \$256,690 | \$53,026 | \$412,828 |
| 2019 | 50,374 | \$15,883 | 13,010 | 40,916 | 264,391 | 53,175 | 437,748 |
| 2020 | 50,378 | 15,882 | 28,188 | 42,143 | 272,322 | 53,346 | 462,259 |
| 2021 | 49,964 | 15,885 | 28,192 | 43,408 | 280,492 | 53,495 | 471,435 |
| 2022 | 42,414 | 15,883 | 45,537 | 44,710 | 288,907 | 53,642 | 491,092 |
| 2023 | 42,412 | 15,882 | 45,534 | 46,051 | 297,574 | 53,829 | 501,283 |
| 2024 | 42,411 | 15,885 | 65,053 | 47,433 | 306,501 | 54,002 | 531,285 |
| 2025 | 42,411 | 15,881 | 65,051 | 48,856 | 315,696 | 54,235 | 542,130 |
| 2026 | 42,414 | 15,885 | 86,738 | 50,321 | 325,167 | 54,355 | 574,880 |
| 2027 | 42,413 | 15,885 | 86,731 | 51,831 | 334,922 | 54,554 | 586,337 |
| 2028 | 42,412 | 15,883 | 110,593 | 53,386 | 344,970 | 54,758 | 622,002 |
| 2029 | 42,412 | 15,883 | 110,598 | 54,987 | 355,319 | 29,736 | 608,935 |
| 2030 | 42,406 | 15,884 | 136,607 | 56,637 | 365,978 | 29,924 | 647,435 |
| 2031 | 42,410 | 15,884 | 136,606 | 58,336 | 376,958 | 30,138 | 660,332 |
| 2032 | 42,411 | 15,883 | 164,799 | 60,086 | 388,267 | 30,351 | 701,796 |
| 2033 | 42,414 | 15,884 | 164,806 | 61,889 | 399,914 | 30,579 | 715,486 |
| 2034 | 42,413 | 15,885 | 195,160 | 63,745 | 411,912 | 27,225 | 756,341 |
| 2035 | 42,411 | 15,881 | 195,158 | 65,658 | 424,269 | 22,148 | 765,526 |
| 2036 | 45,448 | 15,885 | 227,680 | 67,628 | 436,997 | 22,305 | 815,943 |
| 2037 | 45,445 | 15,884 | 227,672 | 69,656 | 450,107 | 6,445 | 815,209 |
| 2038 | | 15,882 | 227,673 | 71,746 | 463,611 | 6,445 | 785,356 |
| 2039 | | 15,883 | 227,673 | 73,898 | 477,519 | 6,446 | 801,419 |
| 2040 | | 15,885 | 227,676 | 76,115 | 491,844 | 6,448 | 817,968 |
| 2041 | | 15,883 | 227,687 | 78,399 | 506,600 | 6,444 | 835,012 |
| 2042 | | 15,886 | 227,678 | 80,751 | 521,798 | 6,445 | 852,557 |
| 2043 | | 15,886 | 227,679 | 83,173 | 537,452 | | 864,190 |
| 2044 | | 15,883 | 227,677 | 85,669 | 553,575 | | 882,804 |
| 2045 | | 15,886 | 227,689 | 88,239 | 570,182 | | 901,996 |
| 2046 | | 15,883 | 227,680 | 90,886 | 587,288 | | 921,736 |
| 2047 | | 15,882 | 227,672 | 93,612 | 604,907 | | 942,072 |
| 2048 | | 15,881 | 214,674 | 96,421 | 623,054 | | 950,030 |
| 2049 | | | 214,665 | 99,313 | 641,745 | | 955,724 |
| 2050 | | | 199,487 | 102,293 | 660,998 | | 962,777 |
| 2051 | | | 199,491 | 105,362 | 680,828 | | 985,680 |
| 2052 | | | 182,145 | 108,522 | 701,252 | | 991,920 |
| 2053 | | | 182,146 | 111,778 | 722,290 | | 1,016,214 |
| 2054 | | | 162,627 | 115,131 | 743,959 | | 1,021,717 |
| 2055 | | | 162,630 | 118,585 | 766,278 | | 1,047,493 |
| 2056 | | | 140,942 | 122,143 | 789,266 | | 1,052,351 |
| 2057 | | | 140,938 | 125,807 | 812,944 | | 1,079,688 |
| 2058 | | | 117,092 | 129,581 | 837,332 | | 1,084,005 |
| 2059 | | | 117,089 | 133,469 | 862,452 | | 1,113,010 |
| 2060 | | | 91,072 | 137,473 | 888,326 | | 1,116,871 |
| 2061 | | | 91,072 | 141,597 | 914,975 | | 1,147,644 |
| 2062 | | | 62,884 | 145,845 | 942,425 | | 1,151,153 |
| 2063 | | | 62,879 | 150,220 | 970,697 | | 1,183,797 |
| 2064 | | | 32,524 | 154,727 | 999,818 | | 1,187,069 |
| 2065 | | | 32,524 | 159,369 | 1,029,813 | | 1,221,705 |
| TOTAL | \$885,751 | \$476,508 | \$6,830,382 | \$4,147,525 | \$26,800,580 | \$853,495 | \$39,994,241 |

THE BOARD OF DIRECTORS
OF THE
SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT

RESOLUTION NO. _____

RESOLUTION OF THE BOARD OF DIRECTORS
OF THE BAY AREA RAPID TRANSIT DISTRICT
DECLARING OFFICIAL INTENT TO
REIMBURSE CERTAIN EXPENDITURES FROM
PROCEEDS OF INDEBTEDNESS

WHEREAS, the Board of Directors of the San Francisco Bay Area Rapid Transit District (the "District") intends to acquire, construct and complete municipal improvements consisting of systemwide infrastructure improvements (the Project); and

WHEREAS, the District (and for purposes of this resolution and the Treasury Regulations referenced herein, the "Issuer") expects to pay certain expenditures (the "Reimbursement Expenditures") in connection with the Project prior to the issuance of indebtedness for the purpose of financing costs associated with the Project on a long term basis;

WHEREAS, the Issuer reasonably expects that debt obligations in an amount not expected to exceed \$3.5 billion will be issued in order to finance the Project, and that certain of the proceeds of such debt obligations will be used to reimburse the Reimbursement Expenditures;

WHEREAS, Section 1.150-2 of the regulations promulgated by the United States Department of the Treasury (the "Treasury Regulations") requires the Issuer to declare its reasonable official intent to reimburse prior expenditures for the Projects with proceeds of a subsequent borrowing, if such proceeds are to be deemed spent upon the reimbursement allocation, for purposes of federal tax law;

BE IT RESOLVED by the Board of Directors of the San Francisco Bay Area Rapid Transit District, as follows:

Section 1. Recitals. All of the above recitals are true and correct and this Board of Directors so finds.

Section 2. Compliance with the Requirements of Section 1.150-2 of the Treasury Regulations. For purposes of establishing compliance with the requirements of Section 1.150-2 of the Treasury Regulations, this Board of Directors hereby declares its official intent to use proceeds of indebtedness to reimburse itself for Reimbursement Expenditures. This declaration does not bind the Issuer to make any expenditure, incur any indebtedness, or proceed with the Project.

Section 3. Effective Date. This resolution shall take effect immediately.

PASSED AND ADOPTED by the Board of Directors of the San Francisco Bay Area Rapid Transit District at a regular meeting held on June __, 2016, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Grace Crunican, General Manager

ATTEST:

Kenneth A. Duron, District Secretary

SECRETARY'S CERTIFICATE

I, Kenneth A. Duron, the undersigned Secretary of the San Francisco Bay Area Rapid Transit District, do hereby certify as follows:

The attached resolution is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Board of Directors of the San Francisco Bay Area Rapid Transit District duly held at the regular meeting place thereof, on June __, 2016, of which meeting all of the members of the Board of Directors had due notice and at which a quorum thereof were present; and at the meeting the resolution was adopted by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

An agenda of the meeting was posted at least 72 hours before the meeting at 344 20th Street, Oakland, California, a location freely accessible to members of the public, and a brief description of the resolution appeared on the agenda. A copy of the agenda is attached hereto.

I have carefully compared the attached copy with the original minutes of the meeting on file and of record in my office. The resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

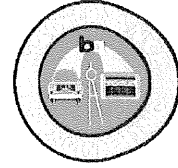
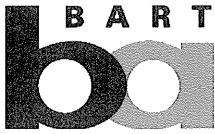
Dated: _____, 2016.

Kenneth A. Duron, District Secretary



**BART SAFETY, RELIABILITY, AND TRAFFIC RELIEF
ENGINEERS' REPORT**

May 16, 2016



Background

The federal government, in October 2012, adopted legislation requiring transit agencies, including BART, to develop a transit asset management plan that includes, at minimum, capital asset inventories and condition assessments, decision support tools, and investment prioritization for capital projects. In Fiscal Year 2012, BART began aligning its asset management program with emerging FTA requirements. It was a process of systematically surveying BART system assets, identifying risks, developing capital projects to address those risks, and prioritizing projects for financing when funding became available.



As verified by the State of California's Auditor in a report, dated April 2015, BART has an asset management program that uses a risk-based approach for prioritizing capital projects both for delivery and for funding requests.

Furthermore, the State Audit Report presents the following:



San Francisco Bay Area Rapid Transit District

Billions Are Needed to Repair and Replace Infrastructure Yet Availability of Funding is Uncertain

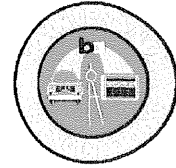
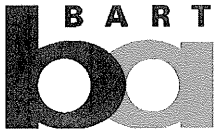
Report 2013-118

"BART's projections for its operating budgets for fiscal years 2007-08 through 2012-13 were reasonably consistent with BART's actual financial performance, indicating that its projection methodology yields valid results."

This bond measure supports the BART System Renewal Program funded at \$3.5 billion, allocating ninety percent to replace critical safety infrastructure (\$3.165 billion) and the remaining ten percent (\$335 million) for focusing on crowd relief, traffic congestion, and expanding safe access to BART passenger stations.

Methodology

BART developed a Strategic Asset Management Plan (SAMP) to guide decisions about system reinvestment, minimizing risk, and maintaining financial stability. This SAMP utilizes detailed, ongoing data collection for each significant asset class to assess the likelihood of failure and



understand the impact that such a failure would have on BART operations. The programs selected and identified for this bond address BART's most critical infrastructure needs.

The specific tools used are the Risk Register (RR) and the Capital Needs Inventory (CNI). The RR compiles items that the BART Maintenance division has identified during preventive inspections and through the trending of failure data as the greatest risks to safety and service. The CNI is generated by the BART Engineering division, and it compiles project solutions for identified risks.

These risks and engineered solutions are weighed against specific criteria, including but not limited to impacts on safety and service. This prioritization is used to guide decisions about funding projects.

General Description of Facilities to Acquire or Construct

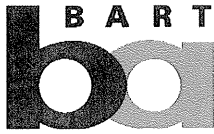
Through the System Renewal Program, BART is planning to upgrade facilities to accomplish two main goals:

- 1) Replace critical safety infrastructure
- 2) Relieve crowding, reduce traffic congestion, and expand the safe access into passenger stations

The categories of programs to be funded include:

Estimated Cost to Acquire or Construct Facilities Under the Bond

| <u>Program</u> | <u>Funding Level</u> |
|---|----------------------|
| - Renew Track | → \$625M |
| - Renew Power Infrastructure | → \$1,225M |
| - Repair Tunnels and Structures | → \$570M |
| - Renew Mechanical Infrastructure | → \$135M |
| - Replace Train Control and Other Infrastructure to Increase Capacity | → \$400M |
| - Renew Stations | → \$210M |
| - Expand Safe Access to Stations | → \$135M |
| - <u>Relieve Crowding, Traffic Congestion</u> | → <u>\$200M</u> |
| - TOTAL | \$3,500M |



Estimated Period of Facility Acquisition or Construction

The timeframe for the implementation of the System Renewal Program Plan is twenty-one years starting in Fiscal Year 2017 through Fiscal Year 2038. However, an accelerated estimated period for completing the most critical work associated with this bond measure is ten years starting in Fiscal Year 2017 to address the urgent need for improvements to real property.

Summarized Description of Proposed Work by Category

Renew Track

\$625,000,000

The critical components of the track system, many of which were installed during original construction, are worn and reaching the end of intended design life. These components include aerial and at grade interlockings and turnouts, rail, ties, fasteners, switch points and crossings. The resulting impact has been an increase in slow orders for degraded track condition.

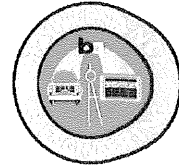
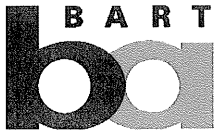
The scope of work planned under this bond would provide engineering solutions and project implementation to address track infrastructure which includes but is not limited to the following:

- Interlocking and turnout replacements
- Mainline running rail and restraining rail replacements, as well as yard track renewal
- Replacement of track appurtenances (direct fixation assemblies, switch components, concrete ties, and gage-face lubricators)
- Eliminate old track joints
- Replace deteriorated track access (toe) paths, pursuant to PUC mandate

Renew Power Infrastructure

\$1,225,000,000

The traction power system which provides power for the movement of trains is compromised and in need of comprehensive rehabilitation. Nitrogen filled 34.5KV cabling is corroded from elements and electrolysis and leaking making it susceptible to flashover failures. In large parts of the system the designed 34.5KV redundancy had been lost and failures requiring reduced train movement are increasingly common. The DC rectifiers in the substations are deteriorated and experiencing increased demand associated with heavy passenger loads. An increasing failure rate at substations is regularly compromising service by requiring that trains accelerate at slower rates of speed. Obsolescence makes acquiring the parts necessary to make repairs difficult and costly.



Facilities electrical systems have also begun to reach the end of their intended design life and will require renovation. One such system is the Transbay Tube Power System which provides lighting, ventilation and communication. The 4160V and 480V switchgears and associated transformers have also reached the end of their intended design life.

Another critical system, the uninterrupted power supply for train control, which ensures continued automatic train operation in the event of a PG&E power failure, is also operating beyond its intended design life and experiencing elevated failure rates.

Aged emergency lighting systems and fire alarms in stations are operating beyond their intended design life and must be replaced.

The scope of work planned under this bond would provide engineered solutions and project implementation to address both traction and facilities power problems including, but not limited to, the following:

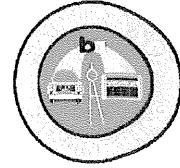
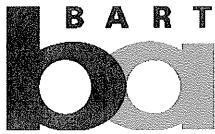
- Substation replacements and additions
- High voltage 34.5 kV cable replacements
- Third rail replacement
- Tunnel lighting upgrades
- Emergency lighting in stations
- Uninterruptible Power Supply (UPS) in Train Control Rooms system-wide
- Fire alarm replacements
- Transformer and switchgear replacement serving Trans Bay Tube and joining structures
- Generator replacement for train control systems & BART Police facilities

Repair Tunnels and Structures

\$570,000,000

Water intrusion in tunnels and facilities is a major problem. This is particularly pronounced in the Market Street tunnel in downtown San Francisco where ground water is seeping through tunnel liner joints and cracks. This water creates a number of problems including increased electrolysis and damage to electrical components, rapid cooling of rail from water spray which has increased the occurrence of rail breaks and deterioration of emergency egress structures. Similarly, water intrusion into train control rooms and elevator and escalator controls has resulted in compromised performance of that equipment.

Another structural element requiring rehabilitation is street grating and associated vent shafts along Market Street. These structures experience heavy loading cycles as vehicular traffic and



Muni street cars cross over them. Some welds have experienced fatigue failures and the base metal of the main structure has begun to show evidence of failing by brittle fracture.

Some structural elements on aerial sections of track need replacement. Sound walls on the Concord and Richmond lines have deteriorated anchors and panel connections predisposing them to failure. Insufficient aerial fall protection results in slowed maintenance activities and greater risk to workers.

The scope of work planned under this bond would provide engineered solutions and project implementation to addresses structural assets including but not limited to the following:

- Waterproofing tunnels and facilities
- Replace cross-passage doors in Trans-Bay Tube
- Water intrusion in Train Control Rooms as well as Elevator and Escalator Rooms
- Aerial track sound-wall replacement
- Renew aerial track cat walks
- Rehabilitate street grates and vent shafts
- Eliminate operating envelope conflicts on platform edges (CPUC requirement)
- Slope and foundation stabilization at Daly City Station platform
- Address Hayward Earthquake Fault Creep Repairs in the Berkeley Hills Tunnel

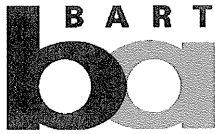
Renew Mechanical Infrastructure

\$135,000,000

Many of the basic mechanical elements that support BART operations require renewal. Examples include the 40-year old HVAC system that maintains temperature control for the Computer Room and Operations Control System. When this system fails, room temperature rises to ninety-five degrees in one hour threatening computer operations. The fire suppression system for these areas is antiquated and uses halon technology which if discharged would create damage to much of the computer equipment.

Mechanical elements of tunnels requiring replacement include line sump pumps that are experiencing increased failure rates due to age, severe corrosion and environmental contributors. These pumps are critical in keeping tunnels and trackways dry.

Mechanical infrastructure in shops and yards also needs to be replaced. Chief amongst them are the hydraulic lifts and rail car turntables. The shop hydraulic lifts raise train cars and truck assemblies in order to allow personnel to work on undercar components. Many of the lifts have been in service for more than twenty years. The cylinders have deteriorated and leak



Engineers' Report

compromising their reliability and consequently the productivity of the shops. The yard turntables are used to spin cars at the end of lines. This is particularly important when configuring lead and trail cars to make trains. The turntables in the Concord, Hayward and Richmond yards were installed during original construction and have operated beyond their design life. Due to increased revenue service and system expansion, these turntables are now failing at a higher rate resulting in increased down time.

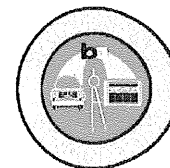
The scope of work planned under this bond would provide engineering solutions and project implementation to address mechanical infrastructure includes but is not limited to the following:

- HVAC replacements including control center computer room
- Fire protection including control center computer room
- Third rail cover board enhancement
- Sewage pump station replacements system-wide
- Replace fire hose piping in stations and facilities per NFPA code
- Construct storm and waste water treatment facilities per state regulations
- Wet dust collector replacements in Shops per Bay Area Air Quality Standards

**Replace and Upgrade Train Control and other System
Infrastructure to Increase Peak Period Capacity \$400,000,000**

The train control system controls the speed and movement of trains on the rail network, keeps the trains running safely. BART's current Train Control System is operating at capacity through the trans bay core and will not be able to meet the growing demand. The current system can safely accommodate one train every 2.5 minutes or 23 trains an hour through the Transbay Tube. Growth projections for the near future mandate that capacity be increased to 30 trains an hour. Additionally, train control is currently the single largest system contributing to service delays.

This bond would enable full funding for the design and installation of a communications based train control system. This investment will allow trains to operate at more closely spaced intervals and at faster speeds, permitting up to 25% more trains through the Trans Bay Tube by increasing the peak hour peak direction trains from 23 to up to 30 trains. The new train control system will improve BART's reliability, decreasing train-control-related delays and enhancing safety. This investment will also allow BART to increase its train car storage capacity and facilities needed to keep up with the growing service demands.



The scope of work planned under this bond would, subject to constitutional restrictions, provide engineering solutions and project implementation to address train control and associated infrastructure.

The bond program would also provide funding for the following additional infrastructure improvement projects:

- Upgrade traction power capacity
- Expand vehicle storage and shop capacity

Renew Stations

\$210,000,000

BART's stations are gateways to the system. Like much of the system, many of BART's stations are more than 40 years old and are in need of renewal. This is particularly true of escalators in the downtown San Francisco and Oakland stations. The program plan will allow BART to renew its aging stations, improving comfort, safety and security, and overall station capacity.

Examples of projects in this area include:

- Replace and upgrade escalators, including weatherproofing canopies
- Enhanced station lighting and sight lines to improve passenger safety and security
- New infrastructure to reduce fare evasion
- Upgraded design and art elements which connect stations to surrounding community

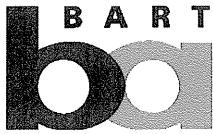
Expand Safe Access to Stations

\$135,000,000

As demand for BART has grown, crowding has also increased for those trying to access BART. Key stations, such as Montgomery and Embarcadero, have substantial crowding issues on platforms and escalators during peak times. Parking for both vehicles and bicycles reaches capacity early in the morning at many BART stations. At the same time, aging and out-of-date facilities at original stations limit many BART riders who may want to reach stations on foot, on buses, or using emerging ride-sharing services.

Examples of projects in this area include:

- Enhance access for seniors and people with disabilities
- Improve parking availability
- Expand bicycle facilities
- Renew and expand bus intermodal facilities



Relieve Crowding and Reduce Traffic Congestion

\$200,000,000

As early as the 1950's, forward-thinking Bay Area residents had the vision to anticipate the region's growing need for safe, reliable, efficient transportation and created the BART system. In the years since, BART system ridership has grown in parallel with the regional economy. BART has absorbed a large share of new travel demand, keeping hundreds of thousands of cars off the region's crowded roadways every day and helping major job centers to emerge and thrive in places that would not have otherwise been possible.

Examples of projects in this area include:

- Station platform doors
- Rail crossovers
- Storage tracks
- Turn-backs
- Design and engineering of a second Trans Bay crossing

Investments in this category will be used to evaluate, perform environmental studies, design, engineer, and implement, subject to funding eligibility requirements, for infrastructure projects to help meet the growing demand for BART service.



EXECUTIVE DECISION DOCUMENT

| | | | | |
|--|---|---|---------------------------|--|
| GENERAL MANAGER APPROVAL: <i>Alarcos de la Torre</i> | | GENERAL MANAGER ACTION REQ'D: | | |
| DATE: <i>6/3/16</i> | | BOARD INITIATED ITEM: No | | |
| Originator/Prepared by: Abigail Thorne-Lyman Dept: Planning, Development & Construction <i>Abigail Thorne-Lyman</i> Signature/Date: <i>6/1/16</i> | General Counsel <i>V. [Signature]</i> Signature/Date: <i>6/3/16</i> [] | Controller/Treasurer <i>[Signature]</i> Signature/Date: <i>6/3/16</i> [] | District Secretary [] | BARC <i>Powers</i> <i>2 June 2016</i> [] |

TITLE:

Station Access Policy and Transit-Oriented Development Policy

NARRATIVE:

PURPOSE: To request that the Board of Directors adopt the Station Access Policy and the Transit-Oriented Development Policy.

DISCUSSION:

The Board is being asked to adopt a Station Access Policy and a Transit-Oriented Development (TOD) Policy. These policies are being considered jointly because they address shared goals, objectives, and implementation synergies. The policies collectively seek to:

- Support implementation of “Plan Bay Area,” the Bay Area’s regional growth plan
- Promote equity and equitable access to the BART system
- Encourage transportation choices
- Support ridership growth and, in particular, the growth of ridership at times when the BART system has capacity for additional ridership
- Strengthen the connections between people, places, and services.

Taken together, the policies establish a coordinated set of strategies for station area investment throughout the BART system that is guided by a shared typology that describes the types of places envisioned around each station.

Station Access Policy

The Station Access Policy is designed to support BART’s broader goal of enhancing livability in the Bay Area, reinforce sustainable communities, and enable riders to get to and from stations safely, comfortably, affordably, and cost-effectively. The Station Access Policy will guide the District’s station access investments, resource management, and practices through 2025. Much has changed in the years since the existing BART Access Management and Improvements Policy was put into place in 2000. The District has experienced rapid ridership growth, has implemented a paid parking policy, and has opened or is currently constructing several BART expansion projects. These changes present an opportunity to update the Station Access Policy to better reflect the current situation and give staff greater direction in identifying potential access projects and investments.

The Station Access Policy sets forth a series of goals with complementary objectives as well as

broad strategies for achieving those goals. The Policy also includes the following figures:

- Figure 1: Station Access Design Hierarchy. This figure provides guidance on design at the station level. It ensures safe access for the most vulnerable modes of access to BART stations by ranking the various access modes in order of vulnerability, thus ensuring that they are considered first in the course of planning access projects and investments, and that trade-offs are made to benefit the more vulnerable modes.
- Figure 2: Station Access Typology Investment Matrix. This figure identifies primary and secondary investments by station type, as well as which types of access modes would be either accommodated or not encouraged for each station type.

The Station Access Policy references a Station Typology Map (attached), which identifies existing and aspirational Station Types for each station in the BART system. This map is not part of the Station Access Policy being considered for adoption because it will change over time.

If the Board adopts the proposed Station Access Policy, Staff intends to return to the Board in November 2016 to present the Board with the following key supporting documents for policy implementation: draft performance measures, including targets and timeline, and a four-year work plan consistent with the Strategic Planning process.

Transit-Oriented Development Policy

The current Transit-Oriented Development (TOD) Policy was adopted in 2005. At the time of its adoption, the TOD Policy was considered innovative, as it acknowledged the significant impact upon BART's ridership growth of transit-oriented development within walking distance of a station area, rather than just development on BART-owned property. Although the TOD Policy has held up well over the last decade, the following three critical changes in the region have triggered the need to update the policy:

1. The Metropolitan Transportation Commission and the Association of Bay Area Governments created Plan Bay Area in response to State legislation requiring regions to adopt combined land use and transportation plans in order to reduce greenhouse gas emissions
2. The loss of Redevelopment Agencies, which were a major tool used to implement TOD both on and off BART property
3. The growing housing affordability crisis, which has created repercussions for BART as commuters travel longer distances to work and housing around BART stations has become less affordable.

The proposed modifications to the TOD Policy address these concerns by articulating:

- The role BART will play in partnering with cities to adopt land use plans that encourage transit-supportive land uses
- The importance of partnering with other agencies, non-profits and the private sector to implement TOD and to address barriers formerly overcome by Redevelopment Agencies,

- such as parcel assembly and the coordination of implementation and finance efforts
- The targets for overall production of affordable housing for transit-dependent populations on BART property.

If the Board adopts the proposed TOD Policy, Staff intends to return to the Board in November 2016 to present the following key supporting documents for policy implementation: a land use and affordable housing strategy that prioritizes sites for investment, a four-year work plan consistent with the Strategic Planning process, and TOD Guidelines that offer greater clarity about the expectations and process for development of TOD on, and adjacent to, BART property.

FISCAL IMPACT: The fiscal impact associated with adoption of the Station Access Policy and the TOD Policy is unknown at this time. The four-year work plans that will be developed if the Board adopts the policies will further articulate the overall expected level of staff time and investment from BART, as well as the potential financial and other returns to BART associated with implementation of the policies.

ALTERNATIVES: Do not adopt the Station Access Policy and/or TOD Policy as currently presented. Continue operating under the 2000 BART Access Management and Improvements Policy and/or the 2005 TOD Policy.

RECOMMENDATION: It is recommended that the Board adopt the Station Access Policy and the TOD Policy.

MOTIONS:

- 1) The BART Board of Directors hereby adopts the attached Station Access Policy, which shall supersede the previously adopted BART Access Management and Improvements Policy.
- 2) The BART Board of Directors hereby adopts the attached Transit-Oriented Development Policy, which shall supersede the previously adopted Transit-Oriented Development Policy.



EXECUTIVE DECISION DOCUMENT

| | | | | |
|---|--|---|---------------------------|---|
| GENERAL MANAGER APPROVAL: <i>Garcia del Rey</i> | | GENERAL MANAGER ACTION REQ'D: | | |
| DATE: <i>6/1/16</i> | | BOARD INITIATED ITEM: No | | |
| Originator/Prepared by: Rose Poblete Dept: Controller-Treasurer x6070 Signature/Date: <i>[Signature]</i> <i>5/31/16</i> | General Counsel <i>[Signature]</i> <i>5/31/16</i> | Controller/Treasurer <i>[Signature]</i> <i>5/31/16</i> | District Secretary [] | BARC <i>[Signature]</i> <i>6-2-16</i> [] |

TITLE:

AUTHORIZE THE ISSUANCE AND SALE OF THE DISTRICT'S SALES TAX REVENUE BONDS, 2016 REFUNDING SERIES A

NARRATIVE:

PURPOSE:

To request Board adoption of a resolution, which authorizes the issuance and sale of not to exceed \$100 million in Sales Tax Revenue Bond, 2016 Refunding Series A to, 1) implement the preparation, execution and delivery of the necessary documents including the Preliminary Official Statements, the Official Statements, Supplemental Indenture or Paying Agent Agreement, Bond Purchase Agreements, Continuing Disclosure Agreement, Escrow Agreements and related agreements and, 2) to attend rating agency meetings and to negotiate and commit to bond credit support agreements, if any, in connection with the issuance of the Bonds.

DISCUSSION:

In 2016, the District intends to issue not to exceed \$100 million in Sales Tax Revenue Bonds. Proceeds of the Bonds will be used to refund outstanding bonds to achieve debt service savings and to pay costs of issuance of the bonds.

The proposed resolutions will authorize the Controller-Treasurer to negotiate the structure, financing and cost of issuance of the Bonds. In addition, the resolutions authorize the preparation, execution, and delivery of the necessary documents including the Preliminary Official Statement, the Official Statement, Supplemental Indenture or Paying Agent Agreement, Bond Purchase Agreement, Continuing Disclosure Agreement, Escrow Agreement and related agreements, and payment to cover the costs of issuance as well as the negotiation and commitment to bond insurance or other credit support agreements, if any, in connection with issuance of Sales Tax Revenue Bonds, 2016 Refunding Series A. The sale of these bonds will be done through a competitive sale.

FISCAL IMPACT:

The District proposes to issue Sales Tax Revenue Bonds, 2016 Refunding Series A, in the total principal amount of not to exceed \$100 million. After setting aside approximately 1% of principal amount for costs of issuance the remaining proceeds will be used to refinance the

AUTHORIZE THE ISSUANCE AND SALE OF THE DISTRICT'S SALES TAX REVENUE BONDS, 2016 REFUNDING

outstanding 2006 bond issues in order to achieve debt service savings.

All fees for the Sales Tax Revenue Bonds, 2016 Refunding Series A, shall be paid out of bond sale proceeds, therefore, no direct costs will be paid by the District. If no bonds are issued, no expense will be incurred except for legal expenses. Interest and principal debt service on the bonds will be paid in accordance with the provisions of the Supplemental Indenture from sales tax proceeds via allocation from the District's annual adopted operating budget.

ALTERNATIVES:

The District may elect not to issue the Sales Tax Revenue Bonds, 2016 Refunding Series A, at this time which would mean no debt service savings would be available with respect to bonds currently outstanding.

RECOMMENDATION:

To authorize the Controller-Treasurer to negotiate the structure, financing and cost of issuance for the Sales Tax Revenue Bonds, 2016 Refunding Series A, and execute and deliver all documents necessary for their issuance.

MOTION:

The Board adopts the attached resolution, incorporated herein as if set forth in full, authorizing the issuance and sale of not to exceed \$100 million aggregate principal amount of Sales Tax Revenue Bonds, 2016 Refunding Series A, and authorizing the preparation, execution and delivery of agreements and documents in connection therewith.

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT

RESOLUTION OF THE SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT AUTHORIZING AND APPROVING THE ISSUANCE AND SALE OF NOT TO EXCEED \$100 MILLION SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT SALES TAX REVENUE BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A THIRD SUPPLEMENTAL INDENTURE PURSUANT TO WHICH SUCH BONDS ARE TO BE ISSUED AND A NOTICE OF SALE PURSUANT TO WHICH SUCH BONDS ARE TO BE SOLD AND THE PUBLICATION OF NOTICE OF INTENTION TO SELL; APPROVING AN OFFICIAL STATEMENT RELATING TO SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS IN CONNECTION WITH THE ISSUANCE, SALE AND SECURITY OF SUCH BONDS, INCLUDING A CONTINUING DISCLOSURE AGREEMENT AND AN ESCROW AGREEMENT; DELEGATING TO THE CONTROLLER/TREASURER OF THE DISTRICT POWER TO DETERMINE FINAL TERMS OF SUCH BONDS AND TO COMPLETE SAID DOCUMENTS; AND AUTHORIZING CERTAIN OTHER MATTERS RELATING THERETO.

Resolution No.

WHEREAS, the District has heretofore issued its sales tax revenue bonds (the "Prior Bonds") under and pursuant to an Indenture, dated as of July 1, 1990, as supplemented and amended by the First Supplemental Indenture, dated as of August 7, 1990, the Second Supplemental Indenture, dated as of August 29, 1991, the Third Supplemental Indenture, dated as of June 7, 1995, the Fourth Supplemental Indenture, dated as of April 1, 1997, the Fifth Supplemental Indenture, dated as of March 12, 1998, the Sixth Supplemental Indenture, dated as of October 7, 1999, the Seventh Supplemental Indenture, dated as of July 12, 2001, the Eighth Supplemental Indenture, dated as of September 7, 2005, the Ninth Supplemental Indenture, dated as of June 29, 2006, the Tenth Supplemental Indenture, dated as of November 30, 2006 and the Eleventh Supplemental Indenture, dated as of May 19, 2010 (hereinafter collectively referred to as the "1990 Indenture"), between the District and U.S. Bank National Association ("U.S. Bank"), successor by merger to U.S. Bank Trust National Association, which was successor to First Trust of California, National Association, which was successor to Bank of America National Trust and Savings Association, which was successor to Security Pacific National Bank, as trustee (the "Prior Trustee");

Adopted: _____

Kenneth A. Duron, District Secretary

WHEREAS, the following Prior Bonds were issued pursuant to the 1990 Indenture and are outstanding in the following amounts:

| Series | Issuance Date | Original Principal Amount | Outstanding Principal Amount |
|--------|-------------------|---------------------------|------------------------------|
| 2006 A | November 30, 2006 | \$108,110,000 | \$95,840,000 |
| 2010 | May 19, 2010 | 129,595,000 | 121,065,000 |

WHEREAS, the District has heretofore issued its sales tax revenue bonds (the “2012 Bonds” and, together with the Prior Bonds and other bonds issued on a parity with the 2012 Bonds, the “Bonds”) under and pursuant to an Indenture, dated as of September 1, 2012, as supplemented and amended by the First Supplemental Indenture, dated as of September 1, 2012, and the Second Supplemental Indenture, dated as of October 1, 2015 (hereinafter collectively referred to as the “2012 Indenture”), between the District and U.S. Bank, as trustee (the “Trustee”);

WHEREAS, the following Bonds were issued pursuant to the 2012 Indenture and are outstanding in the following amounts:

| Series | Issuance Date | Original Principal Amount | Outstanding Principal Amount |
|--------|-----------------|---------------------------|------------------------------|
| 2012A | October 4, 2012 | \$130,475,000 | \$121,305,000 |
| 2012B | October 4, 2012 | 111,085,000 | 104,770,000 |
| 2015A | October 8, 2015 | 186,640,000 | 186,640,000 |

WHEREAS, the District desires to issue its San Francisco Bay Area Rapid Transit District Sales Tax Revenue Bonds in one or more Series (the “Refunding Bonds”) to provide funds to refund a portion of the Prior Bonds, consisting of the 2006 A Bonds, as shall be determined appropriate by the Controller/Treasurer of the District (the “Controller/Treasurer”) in order to achieve debt service savings and/or to restructure existing debt service;

WHEREAS, the District desires to issue the Refunding Bonds, payable on a parity with the Bonds pursuant to the 2012 Indenture, as it may be amended and supplemented pursuant to its terms, including as amended and supplemented by a Third Supplemental Indenture thereto (collectively, as so supplemented and amended, the “Indenture”), which is proposed to be entered by the District and the Trustee;

WHEREAS, Sperry Capital Inc. serves as financial advisor (the “Financial Advisor”) to the District and will serve in such capacity in connection with the bonds authorized hereby;

WHEREAS, there has been prepared and presented to this meeting a proposed form of Third Supplemental Indenture (such Third Supplemental Indenture, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being hereinafter referred to as the “Third Supplemental Indenture”);

WHEREAS, the District desires to sell the Refunding Bonds to a bidder or bidders to be selected pursuant to a competitive sale process;

WHEREAS, there has been prepared and submitted to this meeting a proposed form of Official Notice of Sale for the Refunding Bonds (the "Notice of Sale") and a Notice of Intention to Sell the Refunding Bonds (the "Notice of Intention to Sell") to be published pursuant to section 53692 of the California Government Code;

WHEREAS, there has been prepared and submitted to this meeting a proposed form of Official Statement in preliminary form (the "Preliminary Official Statement") to be used in connection with the offering and sale of the Refunding Bonds;

WHEREAS, in order to assist the purchasers of the Refunding Bonds in complying with Securities and Exchange Commission Rule 15(c)2-12(b)(5), there has been prepared and submitted to this meeting a proposed form of Continuing Disclosure Agreement (such Continuing Disclosure Agreement, in the form presented to this meeting, with such changes, omissions and insertions as are made pursuant to this Resolution, being hereinafter referred to as the "Continuing Disclosure Agreement"), which is proposed to be entered into by the District and U.S. Bank, as trustee and dissemination agent;

WHEREAS, in order to provide for the refunding of a portion of the Prior Bonds, there has been prepared and submitted to this meeting a proposed form of Escrow Agreement (such Escrow Agreement, in the form presented to this meeting, with such changes, omissions and insertions as are made pursuant to this Resolution, being hereinafter referred to as the "Escrow Agreement"), which is proposed to be entered into by the District and the escrow bank to be designated therein;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the San Francisco Bay Area Rapid Transit District as follows:

Section 1. The foregoing recitals are true and correct and the issuance by the District of San Francisco Bay Area Rapid Transit District Sales Tax Revenue Bonds, 2016 Refunding Series A payable on a parity with the Bonds, in an aggregate principal amount not to exceed \$100 million and being sufficient to: (i) refund such portion of the Prior Bonds as shall be determined appropriate by the Controller/Treasurer of the District in order to achieve debt service savings and/or to restructure existing debt service; and (ii) pay costs of issuance of the Refunding Bonds, on the terms and conditions set forth in, and subject to the limitations specified in, the Third Supplemental Indenture, as finally executed and delivered, is hereby approved. The Controller/Treasurer of the District is hereby authorized and directed to determine the principal amount, series designations, interest rate or rates, and other terms of the Refunding Bonds to be issued, including determining whether such Refunding Bonds shall be issued as taxable or tax-exempt bonds (subject to the aforesaid limitations and the limitations hereinafter specified) and to specify said terms in the Third Supplemental Indenture.

Section 2. The Third Supplemental Indenture in the form presented to this meeting is hereby approved. The Controller/Treasurer of the District is hereby authorized and directed to execute and deliver the Third Supplemental Indenture in substantially the form presented to this

meeting with such changes, insertions and omissions as may be approved by such officer, said execution being conclusive evidence of such approval; and the District Secretary is hereby authorized to attest to such signature. The proceeds of the Refunding Bonds (after payment of the costs of issuance thereof) will be applied to provide funds for the purposes hereinabove described. The maximum term of the Refunding Bonds shall not exceed the maturity date of the Prior Bonds being refunded. The maximum rate of interest to be payable on the Refunding Bonds shall not exceed five percent (5.00%) per annum. Optional redemption of the Refunding Bonds shall be provided for at not later than ten (10) years from the date of issuance at a premium not greater than one percent (1%); provided, however, that the Controller/Treasurer is hereby authorized to cause all or any portion of the Refunding Bonds to be issued as noncallable bonds. The net present value of the debt service savings with respect to the Refunding Bonds shall be at least five percent (5%) of the aggregate principal amount of the Prior Bonds being refunded. The interest payment dates, denominations, forms, manner of execution, terms of redemption and other terms of the Refunding Bonds shall be as provided in the Third Supplemental Indenture as finally executed.

Section 3. The Notice of Intention to Sell in the form presented to this meeting is hereby approved. The Controller/Treasurer of the District is hereby authorized and directed to cause said Notice of Intention to Sell to be published once in The Bond Buyer, a newspaper of regular circulation in the District, at least five days prior to the sale of the Refunding Bonds.

Section 4. The Notice of Sale in the form presented to this meeting is hereby approved. The Controller/Treasurer of the District is hereby authorized and directed to execute and deliver the Notice of Sale in substantially the form presented to this meeting with such changes, insertions and omissions as may be approved by such officer, said execution being conclusive evidence of such approval. The Financial Advisor is hereby authorized to circulate said Notice of Sale to potential purchasers of the Refunding Bonds. Electronic proposals shall be received by the Controller/Treasurer of the District up to the hour of 8:00 a.m. California time on July 20, 2016 or on such earlier or later date or time determined by the Controller/Treasurer of the District as set forth in the Notice of Sale. The bids for the Refunding Bonds shall be for the purchase of the Refunding Bonds for cash at not less than their principal amount. The Controller/Treasurer of the District is hereby authorized to determine whether to award the Refunding Bonds to the highest responsible bidder resulting in the lowest true interest cost to the District or to reject any or all bids. The Controller/Treasurer of the District is further authorized to adjust the principal amounts of the Refunding Bonds and the purchase price thereof in accordance with the Notice of Sale. The proceeds of the sale of the Refunding Bonds shall be applied simultaneously with the delivery of the Refunding Bonds to the costs of issuance of the Refunding Bonds and the defeasance of the portion of the Prior Bonds being refunded, as required by the terms of the Indenture and Escrow Agreement as finally executed.

Section 5. The Preliminary Official Statement in the form presented to this meeting is hereby approved and the distribution of the Preliminary Official Statement, in connection with the offering and sale of the Refunding Bonds, with such changes, omissions and insertions as shall be approved by the Controller/Treasurer, is hereby authorized and approved. The Controller/Treasurer is hereby authorized to review the Preliminary Official Statement and to certify on behalf of the District that the Preliminary Official Statement is "deemed final" as of its

date, except for certain terms and pricing information permitted to be omitted therefrom pursuant to Securities and Exchange Commission Rule 15c2-12.

The Controller/Treasurer is hereby authorized and directed to prepare a final version of the Official Statement (such final version of the Official Statement, in the form of the Preliminary Official Statement, with such changes, insertions and omissions as shall be approved by the Controller/Treasurer, being hereinafter referred to as the "Official Statement") and to execute the Official Statement and any amendment or supplement thereto, in the name of and on behalf of the District, and cause the Official Statement and any such amendment or supplement to be delivered to the purchasers and distributed in connection with the offering and sale of the Refunding Bonds.

Section 6. The Continuing Disclosure Agreement in the form presented to this meeting is hereby approved. The Controller/Treasurer is hereby authorized and directed to execute and deliver a Continuing Disclosure Agreement in substantially the form presented to this meeting, with such changes, insertions and omissions as may be approved by him, said execution being conclusive evidence of such approval.

Section 7. The Escrow Agreement in the form presented to this meeting is hereby approved. The Controller/Treasurer is hereby authorized and directed to execute and deliver one or more escrow agreements in substantially the form presented to this meeting, with such changes, insertions and omissions as may be approved by such officer, said execution being conclusive evidence of such approval.

Section 8. The Controller/Treasurer is hereby authorized and directed to take such actions as are necessary in connection with the investment of funds deposited in the escrow funds established pursuant to the Escrow Agreement, including seeking bids for escrow securities and, if applicable, U.S. Bank, in its capacity as trustee or escrow agent, the underwriters, or the Financial Advisor, is hereby authorized and directed to file such applications and other documents on behalf of the District as may be required to order and obtain U.S. Treasury Obligations – State and Local Government Series or other government securities to be purchased with proceeds of the Refunding Bonds and deposited in the escrow funds.

Section 9. The Controller/Treasurer is hereby authorized to enter into or to instruct the Trustee to enter into one or more investment agreements, float contracts, swaps or other hedging products (hereinafter collectively referred to as the "Investment Agreement") providing for the investment of moneys in any of the funds and accounts created under the Indenture or the Escrow Agreement, on such terms as the Controller/Treasurer of the District shall deem appropriate. Pursuant to Section 5922 of the California Government Code, the Board of Directors of the District hereby finds and determines that the Investment Agreement will reduce the amount and duration of interest rate risk with respect to amounts invested pursuant to the Investment Agreement and is designed to reduce the amount or duration of payment, rate, spread or similar risk or result in a lower cost of borrowing when used in combination with the Bonds or enhance the relationship between risk and return with respect to investments.

Section 10. Orrick, Herrington & Sutcliffe LLP is hereby appointed as bond and disclosure counsel in connection with the issuance and sale of the Refunding Bonds and fees of

such counsel are to be paid from the proceeds of the Refunding Bonds and contingent upon the issuance of the Refunding Bonds.

Section 11. The Controller/Treasurer of the District, the District Secretary and any other proper officer of the District, acting singly, is, and each of them hereby is, authorized and directed to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper to carry out the transactions contemplated by the 1990 Indenture, the Indenture, the Notice of Sale, the Preliminary Official Statement, the Official Statement, the Continuing Disclosure Agreement, the Escrow Agreement and by this Resolution, including without limitation, the delivery of tax certifications, the delivery of any documents necessary in connection with the refunding of the Prior Bonds, the delivery of an agreement for financial advisory services with the Financial Advisor, the delivery of any documents relating to the investment of bond proceeds and the making of any determinations or submission of any documents or reports which are required by any governmental entity in connection with the issuance and sale of the Refunding Bonds. The Controller/Treasurer and such officials of the District as the Controller/Treasurer designates are hereby authorized to undertake such travel and incur such expenses, upon consultation with the District's Financial Advisor, as is considered advisable to secure appropriate credit ratings and/or credit enhancement for the Refunding Bonds or assist in the marketing of the Refunding Bonds, which authorization shall constitute prior approval under Section 5-3.2(b) of the Rules of the Board of Directors of the District.

Section 12. All actions heretofore taken by the officers, representatives or agents of the District in connection with the issuance and sale of the Refunding Bonds are hereby ratified, confirmed and approved.

This Resolution shall take effect immediately upon its adoption.

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT

INTER-OFFICE COMMUNICATION

TO: Board of Directors **Date:** June 2, 2016
FROM: Controller-Treasurer
SUBJECT: Sales Tax Revenue Bonds, 2016 Refunding Series A Resolution Attachments (CD)

Attached you will find a CD which contains draft documents referenced in the Resolution pertaining to the EDD regarding Sales Tax Revenue Bonds, 2016 Refunding Series A.

Please contact me at 510-464-6070 if you have any questions.


Rose Poblete



EXECUTIVE DECISION DOCUMENT

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|--|---|--|---------------------------|--|
| GENERAL MANAGER APPROVAL: <i>Marisa DeBucche</i> | | GENERAL MANAGER ACTION REQ'D: Approve and forward to Board | | |
| DATE: <i>6/1/16</i> | | BOARD INITIATED ITEM: No | | |
| Originator/Prepared by: Susan Shaffer Dept: Real Estate and Property Development x6936 <i>Susan Shaffer</i> | General Counsel <i>[Signature]</i> <i>5/27/16</i> [] | Controller/Treasurer <i>[Signature]</i> <i>5/26/16</i> [] | District Secretary [] | BARC <i>[Signature]</i> <i>5-31-16</i> [] |
| Signature/Date: <i>5/26/16</i> | | | | |

TITLE:

Downtown Berkeley Bike Station Third One-Year Lease Extension

NARRATIVE:

PURPOSE:

To request Board authorization to execute an amendment for a third one-year extension to the lease with HSR Berkeley Investments, LLC for approximately 4,000 square feet of commercial space (the "Premises") at 2208 Shattuck Avenue, Berkeley, California for the Downtown Berkeley Bike Station commencing July 1, 2016.

DISCUSSION:

In April 2009 the Board authorized the General Manager or her designee to enter into a five-year lease with NFLP Berkeley Center DE, LLC for the Premises commencing July 1, 2009 for the Downtown Berkeley Bike Station, which has been in operation since July 2010. The building and the Premises have since been sold to HSR Berkeley Investments, LLC. Two one year extensions have been executed to the original lease extending it through June 30, 2016.

The Berkeley Bike Station currently provides valet parking for 185 bicycles Monday through Saturday and a 24/7 BikeLink key card accessed self-park facility for 113 bikes, for a total capacity of 298 bicycles. The Bike Station has included an annual financial contribution on the part of the City of Berkeley of \$60,000 per year. BART manages the Bike Station through management services agreement No. 6M6063 ("Management Services to Operate BART's Bike Facilities") with Alameda Bicycle. In addition to the valet parking service, Alameda Bicycle provides retail sales of bike accessories, bicycle maintenance/repair services and bicycling education classes. Alameda Bicycle subleases a portion of the space for the above referenced retail activities.

The City of Berkeley is currently constructing a new facility to house the Downtown Berkeley Bike Station. It is part of the Center Street garage complex at 2205 Center Street. The Center Street garage is close to the main BART entrance at Center and Shattuck and is a good long-term location to serve BART riders. The new facility will expand bike parking capacity and proportion it better based on actual use (i.e. more valet spaces and fewer BikeLink key card spaces). It includes valet parking for 270 bikes, BikeLink key card parking for 58 bikes (for a total capacity of 328 bicycles) and space for bike retail/maintenance services. Relocating to this facility will substantially reduce the operating costs of the Bike Station. Occupancy is estimated

between August and December 2017.

The proposed amendment increases rent from \$1.96 per square foot per month to \$2.35 for the first six months and then to \$2.50 for the remaining six months. Rents in downtown Berkeley have increased substantially over the last few years. Similar properties in downtown Berkeley are renting in the \$3.00 or more per square foot per month range. At the end of this one-year extension, the District will likely negotiate a month to month lease until the move to the Center Street garage complex is completed.

The Office of General Counsel will approve the lease amendment as to form.

ALTERNATIVES:

Forgo entering into the one-year lease extension and cease operation of the Downtown Berkeley Bike Station by June 30, 2016 and seek alternative accommodations for bicycle parking.

FISCAL IMPACT:

The current annual lease cost is \$121,200. The proposed lease extension will increase annual costs to \$144,000. Lease costs to the District will be offset by a sublease with Alameda Bicycle, who will pay \$38,592 of the annual rent, and the contribution by the City of Berkeley of \$60,000. The net expense to the District for the lease extension after these contributions is \$45,408, which is included in the Customer Access Department's operating budget for FY17.

RECOMMENDATION:

It is recommended that the Board adopt the following motion:

MOTION:

The General Manager or her designee is authorized to execute an amendment for a one year extension to the existing lease with HSR Berkeley Investments, LLC for approximately 4,000 square feet of commercial space at 2208 Shattuck Avenue, Berkeley, for the Downtown Berkeley Bike Station in the amount of \$144,000.



EXECUTIVE DECISION DOCUMENT

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| GENERAL MANAGER APPROVAL: <i>Clarica deVauger</i> | | GENERAL MANAGER ACTION REQ'D: | | |
| DATE: <i>6/1/16</i> | | BOARD INITIATED ITEM: No | | |
| Originator/Prepared by: Monina Salonga Dept: <i>Miss 6/1/16</i> | General Counsel <i>MB 6/1/16</i> | Controller/Treasurer <i>[Signature] 6/1/16 []</i> | District Secretary [] | BARC <i>[Signature] 6-1-16 []</i> |

TITLE:

AWARD OF AGREEMENT NOS. 6M4434, 6M4435 and 6M4436 FOR CONSULTING SERVICES FOR ENTERPRISE ASSET MANAGEMENT SYSTEM

NARRATIVE:

Purpose:

To authorize the General Manager to award Agreement Nos. 6M4434, 6M4435 and 6M4436 to Accenture, Interloc Solutions, and TechTu Business Solutions, Inc., respectively, to provide Consulting Services for Enterprise Asset Management System.

Discussion:

This Agreement is for Enterprise Asset Management consulting services, including technological support for the business soundness of BART's EAM strategy and compliance with applicable regulations. The consultants will provide expertise in EAM hardware and software, which includes identification and solution of problems, delivery of new information systems, training and recommendations related to compliance issues based on industry best practices.

The eventual goal of this Agreement is to have BART staff attain self-sufficiency with all aspects of Asset Management. All work shall be defined and performed in accordance with Work Plans. These Work Plans will also provide production and maintenance support to IBM Maximo, the District's Enterprise Asset Management System.

On October 26, 2015, RFP No. 6M4434 was advertised in eleven (11) publications. An Advance Notice to Proposers was sent to eighteen (18) firms. It was also published in BART's Procurement Portal where ninety-two (92) firms has access to download the RFP. A pre-proposal conference was held on November 18, 2015 with twenty-nine (29) companies in attendance.

The RFP indicated the District's intent to award up to three Agreements.

On December 22, 2015 seven (7) proposals were received from the following Proposers:

Proposer

Business Location

Ontracks Enterprise, Inc.
Meridium, Inc.
Stellar
EAMS Group, Inc.

Houston, TX
Roanoke, VA
New York, NY
Oakland, CA

Interloc Solutions, Inc.
TechTu Business Solutions, Inc.
Accenture LLP

Folsom, CA
Pleasanton, CA
San Francisco, CA

These proposals were reviewed and evaluated by a Source Selection Committee (Committee) chaired by Contract Administration, with representatives from the Office of the Chief Information Officer, Asset Management Program and the Office of Civil Rights. The Committee evaluated proposals utilizing a best value methodology, wherein the District awards Contract to a Proposer based on overall cost, as well as other technical factors that may benefit the District.

All proposal submittals, with the exception of Meridium, Inc., were found to be responsive to the RFP requirements. Meridium, Inc. did not meet several of the RFP's stipulated minimum technical requirements. The remaining proposals were evaluated and scored on the basis of the criteria contained in the RFP with respect to the qualifications of the firm and their key personnel. After the evaluation and scoring of all six (6) responsive proposals, the Committee opened the price proposals and determined that all proposals were within the competitive range for short-listing.

All six firms were invited to participate in oral interviews, which were conducted on January 26, 27, 29 and February 3, 2016. Afterwards, the Committee combined their technical scores and oral interview scores and thereafter performed a best value analysis. Based on the best value methodology, the Committee determined that Accenture, Interloc Solutions, and TechTu Business Solutions, Inc. presented the best overall value to the District. Since three Agreements will be awarded, each must have its own number.

Pursuant to the revised DBE Program, the Office of Civil Rights is utilizing race and gender neutral efforts for professional services agreements. Therefore, no DBE participation goal was set for this agreement.

The Office of the General Counsel will approve the Agreements as to form.

Fiscal Impact:

Each of the three Agreements has a not-to-exceed limit of \$4,000,000. District obligations will be subject to a series of Work Plans; no minimum amount of work is guaranteed for each Agreement. Each Work Plan will have a defined scope of services, and a separate schedule and budget. Any Work Plan assigned for funding under a State or Federal grant will include State or Federal requirements. Capital Development and Control will certify the eligibility of identified funding sources and the Controller/Treasurer will certify availability of such funding prior to incurring project costs against these Agreements and the execution of each Work Plan.

Alternatives:

Not to enter into any agreements for Consulting Services for Enterprise Asset Management System. There would be no external support for the District's EAM program, leaving it vulnerable as to business soundness, support, compliance and best practices.

Recommendation:

Adoption of the following motion:

Motion:

The General Manager is authorized to award an Agreement for Consulting Services for Enterprise Asset Management System, for an amount not to exceed \$4,000,000 each to Accenture (No. 6M4434), Interloc Solutions (No. 6M4435), and TechTu Business Solutions, Inc. (No. 6M4436), pursuant to notification to be issued by the General Manager and subject to the District's protest procedures and FTA requirements related to protest procedures.



EXECUTIVE DECISION DOCUMENT

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| GENERAL MANAGER APPROVAL: <i>Valencia de la Torre</i> | | GENERAL MANAGER ACTION REQ'D: | | |
| DATE: <i>6/3/16</i> | | BOARD INITIATED ITEM: No | | |
| Originator/Prepared by: Robert Umbreit Dept: <i>Robert S. Umbreit</i> Signature/Date: <i>6-2-16</i> | General Counsel <i>[Signature]</i> Signature/Date: <i>6/2/16</i> [] | Controller/Treasurer <i>[Signature]</i> Signature/Date: <i>6/2/16</i> | District Secretary [] | BARC <i>[Signature]</i> Signature/Date: <i>6-2-16</i> [] |

TITLE:

ANNUAL BUDGET RESOLUTION FOR FISCAL YEAR 2017

NARRATIVE:

PURPOSE

To authorize adoption of the Annual Budget Resolution for Fiscal Year 2017 (FY17).

DISCUSSION

Approval by the Board of Directors is requested for the FY17 operating and capital budgets. The total proposed FY17 budget (operating and capital) is \$1.82 billion. The FY17 operating budget is balanced, with \$929.1 million (M) in sources and \$931.5M in uses, less an adjustment for the Other Post Employment Benefits (OPEB) unfunded liability of \$2.5M that does not affect the Net Operating Result. The FY17 capital budget totals \$888.5M.

The proposed FY17 annual budget is summarized in Attachments 1, 2, 3 and Exhibit A. These attachments incorporate the proposed initiatives and allocations to capital projects that were included in the Preliminary Budget Memo and reviewed in presentations to the Board of Directors during April and May. The capital budget has been updated for finalized FY17 budgeted positions, including pre-revenue service positions for the Silicon Valley Berryessa Extension, which will be funded by the Valley Transportation Authority. The proposed annual operating budget also includes changes to the Preliminary Budget as discussed at the May 26 Board meeting. Attachment 3 listing the budget initiatives has been modified accordingly.

FY17 Operating Budget

The budget for FY17 focuses on continuing BART's system reinvestment program, opens the Warm Springs/South Fremont station and provides funding for pre-revenue service for eBART. The FY16 budget addressed capacity issues on the system, and those efforts will be maintained in FY17. However, because of slowing ridership and sales tax growth, there is limited funding for additional new programs and budget initiatives.

The Board of Directors passed modifications to the paid parking program in February 2013, with the increase in revenue dedicated to funding programs to benefit station access, rehabilitation and modernization. For FY17 \$6.5M is added for new programs and projects, and will fund a variety of station and access related initiatives (see Attachment 3). The specific programs proposed in the Preliminary Budget have been modified based on discussions with the Board of Directors during the budget process.

There are revisions from the FY17 Preliminary Budget, as discussed at the May 26 Board meeting. The Governor's May Budget Revision reduced State Transit Assistance (STA) funding due to declining diesel fuel prices. This resulted in a \$5.1M reduction to BART's STA amount. In order to balance the budget, the following changes are recommended. Reductions include deferral of \$2.5M of budget initiatives for Enterprise Resource Planning (\$2.0M) and Recruitment Support (\$0.5M), estimated debt service refinancing savings of \$1.0M, eBART startup positions phase-in was reduced by \$1.0M, and labor budget adjustments and corrections for \$0.6M. The budget resolution does authorize the General Manager to add positions during the year if financial conditions change.

In addition to the changes to rebalance the budget due to the STA reduction, the stations and access projects funded by parking revenue have been reconfigured based on Board feedback and comments. The revised funding for the projects is itemized in Attachment 3.

- The Station Platform Controllers program will be revised to a program called Embarcadero Platform Management. Funding is included to develop a more comprehensive approach to address crowded platforms, focused on resolving potential customer safety issues and dwell time control. Examples of potential investments include a wireless public announcement system, a Destination Sign System countdown timer showing remaining scheduled door dwell times for trains, a "railing chute" at the bottom landing of down escalators to keep that critical area clear and funding to develop the plan and survey other systems for best practices in platform crowd control strategies. Also included are two positions to start mid-year. The types of positions and strategies to address the problem will be developed. The total project will now be funded for \$0.3M, a reduction from the \$0.7M for Station Platform Controllers included in the Preliminary Budget.
- Funds for the Pittsburg/Bay Point Station surface parking project were funded from FY16 mid-year revenues, and therefore the FY17 funds for the project are being reallocated to an Access Planner position. The position will prioritize and advance implementation of access projects across the District, and will manage an eBART and outer C-Line Corridor Access Strategy Plan.
- In order to support the Transit Oriented Development program, a Principal Planner is added to support projects in that area.
- \$0.2M is added for a Customer Service Tracking Program. The funding will be used to develop the Salesforce/Maximo reporting and project tracking system where customers can report issues with stations or other system problems, as was presented May 26.
- The Public Address System Pilot will be modified. Later this year, the Board of Directors will receive a presentation on customer communications during delays and emergencies and any recommended investments needed to improve performance in this area. The funding will be set aside so that it can be used for results of the presentation and Board discussion.

In addition to the FY17 budget changes for Stations/Access projects, the FY16 mid-year stations and access projects were also revised. The Access & Parking Assessment project funding will be used for a one-time project to prepare a strategy to address stations access impacts at outer C-line and eBART stations. The strategy will consider linkages to regional bicycle/pedestrian trails.

FY17 Capital Budget

The capital budget proposes FY17 expenditures of \$888.5M and funds 825 positions. This is an increase of 200 positions from the Preliminary Budget due to finalizing the number of positions supported in the capital budget for FY17. Of the increase, 42 came from BART capital projects, and pre-revenue staffing for the Silicon Valley Berryessa Extension (SVBX) accounts for \$12.2M and 158 positions which will be funded by the Valley Transportation Authority. The remaining FY17 capital budget of \$876.3M represents a 32% increase over FY16. This is attributed to substantial expenditure increases in several key BART capital program categories, including System Renovation and Reinvestment (60% increase to \$584.5M), Service and Capacity Enhancement (29% increase to \$48.6M), Safety and Security (39% to \$68.0M) and Earthquake Safety (79% to \$60.6M). As two of our Big 3 program of projects enter peak activity phases, the new railcar program (\$199M) and the Hayward Maintenance Complex (\$165M) represent the largest individual project expenditures in the capital budget. Other major expenditures reflect the increased emphasis on system reinvestment, including mainline rail and power distribution projects (\$71M), train control and fare collection (\$70M) and station modernization and renovation projects (\$65M).

On the sources side, the BART capital program continues to be funded through a mix of Federal, regional and local funds, including a sizable commitment of BART operating allocations. This ongoing, and increasing, commitment of BART funds is an essential component of our capital program, particularly in meeting the long term commitments required to deliver the Big 3 program. Other capital activities dependent on operating allocations are grant-ineligible Board-directed projects and initiatives, routine but necessary capitalized maintenance projects, emergent safety and security projects, and equipment and inventory. Operating allocations derived from parking revenues are dedicated to a variety of station and access improvements, including signage, pedestrian improvements, station heavy cleaning, information displays, bike improvements, limited studies, and a sustainability program.

As mandated by regional programming requirements, Federal funds are directed to train control and traction power, trackway renovation, general mainline repairs, rail cars, fare collection, and ADA/system accessibility improvements. Other capital revenues are limited in their flexibility and many sources and grants are restricted to certain projects and/or activities as a condition of award. The FY17 capital budget contains modest but important contributions of State and local funds, including bridge toll allocations and County transportation sales tax funds, which are earmarked for station modernization and grant match. Bond proceeds from BART's Earthquake Safety general obligation bond are dedicated exclusively to the Earthquake Safety program. Additionally, there are a number of smaller, defined purpose grants that are limited to specific projects.

FY17 BUDGET RESOLUTION

Staff recommends approval of the attached Resolution to adopt the FY17 Annual Budget. As in previous years, the FY17 Resolution includes authorization to submit annual applications for Transportation Development Act (TDA), State Transit Assistance (STA) and Bridge Toll funds that are included in the FY17 capital budget, as appropriate. The Resolution also allows the

General Manager or the General Manager's designee to execute the agreement with the City and County of San Francisco to provide annual transfer payments for feeder services to the San Francisco Municipal Transportation Agency for FY17. The Resolution also incorporates provisions referring to the SFO Extension service plan and certain District system-wide operating policies. The Resolution authorizes the General Manager, or designee, to file grant applications and execute funding agreements on behalf of the District with the State of California for security grants.

Exhibit A (attached) of the Budget Resolution summarizes operating and capital budget totals. It includes modifications to the Preliminary Budget as outlined in the previous paragraphs. Exhibit B (attached) reflects current hourly pay rates or base pay ranges, as applicable, and management incentive pay, if any, for non-represented employees.

FISCAL IMPACT

The proposed FY17 Annual Budget is balanced.

ALTERNATIVES

Not adopt the budget or adopt a budget that differs from what has been presented to the Board of Directors over the past three months. Rules of the Board of Directors require that the budget be adopted prior to June 30th; adoption of the Budget Resolution by June 30th is required to authorize expenditures in FY17.

RECOMMENDATION

Adoption of the following motion:

MOTION

Adoption of the attached Resolution in the matter of approving the Annual Budget for the San Francisco Bay Area Rapid Transit District and authorizing expenditures for the fiscal year July 1, 2016 to June 30, 2017.

Attachment 1
Fiscal Year 2017 District Operating Budget
Sources and Uses Detail

| | FY17 | Changes | FY17 |
|---|--------------------|--------------------|--------------------|
| SOURCES | PRELIMINARY | | ADOPTED |
| Rail Passenger Revenue | \$ 509,956,889 | \$ - | \$ 509,956,889 |
| ADA Passenger Revenue | 877,401 | - | 877,401 |
| Parking Revenue | 33,484,552 | - | 33,484,552 |
| Other Operating Revenue | 27,506,101 | - | 27,506,101 |
| Sub-Total Operating Revenue | 571,824,943 | - | 571,824,943 |
| Sales Tax Proceeds | 249,213,493 | - | 249,213,493 |
| Property Tax Proceeds | 38,567,042 | - | 38,567,042 |
| Measure B / Other | 5,575,123 | - | 5,575,123 |
| State Transit Assistance | 14,000,000 | (5,072,368) | 8,927,632 |
| Low Carbon Transit Operations Program | 7,000,000 | - | 7,000,000 |
| Federal 5307 Grant - MTC Rail Car Fund Swap | 47,116,668 | - | 47,116,668 |
| Millbrae Use, Operating & Maint. Agreement | 864,673 | - | 864,673 |
| Sub-Total Financial Assistance & Allocations | 362,336,999 | (5,072,368) | 357,264,631 |
| TOTAL SOURCES | 934,161,942 | (5,072,368) | 929,089,574 |
| USES | | | |
| Labor | 500,790,787 | (1,183,812) | 499,606,975 |
| OPEB Unfunded Liability | 2,449,579 | - | 2,449,579 |
| ADA Paratransit | 14,205,377 | - | 14,205,377 |
| Purchased Transportation | 13,793,877 | - | 13,793,877 |
| Power | 40,987,000 | - | 40,987,000 |
| Other Non-Labor | 120,510,147 | (15,500) | 120,494,647 |
| Sub-Total Operating Expense | 692,736,767 | (1,199,312) | 691,537,455 |
| Extraordinary Expense - MTC Rail Car Fund Swap | 47,116,668 | | 47,116,668 |
| Debt Service | 52,744,366 | (1,000,000) | 51,744,366 |
| Allocation - Capital Rehabilitation | 43,456,986 | (2,812,142) | 40,644,844 |
| Allocation - Rail Car Sinking Fund | 45,000,000 | - | 45,000,000 |
| Allocation - Priority Capital Programs | 35,383,974 | - | 35,383,974 |
| Allocation - Stations & Access Projects | 5,243,360 | (60,914) | 5,182,446 |
| Allocations - Other | 1,656,499 | - | 1,656,499 |
| Allocation - Rail Car Project from SFO Net Result | 13,272,901 | - | 13,272,901 |
| Sub-Total Allocations | 196,758,086 | (3,873,056) | 192,885,030 |
| TOTAL USES | 936,611,521 | (5,072,368) | 931,539,153 |
| OPEB Unfunded Liability | (2,449,579) | - | (2,449,579) |
| NET RESULT | \$ - | \$ - | \$ - |
| Average Weekday Trips | 445,441 | | 445,441 |
| Operating Ratio | 82.5% | | 82.7% |
| Farebox Recovery Ratio | 73.7% | | 73.9% |

Attachment 2

FY17 Capital Budget Headcount and Planned Expenditures Program Summary by Category

| Program Category | Capital Headcount* | Planned Expenditures |
|---|-----------------------|---|
| | FY17 | FY17 |
| System Renovation** | | |
| Rolling Stock | 63.3 | 200,717,252 |
| Mainline | 206.7 | 71,489,463 |
| Stations | 26.3 | 64,813,955 |
| Controls & Communications | 140.2 | 69,643,192 |
| Facilities | 23.7 | 172,432,829 |
| Work Equipment | 1.4 | 5,366,005 |
| Total System Renovation | 461.6 | 584,462,695 |
| Safety & Security | 30.6 | 68,010,005 |
| Earthquake Safety | 18.1 | 60,558,630 |
| Service & Capacity Enhancement | 21.4 | 48,617,576 |
| System Expansion | 204.0 | 121,333,993 |
| Capitol Corridor*** | 24.0 | 3,700,000 |
| Reimbursable**** | 17.0 | 1,800,000 |
| Cost Allocation Plan | 48.0 | CAP costs are included in each of the line items above |
| TOTALS | 824.8 | 888,482,900 |

* Total authorized permanent positions.

** All expenses for the Capitol Corridor service to be reimbursed as allocated to the Capitol Corridor Joint Powers Board in the Annual State Budget Act.

*** Positions fully reimbursed by Muni, Caltrans, and others for BART staff expenses incurred in performing services for those organizations.

Attachment 3

FY17 Operating and Capital Budget Initiatives (General Fund)

| OPERATING | Pos. | Labor | Non-Labor | Total |
|------------------------------|----------|----------------|-----------|----------------|
| Workforce Development Grant | | 250,000 | - | 250,000 |
| OPERATING TOTAL | - | 250,000 | - | 250,000 |
| | | | | |
| CAPITAL | | | | Total |
| C-Car Cab Window Replacement | | | | 600,000 |
| CAPITAL TOTAL | | | | 600,000 |

FY17 Stations & Access Projects (from Parking Revenue)

| OPERATING | Pos. | Labor | Non-Labor | Total |
|---|----------|------------------|----------------|------------------|
| Embarcadero Platform Management* | 2 | 137,213 | - | 137,213 |
| Parking Community Safety Officers | 4 | 421,928 | - | 421,928 |
| Station Project Manager | 1 | 208,793 | - | 208,793 |
| Public Safety Initiative | | - | 50,000 | 50,000 |
| Principal Planner - Access** | 1 | 195,535 | - | 195,535 |
| Principal Planner - Transit Oriented Development** | 1 | 195,535 | - | 195,535 |
| Customer Service Tracking Program** | | | 100,000 | 100,000 |
| OPERATING TOTAL | 9 | 1,159,004 | 150,000 | 1,309,004 |
| | | | | |
| CAPITAL | | | | Total |
| Embarcadero Platform Management (capital portion)* | | | | 204,086 |
| Wayfinding | | | | 1,850,000 |
| Concord Plaza | | | | 848,360 |
| Bike Parking | | | | 650,000 |
| Station Sustainability | | | | 475,000 |
| Water Intrusion Remediation | | | | 455,000 |
| Public Address System | | | | 350,000 |
| Dublin/Pleasanton Station Access | | | | 250,000 |
| Customer Service Tracking Program (capital portion)** | | | | 100,000 |
| CAPITAL TOTAL | | | | 5,182,446 |

*Revised from Preliminary Budget. Positions are for 1/2 year (January 2017)

**Revisions from Preliminary Budget

BEFORE THE BOARD OF DIRECTORS OF THE
SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT

In the matter of approving
The Annual Budget for the
San Francisco Bay Area Rapid
Transit District and authorizing
Expenditures for the Fiscal Year
July 1, 2016, to June 30, 2017

Resolution No. _____

WHEREAS, the Board of Directors of the San Francisco Bay Area Rapid Transit District published notices on May 4, May 5 and May 6, 2016 in newspapers of general circulation in the County of San Francisco, the County of Contra Costa, and the County of Alameda of its intention to adopt an Annual Budget for the Fiscal Year July 1, 2016, to June 30, 2017; and

WHEREAS, the Board of Directors of the San Francisco Bay Area Rapid Transit District desires to adopt an Annual Budget for the Fiscal Year July 1, 2016, to June 30, 2017; and

WHEREAS, the Board of Directors of the San Francisco Bay Area Rapid Transit District is required by Public Utilities Code Section 28767 to determine and create, by resolution, such number and character of positions as are necessary to properly carry out the functions of the District; and

WHEREAS, the Transportation Development Act (TDA), Public Utilities Code §99200, et seq., provides for the disbursement of funds from the Local Transportation Fund of the Counties of Alameda and Contra Costa for use by eligible claimants for the purpose of operating assistance; and

WHEREAS, the State Transit Assistance (STA) fund makes funds available pursuant to Public Utilities Code Section 99313.6 for allocation to eligible applicants to support approved transit projects; and

WHEREAS, as attested to by opinions of the Office of the General Counsel, the San Francisco Bay Area Rapid Transit District is an eligible applicant for Net Toll Revenues and MTC Rail Extension Reserve bridge toll revenues pursuant to Section 30892 of the Streets and Highways Code; and is an eligible claimant for TDA and STA funds pursuant to Public Utilities Code Section 99260; and

WHEREAS, the agreement between the San Francisco Bay Area Rapid Transit District and San Mateo County Transit District, dated April 27, 2007, states that the San Francisco Bay Area Rapid Transit District will provide service on the SFO extension in a manner consistent with BART's system-wide operating policies; and

WHEREAS, the system-wide operating plan for Fiscal Year 2017 was presented to the Board of Directors on May 12, 2016, in a presentation entitled Fiscal Year 2017 Preliminary Budget Operating Sources, Uses and Service Plan; and

WHEREAS, the California Governor's Office of Emergency Services makes funds available from the FY 2016-2017 California Transit Security Grant Program – California Transit Assistance Fund (CTSGP-CTAF) to eligible applicants to support approved security transit projects;

NOW, THEREFORE, BE IT RESOLVED that the attached Annual budget (marked Exhibit A and incorporated herein as though set forth at length) is hereby adopted; and

BE IT FURTHER RESOLVED that, subject to the resolved clauses, said Annual Budget includes appropriations of monies expected to be available in the General Fund, Capital Funds including Construction Funds and existing and anticipated Federal, State and local grants, for expenditures in the amounts and for the purposes set forth in said budget; and

BE IT FURTHER RESOLVED that the General Manager is authorized to enter into services agreements (including professional, technical, maintenance and repair agreements) and lease or license agreements for District use of real property, facilities, equipment and software provided that:

- (1) The General Manager shall first determine that the work or services concerned, in the amounts authorized in a service agreement, cannot satisfactorily be performed by the officers or employees of the District;
- (2) Agreements that are let by public bidding, service, lease, and license agreements, and amendments thereto, between \$25,000 and \$100,000, shall be reported bi-monthly to the Board of Directors;
- (3) Prior authorization by the Board of Directors is required when:
 - a. The agreement, and amendments thereto, total in the aggregate \$100,000 or more in the fiscal year; or
 - b. Amendments total in the aggregate \$100,000 or more in any subsequent fiscal year;
- (4) The General Counsel is authorized to enter into services agreements in amounts up to \$100,000 with special counsel not previously designated by the Board without prior notice to the Board where the General Counsel determines that such immediate action is necessary to protect the legal interests of the District. Any such agreement shall be reported by the General Counsel to the Board within the calendar month thereafter.
- (5) The General Manager's authority to take immediate remedial measures, as defined in Section 20224 of the California Public Contract Code, and as authorized in Resolution No. 4834 shall remain unchanged; and

BE IT FURTHER RESOLVED that the General Manager is authorized to exchange District goods and services for goods and services from others of approximately equal or greater value; and

BE IT FURTHER RESOLVED that all disbursements resulting from the exercise of authority granted the General Manager pursuant to this resolution shall be reported to the Board of Directors in the District's quarterly financial report; and

BE IT FURTHER RESOLVED that Resolution No. 5296, adopted June 11, 2015, is repealed effective August 31, 2016, except as it applies to unexpended capital appropriations, and

BE IT FURTHER RESOLVED that the General Manager or the General Manager's designee is authorized to execute and file a Bridge Toll Application, a TDA Application and an STA Application along with necessary supporting documents, with the Metropolitan Transportation Commission for allocation of bridge toll revenues, TDA and STA funds in FY17; and

BE IT FURTHER RESOLVED that the General Manager or the General Manager's designee is authorized to execute any actions necessary for the purpose of obtaining financial assistance provided by the California Transit Security Grant Program – FY 2016-2017 California Transit Assistance Fund (CTSGP-CTAF); and

BE IT FURTHER RESOLVED that the San Francisco Bay Area Rapid Transit District's system-wide operating policies shall be generally as set forth in the May 12, 2016, presentation entitled Fiscal Year 2017 Preliminary Budget Operating Sources, Uses and Service Plan, subject to such adjustments that staff determines necessary to operate the service in the public's interest; and

BE IT FURTHER RESOLVED that the General Manager or the General Manager's designee is authorized to execute an agreement with the City and County of San Francisco (CITY) to provide a transfer payment in FY17, such transfer payment being paid by the District to CITY in order to facilitate the coordination of transit service and furnish an incentive to CITY for providing enhanced transfer services between MUNI and BART stations; and

BE IT FURTHER RESOLVED that the General Manager is authorized to make expenditures and incur liabilities against said funds within the limits set forth in said budget and the provisions of this Resolution, and to act on behalf of the District in connection with contracts arising thereunder, by following the procedures provided by law, and by Board of Directors' Resolutions and Board Rules, except that no contractual obligation shall be assumed by the District in excess of its ability to pay, and provided further that all expenditures shall be in conformance with statutory and other restrictions placed on the use of said funds; and

BE IT FURTHER RESOLVED that the General Manager is authorized to exceed Board Appointed Department/Executive Office budgets by more than ten percent (10%) ten (10) days after written notice of this intended action has been mailed to the Board of Directors, provided that the Total Net Operating Expense line item set forth in "Exhibit A" is not exceeded and such action is consistent with Board Rule 5-1.4 and provided further that the General Manager will prepare

and send to the Board, a summary of Department budgets within approximately 30 days after the adoption of this budget; and

BE IT FURTHER RESOLVED that the General Manager is authorized to exceed the foregoing ten percent limitation for emergency expenditures which are made in accordance with Resolution No. 4834 and Public Contract Code Section 20224; and

BE IT FURTHER RESOLVED that the General Manager is authorized to act on behalf of the District, and to make expenditures and incur liabilities against all funds of the District as provided for in contracts which have been authorized by the Board of Directors of the District and that the Board's authorizations of such contracts also include the necessary appropriations for such contracts and change orders authorized by Rules approved by the Board, subject, however, to compliance with such specific appropriation resolutions as may be adopted by the Board from time to time; and

BE IT FURTHER RESOLVED that the General Manager or the General Manager's designee is authorized to issue free or discounted promotional tickets in FY17 for purposes of building ridership on the system, consistent with ridership development guidelines; and

BE IT FURTHER RESOLVED that effective July 1, 2016:

- (1) The total number of permanent full and permanent part-time positions ("full time equivalent") as of July 1, 2016, budgeted for the District shall be 4,017.5 (a part-time position is counted as 0.625 positions). Additional permanent positions are authorized, as required, not to exceed 50 positions, of which not more than 25 positions may be charged to operating expense provided the budgeted Total Net Operating Expense is not thereby exceeded;
- (2) The character and salary ranges of such positions, including officers appointed by the Board pursuant to Public Utilities Code Section 28811 shall be as set forth in the agreements entered into with Service Employees' International Union, Local 1021, Amalgamated Transit Union, Local 1555, American Federation of State and County Municipal Employees, Local 3993, the BART Police Officers Association and the BART Police Managers Association as to the employees represented thereby, and with other Bargaining Units for employees that may later be represented thereby, and for all other employees as set forth in the attached "Exhibit B", incorporated herein as though set forth at length. The employment benefits for non-represented employees shall be administered by the General Manager in accordance with Board Rule 4-1.2.
- (3) The General Manager is authorized to make future adjustments to the Professional/Management Salary Ranges ("Exhibit B") for non-represented employees in accordance with applicable provisions of the Compensation Manual, which reflects the District policy and practice to evaluate such ranges on an annual basis and to establish the mid-points of the pay ranges for positions so that they approximate the 75th percentile of the average of salaries paid for similar jobs in the labor market and to promptly advise the Board of any and all such range

adjustments. The General Manager is directed to initiate the annual review by October of each year.

- (4) The District Secretary shall insure that an amendment to Exhibit B be prepared to reflect any adjustment to the hourly wage rates or professional/management pay bands as provided above or any adjustment to the Board appointed officers' salaries as a result of merit adjustments or scheduled increases provided in such officers' employment agreements that take effect during the fiscal year. The District Secretary shall attach any such amendment to Exhibit B as an addendum to this resolution.
- (5) The General Manager is authorized to pay non-represented employees on the merit plan who are eligible for a wage increase of up to 3.7214% as of July 1, 2016 that portion of their merit increase which exceeds the top of the base salary range with no increase to the employee's "base wage" above the top of the salary range. The amount over the top of the salary range shall be paid over the following twelve month period in equal pay period installments and will be discontinued after the expiration of the twelve month period unless the pay range is adjusted in accordance with (3), above, to incorporate that portion that is over the top of the salary range. Employees must have been rated "effective" or higher overall in their most recent performance evaluation to be eligible for any merit increase.
- (6) Except for Paragraph 1, and to the extent it is modified by Resolution No. 4748, Resolution No. 4487 remains in full force and effect.

BE IT FURTHER RESOLVED that the General Manager or the General Manager's designee shall post all grant applications online to the public as they are submitted, except those that if made public would compromise the security of the system.

###

EXHIBIT A
SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
ANNUAL BUDGET - FISCAL YEAR 2017

| <u>FUND SOURCES</u> | TOTAL |
|--|-------------------------|
| FUND SOURCES FOR NET OPERATING EXPENSE BUDGET, DEBT SERVICE AND CAPITAL ALLOCATIONS | |
| Operating Revenue | \$ 571,824,943 |
| Property Tax | 38,567,042 |
| 1/2 ¢ Sales Tax | 249,213,493 |
| Measure B, BB, & J Assistance | 4,603,535 |
| FTA - UAFF Operations (SMP) | 861,588 |
| Other Financial Assistance | 110,000 |
| Caltrain - Millbrae Station Joint Use | 864,673 |
| 5307 Preventive Maintenance Grant - Rail Car Fund Swap | 47,116,668 |
| State Transit Assistance | 8,927,632 |
| Low Carbon Transit Operations Program | 7,000,000 |
| Total Operating Sources | 929,089,574 |
| FUND SOURCE FOR CAPITAL BUDGET | |
| Capital Funds - Cash Flow FY17 | \$ 888,482,900 |
| TOTAL ESTIMATED FUND SOURCES | \$ 1,817,572,474 |
| <u>FUND USES</u> | |
| FUND USES FOR NET OPERATING EXPENSE BUDGET, DEBT SERVICE AND CAPITAL ALLOCATIONS | |
| Net Labor Expense ⁽¹⁾ | \$ 502,056,554 |
| Non-Labor Expense | 189,480,901 |
| Total Net Operating Expense | \$ 691,537,455 |
| Extraordinary Expense - Rail Car Fund Swap | 47,116,668 |
| Revenue Bond Debt Service | 51,744,366 |
| Allocations to Capital - Rehabilitation | 40,644,844 |
| Allocations to Capital - Rail Car Sinking Fund | 45,000,000 |
| Allocations to Capital - Priority Capital Programs | 35,383,974 |
| Allocations to Capital - Stations & Access Projects | 5,182,446 |
| Allocations to Capital - Other | 1,656,499 |
| Allocation to Rail Car Project from SFO Net Result | 13,272,901 |
| Total Operating Uses | \$ 931,539,153 |
| Other Post Employment Benefits Unfunded Liability | \$ (2,449,579) |
| FUND USES FOR CAPITAL BUDGET | |
| Capital Funds - Cash Flow FY17 | \$ 888,482,900 |
| TOTAL ESTIMATED FUND USES | \$ 1,817,572,474 |
| NET FINANCIAL RESULT (DEFICIT) | \$ - |

⁽¹⁾ Total Authorized Permanent Positions (FTE) as of 7/01/16 = 4,017.5

EXHIBIT B
CHARACTER, BASE SALARIES, PAY BANDS, HOURLY WAGE RATES,
AND MANAGEMENT INCENTIVE PAY OF MANAGEMENT AND
NON-REPRESENTED CLASSIFICATIONS

| CHARACTER OF POSITION/PAYROLL CLASSIFICATION TITLE | HOURLY WAGE RANGE | | | | | |
|---|-------------------|-----------|-----------|-----------|-----------|-----------|
| CLERICAL & HOURLY | STEP 1 | STEP 2 | STEP 3 | STEP 4 | STEP 5 | STEP 6 |
| ADMINISTRATIVE TECHNICIAN | \$28.2051 | \$27.3740 | \$29.4493 | \$31.7855 | \$32.9992 | \$33.4652 |
| ADMINISTRATIVE SECRETARY | 27.1535 | 28.3497 | 29.4576 | 30.5954 | 31.7627 | 32.2066 |
| SENIOR SECRETARY | 25.2862 | 26.2203 | 27.1832 | 28.3497 | 29.4874 | 29.9311 |
| SENIOR CLERK | 26.9117 | 28.0962 | 29.1941 | 30.3211 | 31.4770 | 31.9209 |
| INTERMEDIATE CLERK | 24.0798 | 25.0617 | 25.9866 | 26.9420 | 28.0962 | 28.5401 |
| INTERMEDIATE CLERK P/T | 26.4639 | 27.5439 | 28.5613 | 29.6123 | 30.8819 | 31.3702 |
| PARALEGAL | 33.6703 | 35.1536 | 36.5273 | 37.9382 | 39.3857 | 39.9361 |
| P/T SURVEY TAKER (SINGLE RATE) | 32.3876 | | | | | |
| ENGINEER INTERN | 18.0000 | | | | | |

NOTE: The clerical rates are effective 1/1/2016.

PROFESSIONAL/MANAGEMENT PAY BANDS

| PAY BAND | MINIMUM | MIDPOINT | MAXIMUM |
|----------|-----------|-----------|-----------|
| 14 | \$156,452 | \$199,479 | \$242,505 |
| 13 | 135,152 | 172,320 | 209,489 |
| 12 | 122,589 | 156,301 | 190,013 |
| 11 | 116,749 | 148,857 | 180,965 |
| 10 | 111,189 | 141,767 | 172,345 |
| 9 | 105,895 | 135,017 | 164,139 |
| 8 | 100,852 | 128,587 | 156,322 |
| 7 | 91,475 | 116,632 | 141,788 |
| 6 | 87,120 | 111,079 | 135,038 |
| 5 | 79,020 | 100,752 | 122,483 |
| 4 | 75,258 | 95,955 | 116,651 |
| 3 | 71,673 | 91,385 | 111,096 |
| 2 | 68,260 | 87,033 | 105,806 |
| 1 | 61,913 | 78,940 | 95,968 |

NOTE: The professional/ management pay bands were effective 01/01/2015.

| MANAGEMENT INCENTIVE PAY (ANNUAL): | Amount | Effective |
|---|---------|------------|
| Assistant General Manager - Administration and Budget | \$4,800 | 8/14/2006 |
| Assistant General Manager - Operations | \$4,800 | 6/28/1999 |
| Assistant General Manager - Planning and Development | \$4,800 | 11/13/2012 |
| Assistant General Manager- External Affairs | \$4,800 | 11/4/2013 |
| Chief Information Officer | \$4,800 | 3/1/2013 |
| Chief of Police | \$4,800 | 6/16/2012 |
| Deputy General Manager | \$4,800 | 5/14/2012 |
| Managing Director - Capitol Corridor | \$4,800 | 11/21/2009 |

BOARD APPOINTED OFFICERS ANNUAL SALARIES

| Base Salaries | 7/1/2016 |
|----------------------|--------------|
| DISTRICT SECRETARY | \$190,346.58 |
| CONTROLLER-TREASURER | \$241,774.58 |
| GENERAL COUNSEL | \$267,315.58 |
| GENERAL MANAGER | \$360,763.25 |

Note: The Board approved the salary adjustments for the District Secretary and General Counsel on December 2, 2015. The Board approved the salary adjustment for the General Manager on December 10, 2015 and for the Controller-Treasurer on March 10, 2016.



EXECUTIVE DECISION DOCUMENT

| | | | | |
|---|----------------------------------|---|--------------------|----------------------------------|
| GENERAL MANAGER APPROVAL: <i>Walter D. ...</i> | | GENERAL MANAGER ACTION REQ'D: Approve and forward to the E&O Committee Meeting | | |
| DATE: 6/1/16 | | BOARD INITIATED ITEM: No | | |
| Originator/Prepared by: Mark Dana Dept: | General Counsel | Controller/Treasurer | District Secretary | BART |
| <i>Mark Dana</i> Signature/Date: 5/31/16 | <i>[Signature]</i> 6/1/16 [] | <i>[Signature]</i> 5/31/16 [] | [] | <i>[Signature]</i> 6/1/16 [] |

TITLE:

Change Order for Installation of Escalators at the Antioch BART Station, to eBART Contract No. 04SF-130 for the Construction of East Contra Costa BART Extension Project Trackwork, Systems, and Facility Finishes

NARRATIVE:

PURPOSE

To obtain Board authorization for the General Manager to execute a Change Order with a not to exceed limit of \$4,000,000 to Contract No. 04SF-130, for the Construction of East Contra Costa BART Extension Project Trackwork, Systems, and Facility Finishes. The Change Order is for installation of two escalators at the Antioch BART Station.

DISCUSSION

Award of Contract No. 04SF-130 to Stacy and Witbec/Amoroso/Modern Railway Systems, a Joint Venture, was authorized by the Board on May 22, 2014 for the Total Base Bid Price of \$78,318,000. Also authorized at that time were; Option 1 for Pittsburg Civic Center Station (now known as Pittsburg City Center Station) for the Total Option 1 Bid Price of \$4,760,000, Option 2 for Y1 and Y2 Track Extensions for the Total Option 2 Bid Price of \$290,000, and Option 3 for Maintenance of Way Track for the Total Option 3 Bid Price of \$309,000.

The eBART Project consists of an approximately ten-mile extension of the BART System, using Diesel Multiple Unit (DMU) technology, from the existing Pittsburg/Bay Point BART Station to a station in the median of State Route 4 (SR4) in the vicinity of Hillcrest Avenue in the City of Antioch. One other station, the Pittsburg Center Station, is being constructed in the median of SR4 at the Railroad Avenue overcrossing.

Infrastructure and space to accommodate future escalator installation was included in the design of the Antioch BART Station in anticipation of future demand for escalators, pending funding availability. The Project has progressed to the point that several of the previously identified Project risks which could have impacted budget reserves have been avoided or mitigated. Subject to funding partner approval, there is an opportunity to utilize some of the reserve/contingency funds to install escalators at this time. One escalator will be installed at the Antioch BART Station Entry House to access the pedestrian overcrossing over westbound lanes of State Route 4, and another will be installed at the other side of the overcrossing to the Station platform. It is an advantage to complete as much of this work before revenue service begins as it will be less disruptive to patrons.

Pursuant to Board Rule 5-2.4, Change Orders involving expenditures greater than \$200,000 require Board approval.

The Office of the General Counsel will approve this Change Order as to form prior to execution. The Procurement Department will review this Change Order prior to execution for compliance with procurement guidelines.

FISCAL IMPACT

Funding for the not to exceed amount of \$4,000,000 for the award of this Change Order is included in the total project budget for FMS #04SF130 – eBART Trackwork, Systems and Finishes. The Office of the Controller/Treasurer certifies that funds are currently available to meet this obligation. The following table depicts funding assigned to the referenced project and is included in totality to track funding history against spending authority. Funds needed to meet this request will be expended from a combination of these sources as listed.

| Fund Number | Fund Description | Fund Source | Funded Amount |
|--------------------|------------------------------|--------------------|----------------------|
| 535A | FY 10-11 Prop 1B -PTMISEA | State | \$13,000,000 |
| 6104 | RM1 eBART Alloc#14383306 | Regional | \$4,000,000 |
| 6407 | AB1171 eBART Alloc #14391432 | Regional | \$7,944,000 |
| 6512 | City of Pittsburg - eBART | Local | \$5,074,000 |
| 6644 | CCTA Reso#13-49-P | Local | \$30,856,000 |
| 6645 | ECCRFFA Co-Op Agmt 26-14 | Local | \$29,018,000 |
| 664D | CCTA Resol 14-52-P | Local | \$2,400,000 |
| Total | | | \$92,292,000 |

As of May 10, 2016, \$92,292,000 is the total budget for this project. BART has expended \$44,443,535, committed \$40,200,474 to date for other actions. This action will commit \$4,000,000 leaving \$3,647,991 balance in this project.

There is no fiscal impact on available unprogrammed District Reserves.

ALTERNATIVE

The Board may decline to authorize execution of the Change Order. If the Change Order is not executed, the two escalators proposed will not be fabricated and installed at the Antioch BART Station at the present time. Installation of escalators will still be possible in the future if desired, although the work would be performed after revenue service begins and will require special measures to protect the public and will likely result in unnecessary risks and costs.

RECOMMENDATION

It is recommended that the Board adopt the following motion:

MOTION

The General Manager is authorized to execute a Change Order with a not to exceed limit of \$4,000,000 for the installation of escalators at the Antioch BART Station to Contract No. 04SF-130, for the Construction of East Contra Costa BART Extension Project Trackwork, Systems, and Facility Finishes, subject to funding partner approval.



EXECUTIVE DECISION DOCUMENT

| | | | |
|---|--|---|---|
| GENERAL MANAGER APPROVAL: <i>[Signature]</i> | | GENERAL MANAGER ACTION REQ'D: Approve and forward to the Board | |
| DATE: 6/1/16 | | BOARD INITIATED ITEM: No | |
| Originator/Prepared by: Balvir Thind Dept: Electrical Engineering <i>[Signature]</i> Signature/Date: 5/31/2016 | General Counsel <i>[Signature]</i> 5/31/16 [] | Controller/Treasurer <i>[Signature]</i> 5/31/16 [] | District Secretary BARC <i>[Signature]</i> 5/31/16 [] |

| | |
|----------------|--------------------------|
| Status: Routed | Date Created: 04/28/2016 |
|----------------|--------------------------|

TITLE:
AWARD OF CONTRACT 09DJ-140A FOR REPAIR AND MAINTENANCE OF ANODE CABLES, ANODE ARRAY ASSEMBLIES, AND CATHODIC PROTECTION SYSTEM

NARRATIVE:
PURPOSE:

To obtain Board authorization for the General Manager to award Contract No. 09DJ-140A, Repair and Maintenance of Anode Cables, Anode Array Assemblies, and Cathodic Protection System to Vortex Marine Construction (Vortex) of Antioch, CA.

DESCRIPTION:

This Contract is for the repair of non-functioning anode cables and anode array assemblies adjacent to BART's Transbay Tube (TBT) in addition to maintenance of the entire TBT cathodic protection system for one (1) year. The Contract permits the District to exercise Options A, B, and C to extend the Contract up to three years, beyond the Base year of the Contract.

At present, the steel shell of the TBT is protected from corrosion by the cathodic protection system, which consists of a series of cathodic protection anodes. These anodes are located some distance away from the TBT at the bottom of the San Francisco Bay, and provide required current to charge the tube shell to a negative voltage. This negative voltage in turn protects the steel shell from corrosion. There are thirty (30) anode array assemblies protecting the TBT. Each anode is connected to a power source located in the TBT with an armored submarine cable at the bottom of the Bay. The steel shell around the concrete tube structure is required for its structural integrity and to protect it from mechanical damage and water leakage. As the anode ages, the anode material gradually deteriorates until it no longer functions. In addition, ship traffic, at times, has damaged the connecting cable between the anode and the power source, requiring replacement. At present, five (5) anodes are not functioning and are in need of either repair or replacement of its arrays or cables.

An Advance Notice to Bidders was sent to 85 prospective Bidders with A and C10 contracting licenses on February 22, 2016. This Contract was advertised on February 24, 2016 in the Daily Pacific Builder, Examiner, and Daily Construction Services. Contract books were delivered to twenty three (23) plan rooms. A pre-Bid meeting was held on Friday, March 18, 2016 with nine

(9) prospective Bidders attending. Fourteen (14) firms purchased the Contract Documents. Prior to the Bid opening, the District issued two (2) Addenda to this Contract.

On Tuesday, April 12, 2016 at 2:00 PM, Bids were opened and three (3) firms submitted the following bids:

| <u>BIDDERS</u> | <u>TOTAL BASE BID PRICE</u> | <u>TOTAL BID PRICE</u> (Including Options A, B, and C) |
|--|-----------------------------|---|
| Manson Construction, Inc Seattle, WA | \$1,262,860.00 | \$4,955,410.00 |
| Vortex Marine Construction Antioch CA | \$860,368.00 | \$3,510,807.00 |
| Dutra Construction, San Rafael, CA | \$898,100.00 | \$3,610,800.00 |
| <hr/> | | |
| ENGINEER'S ESTIMATE | <u>\$1,160,000.00</u> | \$4,772,918.00 |

District staff has determined that Vortex's Base Bid of \$860,368.00 is responsive to the solicitation and is fair and reasonable based on the Engineer's Estimate. Furthermore, staff's review of Vortex's license, business experience, and financial capabilities has resulted in a determination that Vortex is a responsible Bidder.

In addition, staff has determined that the Contract Work is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Title 14, California Code of Regulations, Section 15301, Existing Facilities, because it consists of the repair and minor alterations of existing facilities involving no expansion of use.

Pursuant to the District's Non-Discrimination for Subcontracting Program, the availability percentages for this contract are 23% for Minority Business Enterprises (MBE) and 12% for Woman Business Enterprises (WBE). The bidder will not be subcontracting any work and will do all work with its own forces. Therefore, the District's Non-Discrimination for Subcontracting Program does not apply.

Pursuant to the District's Non-Federal Small Business Program, the Office of Civil Rights set a 5% prime preference for this Contract for Small Businesses (SB) certified by the California Department of General Services (DGS). Since Vortex Marine Construction, Inc. is the lowest responsive Bidder, and is eligible for the 5% Small Business preference, the application of the Small Business Program will not alter the award to Vortex Marine Construction, Inc.

FISCAL IMPACT:

Funding of \$860,368.00 for award of Contract No 09DJ-140A is included in the total project budget for 09DJ004, Repair & Maintenance of Cathodic Protection. Funds needed to meet this request will be expended from a combination of these sources as listed.

| Fund No. | Fund Description | Source | Amount |
|----------|---|--------|-------------|
| 851W | FY07-11 Operating Allocation to Capital | BART | \$ 600,000 |
| 8526 | FY14 - Operating Allocation to Capital | BART | \$ 250,000 |
| 8529 | FY16 – Operating Allocation to Capital | BART | \$ 400,000 |
| Total | | | \$1,250,000 |

As of May 16, 2016, \$1,250,000.00 is the total budget for this project. BART has expended \$0.00, committed \$0.00 to date for other actions. This action will commit \$860,368.00 leaving \$389,632.00 balance in this project.

There is no fiscal impact on available unprogrammed District Reserves.

ALTERNATIVES:

The alternative is not to repair and maintain the anode cables, anode array assemblies and cathodic protection system. This will leave part of Transbay Tube unprotected against corrosion due to lack of cathodic protection.

RECOMMENDATION:

It is recommended that the Board of Directors adopt the following motion:

MOTION:

The General Manager is authorized to award Contract No. 09DJ-140A for Repair and Maintenance of Anode Cables, Anode Array Assemblies and Cathodic Protection System, to Vortex Marine Construction of Antioch, CA for the Total Base Bid Price of \$860,368.00, pursuant to notification to be issued by the General Manager and subject to compliance with the District's protest procedures. The General Manager is also authorized to exercise Option A for the Total Option A Bid Price of \$871,563.00 and Option B for the Total Option B Bid Price of \$883,633.00, and Option C for the Total Option C Bid Price of \$895,243.00, subject to certification from the Controller-Treasurer of the availability of funding.



EXECUTIVE DECISION DOCUMENT

| | | | | |
|---|---|---|--------------------|--------------------------------------|
| GENERAL MANAGER APPROVAL: <i>Marcia Delaney</i> | | GENERAL MANAGER ACTION REQ'D: Approve and place on June 9, 2016 Board Agenda | | |
| DATE: 6/2/2016 | | BOARD INITIATED ITEM: No | | |
| Originator/Prepared by: Steve Sims Dept: M&E Engineering, Traction Power | General Counsel <i>[Signature]</i> 6/2/16 I 1 | Controller/Treasurer <i>[Signature]</i> 6/2/16 | District Secretary | BARC <i>[Signature]</i> 6/3/16 |
| Signature/Date: <i>[Signature]</i> | | | | |
| Status: Routed | | Date Created: 05/31/2016 | | |

TITLE:

Procurement of Traction Power Substations, Phase 1, Contract 15EK-210 Change Order No. 22, Removal of Design, Engineering, and Traction Power Equipment

NARRATIVE:

PURPOSE:

To authorize the General Manager to execute Contract 15EK-210, Procurement of Traction Power Substations, Phase 1, Change Order No. 22, Removal of Design, Engineering, and Traction Power Equipment, for a credit of \$6,101,686.74.

DISCUSSION:

On December 1, 2011, the Board authorized award of Contract 15EK-210 in the amount of \$17,904,407.00 for procurement of eight traction power substations over 5 years to Powell Electrical Systems, Inc. The first two substations were placed in service in May and October, 2015. Three more substations are now in production, including one DC equipment house procured through Change Order No. 8 to replace the Richmond Yard substation DC equipment house, which was damaged by fire. (Richmond Yard substation equipment was added to the contract by Change Order No. 8.)

The transformers and rectifier equipment in the first two substations placed in service have had significant problems complying with contract specifications. Mitigation of these quality problems has taken a long time and is still on-going. Acceptance of more Powell equipment has been postponed until the root causes of the quality problems are identified and resolved.

These problems have adversely impacted the substation installations, causing delays and large claims from equipment installation contractors. Spending of some Federal capital program grant money has likewise been delayed. Staff has determined that to reduce these impacts, the final four substations of Contract 15EK-210 should be de-scoped and these substations be included in upcoming Bond projects. This allows Federal grant money to be used for other projects.

The three substations now in production are the Richmond Yard, San Leandro, and Transbay Tube East substations. Due to the importance of replacing the Richmond Yard substation DC equipment house, delivery from Powell of the Richmond Yard DC equipment house will be accepted in August with quality problems remediated on site. Fabrication of equipment to replace the San Leandro and Transbay Tube

East Transition Structure substations will be completed following resolution of quality problems. It is expected that these problems will be resolved later this year. The substation equipment will be stored and will be delivered when installation funding becomes available. The District will continue with purchase of spare parts and training.

The Office of the General Counsel will approve this Change Order as to form, and the Procurement Department will review the Change Order for compliance with the District's procurement guidelines, prior to execution.

Contract 15EK-210 is a highly technical procurement contract, and contains no DBE goal.

FISCAL IMPACT:

The unspent amounts will be decommitted in BART's financial management system from Change Order No. 22 and returned to project reserve. There is no fiscal impact on unprogrammed District Reserves.

ALTERNATIVE:

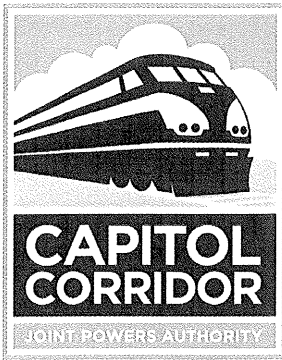
The Board can elect not to authorize the General Manager to approve Contract 15EK-210 Change Order No. 22. In this case the District would incur significant risks of accepting defective equipment that could fail and negatively impact service. Alternatively, spending of Federal grant monies would be delayed for an unknown amount of time.

RECOMMENDATION:

Recommend that the Board approve the following motion.

MOTION:

The General Manager is authorized to execute Contract 15EK-210, Change Order No. 22, Removal of Design, Engineering, and Traction Power Equipment for a credit to the District of \$6,101,686.74.



CAPITOL CORRIDOR JOINT POWERS AUTHORITY MEETING OF THE BOARD OF DIRECTORS

Wednesday June 15, 2016

10 a.m.

Sacramento City Council Chambers
915 "I" Street
Sacramento, CA 95814
(see attached map)

Simultaneous teleconference calls will take place at:

**San Jose City Hall – Tower Building
200 E. Santa Clara Street, Room #T1853
San Jose, CA**

**Bay Area Rapid Transit District
300 Lakeside Drive, Room 2301
Oakland, CA**

DRAFT AGENDA

- I. Call to Order
- II. Roll Call and Pledge of Allegiance
- III. Report of the Chair
- IV. Minutes of the February 17, 2016 Meeting *Action*
- V. Consent Calendar *Action*
 1. Budget Update: Auburn Station Facility Upgrades
- VI. Action and Discussion Items
 1. Legislative Matters/Governor's May Revise State FY 16-17 Budget *Action*
 2. Richmond Station Platform Improvements *Action*
 3. Update: Cap and Trade TIRCP Application/Sacramento-Roseville 3rd Track Project – Phase 1 *Action*
 4. Overview of Draft FY 16-17 CCJPA Budget [Operations, Administration, Marketing] *Info*
 5. Update: Programmed Capital Projects and New Rail Vehicle Deliveries *Info*
 6. Managing Director's Report *Info*
 7. Work Completed *Info*
 - a. Business Plan Update (FY 2016-17 – FY 2017-18)
 - b. May 1, 2016 Timetable Change (Connecting Buses only)
 - c. Marketing Activities (February – May 2016)
 8. Work in Progress *Info*
 - a. Oakland – San Jose Phase 2 Project
 - b. Sacramento-Roseville 3rd Track Project
 - c. Positive Train Control Update
 - d. Station Signage and Platform Safety Upgrades
 - e. Capitol Corridor Station Bicycle eLocker Project
 - f. Vision and Service Planning Ad-Hoc Subcommittee: Vision Plan Implementation Program
 - g. Proposed Extension of Capitol Corridor Trains to Salinas
 - h. Upcoming Marketing Activities
- VII. Board Member Reports
- VIII. Public Comments
- IX. Adjournment. Next Meeting Date: 10:00 a.m., September 21, 2016, at City Council Chambers, Suisun City Hall, 701 Civic Center Blvd., City of Suisun City, CA

Notes:

Members of the public may address the Board regarding any item on this agenda. Please complete a "Request to Address the Board" form (available at the entrance of the Boardroom and at a teleconference location, if applicable) and hand it to the Secretary or designated staff member before the item is considered by the Board. If you wish to discuss a matter that is not on the agenda during a regular meeting, you may do so under Public Comment. Speakers are limited to three (3) minutes for any item or matter. The CCJPA Board reserves the right to take action on any agenda item.

Consent calendar items are considered routine and will be enacted, approved or adopted by one motion unless a request for discussion or explanation is received from a CCJPA Board Director or from a member of the audience.

The CCJPA Board provides services/accommodations upon request to persons with disabilities who wish to address Board matters. A request must be made within one and five days in advance of a Board meeting, depending on the service requested. Call (510) 464-6085 for information.

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT

Memorandum

TO: Board of Directors **DATE:** June 3, 2016

FROM: General Manager

SUBJECT: Board Matters Agenda Item #8.A: Additional State Bills for Board Discussion and/or Action

At the May 26, BART Board meeting, Director Josefowitz requested that five additional pieces of legislation come before the Board for consideration at the June 9, 2016 Board of Directors meeting. Director Josefowitz will lead the discussion regarding the bills under the Board Matters portion of the agenda. Also attached, for additional information, are the fact sheets produced by the authors' staff for each piece of legislation.

State Legislation for BART Board Review

- **AB 2299 (Bloom) Land use: Housing units.**

Rather than allow, AB 2299 would require a local government to adopt a second unit ordinance and would place certain restrictions on parking requirements imposed by local jurisdictions. The author points to the implementation of SB 375 (the Sustainable Communities and Climate Protection Act of 2008) as a major reason to support more infill and affordable housing development. Increasing numbers of second units in single family and multifamily zones are creating denser communities, but there is a need to ensure that additional parking requirements won't be a barrier to the development of such needed secondary housing. AB 2229 would prohibit a local government from imposing parking standards for a second unit located within a ½ mile of public transit or shopping or if it is within an architecturally significant or historic district. This bill would also allow a local government to eliminate parking requirements for any second unit located in its jurisdiction.

The Bay Area Council and real estate groups like the CA Apartment Association support this legislation. The California League of Cities and the California State Association of Counties (CSAC) oppose the bill.

- **AB 2428 (Ting) State Highways: Property leases.**

The City and County of San Francisco is sponsoring AB 2428 with the goal of encouraging San Francisco to leverage existing Caltrans property so it can better implement its sustainable community strategies and enhance recreational and green space opportunities for its citizens. San Francisco seeks to leverage the unused right-of-way and airspaces adjacent to and below certain state freeways to develop green spaces and parks by assuring that San Francisco has the first right of refusal to lease the state owned space at 10% of the current market rate. Caltrans is

required to secure the fair market lease rates for parcels such as these which often takes open space options out of the running because commercial developments and parking lots can better afford the investment opportunity. AB 2428 would switch that priority by allowing San Francisco first claim on the land. This could allow the city to better implement its greenhouse gas reducing strategies or produce additional affordable housing.

- **AB 2501 (Bloom) Housing Density Bonuses.**

Density bonuses are used to encourage the production of affordable housing by both market rate and affordable housing developers who, in return for building additional affordable housing, are allowed an increase in density over a city's zoned density. AB 2501 is sponsored by the Western Center on Law and Poverty and the California Rural Legal Assistance Foundation to address the state's growing lack of affordable housing.

The author says this bill would help to clarify some of the ambiguous provisions in density bonus law that has created uncertainty for developers. The Assembly floor analysis states that the bill: "establishes a clear process and deadlines for local governments to approve or deny a density bonus application, clarifies that an applicant for a density bonus need only demonstrate that requested incentives reduce the cost of the development, increases certainty regarding the number of additional units available as a result of the density increase, (and) limits the ability of local governments to impose additional requirements to block density bonus projects."

The League of Cities and the California State Association of Counties (CSAC) oppose this bill because they believe it imposes timelines that are too short, whereby local governments could actually approve a project application.

- **AB 1069 (Wieckowski) Land Use**

In order to deal with the growing housing shortage in the state, the author teamed up with the Bay Area Council, the sponsor of AB 1069, to eliminate barriers to the construction of "accessory dwelling units" (ADUs). This bill would relax ADU requirements, and specify where they can be located, establishing specific standards and lot density. This bill also revises approval or denial process for ADU applications when local agencies have not adopted an ordinance to do so.

AB 1069 would impose standards on ADUs involving height, setback, lot coverage, architectural review and maximum size. Specifically related to parking, this bill would disallow the imposition of parking standards if 1) the ADU is located within ½ mile of public transit or shopping, 2) is located within an architecturally and historically significant historic district, 3) it is part of an existing primary residence, 4) on-street parking permits are required but not offered to the ADU unit, and 5) a car-share vehicle is located one block from the ADU.

The bill is supported by MTC and a wide spectrum of housing, regional planning and environmental groups. Because this bill would either change local ordinances relating to ADUs

or establish new state requirements, cities and counties oppose this bill because they argue it will take away local control on local housing issues.

- **SB 986 (Hill) Vehicles: Right Turns**

Existing law requires a driver to stop at a *red light* and prohibits the driver from proceeding until given an indication to do so. Failing to stop at a red light is a violation carrying a base fine of \$100, as well as a violation point. Unless there is a sign prohibiting it, a driver may turn right at a red light after coming to a complete stop. The base fine for red-light violations is currently at \$100 -- however, due to additional surcharges, penalties, and assessments, a \$100 base fine can exceed \$500.

This bill would lower the base fine from \$100 to \$35 for turning right on a red light, or turning left from a one-way street onto another one-way street without first coming to a complete stop. According to the author, drivers making right turns are generally going at a low speed, and resulting accidents tend to be much less serious in nature. Senator Hill argues that by reducing the base fine for rolling right turns, this bill would help ensure the penalty matches the offense. SB 986 does not affect pedestrian right-of-way statutes or violation points for red light offenses.

This bill is supported by Safer Streets LA, the CA Association of Highway Patrolmen and AAA Clubs of Northern and Southern California. There is no registered opposition to the bill.



Grace Crunican

Attachments

cc: Board Appointed Officers
Deputy General Manager
Executive Staff

AB 2299 (Bloom) Granny Flats Fact Sheet

PROBLEM

In 2002 the legislature passed AB 1866 (Chapter 1062, Statutes of 2002), which required local governments to review applications for second units magisterially. The bill was introduced in response to concerns that some local governments had restrictive requirements and lengthy approval processes that effectively precluded the development of second units. At that time, California's housing shortage was already well-documented and the intent of the measure was to promote the development of second units as a way to increase the housing supply.

Unfortunately, during the 14 years since the passage of AB 1866, California's housing shortage has only grown more severe and some local governments still impose restrictive requirements that make it difficult to build second units, like parking restrictions.

California is struggling to adequately meet its housing needs, especially for housing that is affordable near jobs centers and public transportation. While second units can serve as much needed rental housing, they can also provide homes for college students, elderly parents, or individuals with disabilities who need to live close to their families or others who can provide them support.

SOLUTION

AB 2299 will require rather than allow a local government to adopt a second unit ordinance and to limit the local government's ability to apply certain standards. Within one-half mile of public transit or shopping, or within in an architecturally or historically significant district, an ordinance could not impose any parking requirement on the second unit. Parking requirements imposed by local jurisdictions on second units can be a barrier to the creation of

these units because the parking may not be feasible in an existing neighborhood.

EXISTING LAW

AB 1866 (Wright), signed into law in 2002. Required local governments to use a ministerial process for approving second housing units and prohibits them from applying any development standard that would have the effect of precluding an affordable housing development from receiving a density bonus and concessions.

SUPPORT

Apartment Association of Greater Los Angeles
Bay Area Council
California Apartment Association (Sponsor)
California Association of Realtors
California Rural Legal Assistance Foundation
Santa Barbara Rental Property Association
Western Center on Law & Poverty

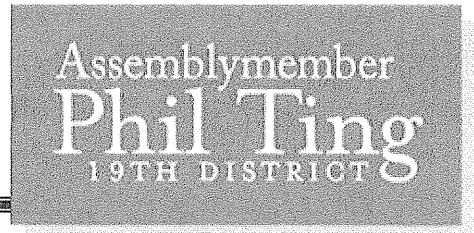
OPPOSITION

California League of Cities
California State Association of Counties

Version: 5/12/2016

AB 2428

Creating Open Space in San Francisco



SUMMARY

AB 2428 will help create open space and recreational areas in San Francisco by allowing the City and County to lease unused spaces below and next to state freeways – notably Highways 80, 101 and 280 - at 10 percent of the market rate.

BACKGROUND

As one of the nation's most densely populated cities, San Francisco lacks the open space needed to implement its Sustainable Communities Strategy, which is required by the California Sustainable Communities and Climate Protection Act of 2008 (SB 375). As part of its compliance efforts, the City and County is looking to leveraged unused right-of-way and airspace below and adjacent to state freeways in order to develop green spaces, parks, and recreational facilities.

The City and County is asking the State of California to partner with this effort by providing the ability to lease these Caltrans-owned locations at 10 percent of the current market rate. In addition San Francisco is asking for the right of first refusal to these leases.

Without this bill, the City and County must lease the land a full market rate. For example, the City and County has already leased one

parcel, the SoMa West Skatepark and Dog Park, for a \$4.8 million lease over 20 years. Because of the high cost of these leases, it is possible that the 41,000 square foot space under the Transbay Terminal that was designed in the Transbay Redevelopment Plan as open space could instead be leased for off-street parking. By encouraging more car travel, such an outcome would undermine San Francisco's push to be a more walkable, environmentally sustainable community.

THIS BILL

AB 2180 allows the City and County of San Francisco to lease surplus Caltrans right-of-ways for 10 percent of the current market rate if the spaces are used for open space, green space, or recreational purposes. In addition San Francisco would have the right of first refusal to these leases.

SUPPORT

The City and County of San Francisco

STAFF CONTACT

Office of Assemblymember Phil Ting
Christian Griffith or Andrew White
(916) 319-2099 or (916) 319-2019

AB 2501 (Bloom and Low) Density Bonus Reform Fact Sheet

PROBLEM

California remains one of the most expensive housing markets in the United States. The loss of redevelopment agencies and reductions in state and federal housing funding have drastically limited the financial resources available to produce homes affordable to the growing number of lower-income Californians who are priced out of the market. One tool for increasing affordable housing production even at a time of limited funding is through regulatory incentives that reduce barriers building housing and encourage market-based solutions. State Density Bonus Law provides a variety of concessions and incentives to housing developers who agree to make a percentage of the units in their development affordable to low- and moderate-income households. The law provides valuable financial benefits to developers that make the inclusion of affordable units possible. However, the law has a number of ambiguous provisions that discourage developers in some areas of the state from utilizing it, or that are used by some local governments to prevent developers from accessing the law's benefits

Developers and local governments need certainty in order for Density Bonus law to be an effective incentive to produce affordable housing. Right now that certainty is lacking.

SOLUTION

AB 2501 would clarify state Density Bonus law to help encourage market-rate housing developers to include affordable units in their projects and reduce costs for affordable housing developers.

The bill would address a number of the law's ambiguous provisions and strengthen the incentives available to developers, including the following:

- Clarifying that the legislative intent of the law is to encourage the development of affordable housing.
- Clarifying that an applicant for a density bonus need only demonstrate that requested incentives reduce the cost of development.
- Increasing the certainty regarding the number of additional units a developer is

- allowed to build in exchange for providing affordable units.
- Limiting the ability of local governments to impose additional requirements on density bonus developers that do not increase a development project's feasibility.

EXISTING LAW

State Density Bonus Law (found in California Government Code Sections 65915 – 65918) provides developers with powerful tools to encourage the development of affordable and senior housing, including up to a 35% increase in project densities, depending on the amount of affordable housing provided. Density Bonus Law is about more than the density bonus itself, however. It is a larger package of incentives intended to help make the development of affordable and senior housing economically feasible. Other benefits to developers under the law include reduced parking requirements, incentives and concessions such as reduced setbacks and minimum square footage requirements, and the ability to donate land for the development of affordable housing to earn a density bonus. When applied fairly, these tools and incentives can help increase the supply of affordable housing. Additional clarification is needed in the law to help realize this potential.

SPONSORS

California Rural Legal Assistance Foundation
Western Center on Law and Poverty
California Housing Consortium
California Apartment Association

SUPPORT

Housing California
California Association of Realtors

OPPOSITION

American Planning Association California
Chapter
California State Association of Counties
City of Lakeport
City of Torrance
Council of Community Housing Organizations
League of California Cities

Version: 5/4/2016

SB Bill #1069 (Wieckowski)

Accessory Dwelling Units

SUMMARY

California is in a severe housing crisis. The state is home to 21 of the nation's 30 most unaffordable rental markets and California renters pay 50% more on average than renters in any other state. The largest driver for this unaffordability crisis is a lack of supply. There are currently only 664,000 affordable rental homes for 2.2 million extremely low-income and very low-income renter households. One solution is accessory dwelling units (ADUs). However, unnecessary and costly barriers throughout the state have halted their development. SB 1069 will eliminate some of these barriers and thus facilitate the development of housing that is affordable by design.

PROBLEM

Housing in California is becoming increasingly unaffordable. The average California home currently costs about two and half times the national average home price. For those looking to rent, a person earning minimum wage must work three full-time jobs in order to afford a two-bedroom unit. However, in California's more heavily populated metropolitan areas, a minimum wage worker would have to pick up a fourth and fifth job to afford the same two-bedroom unit. Throughout the state, the bottom 25% of income earners spends 67% of their income on housing. This housing burden is one of the biggest drivers of institutional and generational poverty cycles and will not be resolved until more housing can be developed. As the state's population continues to grow and housing demand increases, it is imperative that the legislature act quickly to facilitate affordable housing development.

A 2015 Legislative Analyst's Office report advised the Legislature to facilitate the development of significantly more private homes and apartments in California's coastal urban areas in order to address the unaffordability crisis. As a solution, the Association of Bay Area Governments found that infilling the core of the Bay Area could accommodate over half the expected population growth and their housing demand. However, infill could increase housing costs if not properly implemented. Accessory dwelling units are one part of the solution to this housing issue.

ADUs –referred to in existing law as second units– are additional living quarters on single-family lots that are independent of the primary dwelling unit. These units are inherently affordable– costing as little as 25% as much as a housing unit in a conventional infill development. ADUs cost less to build, are managed by a homeowner, and require no public subsidy. Under existing law, any property owner has the ability to a construct an ADU on their property should they meet certain zoning and building requirements. However, a significant number of homeowners interested in building ADUs on their property are deterred from constructing these units due to unnecessary regulatory barriers such as costly duplicative fees and excessive parking requirements.

EXISTING LAW

Government Code Section 65852.2 defines a second unit as an attached or detached residential dwelling unit which provides complete independent living facilities for one or more persons. The second unit shall include permanent provisions for living, sleeping, eating, cooking, and sanitation on the same parcel as the single-family dwelling is situated. This section also allows any local agency to provide for the construction of second units by ordinance. A local ordinance may designate areas where second units may be permitted and may impose standards such as parking, setback, lot coverage, and maximum size.

For local agencies that have not adopted an ordinance governing ADUs, every local agency shall grant a variance or special use permit for the creation of ADUs should the unit comply with all of the following:

- The unit is not intended for sale and may be rented
- The lot is zoned for single- or multifamily use
- The lot contains an existing single-family dwelling
- The ADU is either 1) attached to the existing dwelling and located within the living area or 2) detached and located on the same lot as the existing dwelling
- The increased floor area of an attached unit shall not exceed 30 percent of the existing living area and shall not exceed 1,200 sq. ft.
- Approval by the local health officer where a private sewage disposal system is being used, if required

Existing law allows local agencies to create parking requirements, so long as they do not exceed one parking space per unit or per bedroom.

THIS BILL

SB 1069 changes the term “second units” to “accessory dwelling units” and eases barriers to the construction of ADUs by:

- Providing exceptions to parking requirements, such as when being located within a half mile from public transit or if the ADU is part of the existing dwelling.
- Requiring ministerial approval for the remodeling of existing structures to an ADU when compliant to building and safety standards.
- Eliminating duplicative construction requirements that treat ADUs as new land use in regards to new utility/water/sewer hook-ups.
- Eliminating fire sprinkler requirements for an ADU when fire sprinklers are not required in the primary dwelling.
- Increasing maximum size of an accessory dwelling unit to 50 percent of existing living area.
- Reducing the maximum permitting review timeline for ADU building permit applications from 120 days to 90 days.

SB Bill #1069 (Wieckowski)

Accessory Dwelling Units

SUPPORT

Bay Area Council (Sponsor)
AARP
Abode Services
Bishop Ranch
Blue Shield of California
BRIDGE Housing
Building Industry Association of the Bay Area
California Association of Realtors
California Building Industry Association
California Council for Affordable Housing
California Housing Consortium
California Infill Federation
California Renters Legal Advocacy and Education Fund
California State Chamber of Commerce
Carol Galante, Faculty Director, UC Berkeley Turner Center of Housing Innovation
Center for Creative Land Recycling
Chase Communications
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HKS Architects
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Joint Venture Silicon Valley Network
Kaiser Permanente
Karen Chapple, Professor, UC Berkeley City & Regional Planning
LA-Más
Lennar Urban
Lily Pad Homes
Local Government Control Commission
Los Angeles Area Chamber of Commerce
Los Angeles Mayor, Eric Garcetti
Los Angeles City Councilmember, Gil Cedillo
MacKenzie Communications, Inc.
Main Street Property Services, Inc.
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Metropolitan Transportation Commission
Natural Resources Defense Council
Nehemiah Corporation of America
New Avenue Homes
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Non-Profit Housing Association of Northern California (NPH)
North Bay Leadership Council
North Lake Tahoe Resort Association
Nossaman LLP
Oakland Chamber of Commerce
Orange County Business Council
Pier 39
Planning and Conservation League

Plant Construction Company, L.P.
Plumbing-Heating-Cooling Contractors Association
Polaris Pacific
Radiant Brands
Read Investments
Rhoades Planning Group
Richard Rosenberg, Chairman and CEO (RET) Bank of America
Reuben, Junius & Rose, LLP
Sares Regis Homes
San Francisco Bay Area Planning and Research Association (SPUR)
San Francisco Chamber of Commerce
San Francisco Housing Action Coalition
San Mateo County Economic Development Association
Supervisor Scott Wiener, District 8 San Francisco
SV Angel
SV@Home
Summer Hill Housing Group
Technology Credit Union
Turner Center for Housing Innovation
TMG Partners
The Two Hundred
University of California – Los Angeles Professor Paavo Monkkonen
UPS
Virgin America
Webcor Builders
Western Center on Law and Poverty

OPPOSITION

Association of California Water Agencies
California State Association of Counties
City of Angels Camp
City of Brentwood
City of Clearlake
City of Cloverdale
City of Daly City
City of Dublin
City of Goleta
City of Lakeport
City of Laguna Hills
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City of Rancho Cucamonga
City of Rancho Palos Verdes
City of Redding
City of Riverbank
City of Roseville
City of San Carlos
City of San Clemente
City of San Rafael
City of Sunnyvale
City of Tehama
City of Thousand Oaks
City of Torrance
League of California Cities
Ventura Council of Governments

STATUS

Waiting Referral from Assembly Rules



IN BRIEF

SB 986 reduces the fine for failing to come to a complete stop "California Stop" while turning right at a red light. Thus making it be cited as similar other minor moving violations with a base fine ticket of \$35, rather than the \$100 it is being cited for today. Straight through and left-turn red light violations would still be cited at the \$100 base fine ticket amount.

THE PROBLEM

When a motorist is traveling at 40mph on a straight through intersection, the likelihood of causing a serious or fatal crash is much greater. But during a right turn, most motorists have control of their vehicle, if they see another vehicle or pedestrian, they are able to stop in time.

Out of 6.3 million crashes nationwide in 1998, less than 0.04 percent of them involved a driver making a right turn at a red light, according to a 2001 National Highway Traffic Safety Administration study. The report also found no fatalities occurred that year from an accident resulting from a right hand turn on red when the driver yielded to oncoming traffic.

A \$100 base fine ticket (for a moving violation) is usually reserved for dangerous maneuvers. Other violations that carry a \$100 ticket include: speeding in excess of 25mph over the speed limit on the freeway, failure to yield to an emergency vehicle and failure to stop for closed train gate signals. Even passing unsafely and without sufficient clearance, driving the wrong way on a one-way street, and driving on the sidewalk only carry \$70 base fine amounts.

Astoundingly, a driver can come to a complete stop and then proceed to make an **unsafe right turn**, almost hitting a pedestrian and would be cited with a \$35 base fine ticket.

BACKGROUND

In 1997 legislation was passed to increase penalties for those drivers making very dangerous decisions, increasing the base fine amount from \$35 to \$100 for running red lights. AB 1191 (Shelly, 1997) inadvertently included right turn violations. AB 1191 targeted straight through and left turn violations because they are the most serious and dangerous violations at intersections. A deadly broadside by someone sailing through a stop light is the principal safety problem AB 1191 targeted.

Red light ticket fines have increased dramatically over the last couple of decades. In 1997, the total price (including

penalties) was approximately \$100. After the 1997 legislation was enacted to increase the prices, the total ticket price was approximately \$270. Today, red light tickets are nearly \$500 (including right on red).

A nearly \$500 fine for a "rolling right" is simply too egregious, especially considering much more dangerous maneuvers are cited for less. A \$500 ticket is an excessive amount of money for most families, especially for a maneuver that is not overtly dangerous.

This issue has gained attention with the dramatic proliferation of red light cameras. Reports have demonstrated that in many municipalities, the vast majority of tickets issued are for right turn violations when the driver fails to come to complete stop. These cameras are focused more on generating cash instead of enhancing public safety, which was the original purpose.

Additionally, a 2008 Los Angeles Times study revealed that 80% of red light camera tickets go not to those running through intersections but to drivers making "rolling right" turns. People who make right turns in general are going at a low speed, and resulting accidents tend to be much less serious in nature.

THE SOLUTION

SB 986 simply makes sure the penalty fits with the seriousness of the offense. Failing to come to a complete stop at red light when turning right should have the same fine as making an unsafe right turn which carries a base fine of \$35. SB 986 simply codifies that a "rolling right" be classified similarly to other moving violations and be cited as such with a \$35 fine.

Right on red violations would still be illegal and add a point to a driver's record. SB 986 does not change that, just the base fine amount.

SUPPORT

California Association of Highway Patrolmen
Legal Services for Prisoners with Children (LSPC)
Safer Streets L.A.

The National Motorists Association
The Automobile Club of Southern California and AAA
Northern California, Nevada, and Utah (the AAA Clubs)
Western States Trucking Association

FOR MORE INFORMATION

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