May 1, 2014

The Honorable Mayor Edwin M. Lee
City and County of San Francisco
1 Dr. Carlton B. Goodlett Place, Room 200
San Francisco, CA 94102

Re: Request for Departmental Analysis of the Proposed Waterfront Ballot Initiative (Proposition B)

Dear Mayor Lee:

In coordination with the Office of Economic and Workforce Development (OEWD), the Port of San Francisco, and the San Francisco Planning Department, the San Francisco Municipal Transportation Agency has participated in transportation planning for and reviews of several major development projects proposed at Seawall Lot 337 & Pier 48, and Pier 70. In 2012, The SFMTA initiated the Waterfront Transportation Assessment ("Assessment"), a comprehensive and coordinated transportation planning effort that inventoried and evaluated planned transportation projects through 2040 and their effectiveness in responding to both current and future travel demands on the waterfront transportation network.

Through extensive public and stakeholder outreach, and City departmental and SFMTA coordination, the Assessment has identified existing and future transportation needs along the waterfront, along with the investment required to meet current demand and accommodate future growth. The Assessment developed multiple Transportation Strategies – capital and programmatic – that could respond to those needs. Through consistent, on-going coordination and review with project sponsors, OEWD, and Environmental Planning, many of those strategies have been either adopted into project Transportation Management Plans (TMPs), or have been earmarked as mitigation measures to potential impacts that could be identified through the environmental analysis.

Addressing Current and Projected Deficiencies

As identified by the Mayor's Transportation Task Force 2030, the City will need to invest $10 billion in the City's comprehensive transportation infrastructure to meet current and future needs between now and 2030. With only $3.8 billion in identified funds, development contributions to transportation system infrastructure investment from major projects such as those proposed on the waterfront will be vital to fully meeting the system's needs.

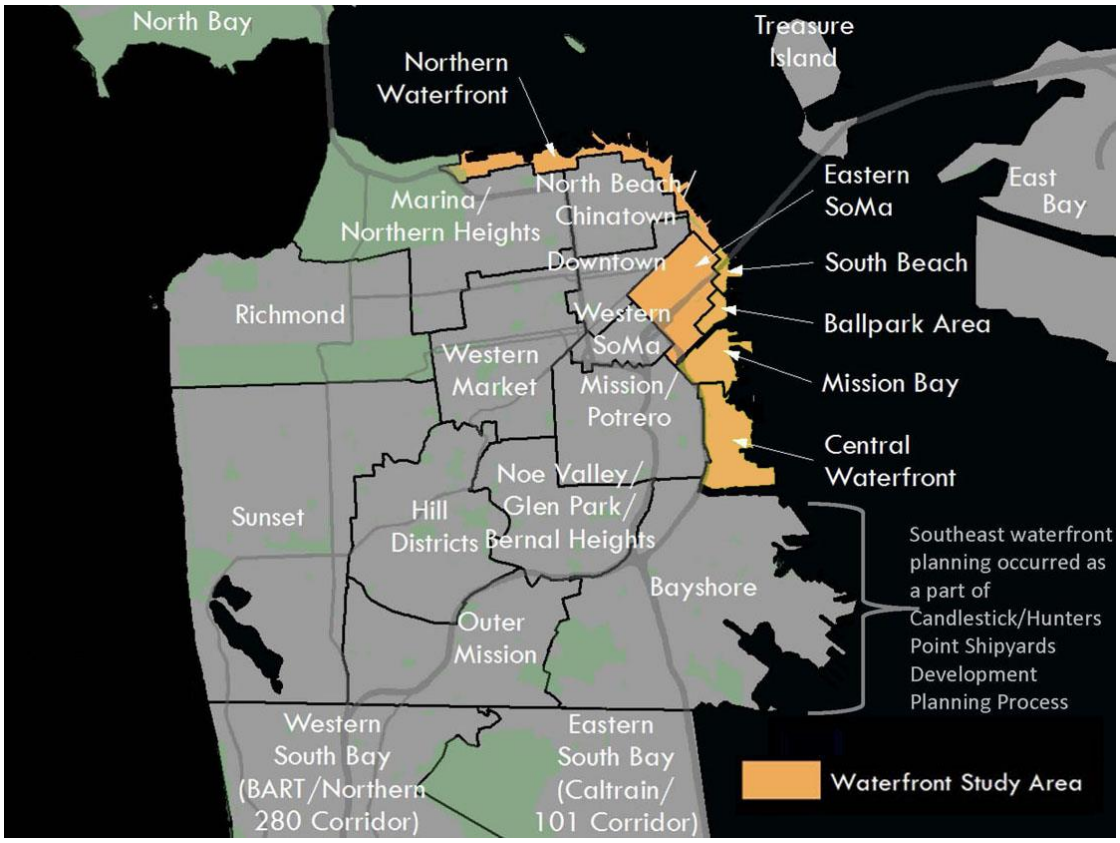

Figure 1: Diagram of Waterfront Transportation Assessment Study Area

In planning for state-mandated goals for housing and employment in San Francisco, the City has, through its Planning efforts, directed much of that growth to the Waterfront Study Area (figure 1), with a 150% increase projected in population, and an 85% increase in jobs by 2040. This planning places a large amount of the demand onto the waterfront's transportation network. Consistent with city and now regional policy, the SFMTA believes that the City's transportation system can most efficiently meet the future demand associated with development if that growth is both dense and located in close proximity to transit ("transit-oriented development").

Existing transportation impact fees that traditionally accompany entitlements of smaller projects are limited in their ability to subsidize the need of area-wide growth. The intensity of the large proposed waterfront developments offers a distinct opportunity to focus limited resources in an area of key growth. In support of OEWD's negotiation of a final development agreement with the project sponsor, the Assessment guides the opportunity to cooperatively craft the best transportation investment response in areas of key demand.

Leveraged Partnerships

Through the Assessment's coordinated planning, the SFMTA developed a method to track current and future transportation demands against current and future transportation plans, which has helped to identify remaining gaps in planned services, project timing and funding needs. The Assessment's Transportation Strategies are a response to the demand for services that might not

otherwise be met from transportation investments already planned. Though some funding will come from state and regional funds, local infrastructure money, development impact fees and development revenues that support SFMTA through the General Fund and Prop K's Sales Tax, the SFMTA continues to forecast a shortfall for needed investment.

Conclusion

Historically the SFMTA has had success in marshaling transportation investment through the negotiated development agreements for large developments either as incorporated into transportation plans by project sponsors or as mitigations to impacts as determined through environmental review. Typically these leveraged investments would be expected as part of the approval process, and they would be valuable both to the Sponsor as well as the City. Examples include:

- an expanded Muni transit fleet,
- funding additional transit service and other operational needs
- Muni Metro capital improvements,
- expansion of a secure bicycle network,
- key pedestrian safety improvements,
- Transportation Demand Management (TDM) measures, and
- contributions to improvements in the Regional transit network that would see increased demand related to large proposals.

Were the currently proposed waterfront developments on Seawall Lot 337 & Pier 48 and Pier 70 to proceed, the SFMTA would expect to realize important contributions to transportation system infrastructure needs, either as part of a negotiated development agreement or as mitigation measures. As noted above, smaller scale projects are typically more limited in their infrastructure contribution. Because the transportation system along the waterfront is impacted by planned growth in the surrounding area, whether Proposition B is approved or not, the City will need to fund transportation improvements in order for the system to work effectively.

SFMTA staff hopes that this information is useful as a departmental assessment of Proposition B, and will be available to answer any further questions you may have. Please do not hesitate to contact me should you require further information.

Sincerely,

Edward D. Reiskin
Director of Transportation