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Exhibit VII-1: Approval of Program Implementation Document Case Report

HEARING DATE: MAY 24, 2012

Case No.:	**2007.0558EMTZU**
	Transit Center District Plan –
	Approval of the Plan Program Implementation Document
Staff Contact:	*Joshua Switzky* - (415) 575-6815
	joshua.switzkye@sfgov.org
Recommendation:	**Approval**

DESCRIPTION

The San Francisco Planning Department is seeking to adopt and implement the Transit Center District Plan.

For background on the Transit Center District Plan, see the accompanying Executive Summary staff report.

In addition to General Plan, Planning Code, and Zoning Map amendments related to the Plan, the Planning Commission and Board of Supervisors will consider and adopt a Plan Program Implementation Document. The Program Implementation document inventories the public improvements recommended by the Plan and lays out a Funding Program to allocate projected revenues from new and existing funding sources to these improvements. The Funding Program projects total net new Plan revenues from Plan Imapct Fees of approximately $170 million and from a Mello-Roos Community Facilities District of approximately $420 million. Plan revenues will be administered by the Board of Supervisors based on recommendations by the Interagency Plan Implementation Committee.

One of the key objectives of the Transit Center District Plan is to raise revenue from new development for the Transit Center/Downtown Rail Extension project and other public infrastructure to support continued growth in the Plan area, including circulation, streetscape, open space, and other transit improvements. The Funding Program in the Program Implementation Document reflects Plan objectives and the legal requirements of the Nexus Studies underlying the expenditure of the Impact Fees.

The revenue allocations shown in the Funding Program are for purposes of projecting expenditures only and represent proportional allocation to the various public improvements based on the revenues projected at the time of Plan adoption. Actual revenues will vary from these projections based on many factors, including the amount and timing of new development which cannot be predicted with certainty. The Board of Supervisors, with input from the Interagency Plan Implementation Committee, shall

monitor and allocate revenues according to these proportional allocations based on actual revenues over time and the readiness of the various public improvements for expenditure. No improvement project listed in the Funding Program is guaranteed to receive the absolute amounts shown in the Funding Program; allocations for all projects shall be increased or decreased proportionally based on actual revenues received or revised projections over time.

PRELIMINARY STAFF RECOMMENDATION

Staff recommends adoption of the draft Resolution recommending approval of the Transit Center District Plan Program Implementation Document by the Board of Supervisors.

ENVIRONMENTAL REVIEW

The Department published the Draft Environmental Impact Report on September 28, 2011**.** The Planning Commission will consider certification of the Final Environmental Impact Report on the Transit Center District Plan prior to consideration of this item at the hearing on May 24, 2012.

RELATED ACTIONS

As part of its actions approving the Transit Center District Plan, the Planning Commission will consider adoption of CEQA Findings and Amendments to the General Plan, Planning Code, Zoning Maps and Administrative Code. These proposed actions are discussed in separate Staff Reports.

ATTACHMENTS

Exhibit VII-2 Draft Resolution Recommending Approval of the Plan Program Implementation Document
Exhibit VII-3 Draft Transit Center District Plan Program Implementation Document

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Planning Commission Draft Resolution

HEARING DATE MAY 24, 2012

Date:	May 24, 2012
Case No.:	**2007.0558EMTZU**
	Transit Center District Plan – Program Implementation Document
Staff Contact:	Joshua Switzky - (415) 575-6815
	joshua.switzky@sfgov.org
Recommendation:	**Approval**

ADOPTING A RESOLUTION TO RECOMMEND APPROVAL OF THE TRANSIT CENTER DISTRICT PLAN PROGRAM IMPLEMENTATION DOCUMENT

WHEREAS the San Francisco Planning Department is seeking to adopt and implement the Transit Center District Plan. In addition to General Plan, Planning Code, and Zoning Map amendments related to the Plan, the Planning Commission and Board of Supervisors will consider and adopt Administrative Code amendments relating to Plan monitoring and City decision-making regarding implementation of the Plan. Underlying these Administrative Code amendments is a Plan Program Implementation Document. The Program Implementation document inventories the public improvements recommended by the Plan and lays out a Funding Program to allocate projected revenues from new and existing funding sources to these improvements. The Funding Program projects total net new Plan revenues from Plan Impact Fees of approximately $170 million and from a Mello-Roos Community Facilities District of approximately $420 million. Plan revenues will be administered by the Board of Supervisors based on recommendations by the Interagency Plan Implementation Committee as identified in Administrative Code Chapter 36.

One of the key objectives of the Transit Center District Plan is to raise revenue from new development for the Transit Center/Downtown Rail Extension project and other public infrastructure to support continued growth in the Plan area, including circulation, streetscape, open space, and other transit improvements. The Funding Program in the Program Implementation Document reflects Plan objectives and the legal requirements of the Nexus Studies underlying the expenditure of the Impact Fees. The revenue allocations shown in the Funding Program are for projection purposes only and represent proportional allocation to the various public improvements based on the revenues projected at the time of Plan adoption. Actual revenues will vary from these projections based on many factors, including the amount and timing of new development which cannot be predicted. The Board of Supervisors, with input from the Interagency Plan Implementation Committee, shall monitor and allocate revenues according to these proportional allocations based on actual revenues over time and the readiness

of the various public improvements for expenditure. No improvement project listed in the Funding Program is guaranteed to receive the absolute amounts shown in the Funding Program. Allocations for all projects will be increased or decreased proportionally based on actual revenues received or revised projections over time.

The proposed Transit Center District Plan Program Implementation Document is attached hereto as Exhibit VII-3.

The Planning Commission incorporates by reference the general findings and overview concerning the Transit Center District Plan as set forth in Planning Commission Resolution No. _____ governing General Plan amendments.

Prior to considering relevant amendments to the General Plan, Planning Code, Zoning Maps and other actions related to implementing the Transit Center District Plan, the Planning Commission adopted Motion No. _____ certifying the Final Environmental Impact Report for the Transit Center District Plan in accordance with the California Environmental Quality Act (CEQA). The Planning Commission also adopted Motion No. _____ adopting CEQA Findings related to the Transit Center District Plan.

NOW, THEREFORE, BE IT RESOLVED, the Commission adopts and incorporates by reference the CEQA Findings in Commission Motion No. _____;

AND BE IT FURTHER RESOLVED, that the Planning Commission finds that the proposed Program Implementation Document, hereto attached as Exhibit VII-3, is necessary to implement the Transit Center District Plan and that the Funding Program as expressed in the Document reflects an appropriate proportionate allocation of projected revenues based on the needs and objectives of the Plan;

AND BE IT FURTHER RESOLVED, that the Commission recommends that the Board of Supervisors consider the attached Program Implementation Document as part of its action on legislation related to the Transit Center District Plan.

I hereby certify that the foregoing Resolution was adopted by the Commission at its meeting on _____, 2012.

Linda D. Avery
Commission Secretary

AYES:

NOES:

ABSENT:

ADOPTED:

TRANSIT CENTER DISTRICT PLAN PROGRAM IMPLEMENTATION DOCUMENT

San Francisco Planning Department
May 16, 2012

The primary goal of the Transit Center District Plan is to create a high-density, mixed-use urban neighborhood that capitalizes on and supports the major transportation investment and service represented by the Transbay Transit Center. Once the Plan, which proposes to allow significant density and height above the current zoning, is realized, new residents, workers, and visitors drawn to the area will create significant new demand for infrastructure and services which the area's dated infrastructure and services cannot meet. While new development will generate a variety of local public revenues (property taxes, sales taxes, real estate transfer taxes, etc.), additional investments in parks, streets, transportation facilities, and community facilities and services—beyond what can be provided through these local General Fund revenue sources—are essential to meet demand attributable to the new development. To address the impacts of the new development, the Plan includes mechanisms for development to contribute to the funding of public infrastructure.

The purpose of this document is to summarize the Plan's public infrastructure program, sources of funding, relative allocation of revenues from the various sources among the infrastructure projects, and implementation processes and mechanisms. Several of the funding mechanisms and implementation processes are legally established and more thoroughly described in other City codes and ordinances, including the Planning Code and Administrative Code.

PUBLIC INFRASTRUCTURE PROGRAM

To achieve the Plan's objectives and create the district envisioned in the Plan, a broad range of public improvements and related programs are needed, as described in the Plan. New residents, workers, and visitors drawn to new development in the Plan Area will increase demands on the existing transportation and transit network, open space and public facilities in the Plan Area and create demand for new infrastructure. In summary, four broad categories of public improvements are needed:

Streets and Pedestrian Circulation – including district-wide streetscape and pedestrian improvements, extensive widening of sidewalks, mid-block street crossings, signalization improvements, casual carpool waiting area improvements, landscaping and enhanced pedestrian routes from the Transit Center to nearby destinations and transit services.

Transit and Other Transportation – including the Transbay Transit Center Project (particularly the Downtown Rail Extension) and improvements to enhance transit operational effectiveness, capacity, enhance safety, reduce congestion, manage transportation demand, and provide better connections to local and regional transit systems.

Open Space – including new parks, public plazas, recreational amenities, and green infrastructure throughout the Plan Area.

Sustainable Resource District Utility – district-wide systems for non-potable water and for combined heating and power that will serve development in the Plan Area and reduce environmental and infrastructure pressures of growth.

A detailed list of these improvements and programs identified throughout this Plan as well as their preliminary cost estimates are shown in **Table 1**. The items listed in this table are in addition to infrastructure and services that existing impact fee programs would provide, including Muni, affordable housing, and childcare. (The projected revenues from those existing fee programs are listed at the end of the document in **Table 9**). In addition, funds will be needed to support the long-term maintenance and operation of these facilities. Estimates of these costs are not included.

Table 1:
Transit Center District Plan Public Improvements & Implementation Costs

	Project	Sub-project	Lead	Description	Est. Total Cost
STREETS & PEDESTRIAN CIRCULATION	District-wide Streetscape and Pedestrian Improvements Includes sidewalk widening, transit shelters, landscaping, pedestrian amenities (e.g. benches), security bollards, kiosks, bicycle parking, road re-striping	Primary Streets (e.g. Mission, Howard, New Montgomery, 2nd, 1st, Fremont), plus striping, signage and meter upgrades	SFMTA, Planning	Approx. $2 million per block	90,000,000
		Living Streets (Spear, Main, Beale)	SFMTA, Planning	Approx. $2.5 million per block	15,000,000
		Alleys (e.g. Stevenson, Jessie, Minna, Natoma, Tehama, Anthony,). Excludes Natoma between 1st and 2nd	SFMTA, Planning	Approx. $1.5 million per block	21,000,000
	Zone 1 Streets		City (Redevelopment)	Folsom, Living Streets and Alleys in Zone 1	32,875,000
	Mid-Block Crossings	Crossings between 1st and 2nd Streets on Mission, Howard, Folsom; at Natoma on 2nd, 1st, and Fremont Streets.	SFMTA, Planning	6 @ Approx. $500K each	3,000,000
	Signalization changes		SFMTA, Planning	25 intersections @ $350K per intersection	8,750,000
	Casual Carpool waiting area improvements		SFMTA, Planning	Shelters, signage, seating	250,000
	Natoma (between 1st and 2nd)		TJPA	Single grade, high-quality finishes and landscaping	13,300,000
	Shaw plaza		Developer, City, TJPA	Ped plaza, vehicular closure. Decorative paving, landscaping, signage, curb ramps, lighting, drainage	1,700,000
	Fremont/Folsom Off-Ramp Realignment		City (Redevelopment)	Realignment of Folsom/Fremont off-ramp to improve pedestrian conditions	2,500,000
	Underground Pedestrian Connector from the Transit Center to Market Street BART/Muni		TJPA		125,000,000
	Subtotal				*$313,375,000*
TRANSIT & OTHER TRANSPORTATION	Station Capacity Improvements to Montgomery and Embarcadero BART Stations		BART	For example: elevators, platform doors and screens; improved train arrival information for concourse level; others TBD; Approx. $5 million per station	10,000,000
	Transit Center Project	Phase 1: Transit Center including Train Box	TJPA		1,539,000,000
		Phase 2: Downtown Rail Extension (DTX)	TJPA, Caltrain	Includes Downtown Extension and train components of Transit Center building	2,596,000,000
	Muni Transit Delay Mitigation		SFMTA	Transit vehicle purchase	2,000,000
	Golden Gate Transit Delay Mitigation		Golden Gate Transit	Transit vehicle purchase	1,000,000
	Update to TMA Guidelines and Procedures		Planning, SFMTA, SFCTA	Full review and overhaul of Transportation Management Association guidelines and procedures, including inclusion of bicycle, car sharing, and other aspects.	250,000
	Additional Studies and Trials of Traffic and Circulation Changes in Plan		Planning, SFMTA, SFCTA	Including parking cap study, Metric Goal updates/Congesion analysis, Mission Street analysis, other circulation studies	2,500,000
	Congestion Charging Studies and Pilot Implementation		SFCTA, SFMTA		1,000,000
	Subtotal				*$4,151,750,000*
	Subtotal (excluding the Transit Center Project)				*$16,750,000*
OPEN SPACE	District-wide Open Space and Parks	City Park (Transit Center rooftop park)	TJPA		50,000,000
		Transit Center Park connections (x4)	Developer, TJPA	Approx. $4.6 million per connection (e.g. elevator, stairs, escalators, ramps)	18,500,000
		2nd/Howard public space and park connection	City, TJPA	24,000 gsf. High-quality hardscape and landscaping; small retail structure, public amenities	15,000,000
		Transbay Park	City (Redevelopment)		10,100,000
	Improvements to Other Downtown Open Spaces	Chinatown park improvements, others	Rec Park Dept		12,500,000
	Improvements to Mission Square		Developer, TJPA		5,000,000
	Groundplane improvements Underneath Bus Ramps / Oscar Park		City (Redevelopment), TJPA		18,300,000
	Subtotal				*$129,400,000*
SUSTAINABLE RESOURCE DISTRICT	District Combined Heat & Power	Plant	SFPUC, Private Utilities, Developer		50,000,000
		Distribution	SFPUC, Private Utilities, Developer		25,000,000
	District Non-Potable Water System	Treatment	SFPUC, Developer		63,000,000
		Distribution	SFPUC, Developer		16,000,000
	Upgrades to service Transit Center		TJPA		5,000,000
	Subtotal				*$159,000,000*
	Total				**$4,755,675,000**
	Total (excluding Transit Center Project)				**$620,675,000**

The Transit Center District Plan includes many improvements to public infrastructure, services, and programs necessary to support additional development. The focal point of the Plan's infrastructure improvements is the new multi-modal Transbay Transit Center, including Downtown Rail Extension. The former Transbay Terminal was a blighted and outdated facility. Because alleviating blight and creating new transit facilities adds substantial value to nearby real estate and facilitates higher density development than may otherwise be achievable, the Plan incorporates zoning changes that increase overall densities in the Plan Area. This higher density development can generate various sources of revenue that can then be used to offset the costs of the public improvements that have enabled the increased densities and values. However, it is important to balance the need for development-based revenues for public improvements with the economics of private development to enable the desired development to be financially feasible.

Objectives and policies that support this Implementation and Funding Program are found in the Transit Center District Plan.

PLAN-PROVIDED FUNDING PROGRAM COMPONENTS

To meet the demand for infrastructure and services created by the new development and to provide further support for the Transit Center project and other public improvements, new development must contribute additional resources. New development in the Plan area is required to participate in a funding program that includes both new impact fees and revenue programs, in addition to currently applicable impact fees and development requirements. The Funding Program includes the following two components applicable to new development:

Impact Fees – Two separate nexus studies satisfying the requirements of the Mitigation Fee Act, California Government Code Section 66001 et seq., were completed to determine the maximum justified impact fee amounts that could be reasonably assessed to new development in the Plan area to fund open space and transportation improvements necessary to mitigate the impacts of the new development. These studies are attached as **Appendices A and B** to this document. The studies analyze the impacts and new demand for infrastructure improvements created by new development. Two new fees have been established, one for open space and one for streets and transportation, that apply to all new development in the Plan area ("TCDP Impact Fees"). Both TCDP Impact Fees have tiered structures, whereby denser projects pay higher fee amounts for square footage above certain Floor Area Ratio thresholds. (Note that the two new fees will not be applicable to new development in Zone 1 of the Redevelopment Project Area, which is contained within the Plan Area.) The details of the fees are described below.

Mello-Roos Community Facilities District ("CFD")– To obtain approval to build a new project denser than a Floor Area Ratio of 9:1, newly developed properties must opt into a Mello-Roos Community Facilities District ("CFD") and pay a special tax to be used to fund Plan Area public infrastructure, facilities and services. (Note that the CFD tax also will apply in Zone 1 of the Transbay Redevelopment Area, where the City is overseeing the development of publicly-owned parcels and which is generally not otherwise subject to the land use controls in the Planning Code.) The CFD taxes would apply to the project for 30 years beginning at issuance of first temporary certificate of occupancy.

The implementation considerations, calculation methodologies, and total revenue projections of these two funding mechanisms are discussed in turn below. It should be noted that the revenue projections discussed below are based on market data gathered in 2007 and updated in 2012 and reflect the best estimate of the potential full-buildout of likely development sites in the Plan area over a 20-year period (and as analyzed in the *Transit Center District Plan Environmental Impact Report*). Actual revenues may be greater or lesser depending on economic cycles, pace of development, and the specifics of future development in the district. The purpose of this analysis and the Plan is to create a set of zoning controls and a fee structure that will remain in place for decades to come. While the real estate market declined since the projections of revenue were first analyzed, the office, tourism, and rental housing markets have strengthened substantially since the nadir of the recession in 2008-2010. Lease rates are rising substantially, vacancies are falling substantially, and new construction of several recently-entitled buildings is underway in 2012. The projections of revenue in the Plan are based on historical trends and the reasonable assumption that demand for commercial and residential development will at least match these average trends over time accounting for expected economic cycles.

IMPACT FEES

Open Space Fee

The Downtown Open Space Nexus Study, attached as **Appendix A** to this document, establishes the maximum justifiable amounts that can be charged to new development in the greater downtown San Francisco area based on the relative impacts on and demand for open space created by various land uses in this area. The study analysis covers all of the C-3 districts (of which the Transit Center District Plan area is a part) and the eastern portion of the South of Market area, which together are considered the general "downtown area" because of the high densities, concentration and distribution

of non-residential uses, and comparable cost factors in terms of land and character of open space improvements. The analysis is based on accepted industry-wide standards and methodologies and reflects reasonable and uses supported and realistic cost factors for providing open space in downtown San Francisco.

The existing Downtown Open Space Fee applicable to all new office development in the C-3 districts, established in Planning Code Section 412 et seq., has been essentially unchanged at $2/gsf since first adopted in 1985 as part of the Downtown Plan. (This fee received its first increase, to $2.13/gsf, in January 2012 based on a newly adopted annual fee index applied to all impact fees in the City necessary to reflect the cost inflation of providing the improvements the fees are intended to fund.) The funds are used by the Recreation & Parks Department, upon joint approval by the Recreation & Parks and Planning Commissions, to provide open space enhancements in the downtown to support growth, including the improvement of existing open spaces and the creation of new open spaces. This fee will remain in place. Because the nexus study covers the same geographic area covered by this fee, the amount of this fee must be deducted from the maximum justifiable fee amounts as calculated by the nexus study to determine the maximum justifiable amounts for any new open space fees in the Transit Center District Plan area. In other words, the combined sum amount of the existing Downtown Open Space Fee and the Transit Center District Plan Open Space Fee must be less than the maximum fee amounts shown in the Open Space Nexus Study.

The description of the Fee that follows is for descriptive purposes only. Fee amounts and procedures are established in the Planning Code Section 4XX.X et seq., and may vary over time as periodically amended and as allowed or required by law. As of the adoption of the Transit Center District Plan and this Implementation Document, the fee amounts and structure were as shown in **Table 2** below. The Fee consists of tiers based on development density. There is a base fee assessed to all square footage of new developments, and a second higher tier of fees assessed to denser projects for square footage exceeding a Floor Area Ratio ("FAR") of 9:1. The fee tiers are cumulative. In other words, square footage that exceeds an FAR of 9:1 is assessed the sum of both tier amounts. For mixed-use buildings, square footage for various land uses are assessed independently of where they are physically located on the lot or within a building; that is, fees are assessed based on the relative proportion of each use throughout the entire development. Where a new building replaces a building to be demolished or where an addition is added to an existing building, the applicable fee is calculated based on the FAR of entire site as proposed. In other words, the square footage demolished or pre-existing on the site is not deducted from the site's gross square footage before calculating FAR for the purpose of fee assessments; the total fee owed is the difference between the total fee for the entire site as proposed with the new construction minus the total theoretical fee for the portion demolished or existing before the addition.

While the total of the two fee tier levels might appear to exceed the maximum justifiable fee supported by the nexus study, the average fee per square foot for the entire building (i.e. if this amount were converted to a "flat fee" equivalent averaged over the whole building) is well within the maximum justifiable amounts. In other words, under no circumstance would any project pay on a total per square foot basis more than is supported by the nexus study for all building square footage.

Table 2:
Transit Center District Open Space Impact Fee -
Fee Schedule for Net Additions of Gross Square Feet within the Transit Center District Area

Use	*Column A (Base Fee)*	*Column B (GSF Above 9:1)*
Residential	$2.50/gsf	N/A
Office	$3.00/gsf	$7.00/gsf
Retail	$5.00/gsf	$4.50/gsf
Hotel	$4.00/gsf	N/A
Institutional/Cultural/Medical	$5.00/gsf	$4.30/gsf
Industrial	$2.50/gsf	N/A

Whereas the current Downtown Open Space Fee is administered by the Planning and Recreation & Parks Commissions for use only for Recreation and Parks Department facilities, the Transit Center District Open Space Fee will be administered, similar to other recent impact fees, by the Board of Supervisors in consideration of recommendations by the Interagency Plan Implementation Committee ("IPIC"), established in Administrative Code Section 36. The IPIC will make expenditure recommendations consistent with this Implementation Program Document and will monitor the implementation of the Plan's improvement program over time. As shown in **Table 9**, funds will be used to support planned open spaces under the jurisdiction of the Transbay Joint Powers Authority ("TJPA") and various agencies of the City (to be determined), as well as to support improvements at existing open spaces in and outside of the downtown under the jurisdiction of the Recreation & Parks Department.

Under the Transbay Redevelopment Plan, adopted in 2005, and Planning Code Section 249.28, Downtown Open Space Fees (i.e. those fees generated by the requirements of Section 412) generated by buildings within the Transbay Redevelopment Area (which is co-terminus with the Special Use District described in Section 249.28) must be used to fund open space improvements in the Redevelopment Area consistent with the Redevelopment Plan. Section 249.28 specifies that these funds would be administered by the Redevelopment Agency. While the Redevelopment Agency dissolved in early 2012 by State law, all of its obligations and assets transferred to the City as Successor Agency and the Transbay Redevelopment Plan and Transbay Redevelopment Project Area remain in effect, including this provision. Therefore, these funds will be administered by the Oversight Board that governs the Successor Agency consistent with the requirements of this provision. Section 412 Downtown Open Space Fee revenue generated in the Plan Area outside of the Transbay Redevelopment Project Area will be administered as normal (i.e. for Recreation & Parks Department purposes).

The proposed distribution of revenue from both the Transit Center District Open Space Fee and Downtown Open Space Fee paid projects in the Redevelopment Area is shown in **Table 9**.

Streets & Transportation Fee

The Transit Center District Streets and Transportation Nexus Study, attached as **Appendix B** to this document, establishes the maximum justifiable amounts that can be charged new development based on the relative impacts on and demand for improvements to streets and transportation systems created by various land uses in the Transit Center District area. The

analysis is based on accepted industry-wide standards and methodologies to distribute the costs of necessary transportation improvements proportionally to all land uses based on person-trips generated by each land use and the proportion that trips from projected growth represents of the total population creating the need for the respective improvements.

The types of improvements and infrastructure covered by the Transit Center District Streets and Transportation Nexus Study and its associated Fee are not duplicative or overlapping with any other current fees assessed to new development in the Plan Area. The existing Transit Impact Development Fee ("TIDF," Planning Code Sections 411 et seq.) is assessed on new non-residential development to partially cover costs associated with expanding SFMTA transit capacity to serve the new development. TIDF fees will continue to assessed to new development in the Plan Area. The costs, facilities and services funded by the Transit Center District Street and Transportation Fee are related to needs generated by new development that are distinct and separate from what is funded by the TIDF. The Transit Center District Streets and Transportation Fee is a multi-modal, multi-agency streets and transportation fee, covering costs associated with providing necessary improvements for pedestrians, bicycles, autos (including carpools), local and regional bus operators, and regional rail operators (including Caltrain and BART). This Fee also includes a Transit Delay Mitigation Fee that funds projects identified in the Transit Center District Plan EIR necessary to mitigate cumulative significant impacts of development in the Plan Area pursuant to CEQA, such as related to transit delay resulting from congestion, which are also not addressed by the TIDF or other existing fees.

The description of the Fee that follows is for descriptive purposes only. Fee amounts and procedures are established in Planning Code Sections 4XX.X et seq., and may vary over time as periodically amended and as allowed or required by law. As of the adoption of the Transit Center District Plan and this Implementation Document, the fee amounts and structure were as shown in **Table 3** below. The Fee consists of tiers based on development density. There is a base fee assessed to all square footage of new developments, and two higher tiers of fees assessed to denser projects exceeding certain FAR thresholds. (There is also a Transit Delay Mitigation Fee that also applies to all square footage of new developments.) The second tier applies to square footage exceeds an FAR of 9:1, and the third tier applies to square footage that exceeds an FAR of 18:1. The fee tiers are cumulative. For example, square footage that exceeds an FAR of 18:1 is assessed the sum of the three tier amounts. Fees are calculated using the same methodology as the Open Space Fee.

Whereas the TIDF is administered by the SFMTA for use only for SFMTA transit services and facilities, the Transit Center District Streets and Transportation Fee will be administered, similar to other recent impact fees, by the Board of Supervisors in consideration of recommendations by the IPIC. The IPIC will make recommendations for expenditures consistent with this Implementation Program Document and will monitor the implementation of the Plan's improvement program over time. As shown in **Table 9**, funds will be used to support planned street and transportation improvements and related studies under the jurisdiction of the TJPA BART, SFMTA, Golden Gate Transit, and various (to be determined) City and regional agencies.

Table 3:
Transportation & Street Improvement Impact Fee -
Fee Schedule for Net Additions of Gross Square Feet in the Transit Center District Area

Use	*Column A (Transit Delay Mitigation Fee)*	*Column B (Base Fee)*	*Column C (GSF Above 9:1)*	*Column D (GSF Above 18:1)*
Residential	$0.06/gsf	$3.94/gsf	$6.00/gsf	$3.00/gsf
Office	$0.20/gsf	$3.80/gsf	$19.50/gsf	$10.00/gsf
Retail	$1.95/gsf	$2.05/gsf	$19.50/gsf	$10.00/gsf
Hotel	$0.10/gsf	$3.90/gsf	$8.00/gsf	$3.00/gsf
Institutional/Cultural/Medical	$0.30/gsf	$3.70/gsf	$19.50/gsf	$10.00/gsf
Industrial	N/A	$4.00/gsf	N/A	N/A

IMPACT FEE FEASIBILITY ASSESSMENT

The Funding Program evaluated the feasibility of the impact fees as they may be imposed on square footage of new developments in the Plan Area. Prior to adoption of the Transit Center District Plan and associated Planning Code amendments, project sponsors in the Plan area were required to acquire Transferrable Development Rights ("TDR") to exceed the base FAR limit established in the Planning Code, which varied from 6:1 for the C-3-O(SD) District and 9:1 for the C-3-O District. (Note that the entire Plan area was rezoned as C-3-O(SD) under the Plan.) The Plan reduced this requirement to acquire TDR. Instead of requiring the acquisition of TDR for all square footage exceeding the base FAR limit (i.e. all square footage in excess of 6:1), under the revised controls projects are now required to purchase TDR only for the increment of square footage exceeding the base FAR limit of 6:1 up to a maximum of FAR of 9:1. To exceed an FAR of 9:1 projects are no longer required to purchase TDR. This substantially reduced financial burden on development projects allows for the imposition of new fees without compromising the financial feasibility of development projects. Historically, the cost of acquiring TDRs has averaged between $19 and $39 per square foot, depending on market conditions. It would be expected that TDR would equal or surpass the high end of that range in the future given the market conditions necessary to support the construction of the major new commercial and residential buildings projected in the Plan. The new TCDP Impact Fees will result in a cost per square foot that generally falls within the historical and expected range of TDR costs. Further, while the maximum impact fees per square foot that would apply to square footage over an FAR of 9:1 or 18:1 could be at the upper range or exceed the historical price of TDR, the average cost per square foot for the entire building (i.e. if this amount were converted to a "flat fee" equivalent averaged over the whole building) would be lower. While no development will be required to pay more per square foot than is justified by the nexus studies, denser projects are assessed amounts closer to the maximum justifiable amounts than are less dense projects. This is because denser, taller buildings which typically feature superior views are more valuable. Accordingly, it is economically feasible for such buildings to pay TCDP Impact Fees closer to the maximum amounts justified by the nexus studies.

IMPACT FEE IMPLEMENTATION

According to Planning Code provisions establishing the TCDP Impact Fees, project sponsors may seek to enter into in-kind agreements to provide public improvements called for in the Transit Center District Plan and this document in lieu of paying some or all of the required fees. The Planning Commission considers and, if appropriate, approves these agreements and must consider the recommendations of the Interagency Plan Implementation Committee. Typically these agreements require that the project sponsor complete these public improvements prior to issuance of the first Temporary Certificate of Occupancy for the development project or the project sponsor must provide a letter of credit or other

comparable financial security equivalent to the waived fees to guarantee completion of the improvements. In this Plan area, an in-kind agreement for a development project proposed on Block 3720 Lot 009 may credit the sponsor for improvements being completed by third parties, particularly the TJPA. These third-party public improvements may reasonably not be expected to be completed prior to completion of the development project. In such cases, the Planning Commission should structure the In-Kind Agreement to require that a Notice of Special Restrictions against the development project property be recorded to confirm that the owner shall be responsible for paying TCDP Impact Fees or providing substitute improvements in the event that the in-kind improvements are not completed on a timeline determined in the Agreement, are demolished, or are withdrawn from public use.

Note that because the Transit Delay Mitigation Fee (Column A) is intended to mitigate a cumulative significant impact found under CEQA in the Transit Center District Plan EIR, projects may not be granted in-kind agreements or other waivers in-lieu of paying this portion of the Impact Fee.

The Funding Program assumes that new development in Zone 1 would not pay the Plan Impact Fees.

It is important to note that some property owners and developers may have already purchased TDR from historic properties in advance of this Plan draft in anticipation of a perpetuation of the existing requirements. The City would accept TDR already acquired for projects entitled before January 1, 2012 to exceed base FAR greater than 9:1 in lieu of TCDP Impact Fees.

IMPACT FEE REVENUE PROJECTIONS

The Impact Fees would be paid as individual properties are developed. The ultimate revenues collected may vary according to the specific development proposals received for each parcel, which may include higher or lower densities than are envisioned in the Plan and the specific developments sites actually built may vary to some extent from those projected in the Plan analysis. **Table 4** estimates the total Plan Impact Fee revenues that would be generated by the rezoning as envisioned in the Plan.

Table 4:
Transit Center District Plan Tiered Impact Fee Total Revenue Estimates

	Base Fee		*Fee above 9:1*		*Fee above 18:1*		
Fee	*Square Footage Subject to Fee*	*Total Fee*	*Square Footage Subject to Fee*	*Total Fee*	*Square Footage Subject to Fee*	*Total Fee*	*Total Fees*
Open Space Fee	8,888,033	$23,882,034	6,145,117	$26,222,088	NA	NA	$50,104,122
Transportation Fee	8,888,033	$30,437,357	6,145,117	$26,222,088	3,145,164	$19,889,294	$129,034,725

MELLO-ROOS COMMUNITY FACILITIES DISTRICT

Mello-Roos Community Facilities Districts (CFDs) are used throughout California to fund the construction and maintenance of public infrastructure and facilities that enable new development to occur. A CFD can be used to fund the planning, design, purchase, construction, expansion, improvement, or rehabilitation of publicly owned improvements with a useful life of five years or more. To fund these improvements up front, a CFD enables the issuance of bonds to be paid back over time by a future stream of property tax payments, referred to as Special Taxes, or it can support a loan that will be repaid by these future tax payments. Mello-Roos Special Taxes can also be used to fund services on a pay-as-you-go basis without bonding or securing loans.

The Mello-Roos Special Taxes are levied in addition to the basic property tax rate (1.00 percent of Assessed Value, plus adjustments, by California law) plus any additional levies approved by the voters for special purposes such as libraries, parks, or enhanced services. In the Plan Area, the current overall tax rate is about 1.15 percent of each property's assessed value. Because high density development on parcels in the Plan area will benefit substantially—both functionally and financially—from the public facilities and services provided by the Transit Center and other public improvements, it is reasonable to require that these new developments contribute to the costs of those public facilities through a Mello-Roos Special Tax. As established in Planning Code Section 4XX.XX, development in the Plan Area that proposes to exceed a density of 9:1 is required to opt-in to the CFD as a condition of approval by the City.

MELLO-ROOS SPECIAL TAX CALCULATION METHODOLOGY & REVENUE ESTIMATES

To estimate the revenues that could be generated by a Mello-Roos Special Tax from the Plan area, the Funding Program assumes that each new development or net addition of square footage in the Plan Area that would exceed the 9:1 FAR threshold would pay a Special Tax equivalent to 0.55 percent of the assessed value of the entire development project, which would raise the overall tax rate to roughly 1.70 percent of assessed value of the affected property. In actuality, if a CFD were to be formed, the Special Tax would be established through an election that would authorize the imposition of the Special Tax. The Special Tax structure would likely not be directly related to property value. Rather, it will likely be assessed based on a variety of factors, as determined through a detailed CFD formation study, such as the amount of development on the property and other factors, and the Special Tax will be a per-square foot assessment. However regardless of the ultimate methodology and tax structure, the final Special Tax assessed to each property will be calculated to be equivalent to 0.55 percent of property value.

The Funding Program also assumes that each new building developed in Zone 1 of the Redevelopment Area (except for affordable housing projects) will pay into the CFD at the same rate as in the rest of the Plan Area. The Funding Program assumes that all properties will pay the Special Tax for a period of 30 years. Such payments may be made annually or as a one-time lump sum payment equal to the Net Present Value of the Special Taxes over 30 years when the project begins construction, assuming a discount rate to be determined by the City.

New development in the Plan Area is expected to occur over many years. The amount and type of development will be affected by market fluctuations and subjective decisions of individual properties owners and developers. **Table 5** shows the total revenues that would be generated by a CFD in the Plan Area if implemented as envisioned in the Funding Program. The table shows the total Special Tax revenues and Net Present Value of those revenues assuming that the Plan is adopted in 2012 and build-out begins in 2015. Total build-out of the subject parcels is assumed to occur over a period of 15 years, and each building is obligated to pay the Special Taxes for 30 years from commencement of construction. Thus, the last building constructed will have completed its Special Tax obligations 45 years after the first building was constructed. Because it is not possible to predict which properties might be developed in which years, the projections assume an even spread of the total Plan build-out over a 15-year period. For comparative purposes with historic construction and absorption, this build-out schedule represents an annual average production and net absorption of approximately 400,000 gross square feet of office space. This is on par with San Francisco's downtown average production and absorption over the past two decades (and represents a little less than half of the annual citywide production). In actuality, development and revenues will likely occur in much more concentrated and larger lumps spread out over the build-out horizon. As shown in **Table 5**, the Net Present Value (in Year 2012 dollars) of revenues that can be generated through the Mello-Roos Special Tax is estimated to be more than $420 million.

Table 5:
Mello-Roos Community Facilities District Total Revenue Estimates

	Assumptions by Land Use Category			
	Residential	***Office***	***Hotel***	***Retail***
Estimated Value per Net SF (1)	$1,000	$600	$800	$450
Special Tax Rate (% of AV)	0.550%	0.550%	0.550%	0.550%
Assumed Value Impact (2)	3.438%	6.875%	6.875%	6.875%
Per-Square Foot Annual Cost Equivalent	$5.50	$3.30	$4.40	$2.48
NPV of Special Taxes Per Square Foot over 30 Years	$89.69	$53.82	$71.75	$40.36
NPV in 2012 Dollars of CFD Tax at 7% (2015-2058)	$420,787,966			

(1) Value estimates are based on market analysis conducted by the Concord Group in 2007.
(2) New calculations conservatively assume that Mello-Roos payments are factored into Net Operating Income for commercial properties, thus reducing their capitalized value. "Assumed Value Impact" is calculated using a conservative 8.0% capitalization rate. Value impact on residential uses is assumed to be half that of commercial uses, assuming 50% rentals and 50% for-sale units (for which buyers may not discount their offers at the tax rates shown herein).

Source: The Concord Group; Economic & Planning Systems, Inc.

MELLO-ROOS CFD FEASIBILITY ASSESSMENT

Mello-Roos special taxes can be paid by the developer or subsequent owner of a new building, or can be passed on to the end users, either as additions to their tax bills (for condominiums) or their rents (for tenants). **Table 6** illustrates the effects that the institution of a Mello-Roos special tax would have on the costs of occupancy for residential and office tenants, if

the full amount of the tax is passed on to the end user. The actual effects of CFD special taxes on land values, rents, and overall development feasibility and economic activity is subject to substantial debate. CFDs are common in California. Based on research into other CFDs, creators of CFDs seem to strive to calibrate the additional tax burden of CFD to a rate that keeps the total property tax rate under 2%, and preferably under 1.8%. (Again, the base tax rate in San Francisco is about 1.15%). The proposed CFD for the approved Treasure Island development area will bring the tax rate there to 1.8%. The total tax burden in the Transit Center District Plan area, including the 0.55% CFD rate, would be about 1.7%, which is within the range of other CFDs in San Francisco and statewide.

While no conclusive studies exist on the subject, many professional economic analysts have concluded that at the rates proposed for the Transit Center District Plan, there is no evidence, including in San Francisco specifically, to conclude that Mello-Roos special taxes have a significant or even appreciable negative impact on either development feasibility or property values. Certainly at some high CFD rate, that would not be the case. To be conservative, the financial analysis underlying the revenue projections in Table 5 conservatively assumes some impact to property values. The following analysis demonstrates that the rate required in the Plan Area would not render development infeasible, additional. First is an analysis based on an assumption that the developer would be able to pass on the full cost of the CFD to the end-user (e.g. the condo buyer or office tenant), followed by an analysis based on the opposite assumption that the developer would bear the full burden.

For a market-rate condominium with an average expected value of roughly $1.0 million, the annual cost of occupying that unit would be roughly $89,900, combining mortgage payments, homeowner association dues, homeowner's insurance, and basic property taxes. Adding $5,500 in Mello-Roos Special Taxes to these annual obligations increases the overall annual cost of occupancy by 5.8 percent. Given the fact that the improvements to be funded by the Mello-Roos Special Tax will improve property values for condominium owners (potentially by an equal or greater amount than the Special Tax itself), this additional Special Tax burden can be considered relatively minor in the overall cost of purchasing and occupying a condominium in downtown San Francisco, and thus is not expected to result in significant adjustments to the market value of such units. The Funding Program assumes that affordable housing units would not be subject to the Mello-Roos Special Tax, because the City has decided, as a matter of policy, that the proportionate burden of the special tax would be too burdensome for lower-income households.

Table 6 also shows a similar Special Tax burden calculation for commercial office space. Market analysis has suggested that average office rents in the Plan Area could be expected to be $66.00 per square foot per year or more. If the office tenant pays the special tax, a Mello-Roos tax at 0.55 percent of the value of office space would increase the tenant's cost of occupancy by roughly $3.33 per square foot per year, representing a 5.0 percent additional burden. Assuming rent payments represent roughly 10 percent of a commercial tenant's total business costs,[1] the Mello-Roos special tax at 0.55 percent of assessed value represents 0.5 percent of the tenant's total cost of doing business. Again, given the fact that the improvements funded by the Special Tax will substantially improve the desirability of office space in the area, this level of additional cost burden for the tenants of new office space in downtown San Francisco is not expected to require adjustments to achievable rent levels and building value assumptions.

Table 6:
Potential Effect of Mello-Roos on Cost of Occupancy (1)

Residential	
Home Value	$1,000,000
Mello-Roos Special Tax at 0.55% of Value	$5,500
Base Taxes at 1.14% of Value	$11,400
Annual HOA Dues (2)	$9,000
Annual Mortgage Payments (3)	$64,649
Homeowner's Insurance at 0.5% of Value	$5,000
Total Occupancy Cost/Year	$95,369
Mello-Roos as % of Annual Occupancy Costs	5.8%
Office	
Annual Gross Lease Cost/Net SF (4)	$66.00
Capitalized Building Value per Net SF	$605.81
Mello-Roos Special Tax/Net SF at 0.55% of Value	$3.33
Mello-Roos as % of Occupancy Costs	5.0%
Gross Lease Cost as % of Total Business Cost (5)	10.0%
Mello-Roos as % of Total Business Costs	0.5%

1) Assumes full amount of the tax is passed on to the end user.

(2) Assumes association dues of $750 per month, based on survey of comparable properties in San Francisco (November 2008)

(3) Assumes 7% interest for 30 years with 20% down payment.

(4) Average lease rates and capitalized values from the Concord Group market study

(5) Based on EPS experience, gross lease costs as a percentage of total business cost can range from 5% to 15%. As such, an average of 10% is assumed.

Source: The Concord Group; Economic & Planning Systems, Inc.

Some may reasonably argue that tenants and homebuyers of the new buildings do not absorb the costs of the Mello-Roos Special Tax, and instead those costs are borne by the property owner or developer. If this is the case, the financial burden created by the Mello-Roos Special Tax can be more than accounted for by minor improvements in market conditions. A 2008 market study for the Plan Area found that premier buildings in Downtown San Francisco were achieving rents in the $70s and $80s in 2007. Despite the economic downturn, in 2012, Class A office rents in downtown and the South of Market Area exceeded $50 and have been rising, resulting in the developers of several major commercial buildings securing entitlements in 2011 and seeking to break ground in 2012. The analysis of the Mello-Roos Special Tax impact on feasibility assumes office rents of $66 per square foot. Academic research indicates that commercial development near transit can generate significantly stronger performance than buildings farther from transit, in terms of lease rates, occupancy rates, and appreciation. Based on the substantial public improvements in the Transit Center district and the premium quality and amenities of new buildings in the district, it is reasonable to assume that new buildings will attain rents comparable to or greater than the top buildings anywhere in San Francisco.

As opposed to the analysis represented in the previous table, **Table 7** assesses the impact, as measured by building values, of the Mello-Roos Special Tax if the full amount of the tax is borne by the property owner or developer. If the office space in the Plan Area achieves rents of $66 per square foot, the total building value is estimated at $606 per square foot without a Mello-Roos Special Tax. If the Transit Center District buildings can achieve $69.33 per square foot rents—

just 5 percent higher than the $66 per square foot conservative rent estimate but still below the best buildings in the market in 2007—the total value of the building is unchanged with a Special Tax at $3.33 per square foot, even if that entire Special Tax burden is borne entirely by the developer or building owner rather than the tenants. If the office space can achieve rents of $70 per square foot, the building could support a Special Tax at $4.00 per square foot without losing value compared to the same building with $66 per square foot rents and no Special Tax. Therefore, only a relatively minor increase in rent above the $66 per square foot conservative rent estimate is necessary for the building value to remain unchanged and the developer or property owner to recover the costs of the tax. For context, it is noteworthy that average Class A office rents in San Francisco have fluctuated significantly both upward and downward between 2003-2009, but yielded an average annual increase of more than eight percent over that time period. Thus, it is highly probable that over the decades in which this Funding Program is in effect, rents in the Plan Area could be three percent higher than were conservatively estimated as proposed in 2012. It is important to note that anecdotal evidence suggests that the full cost of Mello-Roos taxes is not entirely borne by developers or property owners, but instead a portion of the cost is passed on to the homebuyers or building tenants, reducing the upfront cost burden to the developer or property owner.

Table 7:
Impact of Mello-Roos Special Tax Under Alternative Office Rent Scenarios (1)

Item	*Conservative Scenario (2)*	*Moderate Scenario*	*Aggressive Scenario*
Office Rents/SF/Year	$66.00	$69.33	$70.00
Operating Expenses/SF/Year	$29.65	$29.65	$29.65
Net Operating Income/SF/Year	$36.35	$39.68	$40.35
Capitalization Rate (3)	6.00%	6.00%	6.00%
Capitalized Value/Office SF with:			
$0.00 Special Tax/SF/Year	**$605.83**	$661.33	$672.50
$3.33 Special Tax/SF/Year (4)	$550.33	**$605.83**	$617.00
$4.00 Special Tax/SF/Year	$539.17	$594.66	**$605.83**

(1) Assume the full amount of the tax is borne by the developer or building owner.
(2) Conservative scenario uses rent figures estimated by the Concord Group.
(3) Per the Concord Group analysis of trophy buildings across the United States.
(4) $3.33/sf is based on a Special Tax equivalent to 0.55% of the capitalized value per square foot under the conservative scenario.

Sources: The Concord Group; Economic & Planning Systems

It is important to note that because a CFD is used to finance public improvements and is paid for by special property tax revenues, the interest rate and cost of capital for CFD bonds or loans secured by the tax revenues is less than if the developer were to privately finance the payment of an upfront fee or seek private financing for the construction of public improvements.

MELLO-ROOS CFD IMPLEMENTATION

The CFD could be administered by the Office of Public Finance or some other City entity. The CFD would terminate 75 years after its commencement. However, any individual building would be subject to Special Taxes for a period of only 30 years. The 75-year termination period ensures that any new development project constructed in the next 45 years would pay the full 30-year value of the Special Tax. These Special Taxes can be paid on an annual basis, or as a one-time payment as discussed above.

NEW IN-LIEU FEES

As described in the Public Realm chapter, the Plan proposes to allow developments to pay a fee in-lieu of providing the on-site publicly-accessible open space required per Planning Code Section 138 for non-residential uses (e.g. office, hotel, retail). This fee would be deposited into a dedicated open space fund for the Plan area to augment the funds from the TCDP Impact Fees. As an optional fee in-lieu of an existing requirement, it is possible that no funds may be collected. Since it is not possible to predict which, if any, project might opt to satisfy their open space requirement this way, the Funding Program does not assume any such funds will be available.

NON-PLAN FUNDING SOURCES

In addition to the new revenues proposed in the Plan, existing and potential sources of funds may augment the Plan's core revenue mechanisms to help meet the meet the public improvement funding needs described above. These potential sources include:

DIRECT PROVISION THROUGH ZONING REQUIREMENTS

Open Space Requirements (Planning Code Section 138)

Planning Code Section 138 requires new non-residential development projects in the C-3 Districts to provide publicly-accessible open space. In satisfying this requirement, some projects are likely provide open space otherwise called for under the Plan, such as Mission Square and public pedestrian connections to the Transit Center's rooftop park, and this is reflected in the Funding Program.

Better Streets Plan Requirements (Planning Code Section 138.1)

Planning Code Section 138.1 establishes comprehensive streetscape requirements consistent with the Better Streets Plan for new development, including street tree planting, sidewalk widening and other streetscape elements. For large development projects with significant street frontage (parcels that are ½-acre or larger, contain 250 feet or more of lot frontage, or encompass a full block face of lot frontage) or that will add a new building, add 20% or more to an existing building, or renovate 50% or more of an existing building, the Planning Department may require certain streetscape elements and a streetscape plan be submitted for review. The streetscape plan will be reviewed as part of overall project approvals. The City may also require sidewalk widening so that the resulting sidewalk meets or exceeds the recommended sidewalk width for the relevant street type from the Better Streets Plan or the specific district streetscape Plan, in this case the Transit Center District Plan. Where development projects would create new streets, sidewalks must meet or exceed the recommended sidewalk width. It is likely that several very large developments expected in the Plan area will be required to widen certain sidewalks and other implement other streetscape and circulation improvements as a requirement of development. The funding program therefore assumes some of the street improvements called for in the Plan are provided by development in satisfying Section 138.1 requirements. The total frontage of these large projects, however, represents only a small part of the overall street frontage in the Plan Area.

EXISTING FEE PROGRAMS

Downtown Open Space Fee

As discussed above under Impact Fees, the Downtown Open Space Fee required by Planning Code Sections 412 et seq., will continue to apply to office development in the Plan Area. The funds are used by the Recreation & Parks Department,

upon joint approval by the Recreation & Parks and Planning Commissions. Also discussed above, the Transbay Redevelopment Plan and Planning Code Section 249.28 requires that Downtown Open Space Fees collected within the Redevelopment Project Area (co-terminus with the Special Use District established in Section 249.28), which is a sub-set of the Transit Center District Plan Area, must be used to fund open space improvements in the Redevelopment Area consistent with the Redevelopment Plan. Therefore, these funds are included in the Funding Program. Downtown Open Space Fee revenue generated in the Plan Area outside of the Transbay Redevelopment Project Area, however, will be administered as normal (i.e. for Recreation & Parks Department purposes) and are conservatively not included in the Funding Program.

TRANSBAY REDEVELOPMENT AREA TAX INCREMENT FUNDS

The Plan Area covers most of the Transbay Redevelopment Project Area ("Project Area"), including all of Zone 2. The Redevelopment Plan includes full funding of the street and open space improvements in Zone 1 and some contribution toward such improvements in Zone 2 to support the development planned for the Project Area. While the Redevelopment Agency was dissolved in 2012 by State law, the Transbay Redevelopment Plan remains in effect and enforceable obligations of tax increment funds can be carried forward and implemented. The City was named as Successor Agency to the Redevelopment Agency. An Oversight Board and Successor Agency were established to manage enforceable obligations of the former Agency in select redevelopment areas including the Transbay Redevelopment Project Area. The street and open space programmed obligations of the Redevelopment Plan total approximately $80 million, of which approximately $63 million is allocated to Zone 1 streets (including all of Folsom Street and portions of Spear, Main, Beale Fremont, and 1st Streets and several minor streets) and open spaces (including Transbay and Oscar Parks).

The improvements in Zone 1 are integral and indispensable geographically and functionally to the Plan's successful implementation and are included in this Program document. These enforceable obligations can continue to be implemented based on approval of San Francisco's Recognized Obligation Payment Schedule (ROPS) by the State Department of Finance in April 2012. The State ROPS approval is valid through June 30, 2012, but the Department of Finance has indicated in writing that these obligations will continue to be approved each year provided that no new facts come to light that change the situation. While not anticipated, if for some unknown reason, a determination is ever made by the State that some or all of these improvements are not enforceable obligations, the Funding Program shown in Table 9 must be adjusted accordingly to fund these improvements from a combination of Impact Fees and CFD revenues, with corresponding funding reductions from the CFD revenues for the Downtown Rail Extension.

AGENCY PROGRAMS

The two district-wide sustainable resource utility systems recommended in the Plan – non-potable water and district energy or heating/cooling – are extensions of existing plans or programs or are related to the core activities of existing agencies, specially, the San Francisco Public Utilities Commission ("SFPUC"). While the SFPUC currently has not identified or prioritized funding to undertake such programs in the Transit Center District Plan area within the time horizon of the Plan, the objectives and precepts of these programs are consistent with existing agency policies or long-term programs. To the extent that such investments may be incorporated in SFPUC plans in the future, funding can be identified to implement them.

PUBLIC-PRIVATE PARTNERSHIPS

Opportunities may surface to realize the district sustainable resource utility programs through means of partnerships of public agencies (e.g. SFPUC) with private utilities, developers, or other entities. In addition to the SFPUC, two private utilities, Pacific Gas & Electric and NRG, currently provide service to the downtown area. Pacific Gas & Electric (PG&E)

provides electricity and natural gas service to most private properties citywide. NRG owns and runs a steam loop through the downtown that provides steam for building heating and cooling. Providing such services requires significant upfront investment in plant facilities and distribution piping in right-of-ways in addition to the complexities of ongoing metering and servicing customers. Complex state regulatory structures control the provision of utility services. To realize the district utility programs, particularly district energy or district heating/cooling, a private utility could invest in and run the system or partner with the SFPUC. Because the SFPUC is the sole water utility and there are no private water utilities in San Francisco, it is less likely that such partnership would be realistic for treatment or provision of non-potable water supplies.

SUMMARY OF FUNDING PROGRAM

As described at the beginning of this chapter, the Plan identifies and proposes numerous public infrastructure improvements and related programs necessary to support and enhance the Transit Center District. In summary, four broad categories of public improvements are needed in order to meet the needs of new development, as well as create a sustainable, transit-oriented, livable district:

- Streets and Pedestrian Circulation
- Transit and Other Transportation
- Open Space
- Sustainable Resource District Utility

Table 1 at the beginning of the document provides a list of the improvements and programs identified throughout this Plan as well as their estimated capital costs. The total estimated cost of the proposed public improvements excluding the Transit Center project is $567 million; the total cost of Transit Center Project is approximately $4 billion. In addition, funds will be needed to support the long-term maintenance and operation of these facilities. (At this time, these annual maintenance and service costs have not been estimated or included in the Funding Program.)

Existing impact fees applicable to downtown projects, listed in **Table 8,** will provide funding for several other key supporting aspects of the Plan, including SF Muni transit service, affordable housing, and childcare. Funds from the Plan new revenue sources are not proposed for these purposes, nor improvements or programs to be funded by these existing fees identified in **Table 1** listing the Plan's necessary public improvements.

Table 8:
Existing Impact Fees Applicable to Downtown Projects

Financing Mechanism	Total Revenues[1] (Nominal $)
Downtown Open Space	$9,900,000
Transit (Muni)	$59,600,000
Job-Housing	$104,300,000
Child Care	$5,700,000
Water and Wastewater Capacity	$5,000,000
Total Existing Impact Fees	**$184,500,000**

[1] Revenue projections do not include fees expected from projects already entitled but not yet built in Plan area, including 350 Mission and 222 Second Streets.

The basic tenet of the Implementation Program is to fully fund all Plan-related infrastructure improvements through Plan-related revenues unless specified and dedicated funds from other sources have been identified. The exceptions to this are funding for large scale TJPA-related regional transportation infrastructure, including the Downtown Rail Extension and Underground Pedestrian Connection (between the Transit Center and the Embarcadero BART/Muni station), whose financial need substantially exceeds all potential Plan-revenues that will be available. While the Funding Program dedicates funds for these projects from the Plan's Impact Fees (as appropriately calibrated per the Nexus Studies described above), the Implementation Program dedicates to these purposes as much funding as possible from the Mello-Roos CFD. This overall approach projects that a substantial amount of funding – over $346 million -- from the CFD would be available for these TJPA projects, as the majority of the CFD will be available to the TJPA. A total of approximately $409 million would be available to the TJPA considering the CFD funds and Impact Fees for both the Downtown Rail Extension and City Park.

Table 9 shows the preliminary proposed sources of funding for all of the Plan's infrastructure improvements and the proposed allocation of each revenue source. Note that since the timing and pace of development (and hence the timing and pace of revenues) is uncertain, the element of time is not incorporated into this chart or the Implementation Program. This program also does not determine temporal priorities for funding among the various improvement projects. As described below, priorities will be vetted by the Interagency Plan Implementation Committee (IPIC) as funds become available.

Table 9:
Transit Center District Plan Funding Program ***(for projection purposes only)***

		PLAN REVENUES			OTHER SOURCES				
Contributions by Source >		*Plan Open Space Fee*	*Plan Transportation Fee*	*Mello Roos CFD*	*Development Open Space Requirements (Sec. 138)*	*Development Streetscape Requirements (Sec 138.1)*	*Redevelopment Plan Tax Increment Funding*	*Downtown Open Space Fee (Sec 412) -- Redevelopment Area Only*	*TJPA/Other Funding*
PUBLIC IMPROVEMENT	***COST***								
STREETSCAPE AND PEDESTRIAN									
ROW Improvements (sidewalks, transit lanes, landscaping, etc)									
Living Streets (Spear, Main, Beale)	$15,000,000		$5,000,000	$5,000,000			$5,000,000		
Primary Streets (Mission, Howard, Fremont, 1st, 2nd, New Montgomery)	$90,000,000		$34,000,000	$47,000,000		$2,400,000	$6,600,000		
Alleys	$21,000,000		$5,000,000	$11,500,000		$3,000,000	$1,500,000		
Zone 1 Streets	$32,875,000						$32,875,000		
Fremont/Folsom Off-ramp realignment	$2,500,000						$2,500,000		
Mid-Block Crossings	$3,000,000		$2,700,000				$300,000		
Signalization	$8,750,000		$1,500,000	$7,250,000					
Casual Carpool	$250,000		$27,000				$223,000		
Natoma	$13,300,000		$13,300,000						
Shaw Plaza	$1,700,000		$1,530,000				$170,000		
Underground Pedestrian Connector	$125,000,000								$125,000,000
TRANSIT AND OTHER TRANSPORTATION									
Transit Delay Mitigation	$3,000,000		$3,000,000						
BART Station Capacity	$10,000,000		$9,000,000	$1,000,000					
TMA Guidelines	$250,000		$80,000	$170,000					
Traffic Studies	$2,500,000		$1,900,000	$600,000					
Congestion Charging Studies and Pilot	$1,000,000		$400,000	$600,000					
DOWNTOWN RAIL EXTENSION	$2,596,000,000		$45,300,000	$332,880,000					$2,220,620,000
OPEN SPACE									
City Park	$50,000,000	$18,200,000		$15,000,000				$3,750,000	$13,050,000
City Park connections	$18,500,000	$4,650,000			$13,850,000				
2nd/Howard	$15,000,000	$12,150,000						$2,850,000	
Transbay Park	$10,100,000						$10,100,000		
Improvements to Downtown/Chinatown Parks outside Plan Area	$12,500,000	$12,500,000							
Mission Square	$5,000,000				$5,000,000				
Bus Ramps/Oscar Park	$18,300,000						$18,300,000		
Total by Source		$47,500,000[1]	$122,737,000[1]	$421,000,000	$14,200,000	$5,400,000	$77,568,000	$6,600,000	$2,364,520,000
SUBTOTALS		$591,237,000			$108,418,000				

[1]Totals for Plan Impact Fee expenditures do not include fee administration costs, allowed up to 5% of impact fee revenues per the enabling ordinances.

IMPLEMENTATION AND AGENCY RESPONSIBILITIES

Implementation of the Transit Center District funding program will occur much in the same fashion as has been adopted for other plan areas. Administration of the impact fee funds and the Mello-Roos CFD funds will be done by the Board of Supervisors. The Interagency Plan Implementation Committee, ("IPIC") established in Administrative Code Chapter 36, will make recommendations to the Board for consideration consistent with the Transit Center District Plan and this document. The IPIC is chaired by the Planning Director (or his or her designee) and comprised of representatives of numerous City and County agencies, including the MTA, Recreation & Parks, Public Works, SFPUC, Office of Economic and Workforce Development, and the County Transportation Authority. As part of the Plan's adoption process, the Board amended Chapter 36 to state that the TJPA and BART are also invited to send representatives and provide input to the IPIC, because the Plan's implementation program includes substantial funding to these regional agencies. Based on annually updated projections of revenue availability, the IPIC will make recommendations to the Board regarding expenditure priorities. There is no Citizen's Advisory Committee for this Plan area.

The Planning Code establishes that the Planning Commission has the authority to approve in-kind agreements with development sponsors to partially or fully waive required impact fees in exchange for the sponsors constructing and

maintaining physical public improvements called for in the Plan's Implementation Program. The Planning Commission must consider the recommendation of the IPIC prior to approving such agreements.

As part of its monitoring requirements for the Downtown Plan, described in Chapter 10E of the Administrative Code and amended as part of adoption of this Plan, the Planning Department will be required to report on progress and issues regarding implementation of this Plan's funding program, because the Plan is a sub-area of the Downtown Plan. The Planning Department is required to annually provide a monitoring report with basic data, and every five years to provide a more comprehensive report that includes policy analysis and discussion of various issues regarding the long-term development of the downtown.

Table 1 of this document lists the presumptive lead agency or entity responsible for the planning and/or implementation of the various public improvements. As required by Chapter 36 establishing the IPIC, each agency implicated in these improvements must participate in the planning, design and implementation of these improvements and to incorporate these projects into their respective work and funding programs as appropriate.

APPENDICES

Appendix A: Open Space Nexus Study

Appendix B: Streets and Transportation Nexus Study

DOWNTOWN SAN FRANCISCO
PARK, RECREATION, AND OPEN SPACE
DEVELOPMENT IMPACT FEE NEXUS STUDY

FINAL REPORT

A Report to

PLANNING DEPARTMENT
CITY AND COUNTY OF SAN FRANCISCO

Prepared by

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April 13, 2012

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SUMMARY AND MITIGATION FEE ACT FINDINGS

Overview and Summary

People living in new housing and working in new buildings in Downtown San Francisco will add to demand for park, recreation, and open space facilities. In addition, visitors to Downtown San Francisco—shoppers, tourists, conventioneers, people coming to dine out or enjoy entertainment downtown, people coming for business meetings and any number of other reasons—are another important component of demand for Downtown park and open space facilities. New facilities and improvements to existing facilities are required to accommodate the additional demand for park, recreation, and open space facilities from the increase in park users accommodated by the housing, office, retail, hotel, and institutional development expected to occur in Downtown San Francisco. Without an increase to the facility inventory, facility standards and levels of service for all park users will deteriorate.

The impact fee documented in this study is proposed to be applied in Downtown San Francisco to fund the park, recreation, and open space facility needs attributable to the additional resident population and employment accommodated by new residential and non-residential development in the Downtown Area. See **Map 1** at the end of this report. Although Downtown visitors—those who do not work or live in the area—are a particularly important component of the usage of Downtown parks and open spaces, there is no data or information measuring non-resident, non-worker visitor use of parks and open space in San Francisco. Without a reliable basis for allocating the costs of needed park facilities to visitors, this study adjusts (reduces) the total facility cost by 10 percent as a reasonable approximation of the share of total costs attributable to visitor use. The adjusted cost is the cost basis for the maximum justifiable impact fee.

The fee would be imposed on both residential and non-residential development not yet under construction, permitted, or approved for development in Downtown San Francisco. San Francisco's park, recreation, and open space facilities serve residents of the City as well as people who work in the City. The analysis calculates fee amounts per square foot of new development that are proportional to the relative demand associated with residents and workers and to household sizes and the density of employment (and therefore of park and recreation facility use) for different types of non-residential development.

The development fee would not be imposed in Zone 1 of the Transbay Redevelopment Project Area. Instead, the Redevelopment Agency would contribute an equivalent amount of funding and/or park, recreation, and open space improvements in the Transit Center District Plan Area.

Table S.1 summarizes the maximum justifiable impact fee schedule documented in this study.

TABLE S.1
PROPOSED DOWNTOWN PARK, RECREATION, AND OPEN SPACE DEVELOPMENT IMPACT FEE
(maximum justified amount)

Land Use	Maximum Justified Fee Amount
Residential	$4,046 per unit
	$2.70 per gross sq. ft. [a]
Cultural, Institutional, Educational	$10.01 per gross sq. ft.
Hotel	$4.29 per gross sq. ft.
Industrial/PDR	$5.25 per gross sq. ft.
Medical	$13.90 per gross sq. ft.
Office	$12.95 per gross sq. ft.
Retail	$10.21 per gross sq. ft.

[a] Residential fee per gross square foot assuming 1,500 square feet per unit.

The proposed Downtown Park, Recreation, and Open Space Fee would supersede the existing Downtown Park Fee (Planning Code Section 412.5, formerly Section 139(a)). That fee was created in 1985 as part of the *Downtown Plan* in order to provide "financial resources to acquire and develop public park and recreation facilities which will be necessary to service the burgeoning daytime population in these districts".[1] The fee of $2.00 per square foot is imposed on new office development in downtown districts; the fee amount has remained the same since it was first established. Since 1985, a total of $11.3 million in fee revenue has been collected for the Downtown Park Special and $8.4 million has been spent on park improvements.[2]

The proposed fee relies on existing citywide standards documented in other impact fee studies conducted for the City and County of San Francisco. The facility cost analysis is updated to be more appropriate to Downtown San Francisco. The fee schedule documented in this study represents the maximum fee that the nexus analysis supports as justified to be applied to new development in Downtown San Francisco.

This report provides the documentation required under the California Mitigation Fee Act—AB 1600, enacted in California Government Code Sections 66000 – 66025—to identify the purpose of the proposed fee, describe the facilities and improvements that the fee would support, and demonstrate a reasonable relationship between: planned new development and the use of the fee, the type of new development planned and the need for facilities to accommodate growth, and the amount of the fee and the cost of facilities and improvements.

[1] San Francisco Planning Code, Section 412.5, Downtown Special Park Fund.

[2] City and County of San Francisco, Controller's Office, *FY 2009-10 Development Impact Fee Report*, January 24, 2011.

Findings

Purpose of the fee

The purpose of the Downtown Park, Recreation, and Open Space development impact fee would be to provide funding from new development to increase the supply of park, recreation, and open space facilities to serve the needs attributable to growth in Downtown San Francisco. Standards developed by the Recreation and Park Department indicate the amount of facilities required to meet the needs of population and employment growth in the City. The increased supply of park, recreation, and open space facilities would maintain these existing facility standards. The increase in the facility inventory funded by the development fee would be directly related to the needs associated with Downtown growth. Fee revenue would not be used to correct existing deficiencies.

Use of fee revenue

The impact fee would provide funding for new and improved facilities to meet the needs attributable to the increase in park users in Downtown expected through the year 2030. The fee revenue would be used to acquire land, develop park and recreation facilities, and improve existing park facilities in lieu of acquisition. Costs funded by the fees may also include project administration, management, design, and engineering.

Relationship between the use of the fee and the type of new development

There is a demonstrated benefit to new development of the park, recreation, and open space facilities funded by the fee. Park, recreation, and open space facilities are critical components of any community's quality of life. They sustain the social, physical, and mental health of residents and workers and provide economic benefits, as well. These qualities are established in the *Recreation and Open Space Element of the San Francisco General Plan* and in the *Downtown Plan*.[3]

The Parks, Recreation, and Open Space impact fee is calculated on the basis of the service population of park users that benefit from the facility inventory and facility improvements that would be funded by the fee revenue. The impact fee revenue would be used to pay for facilities required to meet the needs generated by new residential development and population growth and new non-residential development and employment growth in Downtown San Francisco thereby providing a benefit to the development types on which the fee is imposed.

Relationship between the need for park, recreation and open space facilities and the type of new development

New residential and non-residential development in Downtown San Francisco accommodates increases in the number of residents and workers located downtown. Those people will use park, recreation, and open space facilities for relaxing, exercising, socializing, eating, soaking up the sun, walking the dog, playing with children, appreciating nature, participating in sports, and enjoying entertainment, among other pastimes. In addition, adequate open space provides essential relief from the density and congestion associated with downtown high-rise

[3] San Francisco Planning Department, *Recreation and Open Space Element,* An Element of the General Plan of the City and County of San Francisco, Revised Draft June 2011 and *Downtown Plan,* An Area Plan of the General Plan.

development. If the facility inventory were not expanded or improved to accommodate increased demand, then the level of service for all park users would deteriorate as the increased activity associated with growth and new development would occur within the confines of constrained existing facilities. Furthermore, as new development occurs, additional park and open space facilities are needed Downtown to maintain the quality of urban experience that makes Downtown San Francisco an attractive place to do business, live, and visit.

Relationship between the amount of fee payments and the cost of park, recreation, and open space facilities

The need for park, recreation, and open space facilities attributable to Downtown growth has been estimated using existing citywide per capita facility standards that are a reasonable and established means of estimating level of service. Costs are based on factors that reflect the unique characteristics of the downtown development pattern, including the cost of land and the cost of improvements typical of downtown parks and open space. The estimate of the park user service population that is the basis for the fee calculation accounts for the fact that both residents and workers have the opportunity to use and benefit from park, recreation, and open space facilities. In fact, since much of the Downtown is primarily commercial use, the majority of users of many major downtown open spaces consists of workers, by contrast to most other parts of the City, where residents predominate. The fee amounts are also adjusted to account for the fact that visitors to the Downtown are another important source of demand for and use of Downtown parks and open space. Since no data are currently available measuring this use and allowing allocation of some of the cost to development that attracts visitors, facility costs are reduced by a factor chosen to reasonably account for visitor use. Using the appropriate service population to calculate per capita costs assures that the associated fees will be levied on types of development that create a demand for and benefit from these facilities and that the fee will be proportional to that demand. Furthermore, employment density factors that vary by land use and household size and housing unit size factors used in the fee calculations mean that fee amounts are sensitive to land use and to the square footage of new development. The fees are assessed per square foot of new development so impact fee payments are related directly to the size of proposed projects, and therefore to the relative impact and demand for open space attributable to that development.

DOWNTOWN GROWTH SCENARIO

Downtown San Francisco, including the Transit Center District Plan Area, is expected to accommodate a substantial amount of the population and employment growth projected for San Francisco. **Map 1** at the end of this report shows the boundaries of the Downtown area defined for this analysis.[4] The growth scenario reflects state, regional, and local policy priorities directing new development to dense urban centers served by transit, as well as the other market factors favoring San Francisco: important business location, central location well-connected to other parts of the region, diverse and walkable neighborhoods, cultural and entertainment attractions, range of housing options, reputation for tolerance and acceptance, and opportunities for immigrants and other newcomers.

[4] The Downtown area is defined by Traffic Analysis Zone (TAZ) boundaries because the land use allocation that is the basis for growth scenarios for subareas of the City used for area planning, transportation analysis and other purposes is based on the TAZ unit.

Building on market trends and planning efforts, an additional 16,000 households and 32,000 residents are expected in the Downtown area between 2005 and 2030 (see **Table 1**).[5] This is a substantial percentage increase—40 percent for households and 50 percent for population. The increase in housing and population downtown is 25 – 30 percent of the total growth projected for the City, as the share of the City's population living downtown is expected to continue to increase over time.

An additional 69,000 jobs are projected for the Downtown area during this planning horizon, bringing total downtown employment to 329,000 in 2030. Downtown employment growth represents about 30 percent of total employment growth projected for San Francisco (see **Table 1**). With the exception of the Transit Center District Plan Area, most of the Downtown business district is built out, so the share of total San Francisco employment located Downtown is projected to decline somewhat over time. Office employment in management, information, and professional services accounts for 75 percent of total employment growth Downtown from 2005 through 2030. Medical and health services and visitor lodging are projected to show the strongest pace of growth in the downtown area over this period while retail and entertainment, and cultural, institutional, and educational sectors grow at an average pace in the Downtown area.

SERVICE POPULATION / PARK USERS

San Francisco's park, recreation, and open space resources are used by and benefit both City residents and people who work in the City. This is particularly the case in Downtown San Francisco, where workers are by far the largest component of the daytime population. Therefore, the service population for this development impact fee analysis combines residents and workers into one estimate of "park users." As noted above, visitors are also an important element of the park user service population, particularly in Downtown San Francisco. There are currently no data sources that measure non-resident, non-worker visitor use in San Francisco parks. In the absence of such data, this study focuses on residents and workers and adjusts facility costs by a percentage to account for visitor use before the calculation of the maximum justifiable impact fee amount.

[5] The growth scenario used in this analysis is consistent with the growth scenario used in the *Transit Center District Plan Environmental Impact Report*. It is based on the regional scenario for growth published by the Association of Bay Area Governments (ABAG) in *Projections 2007*. In August 2009, ABAG published *Building Momentum: Projections and Priorities for 2009*, an updated set of population, household, and job forecasts for the Bay Area. The economic fundamentals behind longer-term regional growth and change remain the same in the updated forecasts. The 2009 series shows lower population and job totals in the short- to mid-term, representing the depth of the current recession, but economic recovery brings a stronger pace of growth in the longer term such that totals in 2030 and 2035 are on track with the regional totals in *Projections 2007*.

TABLE 1
GROWTH SCENARIO FOR DOWNTOWN SAN FRANCISCO
2005 – 2030

	2005	2030	Change	2006-2030 Percent Change	
Downtown					
Households	36,792	53,136	16,344	44%	
Household Population	60,671	93,115	32,444	53%	
					Percent of Total
Employment by Business Activity					
Management/Information/Professional Services	184,620	235,456	50,836	28%	74%
Retail/Entertainment	29,772	37,245	7,473	25%	11%
Visitor Lodging	11,910	16,495	4,585	38%	7%
Medical and Health Services	3,476	5,312	1,836	53%	3%
Cultural/Institutional/Educational	16,676	20,469	3,793	23%	5%
Production/Distribution/Repair	13,242	13,742	500	4%	1%
Total	**259,696**	**328,719**	**69,023**	**27%**	**100%**
San Francisco Total					
Households	**341,248**	**392,699**	**51,451**	15%	
Household Population	**779,549**	**912,039**	**132,490**	17%	
Employment	**552,000**	**793,300**	**241,300**	44%	
Downtown Percent of City Total					
Households	11%	14%	32%		
Household Population	8%	10%	24%		
Employment	47%	41%	29%		

NOTE: The Downtown area is defined to include the C-3 District covered by the *Downtown Plan* and adjacent areas relevant to the analysis of the Transit Center District Plan: Transbay, Rincon Hill, and Yerba Buena planning areas; other parts of the "Downtown" planning district (Civic Center, Union Square, Chinatown, Tenderloin); and most of East and West SoMa and the Central Corridor.

SOURCE: San Francisco Planning Department, Land Use Allocation 2007 (revised January 2010) and ABAG, *Projections 2007*, December 2006.

The estimate of the park user service population derives weighting factors to represent relative demand or benefit across four categories of people who use or benefit from park, recreation, and open space facilities. The relative weight of the four different categories is determined by hours-per-week as an indicator of the opportunity to use park, recreation, and open space facilities. For park, recreation, and open space facilities, the appropriate parameters are a 7-day week and 16-hour days, because the facilities are typically used on weekdays as well as weekends and not used at night.

The use of hours per week as a proxy measure for public service demand is common practice in facility impact fee analysis. The concept has been referred to as "functional population" in *Impact Fees: Principles and Practice of Proportionate Share Development Fees* (Nelson, Nicholas, and Juergensmeyer, 2009). This measure is used when there is no reliable information on facility users from surveys, calls for service, or public program registrations, for example. By using this measure, it is possible to establish reasonable relationships of *relative demand* differentiating residents, non-residents, and workers. As applied in this case, it is not intended to represent the actual hours of use or the times during which park facilities are open to the public, but rather to establish relative demand so that costs can be allocated equitably and proportional to relative demand across land uses.

Table 2 presents the park user demand analysis. Of the four park user categories, residents who do not work and residents who work in the City have the same opportunity to use park, recreation, and open space facilities: 112 hours per week (7 days × 16 hours per day). The other two park user categories—residents who work outside San Francisco and San Francisco workers who live outside the City have less opportunity to use City park, recreation, and open space facilities. Their per capita demand is therefore less than that of residents who do not work and residents who work in the City: 64 percent in the case of residents who work outside the City and 36 percent in the case of San Francisco workers who live outside the City. Note that there is no double-counting in this analysis; people who both live and work in San Francisco are counted once as workers.

TABLE 2
DOWNTOWN PARK, RECREATION, AND OPEN SPACE
SERVICE POPULATION WEIGHTING FACTORS

Park User Group [a]	Basis for demand factors: day-time hours per 7-day week for each user group	Hours per Week	Relative Demand, based on hours per week [b]
SF residents who do not work	7 days at 16 hours per day	112	**1.00**
SF residents who work outside SF	5 days at 8 hours per day plus 2 days at 16 hours per day	72	**0.64**
SF workers who live in SF	7 days at 16 hours per day	112	**1.00**
SF workers who live outside SF	5 days at 8 hours per day	40	**0.36**

[a] There is no double-counting. San Francisco workers who also live in San Francisco are counted once as workers.
[b] Relative to base demand defined by residents who do not work and San Francisco residents who work in San Francisco, each representing demand over 7 days at 16 hours per day.

Table 3 presents the estimate of the expected increase in Downtown area park user service population that is used in this development impact fee analysis. From the increase in Downtown residents and Downtown employment (Table 1), the four categories of park user are defined by population characteristics derived from the U.S. Census American Community Survey: percentage of San Francisco residents that do not work, percentage of residents that work outside San Francisco, percentage of San Francisco workers that live in San Francisco, and percentage of

workers that live outside San Francisco. After application of the relevant weighting factors, the increase of 32,000 residents translates to an expected increase of just over 17,000 park users, and the increase of 69,000 employees translates to an expected increase of about 50,000 park users, for a total of 67,000 additional park users in the Downtown area associated with population and employment growth through 2030.

TABLE 3
DOWNTOWN SAN FRANCISCO – 2005 - 2030
EXPECTED INCREASE IN PARK, RECREATION, AND OPEN SPACE USERS

Park User Category	Total Residents or Employees	ACS 5-year estimates 2005-2009 [a]	Residents / Employees by Category	Park, Recreation, and Open Space Usage Factor	Park, Recreation, and Open Space Users
	A	B	C = A × B	D	C × D
Residents [b]	32,444				
Non-workers		44.4%	14,408	1.00	14,408
Work outside SF		13.2%	4,293	0.64	2,760
Employment	69,023				
Live in SF		56.9%	39,301	1.00	39,301
Live outside SF		43.1%	29,722	0.36	10,615
Total					**67,083**

[a] Percentage of total San Francisco resident population or San Francisco workers by place of work from American Community Survey, 2005 - 2009 5-year estimates.
[b] There is no double-counting. San Francisco residents who work in San Francisco are counted as workers.

PROPOSED PARK, RECREATION, AND OPEN SPACE DEVELOPMENT IMPACT FEE

Approach/Methodology

The proposed Downtown Park, Recreation, and Open Space Fee would provide funding from new development in Downtown San Francisco to maintain existing citywide standards for park, recreation, and open space facilities. The proposed impact fee would satisfy the needs for these types of facilities and improvements attributable to the increase in park users accommodated by the new development in the Downtown area. The impact fee is calculated to allocate the costs of the needed facilities equitably to new residential and non-residential development commensurate with each uses's proportion of net impact and demand.

The development impact fee methodology has five steps:

- Identify existing facility standards
- Identify appropriate unit costs for facilities
- Estimate facility need and cost attributable to growth using per capita standards and unit costs

- Allocate total costs equitably to new development by calculating the cost per park user
- Determine the fee per square foot or per unit for each land use category by multiplying the cost per park users per square foot or per unit of new development by land use category

Facility needs and costs

Because the City's 10-year Capital Plan for recreation and parks is oriented almost entirely to funding existing needs for facility renewal, modernization, and renovation (funded primarily by local bond proceeds and state grants) and not to meeting the needs of new demand attributable to growth (particularly in the Downtown), the facility needs and costs attributable to growth are derived by applying relevant facility standards to growth projections. The analysis for the proposed Downtown Park, Recreation, and Open Space fee is based on the framework documented in the draft analysis for a recreation and parks development impact fee as part of the *Citywide Development Impact Fee Study*.[6] For that effort, the Recreation and Park Department defined existing citywide facility standards in terms of acres of land and equivalent improvements to existing facilities, consistent with national guidelines for park and recreation facilities as adapted to best fit local conditions.

The existing standard for Recreation and Parks Department-owned park and open space land is **4.32 acres per 1,000 residents**. However, as determined in the citywide *Recreation and Parks Development Impact Fee Justification Study*, it is not reasonable to assume that new development could provide funding adequate to increase the inventory of park land sufficient to maintain that standard over time, given the limited sites for land acquisition within the geographic constraints of San Francisco's city limits, the density of existing development, and high land values and costs. Therefore, existing park, recreation, and open space facility standards are expressed in terms of both land acquisition and improvements to existing facilities in lieu of land acquisition.

Note that although these park facility standards are expressed per 1,000 *residents* (because that is the denominator most readily available and traditionally used to evaluate park facilities), they represent a measurement of existing conditions across all land uses and are thus a reasonable proxy for the standard across that broader service population. In other words, when expressed solely "per local resident," an existing standard that measures local park facilities designed to serve more than the local resident population—regional residents, workers, and other visitors, for example,—is likely to be higher (more acres per 1,000 residents) than a facility standard where the facilities and the resident service population were more closely aligned.

[6] David Taussig & Associates, *Recreation and Parks Development Impact Fee Justification Study*, September 18, 2007 (updated January 7, 2008), part of the *Citywide Development Impact Fee Study, Consolidated Report*, March 2008. The *Citywide Development Impact Fee Study* conducted for the Office of the Controller (March 2008) included documentation of the basis for a recreation and park facility development fee to meet the needs of the additional residents and workers to be accommodated by new development in the City. Policy 6.1 of the *Draft Recreation and Open Space Element* lists the possibility of adopting this fee on a citywide basis as the first option among several innovative long-term funding mechanisms to ensure adequate resources to attain the policies and program of the open space element.

The standard for land acquisition is stated as **0.11 acres per 1,000 residents**, reflecting the Recreation and Parks Department's assessment of the amount of land that could reasonably be expected to be acquired and financed by new development over a 20-year planning horizon (about six acres).

In lieu of substantial acquisition to expand the inventory of park land, the Department developed the park improvement standard, at the existing ratio of Department-owned park land to population (4.32 acres per 1,000 residents). This standard is used to estimate the cost of improvements on land already owned by the City to meet the increased demand expected due to growth.

Table 4 presents the park, recreation, and open space facility needs associated with Downtown growth based on these existing facility standards.

TABLE 4
DOWNTOWN PARK, RECREATION, AND OPEN SPACE DEVELOPMENT IMPACT FEE
PARK, RECREATION, AND OPEN SPACE FACILITIES NEEDS

Facility Type	Facility Standard [a]	Facility Need based on Citywide Standard [b]
Park land [c]	.11 acres / 1,000 residents	3.57 acres
Park improvements [d]	4.32 acres / 1,000 residents	140.16 acres

[a] From the *Citywide Development Impact Fee Study: Recreation and Parks Development Impact Fee Justification Study*, David Taussig & Associates, Inc., September 2007 (updated January 2008).
[b] Standard per 1,000 residents multiplied by 2005 - 2030 increase in Downtown residents (32,444) divided by 1,000.
[c] Standard of .11 acres per 1,000 residents based on Recreation and Parks Department determination that 5.9 acres of park land could reasonably be assumed to be acquired to meet the needs associated with growth. New and expanded facilities in existing parks are proposed in-lieu of land acquisition. See the Park Improvement line item. See page VII-8 and VII-9 in the *Recreation and Parks Development Impact Fee Justification Study* (Taussig, September 2007/January 2008).
[d] Standard of 4.32 acres per 1,000 residents based on the existing ratio of Recreation and Parks Department owned land per 1,000 residents, as calculated in *Recreation and Parks Development Impact Fee Justification Study* (Taussig, September 2007/January 2008).

The total cost to provide these facilities to meet the needs attributable to Downtown growth between 2005 and 2030 is about $350 million. **Table 5** details the cost factors. There are three components to the total cost: cost to acquire park land; cost to provide park improvements on that land; and costs to provide improvements to existing parks and open space (in lieu of more costly land acquisition).

Land costs and some of the improvement costs are specific to Downtown San Francisco. These cost factors are based on a number of considerations unique to downtown park and open space facility planning. Suitable open land is particularly scarce in the downtown area, and land values are highest in this part of the City. Moreover, in lieu of land acquisition, some additional area of downtown open space is likely to be provided as space constructed above existing ground-level uses, necessitating higher than average development costs. In terms of improvements, the density of existing development, the intensity of mixed land uses and of downtown park use, as well as urban design factors specific to downtown require a range of types of hardscape and landscape improvements that are generally more costly than the improvements associated with less

TABLE 5
DOWNTOWN PARK, RECREATION, AND OPEN SPACE DEVELOPMENT IMPACT FEE
PARK, RECREATION, AND OPEN SPACE FACILITIES COSTS (2010 DOLLARS)

Facility Type	Facility Need	Cost per Square Foot (2010 dollars)	Facility Cost
Park land [a]	3.57 acres	$1,200	$186,550,000
Park improvements—new Downtown parks [b,c]	3.57 acres	$210	$32,646,000
Park improvements in lieu of acquisition [b]			
Downtown Park and Open Space [d]	29.40 acres	$85	$108,570,000
Other Park and Open Space [e]	110.76 acres	$5	$22,420,000
Total	140.16 acres		
Total Cost			**$350,186,000**

[a] Land cost estimate provided by the Planning Department based on comparable land sales of Downtown San Francisco (C-3 District) land between 2001 and 2011 (see Appendix **Table A.2** for data). Represents land acquisition or alternative of constructed above-ground park and open space facilities.

[b] Because of different types of improvements and associated cost factors, park improvement costs are estimated separately for newly created downtown parks (3.57 acres), improvements to existing public parks located in the Downtown area, and improvements to parks elsewhere in the City. There are 29.4 acres of existing public park land in the Downtown area that would benefit from the improvements funded by this impact fee. The balance of the park improvement need would be satisfied on park and open space facilities elsewhere in the City.

[c] Costs for improvements to develop new Downtown parks and open space are based on the average cost per square foot for new park and open space facilities, as estimated in the *Transit Center District Plan*.

[d] Costs for improvements to existing Downtown parks and open space are based on costs for improvements to Portsmouth and St. Mary's Squares and the acres of land in those facilities, as estimated in the *Transit Center District Plan* .

[e] Costs for improvements to other existing park and open space facilities elsewhere in the City are estimated using the cost per acre for improvements in the *Citywide Development Impact Fee Study*, inflated to 2010 dollars using the San Francisco - Oakland - San Jose Metropolitan Area Consumer Price Index (all urban consumers).

intensively used neighborhood parks. Downtown parks are more heavily used than parks elsewhere in the City and must sustain a wide range of types of park users and urban activities. These unique conditions require more expensive improvements than the large expanses of grass, natural areas, or sports fields typical of larger neighborhood parks. Hardscaped plazas and intensively landscaped planters, often constructed on basement structures or garages, require expensive engineering solutions. Development costs per square foot for these types of downtown park and open space facilities are, therefore, substantially higher than those associated with the open grassy areas and sports fields associated with neighborhood park facilities.

There are three elements to the facility improvement cost. The first is the cost to develop the 3.57 acres needed of newly acquired Downtown facilities. The cost factor is the average cost per square foot to develop the new facilities identified in the Transit Center District Plan: City Park, 2nd and Howard Park, Transbay Park, Mission Square, and recreation facilities under the groundplane of bus ramps. The second set of improvements are to existing Downtown facilities that currently total about 29 acres. The cost factor is based on the estimate in the *Transit Center District Plan* for improvements to Portsmouth and St. Mary's Squares. Since the balance of the improvements would be to other Department-owned parks elsewhere in the City, a lower average cost factor is used, consistent with the park and recreation facility cost estimates prepared for the *Citywide Development Impact Fee Study*.

Cost allocation and fee schedule

There are no other identified sources of funding for expanding the supply of park, recreation, and open space facilities to meet the needs attributable to growth. All local funding is dedicated to meeting the needs of existing park users through modernization, renovation, and repair projects.[7]

The cost allocation process ensures that development fees equitably assign costs in proportion to demand and benefit. The increased supply of park, recreation, and open space facilities has been estimated to meet the demand (based on the existing citywide standard) attributable to service population growth accommodated by new development in Downtown San Francisco. That total cost for new facilities and improvements to existing facilities is allocated on a per capita basis across the projected increase in Downtown park users. The resultant average cost per park user is converted to a fee per square foot of new development using park use factors per square foot that reflect average household sizes and employment densities for different categories of non-residential development. (See **Table A.1** in the appendix for detail on these factors.)

Table 6 shows the calculation of the average facility cost per park user. Total costs are first reduced by 10 percent to account for that component of facility demand attributable to non-resident, non-worker visitors. Dividing the adjusted total facility cost by the expected growth in Downtown park users results in an average cost per user of about $4,700. Adding a percentage to account for necessary administrative and management costs for the fee and improvement program results in a total cost per park user of about $4,900.[8]

Table 7 presents the maximum justifiable park, recreation, and open space development fee schedule based on the forgoing analysis. The proposed maximum justifiable fees range from $2.70 per gross square foot for residential use to just under $13—$14 per gross square foot for office and medical uses.

Fee rates should be adjusted for inflation on an annual basis to ensure that fee revenue keeps up with increases in the cost of providing public facilities.

The proposed fee would apply to new residential and non-residential development in the Downtown Study Area (**Map 1**) not already subject to area plan fees for park, recreation and open space improvements or included in approved Redevelopment Project Areas.

[7] City and County of San Francisco, *Proposed Capital Plan 2012- 2021*, March 14, 2011.

[8] Agency costs to manage, monitor, and update the impact fee program are allowed to be recovered in the fee amount charged if those costs are estimated in the impact fee documentation. Impact fee documentation studies typically use a percentage factor to estimate this cost, generally ranging from two percent to five percent of the facility cost. In San Francisco, methodologies vary. A five percent factor was used in the Eastern Neighborhoods nexus study and in the Citywide Child Care nexus study. In the Citywide Recreation and Park impact fee justification study the alternative of estimating the cost of one FTE required to administer and monitor the program for a 20-year implementation period was used. The *FY 2009-2010 Development Impact Fee Report* prepared by the City and County of San Francisco Controller's Office documents when administration, monitoring and other program implementation costs are allowed uses of funds under the various development impact fee programs in place in San Francisco.

TABLE 6
DOWNTOWN PARK, RECREATION, AND OPEN SPACE DEVELOPMENT IMPACT FEE
FACILITY COST PER PARK USER (2010 DOLLARS)

Total Facility Cost	**$350,186,000**
Visitor adjustment (10 percent)[a]	($35,018,600)
Adjusted Facility Cost	**$315,167,400**
Park Users	
Residents	17,167
Workers	49,916
	67,083
Facility Cost per User	$4,698
5% for administration	$235
Total Cost per Park User	**$4,933**

[a] The visitor adjustment reduces total facility costs by a percentage judged reasonable as an estimate of the park and open space demand attributable to Downtown visitors. This adjustment is required because no data are available measuring visitor use of San Francisco park facilities.

TABLE 7
PROPOSED DOWNTOWN PARK, RECREATION, AND OPEN SPACE DEVELOPMENT IMPACT FEE
(maximum justified amount)

Land Use	Cost per Park User	Parks Use Factors[a]	Maximum Justified Fee Amount
Residential	$4,933	0.82 per unit	$4,046 per unit
			$2.70 per gross sq. ft.[b]
Cultural, Institutional, Educational	$4,933	2.03 per 1,000 sq. ft.	$10.01 per gross sq. ft.
Hotel	$4,933	0.87 per 1,000 sq. ft.	$4.29 per gross sq. ft.
Industrial/PDR	$4,933	1.06 per 1,000 sq. ft.	$5.25 per gross sq. ft.
Medical	$4,933	2.82 per 1,000 sq. ft.	$13.90 per gross sq. ft.
Office	$4,933	2.62 per 1,000 sq. ft.	$12.95 per gross sq. ft.
Retail	$4,933	2.07 per 1,000 sq. ft.	$10.21 per gross sq. ft.

[a] See Appendix Table A.1 for detail on park use factors by land use.
[a] Residential fee per gross square foot assuming 1,500 square feet per unit.

APPENDIX A.1

PARK USE FACTORS BY LAND USE CATEGORY

Park use factors by land use are used to convert the facility cost per user to the impact fee per unit of development. **Table A.1** shows how the park use factors by land use are derived. The analysis is similar to the analysis in **Table 3**, although the estimating factors from the American Community Survey and the park, recreation, and open space weighting factors are applied to residents per unit and to employees per square foot instead of to total residents and employment. For each step, formulas indicate the relationship between the input factors and the results by land use. The results by land use translate per-user costs to fees per unit of new development in **Table 6**.

TABLE A.1
PARK, RECREATION, AND OPEN SPACE USE FACTORS, BY LAND USE

			Residential	
Persons per household [a]			1.55	**A**
SF residents who don't work [b]	44.4%	**B**	0.69	**D = A × B**
Park use factor [c]	1.00	**C**	0.69	**E = C × D**
SF residents who work outside SF [b]	13.2%	**F**	0.21	**H = A × F**
Park use factor [c]	0.64	**G**	0.13	**I = G × H**
Park users per unit			**0.82**	**E + I**

			Office		Retail		Hotel		Institutional		Medical		PDR	
Workers per 1,000 sq. ft. [d]			3.62	N_1	2.86	N_2	1.20	N_3	2.80	N_4	3.89	N_5	1.47	N_6
SF workers who live in SF [e]	56.9%	**J**	2.06	$O_1 = J \times N_1$	1.63	$O_2 = J \times N_2$	0.68	$O_3 = J \times N_3$	1.59	$O_4 = J \times N_4$	2.22	$O_5 = J \times N_5$	0.84	$O_6 = J \times N_6$
Park use factor [c]	1.00	**K**	2.06	$P_1 = K \times O_1$	1.63	$P_2 = K \times O_2$	0.68	$P_3 = K \times O_3$	1.59	$P_4 = K \times O_4$	2.22	$P_5 = K \times O_5$	0.84	$P_6 = K \times O_6$
SF workers who live outside SF [e]	43.1%	**L**	1.56	$Q_1 = L \times N_1$	1.23	$Q_2 = L \times N_2$	0.52	$Q_3 = L \times N_3$	1.21	$Q_4 = L \times N_4$	1.68	$Q_5 = L \times N_5$	0.63	$Q_6 = L \times N_6$
Park use factor [c]	0.36	**M**	0.56	$R_1 = M \times Q_1$	0.44	$R_2 = M \times Q_2$	0.19	$R_3 = M \times Q_3$	0.43	$R_4 = M \times Q_4$	0.60	$R_5 = M \times Q_5$	0.23	$R_6 = M \times Q_6$
Park users per 1,000 sq. ft.			**2.62**	$P_1 + R_1$	**2.07**	$P_2 + R_2$	**0.87**	$P_3 + R_3$	**2.03**	$P_4 + R_4$	**2.82**	$P_5 + R_5$	**1.06**	$P_6 + R_6$

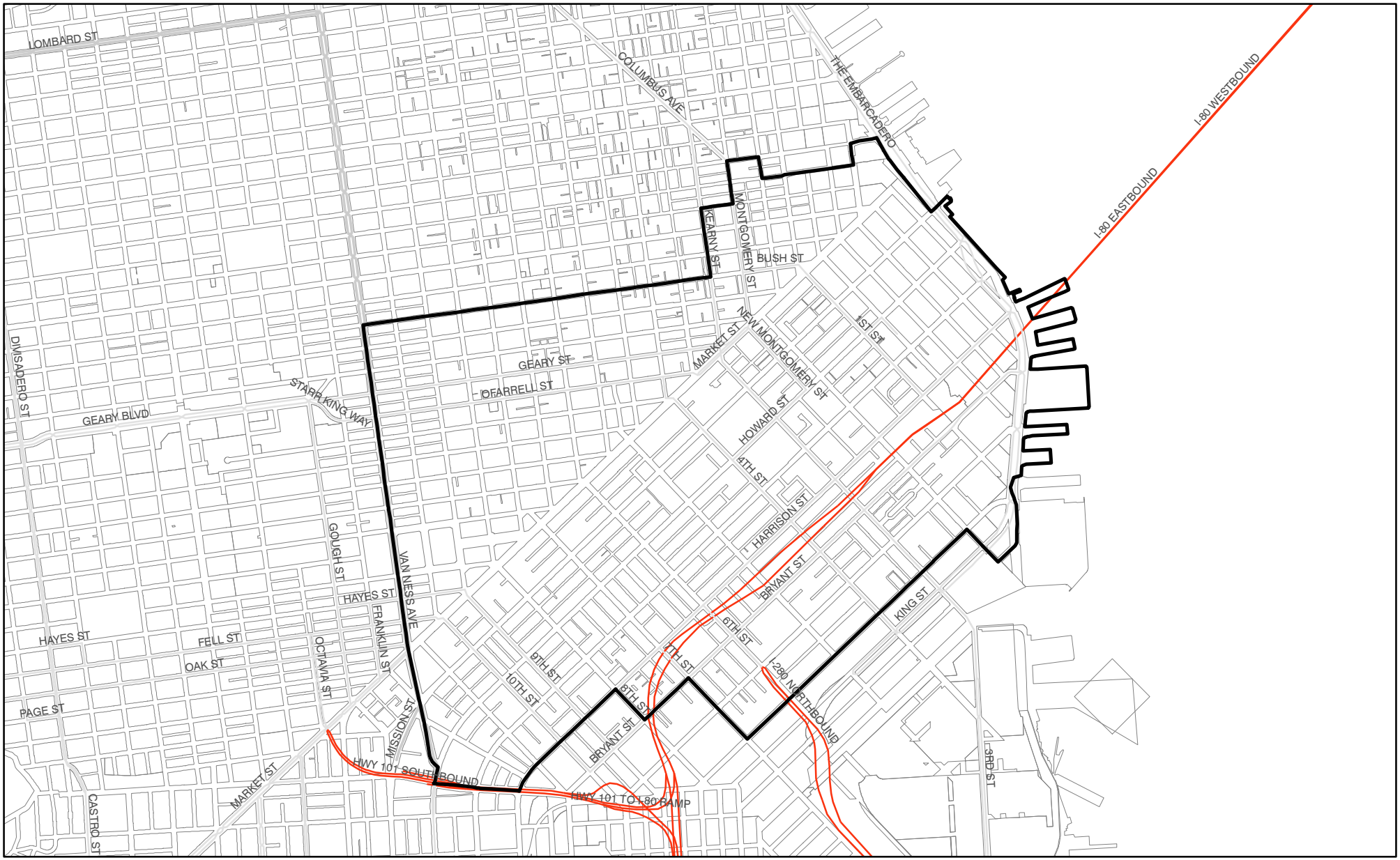
[a] Determined by San Francisco Planning Department to best represent average household size for the Plan Area and Greater Downtown San Francisco, from the *Rincon Hill Plan EIR.*
[b] Percentage of total San Francisco resident population from American Community Survey, 2005 - 2009 5-year estimates.
[c] Park use factor derived from park user analysis, see Table 2.
[d] Determined by San Francisco Planning Department to best represent density factors appropriate to the Plan Area and Greater Downtown San Francisco, from the *Downtown San Francisco Market Demand, Growth Projections, and Capacity Analysis* (May 2008) and Land Use Allocation, 2007.
[e] Percentage of total people working in San Francisco by place of work from American Community Survey, 2005 - 2009 5-year estimates.

APPENDIX A.2

RECENT LAND SALES OF DEVELOPABLE PARCELS IN THE C-3 DISTRICTS

Address	Sale Year	Sales Price	Existing Building Square Footage	Lot Size (SF)	Price/Land SF
50 1st	2006	$ 26,000,000	144,000	18,288	$ 1,422
350 Mission	2006	$ 25,500,000	94,697	18,910	$ 1,348
516-526 Mission	2005	$ 15,000,000	-	4,776	$ 1,062
579-581 Market	2007	$ 11,150,000	28,042	7,750	$ 1,439
62 1st	2003	$ 9,700,000	70,680	11,506	$ 843
217 2nd	2007	$ 7,000,000	22,687	4,896	$ 1,430
972 Market	2005	$ 5,900,000	11,530	4,210	$ 1,401
943 Market	2006	$ 5,750,000	10,988	7,426	$ 774
				Average Price/SF	***$ 1,215***

Source: San Francisco Assessor's Office



Map 1 Downtown San Francisco Study Area

0 1,900 3,800 Feet

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TRANSIT CENTER DISTRICT PLAN
TRANSPORTATION SYSTEM IMPROVEMENTS
DEVELOPMENT IMPACT FEE NEXUS STUDY

FINAL REPORT

A Report to

PLANNING DEPARTMENT
CITY AND COUNTY OF SAN FRANCISCO

Prepared by

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April 12, 2012

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SUMMARY AND MITIGATION FEE ACT FINDINGS

Overview and Summary

State, regional, and local policy priorities direct new development to dense urban centers served by transit. Downtown San Francisco, especially the Transit Center District Plan Area, is expected to accommodate a substantial amount of the population and employment growth projected for San Francisco. As a result, projections indicate substantial increases in all types of travel in and through the Transit Center District Plan Area: transit riders, pedestrians, cyclists, and drivers.

The Transit Center District Plan proposes improvements and planning studies to enhance transportation infrastructure and the street-level environment in the Plan Area and mitigate the impacts of new development on mobility and access. The proposed improvements will reduce negative environmental and economic impacts by improving travel options: increasing sidewalk capacity and transit capacity and reducing travel times. Without these improvements, the concentration of development on these few blocks in the Transit Center District will degrade mobility, resulting in a deteriorating quality of life, reduced public safety, and increased congestion-related delay and associated economic loss.

Because of the range of types of improvements proposed and variation in cost allocation considerations, two impact fees are documented. The Circulation, Streetscape and Pedestrian Improvements Fee funds investment in the street-level environment throughout the Plan Area. The Transit and Other Transportation System Improvements Fee and the Transit Delay Mitigation Fee fund transit capacity and related investments in plan implementation.

The impact fees are proposed to be applied in the Transit Center District Plan Area to fund the portion of the comprehensive set of transportation system improvements attributable to new residential and non-residential development in the Plan Area. See **Map 1** at the end of this report. The fees would be imposed on both residential and non-residential development not yet under construction, permitted, or approved for development in the Transit Center District Plan Area. The nexus analysis calculates the maximum justifiable fee amounts per square foot of new development that are proportional to the relative demand attributable to different land use categories.

The impact fees would not be imposed in Zone 1 of the Transbay Redevelopment Project Area. Instead, the Redevelopment Agency would contribute an equivalent amount of funding and/or equivalent pedestrian, streetscape, and transportation system improvements.

Table S.1 summarizes the maximum justifiable impact fee schedules documented in this study.

TABLE S.1
PROPOSED TRANSIT CENTER DISTRICT PLAN TRANSPORTATION SYSTEM IMPROVEMENTS DEVELOPMENT IMPACT FEE
(maximum justified fee)

Land Use	Circulation, Streetscape and Pedestrian Improvement	Transit and Other Transportation	Transit Delay Mitigation	Transit Center – rail-related	TOTAL
Residential (per unit)	$3,864	$440	$101	$6,975	$11,375
Residential (per gross sq. ft.) [a]	$2.58	$0.29	$0.07	$4.65	$7.58
Office (per gross sq. ft.)	$7.77	$0.88	$0.20	$14.03	$22.88
Hotel (per gross sq. ft.)	$4.01	$0.45	$0.10	$7.23	$11.80
Retail (per gross sq. ft.)	$75.14	$8.55	$1.96	$135.62	$221.17
Institutional	$11.81	$1.34	$0.31	$21.31	$34.76

Note: Maximum justified fee amounts include five percent for fee program administration.
Detail may not add to total because of independent rounding.

[a] Residential fee per gross square foot assuming 1,500 square feet per unit.

The proposed fees rely on facility planning and transportation analysis specific to the Transit Center and the rezoning and area plan that is proposed for the blocks in the vicinity of the Transit Center. Other sources of funding are identified to pay for the share of planned improvement costs that are not allocated to new development. The fee schedule documented in this study represents the maximum fee that the nexus analysis supports as justified to be applied to new development in the Transit Center District Plan Area.

For new development fees proposed for the Plan Area, this report provides the documentation required under the California Mitigation Fee Act—AB 1600, enacted in California Government Code Sections 66000 – 66025—to identify the purpose of the proposed fee, describe the facilities and improvements that the fee would support, and demonstrate a reasonable relationship between: planned new development and the use of the fee, the type of new development planned and the need for facilities to accommodate growth, and the amount of the fee and the cost of facilities and improvements.

Findings

Purpose of the fee

The purpose of the Circulation, Streetscape and Pedestrian Improvements Fee and the Transit and Other Transportation System Improvements Fee is to fund improvements to the pedestrian network, make changes to the public right of way, and add transit capacity and other transit-priority infrastructure to accommodate the projected increase in travel within and through the Transit Center District. The proposed Transit Center District Plan identifies the needed investment in the transportation system. The proposed impact fees, in combination with other funding sources, will enable the City to provide the necessary improvements. The impact fees are calculated based on that portion of the proposed improvements related to Plan Area growth. Fee revenue would not be used to correct existing deficiencies.

Use of fee revenue

The impact fee revenue provides funding for investments in pedestrian and streetscape improvements and transit capacity, as well as studies to evaluate and improve transportation strategies implemented as part of the Transit Center District Plan. The planned improvements are identified in the body of the report and detailed assumptions are provided in the appendix. Costs funded by the fees may also include project administration, management, design, and engineering.

Relationship between the use of the fee and the type of new development

The Circulation, Streetscape and Pedestrian Improvements Fee will fund increases in pedestrian space and amenities, green streetscape infrastructure, casual carpool infrastructure, bicycle facilities, connectivity enhancements, dedicated transit lanes, transit stop improvements, and circulation improvements in the Plan Area. The improvements will increase the capacity of the street-level environment to accommodate the increase in trips attributable to the concentration of new development in the Transit Center District. Planned improvement costs are allocated broadly across all types of travel in the Plan Area and downtown San Francisco, and the impact fee for new development is proportional to new development's share of total cost.

The Transit and Other Transportation System Improvements fee will fund increases in transit station and transit vehicle capacity serving the Plan Area and investments in circulation improvements that are required to mitigate impacts of new development allowed in the Plan Area. These improvements will accommodate growth in the Plan Area as the District becomes more congested, without degrading transit service. The residents and workers in new residential and non-residential development in the Plan Area will be the primary beneficiaries of these capacity investments. The fee will also fund a portion of other transportation system improvements planned to manage congestion and expand the capacity of the transportation system in the downtown area. New development in the Plan Area will benefit from these investments in mobility and access. These improvement costs are allocated broadly across all types of travel in downtown San Francisco, and the impact fee for new development is proportional to new development's share of total cost.

Relationship between the need for pedestrian, streetscape, transit and transportation system improvements and the type of new development

New residential and non-residential development in the Plan Area and Downtown San Francisco accommodates increases in the number of residents and workers located downtown and the number of people visiting and otherwise moving within and through for business and other purposes. These people depend on the system of sidewalks, crosswalks, streets, and transit. A congested system means economic losses, reduced public safety, degraded public health (respiratory issues, obesity, etc.), reduced access to jobs and economic opportunities, and a lower quality of life. As a result of growth, the following more specific kinds of impacts would occur:

- Crowded, unpleasant and potentially unsafe pedestrian conditions on sidewalks, including at corners and crosswalks, combined with an increased number of people funneled into lengthy and limited paths of travel.

- Vehicular congestion on roadways, leading to increased delay and unreliability of surface transit vehicles, as well as unsafe and unpleasant conditions for bicyclists.

- Increased demand along with more limited space availability for necessary sidewalk infrastructure and amenities, including but not limited to transit shelters and waiting areas, seating, bicycle racks, street lighting, signage, newspaper/retail kiosks, casual carpool facilities and landscaping.

- Increased demand for travel on the local and regional roadway system with limited and congested vehicular capacity, requiring carving out additional dedicated space for higher-capacity and efficient modes of transportation that can sustain growth, including local surface transit, cycling, walking, taxis, and carpooling, as well as necessitating investigations and trials of methods to reduce vehicular volumes and congestion on roadways leading into the Plan area.

- Increased demand for regional travel to other parts of the Bay Area, inducing capacity constraints on regional transit systems including AC Transit, BART, Samtrans, and Golden Gate Transit, and Caltrain. These impacts include exacerbating circulation constraints at downtown San Francisco BART stations, in addition to needs for facilities to support service growth for all regional carriers serving the Plan area.

Expanded transportation system capacity, across all components of the network, allows growth to occur without these negative impacts, and lays the foundation for continued development and investment. Transportation analysis provides trip generation rates specific to land uses that enable the allocation of transportation system demand to expected types of new development.

Relationship between the amount of fee payments and the cost of streetscape, pedestrian, transit, and other transportation system improvements

The need and cost of streetscape, pedestrian, transit, and other transportation system improvements has been determined based on planning studies and transportation analysis specific to the Transit Center District Plan. The estimates of daily person-trips that are used in the fee calculation account for all types of travel and all of the types of people using and benefiting from transportation system improvements. The transportation model results allow costs to be allocated broadly and only the share of costs attributable to Plan Area growth to be used in the impact fee calculation. Using trip generation rates specific to different land use categories that relate daily trips to the square footage of building space or to residential units assures that the associated fees will be proportional to the need associated with that land use. The fees are assessed per square foot of new development so impact fee payments are related directly to the size of proposed projects.

SERVICE POPULATION / DAILY PERSON TRIPS

The Transit Center will be a regional intermodal transit hub, and surface transit and other non-auto modes of transportation are necessary to serve the Center and the locally unprecedented level of density and development in the surrounding Plan Area. Pedestrians, transit-riders, cyclists, and drivers are all users of the multi-modal transportation system centered on the Transit Center District Plan Area. The transportation system improvements proposed are multi-modal and are designed to work in concert to improve conditions across all modes. Therefore, person-trips, as estimated by a travel demand model, are the appropriate measure of service population for establishing transportation facility standards and allocating planned transportation improvement costs in this development impact fee analysis.

There are a number of reasons why person-trips are the reasonable and appropriate measure of service population. To implement City, regional, and state policies, the proposed improvements span multiple modes and require that service demand be balanced within a fluid system. To accommodate growth where it is best served by transit and other non-auto modes, as codified in San Francisco's Transit First Policy, requires policy and investment decisions that avoid having congestion stifle growth by inducing people to shift modes, Furthermore, people use various modes of travel on almost every single trip. For instance, people are pedestrians at one or both ends of every trip, especially transit-riders; all transit trips begin with a walk, bike, or drive trip. Moreover, people choose different modes on different days depending on circumstances, weather, and other factors. In addition, people using one mode benefit people travelling by other modes. For example, people using transit benefit drivers by reducing the number of vehicles on the road, increasing capacity and improving conditions for those drivers. Improving conditions for bicyclists reduces constraints on transit speeds and capacity. Finally, to achieve City, regional, and state-mandated targets to reduce greenhouse gas emissions and vehicle-miles-travelled (i.e., AB 32 and SB 375), the City is obligated to invest in infrastructure that will shift drive trips to transit and other modes.

San Francisco's the travel demand model, SF CHAMP, is used in this analysis to provide estimates of total daily person-trips for the Plan Area and other relevant study areas. The model results are those that have been used in the transportation analysis conducted for the Transit Center District Plan Draft EIR. Total daily person-trips for a given geographic area—whether an area of about 20 city blocks such as the Transit Center District or a Traffic Analysis Zone (TAZ) consisting of one city block—are the sum total of all trips with either an origin or a destination in the defined geographic area. **Table 1** presents the estimates of total daily person-trips used in this development impact fee analysis.

TABLE 1
TRANSIT CENTER DISTRICT PLAN
TOTAL DAILY PERSON TRIPS FOR TRANSPORTATION SYSTEM IMPROVEMENTS COST ALLOCATION [a]

Analysis Area	2005	2030	Growth 2005 - 2030
Transit Center District Plan Area [b]	316,828	527,987	211,159
Downtown/SoMa [c]	1,552,662	1,988,945	436,283
Plan Area Growth Share of Plan Area Total in 2030			40%
Plan Area Growth Share of Downtown/SoMa Total in 2030			11%
Plan Area Growth Share of Downtown/SoMa Growth			48%

[a] Total daily person trips from SFCHAMP model runs conducted for transportation and environmental impact analysis of the Transit Center District Plan.
[b] From SF Model and AECOM, all trips with an origin and/or destination in the Plan Area TAZs (see **Map 1**). Total daily person trips for Plan Area Growth from AECOM, TAZ Daily Person Trips by Mode (received 2/18/2011, revised 3/3/2011). The increase in trips in Plan Area TAZs accounts for all opportunity sites, Transbay Redevelopment Area Zone 1, two "buffer projects" (Moscone East and SFMOMA expansion), and other pipeline projects within the Plan Area boundary.
[c] From SF Model Run 3A 2030, all trips with an origin and/or destination in the Downtown or SoMa neighborhoods (see **Map 2**).

Although all growth in the Plan Area outlined in Map 1 is included in calculating the cost per trip and thus the fee amount, not all new development in the Plan Area would be subject to the proposed impact fee. Development already under construction, permitted, or approved would be excluded as would projects subject to project-specific development agreements and new development in Zone 1 of the Transbay Redevelopment Project Area. The Transbay Redevelopment Plan includes a funding commitment from tax increment for major street improvements in Zone 1 and likely extending beyond into the rest of the Plan Area as shown in the Funding Plan. Including the complete growth increment (whether subject to the fee program or not) in the fee calculation ensures that projects subject to the impact fee only fund their fair share of the total improvement cost and ensures that projects are not overcharged.

CIRCULATION, CIRCULATION, STREETSCAPE AND PEDESTRIAN IMPROVEMENTS DEVELOPMENT IMPACT FEE

Approach/Methodology

The proposed Circulation, Streetscape and Pedestrian Improvements Fee would provide funding from new development in the Transit Center District Plan Area that would represent new development's contribution to the cost of facilities planned to accommodate future pedestrian, transit, bicycle, taxi and other activity on Plan Area streets and sidewalks. The planned investments provide increased pedestrian space and amenities, green streetscape infrastructure, transit priority infrastructure, bicycle facilities and connectivity, and local vehicular circulation improvements. The proposed fee is exclusive and non-duplicative of the SFMTA transit capacity improvements covered by the Transit Impact Development Fee (TIDF).

The improvements and costs reflect planned standards for the level of service necessary to accommodate the scale and intensity of activity projected for the Transit Center District. In the impact fee analysis, costs are allocated so that the impact fee imposed on new development only funds the share of total cost that can reasonably be attributed to new development. Other funding sources are identified to address existing deficiencies and to pay for existing development's fair share of planned improvements.

The proposed impact fee is directly proportional to new development's share of the total cost of Circulation, Streetscape and Pedestrian Improvements and to the relative demand attributable to various land use categories. The impact fee is calculated to allocate the costs of the needed facilities equitably to new residential and non-residential development.

The development impact fee methodology has five steps:

- Identify facility plans and costs
- Determine the appropriate service population by type of improvement
- Calculate new development's share of total costs and divide that cost by total trips generated by new development to calculate costs per trip
- Determine the fee per square foot or per unit for each land use category by multiplying the per capita cost by the number of trips per square foot or per unit of new development by land use category

Facility plans and costs

The proposed *Transit Center District Plan* (Draft for Public Review, November 2009) identifies investment in streetscape and pedestrian facilities needed to accommodate the increased number and concentration of pedestrians, transit users, cyclists, and carpool commuters anticipated in the Plan Area. Planned improvements include:

- District-wide Circulation, Streetscape and Pedestrian Improvements consisting of sidewalk widening to a target average of 21 feet, bulb-outs, dedicated transit lanes, transit islands and shelters, landscaping, pedestrian amenities (e.g., benches, lighting, newspaper racks) security bollards, kiosks, bicycle parking, road re-striping. These improvements would reduce impacts resulting from growth by: reducing delays to and improving reliability of transit, increasing transit capacity, providing space to accommodate growth in transit passenger waiting activity, increasing pedestrian space thereby alleviating pedestrian congestion and meeting increased demands for amenities, shortening walking distances thereby reducing pedestrian congestion at corners, improving local vehicular circulation to access local destinations, accommodating growth in bicycle usage, and generally providing sufficiently pleasant walking and bicycling conditions to induce increasing shares of travel to be made by foot and bicycle.

  Improvements are scaled to the following categories of District streets:

  - Primary Streets: Mission, Howard, New Montgomery, 2nd, 1st, and Fremont Streets receive sidewalk widening, transit lanes, boarding islands, roadway striping, signage and meter upgrades. Mission Street particularly would have improved dedicated transit facilities.
  - Living Streets: Spear, Main, and Beale Streets continue the concept established in the Rincon Hill Plan and the Transbay Redevelopment Plan by reducing traffic lanes in order to significantly widen the pedestrian space on one side of the street, thereby creating a linear open space with significant amenities. From Howard to Market Streets, the Living Streets emphasize hardscape elements and active uses (retail kiosks, bicycle sharing pods, café seating)
  - Alleys: enhancing Jessie, Minna, Natoma, Tehama, Anthony, and Ecker alleys as pedestrian spaces to help disperse pedestrians throughout the District, thereby helping to relieve congestion at key corners

- Signalized mid-block pedestrian crossings between 1st and 2nd Streets on Mission, Howard, and Folsom Streets; at Natoma Alley on 2nd, 1st, and Fremont Streets to ease access between major activity centers, to facilitate access to the Transit Center and to Transbay Park, and to help shorten pedestrian walking distances within the District
- Natoma Street (western side between 1st and 2nd Streets on the south side of the Transit Center): single-grade, high-quality finishes and landscaping to convert to a primarily pedestrian-only street to facilitate access to the southern side of the Transit Center

- Shaw Plaza: pedestrian plaza, vehicular closure, decorative paving, landscaping, signage, curb ramps, lighting, and drainage for a key link in the pedestrian network feeding the Transit Center
- Signalization changes: investments in 25 intersections throughout the Plan Area
- Casual carpool waiting area improvements consisting of shelters, signage, and seating
- Underground pedestrian connector from the Transit Center to Market Street BART/Muni

Table 2 presents preliminary cost estimates for these planned improvements for streets and pedestrian circulation. The total cost of planned improvements is $278 million. **Table A.1** in the appendix presents more detail on these estimates of improvement cost.

TABLE 2
TRANSIT CENTER DISTRICT PLAN
CIRCULATION, STREETSCAPE AND PEDESTRIAN IMPROVEMENTS: PLANNED FACILITIES AND COST

Planned Improvements	Estimated Total Cost (2010 dollars)
Living Streets	$15,000,000
Alleys	$21,000,000
Mid-block crossings	$3,000,000
Natoma	$13,300,000
Shaw Plaza	$1,700,000
Primary Streets	$90,000,000
Signalization changes	$8,750,000
Casual carpool waiting areas	$250,000
Underground pedestrian connector to BART/Muni	$125,000,000
Total Cost	**$278,000,000**

Source: San Francisco Planning Department, *Transit Center District Plan Draft for Public Review*, Table 7-1, November 2009.
Table A.1 in the appendix presents more detail on the preliminary cost estimates.

Cost allocation

The cost allocation process ensures that development fees equitably assign costs in proportion to new development's share of the total cost and in proportion to relative impact across land uses. Because of the range of types of pedestrian and streetscape network improvements planned, there are three cost allocation categories, described below. **Figure 1** summarizes the cost allocation framework for this set of improvements. Within each category, as established earlier in this report, the appropriate measure of service population is all people walking, biking, taking transit, driving, or otherwise moving about in the Plan Area. Therefore, the cost allocation determines new development's share based on total daily person-trips.

FIGURE 1
TRANSIT CENTER DISTRICT PLAN
CIRCULATION, STREETSCAPE AND PEDESTRIAN IMPROVEMENTS: COST ALLOCATION FRAMEWORK

List of Improvements	Plan Area Growth 2005-2030	DT/SOMA Growth 2005-2030	DT/SOMA Total 2030
Living Streets: Spear, Main, and Beale Streets	☒		
Alleys: Stevenson, Jessie, Minna, Natoma, Tehama, Anthony, and Ecker	☒		
Mid-block crossings between 1st and 2nd & at Natoma on 2nd, 1st, and Fremont Streets	☒		
Natoma: pedestrian improvements between 1st and 2nd Streets	☒		
Shaw Plaza	☒		
Primary Streets: Mission, Howard, New Montgomery, 2nd, 1st, and Fremont Streets		☒	
Signalization changes to 25 Plan Area intersections		☒	
Casual carpool waiting area improvements			☒
Underground pedestrian connector: Transit Center to BART/Muni			☒

The three cost allocation categories are designed to best fit the scope and intent of the planned improvements, to match benefit with burden for the proposed development impact fee. The categories are defined by the geographic area of benefit and by whether or not the planned facilities address existing needs as well as needs generated by new development. The percentages expressed below are the Plan's growth in trips as a percentage of the appropriate base population who will be principally served by the improvements. In other words, the Plan's growth is the constant numerator, and the denominator varies depending the category.

- "Plan Area Growth 2005-2030"–100% allocated to Plan Area growth: Many of the proposed improvements are designed specifically to address future Plan Area conditions attributable to the unprecedented level of density planned for the blocks surrounding the new Transit Center. These improvements—Living Streets, Alleys, mid-block signalized pedestrian crossings, Natoma, and Shaw Plaza—are specifically planned to accommodate the concentration of transit riders, cyclists, and pedestrians associated with new development in the Plan Area.

- "DT/SOMA Growth 2005-2030"–48 percent allocated to Plan Area growth: Improvements to Primary Streets and signalization changes throughout the Plan Area address impacts not only of Plan Area growth but also impacts associated with growth in Greater Downtown San Francisco. The planned improvements are on corridors used by people and vehicles passing through the Plan Area as well as by those with origins or destinations in the Plan Area. Therefore, the costs of these improvements are allocated over the increase in daily person trips attributable to growth in Downtown / SoMa between 2005 and 2030, of which Plan Area growth is 48 percent.

- "DT/SOMA Total 2030"–11 percent allocated to Plan Area growth: Two of the pedestrian and streetscape improvements identified for the Plan Area are also elements of

the expanded transportation system planned to accommodate the overall level of activity projected for downtown San Francisco in 2030 including both growth and existing development. While located in the Plan Area, improvements to casual carpool waiting areas and the underground pedestrian connector to BART/Muni stations at Market Street serve a larger geographic area, including a substantial number of people whose origins and destinations are not in the Plan area but who use the facilities therein. These improvements serve primarily, but not exclusively, through-travel, providing connections in the Plan Area to origins and destinations elsewhere in Greater Downtown San Francisco / SoMa. Therefore, for these improvements, costs are allocated over total Downtown / SoMa trips in 2030, of which Plan Area growth is 11 percent.

Table 3 presents the cost allocation and resultant cost per trip for planned Circulation, Streetscape and Pedestrian Improvements. Overall, $115 million of the planned cost is allocated to new development in the Plan Area, representing 41 percent of the total cost.

TABLE 3
TRANSIT CENTER DISTRICT PLAN
COST, COST ALLOCATION, AND COST PER TRIP FOR CIRCULATION, STREETSCAPE AND PEDESTRIAN IMPROVEMENTS

List of Improvements	Cost [a]	Plan Area New Development Share [b]	Plan Area New Development Share of Cost	Cost per Trip [c]
Living Streets	$15,000,000	100%	$15,000,000	$71
Alleys	$21,000,000	100%	$21,000,000	$99
Mid-block crossings	$3,000,000	100%	$3,000,000	$14
Natoma	$13,300,000	100%	$13,300,000	$63
Shaw Plaza	$1,700,000	100%	$1,700,000	$8
Primary Streets	$90,000,000	48%	$43,600,000	$206
Signalization changes	$8,750,000	48%	$4,200,000	$20
Casual carpool waiting areas	$250,000	11%	$30,000	$0.14
Underground pedestrian connector to BART/Muni	$125,000,000	11%	$13,300,000	$63
Total Cost	**$278,000,000**		**$115,130,000**	

[a] San Francisco Planning Department, *Transit Center District Plan Draft for Public Review*, Table 7-1, November 2009.
[b] Based on total daily person trips from SF CHAMP Model Run 3A. Per the analysis in **Table 1** the total daily person trips generated by new development in the Plan Area represent 48 percent of the total daily person trips attributable to 2005 – 2030 growth in Downtown / SoMa and 11 percent of the total daily person trips projected for Downtown / SoMa in 2030.
[c] Costs allocated to Plan Area new development divided by the trips generated by new development (211,159 trips). See **Table 1**.

Fee schedule

The average cost per trip is converted to a fee per unit or per square foot of new development using trip generation rates per unit and per square foot. The trip generation rates used in this analysis are based on those documented in the San Francisco Planning Department's *Transportation Impact Analysis Guidelines* (October 2002), adapted for the analysis of the

Transit Center District Plan. The rates are consistent with those used in environmental analysis of the Transit Center District Plan.[1]

Table 4 summarizes the Circulation, Streetscape and Pedestrian Improvements development impact fee schedule, showing the maximum fees justified based on the forgoing analysis. To calculate the fee by land use category for the types of new development expected in the Plan Area, the average cost per trip for each improvement is multiplied by the trip generation rate (number of trips per residential unit or per 1,000 sq. ft. of non-residential development by use category). Adding a percentage to account for necessary administrative and management costs for the fee and improvement program (typically estimated at five percent), results in a total for the maximum justified development impact fee that ranges from about $2.60 per gross square foot for residential uses to $75 per gross square foot for retail uses.

Fee rates should be adjusted for inflation on an annual basis to ensure that fee revenue keeps up with increases in the cost of providing public facilities.

Additional sources of funding

The planned circulation, streetscape and pedestrian facilities improve existing conditions to accommodate new development and benefit existing as well as new development. Total costs are estimated at about $278 million, and 41 percent of that cost has been allocated to new Plan Area development in this impact fee analysis. There is a funding gap of about $163 million, most of which would be required for the improvements to Primary Streets and the BART/Muni underground pedestrian connector.

Other sources include Proposition K revenue which provides funding for transportation infrastructure through a one-half cent sales tax. This funding is administered by the San Francisco County Transportation Authority and funds are often combined with regional, state, and federal sources to leverage larger investments. Other local sources are being considered as part of the development of the *Transit Center District Plan* and include Mello-Roos community facilities district financing, tax increment funds from the Redevelopment Agency for the Transbay Redevelopment Area (which is almost wholly contained within the Plan Area), and developer obligations to improve adjacent street frontages through Planning Code requirements (e.g. Section 138.1). Plan Area improvements could also be included in the project list for general obligation bond funding. **Table A.2** in the Appendix (from the Transit Center District Plan Program Implementation Document) provides more information about potential sources of funding for plan area improvements.

[1] *Transit Center District Plan Technical Analysis*, Draft 1 Report, prepared for City and County of San Francisco Planning Department, Major Environmental Analysis, prepared by AECOM, May 7, 2010.

TABLE 4
TRANSIT CENTER DISTRICT PLAN
CIRCULATION, STREETSCAPE AND PEDESTRIAN AND IMPROVEMENTS DEVELOPMENT IMPACT FEE CALCULATION
(maximum justified fee)

		Primary Streets	Living Streets	Alleys	Mid-block crossings	Natoma	Shaw Plaza	Signaliza-tion	Casual carpool waiting areas	BART / Muni Connector	Sub-total	Admin-istration [a]	Maximum Justified Total Fee
Cost per Trip (Table 3)		$206	$71	$99	$14	$63	$8	$20	$0.14	$63			
Maximum Justified Plan Area Fee													
Residential	per unit	$1,394	$479	$671	$96	$425	$54	$134	$1	$425	**$3,680**	$184	**$3,864**
Residential	per gross sq. ft. at 1,500 sq. ft per unit	$0.93	$0.32	$0.45	$0.06	$0.28	$0.04	$0.09	$0.00	$0.28	**$2.45**	$0.12	**$2.58**
Office	per gross sq. ft.	$2.80	$0.96	$1.35	$0.19	$0.86	$0.11	$0.27	$0.00	$0.86	**$7.40**	$0.37	**$7.77**
Hotel	per gross sq. ft.	$1.45	$0.50	$0.70	$0.10	$0.44	$0.06	$0.14	$0.00	$0.44	**$3.82**	$0.19	**$4.01**
Retail	per gross sq. ft.	$27.10	$9.32	$13.05	$1.86	$8.27	$1.06	$2.61	$0.02	$8.27	**$71.56**	$3.58	**$75.14**
Institutional	per gross sq. ft.	$4.26	$1.47	$2.05	$0.29	$1.30	$0.17	$0.41	$0.00	$1.30	**$11.25**	$0.56	**$11.81**

Trip Generation Factors by Land Use [b]

Residential	6.75	trips per unit [c]
Office	13.58	trips per 1,000 gross sq. ft.
Hotel	7.00	trips per 1,000 gross sq. ft. [d]
Retail	131.25	trips per 1,000 gross sq. ft. [e]
Institutional	20.63	trips per 1,000 gross sq. ft.

[a] The cost to administer and manage the impact fee program is an allowable costs. Typically, a five percent surcharge is added, as shown here.

[b] Trip generation rates by use from the San Francisco Planning Department Transportation Impact Analysis Guidelines (October 2002) with the application of the 75% adjustment factor derived from the Transit Center District Plan Transportation Analysis. Institutional trip generation from *ITE Trip Generation,* LU 540 (Junior/Community Colleges) as used in the TCDP Transportation Analysis, see Appendix G, *Technical Analysis Draft 1 Report*, May 7, 2010.

[c] Based on San Francisco Planning Department Transportation Impact Analysis Guidelines trip generation rates for 2-bedroom units (10 trips per unit) and studio/1-bedroom units (7.5 trips per unit) and assuming 2/3 of the units are 2-bedroom units and 1/3 are studio/1-bedroom units, per TCDP Transportation Analysis, see Appendix G, *Technical Analysis Draft 1 Report*, May 7, 2010.

[d] San Francisco Planning Department Transportation Impact Analysis Guidelines trip generation rates per room converted to rate per 1,000 gross sq. ft. assuming 750 sq. ft. per room, consistent with Planning Department assumptions for opportunity site development.

[e] Based on San Francisco Planning Department Transportation Impact Analysis Guidelines trip generation rates for General Retail (150 trips per 1,000 gross sq. ft.) and Sit-Down Restaurant (200 trips per 1,000 gross sq. ft.) assuming half the space is General Retail and half is Restaurant, per TCDP Transportation Analysis, see Appendix G, *Technical Analysis Draft 1 Report*, May 7, 2010.

TRANSIT AND OTHER TRANSPORTATION SYSTEM IMPROVEMENTS DEVELOPMENT IMPACT FEE

Approach/Methodology

The proposed Transit and Other Transportation System Improvements Development Impact Fee and Transit Delay Mitigation Development Impact Fee will provide funding from new development in the Transit Center District Plan Area that would represent new development's contribution to the cost of improvements to enhance transit capacity, enhance safety, reduce congestion, manage transportation demand, and provide better connections to local and regional transit systems. The proposed impact fees are directly proportional to new development's share of the improvement costs and to the relative demand attributable to various land use categories. The impact fees are calculated to allocate the costs of the needed facilities equitably to new residential and non-residential development.

The development impact fee methodology has five steps:

- Identify facility plans and costs
- Determine the appropriate service population by type of improvement
- Calculate new development's share of total costs and divide that cost by total trips generated by new development to calculate costs per trip
- Determine the fee per square foot or per unit for each land use category by multiplying the per capita cost by the number of trips per square foot or per unit of new development by land use category

Facility plans and costs

There are two components to these facility plans and costs. First, the proposed *Transit Center District Plan* (Draft for Public Review, November 2009) identifies the investment in transit capacity improvements and transportation and circulation-related studies needed to accommodate growth through the year 2030. This investment is required to mitigate impacts attributable to growth in travel in the District and in the Greater Downtown area. Without this investment, conditions throughout the multi-modal transportation system would deteriorate. Second, the capital investment in the Transit Center is identified as a public improvement that would serve, at least in part, additional development in the Plan Area.

Planned improvements include:

- Station capacity improvements to Montgomery and Embarcadero BART stations, including platform doors and screens, improved train arrival information at the concourse level, station circulation, and other transportation management strategies to increase capacity to accommodate the increase in BART commuters that would be using these stations as a result of the new development anticipated in the Plan Area.
- Purchase of three standard (non-articulated) buses to mitigate impacts attributable to increased Plan Area congestion. Muni requires two buses and Golden Gate Transit requires one. The *Transit Center District Plan Draft EIR* indicates that

implementation of the Plan would generate congestion causing additional delay to transit circulating on Plan Area streets. This type of impact is not covered by the existing TIDF program. By providing these additional buses, Muni and Golden Gate Transit will be able to maintain appropriate headways and service levels, thereby reducing identified impacts to transit service.

- Circulation studies and trials to assess traffic and circulation changes as a result of plan implementation. These include a parking cap study (conduct inventory and establish cap consistent with targets for non-auto transportation use), Metric Goal updates (targets for percent non-auto trips, minimum transit share and combined walking/biking share), congestion analysis, Mission Street analysis to evaluate a transit-only zone between First and Fremont Streets in front of the Transit Center, and other circulation studies.
- Congestion charging studies and pilot implementation to better understand what is required to reduce regional through-traffic volumes in the Plan Area in order to be able to achieve improvements for transit, pedestrian, cycling, and public space.
- Transportation Management Association (TMA) update: full review and overhaul of TMA structure, operations, authority, guidelines, and procedures, including consideration of bicycling, car-sharing, and other travel options and whether a District-specific TMA is needed.
- Transit Center Project, with adjustments to reflect other funding sources.

Table 5 presents preliminary cost estimates for improvements to transit capacity and other aspects of the transportation system that are planned as part of the Transit Center District Plan. Before consideration of the Transit Center itself, costs total about $17 million. The Transit Center rail-related improvements add almost $2 billion to the total cost. **Table A.1** in the appendix presents more detail on these preliminary cost assumptions. **Table A.3** presents detail on Transit Center funding.

Cost allocation

The cost allocation process ensures that development fees equitably assign costs in proportion to new development's share of the total cost and in proportion to relative impact across land uses. For transit and other transportation system improvements, there are three cost allocation categories, as described below and summarized in **Figure 2**. Within each category, because of the multi-modal character of the transportation system serving the District, the appropriate measure of service population is all people walking, biking, taking transit, driving, or otherwise moving about in the Plan Area. Therefore, the estimate of total daily person-trips is used to calculate facility investment per capita or cost per trip factors that are translated to impact fees by land use category using trip generation rates that allocate relative demand across land uses.

TABLE 5
TRANSIT CENTER DISTRICT PLAN
TRANSIT AND OTHER TRANSPORTATION SYSTEM IMPROVEMENTS: PLANNED FACILITIES AND COST

Improvements	Estimated Total Cost (2010 dollars)
BART Station capacity improvements	$10,000,000
Additional Muni and Golden Gate Transit capacity	$3,000,000
Circulation studies and trials of Plan implementation	$2,500,000
TMA update	$250,000
Congestion charging studies and pilot implementation	$1,000,000
Transit Center – rail-related [a]	$1,957,000,000
Total Cost	**$1,973,750,000**

[a] Only a portion of the Transit Center capital cost is included in this impact fee analysis. The adjustment reflects commitments of other funding sources from the TJPA funding plan as of November 2010 (see **Table A.3** for more detail).

Source: San Francisco Planning Department, *Transit Center District Plan Draft for Public Review*, Table 7-1, November 2009, updated by Planning Department staff, August 11, 2011, based on results of environmental impact analysis of the proposed *Transit Center District Plan*. See **Table A.1** in the appendix for more detail on the preliminary cost assumptions.

FIGURE 2
TRANSIT CENTER DISTRICT PLAN
TRANSIT AND OTHER TRANSPORTATION SYSTEM IMPROVEMENTS: COST ALLOCATION FRAMEWORK

List of Improvements	Plan Area Growth 2005-2030	DT/SOMA Growth 2005-2030	DT/SOMA Total 2030
BART station capacity improvements	☒		
Additional Muni and Golden Gate Transit capacity	☒		
Circulation studies and trials of Plan implementation	☒		
Congestion charging studies and pilot implementation		☒	
TMA update		☒	
Transit Center—rail-related			☒

The planned improvements span a large range—from pilot studies to capital investment bringing regional and high-speed rail service to the Transit Center facility. The three different cost allocation categories are designed to best fit the scope and intent of the planned transportation system improvements. The categories are defined by the geographic area of benefit and by whether or not the planned facilities address existing needs as well as needs generated by new development.

- "Plan Area Growth 2005-2030"–100 percent allocated to Plan Area growth: The two line items related to increased transit station and transit vehicle capacity are allocated in total to the increase in trips attributable to new development in the Plan Area. The same is true for the funding identified to conduct additional studies of the traffic and circulation changes occurring in the District as a result of the implementation of the Plan. All of these planned improvements and investments directly address impacts of the growth accommodated by new development in the Plan Area and of the Plan strategies implemented to manage that growth.
- "DT/SOMA Growth 2005-2030"–48 percent allocated to Plan Area growth: The congestion charging studies and pilot implementation as well as the TMA update address improvements and system changes relevant to managing impacts attributable to growth in the larger Greater Downtown area. Therefore, for these two line items, costs are allocated over the increase in daily person trips attributable to growth in Downtown / SoMa between 2005 and 2030. Trips attributable to new development in the Plan Area are about half (48 percent) of that total.
- "DT/SOMA Total 2030"–11 percent allocated to Plan Area growth: The net cost of the Transit Center improvements, after adjustments for committed funding sources, are related to extending Caltrain service and potentially high-speed rail to Downtown San Francisco. That service will enhance transit access and inter-regional transit connections in the downtown area. The improvement is part of the expanded transportation system planned to accommodate the levels of activity downtown projected for Downtown San Francisco in 2030. Trips attributable to new development in the Plan Area represent 11 percent of total trips in Downtown / SoMa in 2030.

Table 6 presents the cost allocation and resultant cost per trip for transit and other transportation system improvements. For all but the Transit Center, $16.1 million of facility cost (96 percent of the total) is allocated to new development in the Plan Area. For the Transit Center, 11 percent of the total net cost is allocated to new development in the Plan Area.

Fee schedule

The average cost per trip is converted to a fee per unit or per square foot of new development using trip generation rates per unit and per square foot. The trip generation rates used in this analysis are based on those documented in the San Francisco Planning Department's *Transportation Impact Analysis Guidelines* (October 2002), adapted for the analysis of the Transit Center District Plan. The rates are consistent with those used in environmental analysis of the Transit Center District Plan.[2]

[2] *Transit Center District Plan Technical Analysis*, Draft 1 Report, prepared for City and County of San Francisco Planning Department, Major Environmental Analysis, prepared by AECOM, May 7, 2010.

TABLE 6
TRANSIT CENTER DISTRICT PLAN
COST, COST ALLOCATION, AND COST PER TRIP FOR TRANSIT AND OTHER TRANSPORTATION SYSTEM IMPROVEMENTS

List of Improvements	Cost [a]	Plan Area New Development Share	Plan Area New Development Share of Cost	Cost per Trip [b]
BART Station capacity improvements [c]	$10,000,000	100%	$10,000,000	$47
Additional Muni and Golden Gate Transit capacity [c]	$3,000,000	100%	$3,000,000	$14
Circulation studies and trials of Plan implementation [c]	$2,500,000	100%	$2,500,000	$12
Congestion charging studies and pilot implementation [d]	$1,000,000	48%	$1,200,000	$2
TMA update [d]	$250,000	48%	$100,000	$0.47
Subtotal	**$16,750,000**		**$16,100,000**	
Transit Center—rail-related	$1,957,000,000	11%	$207,800,000	$984

[a] San Francisco Planning Department, *Transit Center District Plan Draft for Public Review*, Table 7-1, November 2009 updated by Planning Department staff, August 11, 2011, based on results of environmental impact analysis of the proposed *Transit Center District Plan*.
[b] Costs allocated to Plan Area new development divided by the trips generated by new development (211,159 trips). See **Table 1**.
[c] All costs allocated to Plan Area growth because the capacity improvements and studies are directly related to impacts attributable to new development accommodated in the Plan Area and to implementation of Plan Area circulation changes designed to manage that growth.
[d] Based on total daily person trips from SF CHAMP Model Run 3A. Per the analysis in **Table 1**, the total daily person trips generated by new development in the Plan Area represent 48 percent of the total increase in daily person trips projected for Downtown / SoMa in 2030.
[e] The net cost of Transit Center improvements provides service benefiting the larger Downtown / SoMa area. The SF CHAMP Model Run 3A provides estimates of total daily person trips in 2030 for Downtown / SoMa. Total daily person-trips generated by new development in the Plan Area represent 11 percent of this total (see **Table 1**.)

Table 7 summarizes the Transit and Other Transportation System Improvements development impact fee schedule, showing the maximum fees justified based on the forgoing analysis. Separately, **Table 8** summarizes the Transit Delay Mitigation development impact fee associated with providing additional Muni and Golden Gate Transit capacity. In each case, to calculate the fee by land use category for the types of new development expected in the Plan Area, the average cost per trip for each improvement is multiplied by the trip generation rate (number of trips per residential unit or per 1,000 sq. ft. of non-residential development by use category). Adding a percentage to account for necessary administrative and management costs for the fee and improvement program (typically estimated at five percent), results in a total for the maximum justified development impact fee for Transit and Other Transportation System Improvements that ranges from just under $5 per gross square foot for residential uses to $144 per gross square foot for retail uses. The maximum justified amount for the proposed Transit Delay Mitigation development impact fee ranges from $.07 per gross square foot for residential uses to $1.96 per gross square foot for retail uses.

Fee rates should be adjusted for inflation on an annual basis to ensure that fee revenue keeps up with increases in the cost of providing public facilities.

TABLE 7
TRANSIT CENTER DISTRICT PLAN
TRANSIT AND OTHER TRANSPORTATION SYSTEM IMPROVEMENTS DEVELOPMENT IMPACT FEE CALCULATION
(maximum justified fee)

		BART Station Capacity	Circulation trials and studies	Congestion studies and implementation	TMA update	Transit Center Rail	Subtotal	Administration [a]	Maximum Justified Total Fee
Cost per Trip (Table 6)		$47	$12	$2	$0.47	$984			
Maximum Justified Plan Area Fee									
Residential	per unit	$320	$80	$16	$3.20	$6,643	**$7,061**	$353	**$7,414**
Residential	per gross sq. ft. at 1,500 sq. ft per unit	$0.21	$0.05	$0.01	$0.00	$4.43	**$4.71**	$0.24	**$4.94**
Office	per gross sq. ft.	$0.64	$0.16	$0.03	$0.01	$13.36	**$14.20**	$0.71	**$14.91**
Hotel	per gross sq. ft.	$0.33	$0.08	$0.02	$0.00	$6.89	**$7.32**	$0.37	**$7.69**
Retail	per gross sq. ft.	$6.22	$1.55	$0.31	$0.06	$129.16	**$137.30**	$6.87	**$144.17**
Institutional	per gross sq. ft.	$0.98	$0.24	$0.05	$0.01	$20.30	**$21.58**	$1.08	**$22.66**

Trip Generation Factors by Land Use [b]

Residential	6.75	trips per unit [c]
Office	13.58	trips per 1,000 gross sq. ft.
Hotel	7.00	trips per 1,000 gross sq. ft. [d]
Retail	131.25	trips per 1,000 gross sq. ft. [e]
Institutional	20.63	trips per 1,000 gross sq. ft.

[a] The cost to administer and manage the impact fee program is an allowable costs. Typically, a five percent surcharge is added, as shown here.

[b] Trip generation rates by use from the San Francisco Planning Department Transportation Impact Analysis Guidelines (October 2002) with the application of the 75% adjustment factor derived from the Transit Center District Plan Transportation Analysis. Institutional trip generation from *ITE Trip Generation,* LU 540 (Junior/Community Colleges) as used in the TCDP Transportation Analysis, see Appendix G, *Technical Analysis Draft 1 Report*, May 7, 2010.

[c] Based on San Francisco Planning Department Transportation Impact Analysis Guidelines trip generation rates for 2-bedroom units (10 trips per unit) and studio/1-bedroom units (7.5 trips per unit) and assuming 2/3 of the units are 2-bedroom units and 1/3 are studio/1-bedroom units, per TCDP Transportation Analysis, see Appendix G, *Technical Analysis Draft 1 Report*, May 7, 2010.

[d] San Francisco Planning Department Transportation Impact Analysis Guidelines trip generation rates per room converted to rate per 1,000 gross sq. ft. assuming 750 sq. ft. per room, consistent with Planning Department assumptions for opportunity site development.

[e] Based on San Francisco Planning Department Transportation Impact Analysis Guidelines trip generation rates for General Retail (150 trips per 1,000 gross sq. ft.) and Sit-Down Restaurant (200 trips per 1,000 gross sq. ft.) assuming half the space is General Retail and half is Restaurant, per TCDP Transportation Analysis, see Appendix G, *Technical Analysis Draft 1 Report*, May 7, 2010.

TABLE 8
TRANSIT CENTER DISTRICT PLAN
TRANSIT DELAY MITIGATION DEVELOPMENT IMPACT FEE CALCULATION
(maximum justified fee)

		Transit Delay Mitigation (additional transit capacity)	Administration [a]	Maximum Justified Total Fee
Cost per Trip (Table 6)		$14		
Maximum Justified Plan Area Fee				
Residential	per unit	$96	$5	**$101**
Residential	per gross sq. ft. at 1,500 sq. ft per unit	$0.06	$0.00	**$0.07**
Office	per gross sq. ft.	$0.19	$0.01	**$0.20**
Hotel	per gross sq. ft.	$0.10	$0.00	**$0.10**
Retail	per gross sq. ft.	$1.86	$0.09	**$1.96**
Institutional	per gross sq. ft.	$0.29	$0.01	**$0.31**

Trip Generation Factors by Land Use [b]

Residential	6.75	trips per unit [c]
Office	13.58	trips per 1,000 gross sq. ft.
Hotel	7.00	trips per 1,000 gross sq. ft. [d]
Retail	131.25	trips per 1,000 gross sq. ft. [e]
Institutional	20.63	trips per 1,000 gross sq. ft.

[a] The cost to administer and manage the impact fee program is an allowable costs. Typically, a five percent surcharge is added, as shown here.

[b] Trip generation rates by use from the San Francisco Planning Department Transportation Impact Analysis Guidelines (October 2002) with the application of the 75% adjustment factor derived from the Transit Center District Plan Transportation Analysis. Institutional trip generation from *ITE Trip Generation,* LU 540 (Junior/Community Colleges) as used in the TCDP Transportation Analysis, see Appendix G, *Technical Analysis Draft 1 Report*, May 7, 2010.

[c] Based on San Francisco Planning Department Transportation Impact Analysis Guidelines trip generation rates for 2-bedroom units (10 trips per unit) and studio/1-bedroom units (7.5 trips per unit) and assuming 2/3 of the units are 2-bedroom units and 1/3 are studio/1-bedroom units, per TCDP Transportation Analysis, see Appendix G, *Technical Analysis Draft 1 Report*, May 7, 2010.

[d] San Francisco Planning Department Transportation Impact Analysis Guidelines trip generation rates per room converted to rate per 1,000 gross sq. ft. assuming 750 sq. ft. per room, consistent with Planning Department assumptions for opportunity site development.

[e] Based on San Francisco Planning Department Transportation Impact Analysis Guidelines trip generation rates for General Retail (150 trips per 1,000 gross sq. ft.) and Sit-Down Restaurant (200 trips per 1,000 gross sq. ft.) assuming half the space is General Retail and half is Restaurant, per TCDP Transportation Analysis, see Appendix G, *Technical Analysis Draft 1 Report*, May 7, 2010.

Additional sources of funding

The BART, Muni, and Golden Gate Transit capacity improvements and the circulation studies and trials would be 100 percent funded by an impact fee imposed at the maximum justified in this analysis. About half the cost of other studies and the TMA update would need to be funded by other sources. These could include grants such as the proposed OneBayArea grant program administered by the Metropolitan Transportation Commission, allocating discretionary federal funding to promote effective transportation investments that support focused development.

The balance of the funding need for the improvements identified in this impact fee analysis is for the CalTrain Downtown Extension. As proposed and documented in this analysis, new development in the Plan Area could contribute on the order of 10 percent of the funding for the extension. Other sources are required for this project of substantial regional benefit and are likely to include a similar mix to that identified for Phase 1 of the Transit Center TJPA funding plan (see **Table A.3**). **Table A.2** (from the Transit Center District Plan Program Implementation Document) summarizes what is known about overall costs and funding for Plan Area improvements.

COMBINED IMPACT FEES

Table 9 summarizes the maximum justified fees that could be applied to new development in the Plan Area to fund planned circulation, streetscape, pedestrian, transit, and other transportation system improvements. The fee related to the Transit Center facility is shown separately, as are the administrative components of each fee. For new residential development in the Plan Area, the maximum justified fee for all transportation system improvements except Transit Center rail is about $3 per gross square foot. For new non-residential land development in the Plan Area, the maximum justified fee for all transportation system improvements except Transit Center rail ranges from $4.60 per gross square foot for hotel land use to about $85 per gross square foot for retail use. The maximum justified fee for office use for all improvements except Transit Center rail is about $9 per gross square foot.

TABLE 9
TRANSIT CENTER DISTRICT PLAN
TRANSPORTATION SYSTEM IMPROVEMENTS DEVELOPMENT IMPACT FEE SUMMARY
(maximum justified fee)

		Circulation, Streetscape and Pedestrian Improvements		Transit and Other Transportation Improvements		Transit Delay Mitigation Fee		Transit Center - Rail-Related		GRAND TOTAL		
		Improvements	Admin.	Improvements	Admin.	Improvements	Admin.	Improvements	Admin.	Improvements	Admin.	Total Fee
Maximum Justified Plan Area Fee, by land use												
Residential	per unit	$3,680	$184	$419	$21	$96	$5	$6,643	$332	**$10,838**	**$537**	**$11,375**
Residential	per gross sq. ft. at 1,500 sq. ft per unit	$2.45	$0.12	$0.28	$0.01	$0.06	$0.00	$4.43	$0.22	**$7.23**	**$0.36**	**$7.58**
Office	per gross sq. ft.	$7.40	$0.37	$0.84	$0.04	$0.19	$0.01	$13.36	$0.67	**$21.80**	**$1.08**	**$22.88**
Hotel	per gross sq. ft.	$3.82	$0.19	$0.43	$0.02	$0.10	$0.00	$6.89	$0.34	**$11.24**	**$0.56**	**$11.80**
Retail	per gross sq. ft.	$71.56	$3.58	$8.14	$0.41	$1.86	$0.09	$129.16	$6.46	**$210.73**	**$10.44**	**$221.17**
Institutional	per gross sq. ft.	$11.25	$0.56	$1.28	$0.06	$0.29	$0.01	$20.30	$1.01	**$33.11**	**$1.64**	**$34.76**

APPENDIX

TRANSPORTATION SYSTEM IMPROVEMENT COSTS AND FUNDING

The *Transit Center District Plan* (Public Review Draft, November 2009) is the source of the cost estimates for the planned facilities and improvements that are the subject of this impact fee analysis. Costs are preliminary and subject to refinement. As noted in the body of the report, in August 2011, investments in additional transit capacity for Muni and Golden Gate Transit were added to the improvement list, based on results of the impact analysis in the *Transit Center District Plan Draft EIR.* **Table A.1** provides detail on the preliminary estimates.

Table A.2 presents the current funding plan for public improvements in the Transit Center District Plan area. The table shows estimates for development impact fee revenue and other sources of funding. The estimates are from the Transit Center District Plan Implementation Program Document.

As indicated in **Table A.1**, costs for the Transit Center facility total almost $4.2 billion. Federal, state, and local funding sources are required to complete this major investment in the regional transportation system. Only a portion of these costs are proposed to be part of the system of transportation improvements considered for funding as part of this Plan Area impact fee.

The new Transit Center replaces, expands, and improves an existing facility, so numerous local and regional funding sources have been committed to this replacement. As of November 2010, the funding plan developed by the Transbay Joint Powers Authority (TJPA) identifies funding covering over $2.2 billion (53 percent) of Transit Center capital costs. This funding plan is summarized in **Table A.3**.

TABLE A.1
TRANSIT CENTER DISTRICT PLAN: TRANSPORTATION SYSTEM PUBLIC IMPROVEMENTS AND IMPLEMENTATION COSTS

		Preliminary Unit Cost	Estimated Total Cost (2010 dollars)
Streetscape and Pedestrian Circulation Improvements			
District-wide Circulation, Streetscape and Pedestrian Improvements Includes sidewalk widening, transit shelters, landscaping, pedestrian amenities (e.g. benches), kiosks, bicycle parking, road re-striping	Primary Streets (e.g. Mission, Howard, New Montgomery, 2nd, 1st, Fremont), plus striping, signage and meter upgrades	Approx. $2 million per block	$90,000,000
	Living Streets (Spear, Main, Beale)	Approx. $2.5 million per block	15,000,000
	Alleys (e.g. Stevenson, Jessie, Minna, Natoma, Tehama, Anthony,). Excludes Natoma between 1st and 2nd	Approx. $1.5 million per block	21,000,000
Mid-Block Crossings	Crossings between 1st and 2nd Streets on Mission, Howard, Folsom; at Natoma on 2nd, 1st, and Fremont Streets.	6 @ approx. $500K each	3,000,000
Signalization changes		25 intersections @ $350K per intersection	8,750,000
Casual Carpool waiting area improvements	Shelters, signage, seating		250,000
Natoma (between 1st and 2nd)	Single grade, high-quality finishes and landscaping		13,300,000
Shaw Plaza	Ped plaza, vehicular closure. Decorative paving, landscaping, signage, curb ramps, lighting, drainage		1,700,000
Underground Pedestrian Connector from the Transit Center to Market Street BART/Muni			125,000,000
Subtotal			***$278,000,000***
Transit and Other System Transportation Improvements			
Station Capacity Improvements to Montgomery and Embarcadero BART Stations	Platform doors and screens; improved train arrival information for concourse level; others TBD	Approx. $5 million per station	$10,000,000
Additional Transit Capacity: Muni and Golden Gate Transit [a]		$1,000,000 per bus (preliminary)	3,000,000
Additional Studies and Trials of Traffic and Circulation Changes in Plan	Including parking cap study, Metric Goal updates/Congestion analysis, Mission Street analysis, other circulation studies		2,500,000
Congestion Charging Studies and Pilot Implementation			1,000,000
Transportation Management Association (TMA) Update	Full review and overhaul of TMA structure, operations, authority, guidelines, and procedures		250,000
Subtotal			***$16,750,000***
Transit Center Project	Bus-related		1,010,000,000
	Rail-related	Includes Downtown Extension and train components of Transit Center building	3,175,000,000
TOTAL			***$4,479,750,000***

[a] Added by the Planning Department in August 2011 as mitigation for impacts identified in the Transit Center District Plan Draft EIR. Preliminary cost estimates under review.

Source: San Francisco Planning Department, *Transit Center District Plan,* Public Review Draft, November 2009, Table 7-1.

TABLE A.2

TRANSIT CENTER DISTRICT PLAN FUNDING PROGRAM

		PLAN REVENUES			OTHER SOURCES				
Contributions by Source >		*Plan Open Space Fee*	*Plan Transportation Fee*	*Mello Roos CFD*	*Development Open Space Requirements (Sec. 138)*	*Development Streetscape Requirements (Sec 138.1)*	*Redevelopment Plan Tax Increment Funding*	*Downtown Open Space Fee (Sec 412) – Redevelopment Area Only*	*TIPA Funding*
PUBLIC IMPROVEMENT	***COST***								
STREETSCAPE AND PEDESTRIAN									
ROW Improvements (sidewalks, transit lanes, landscaping, etc)									
Living Streets (Spear, Main, Beale)	$15,000,000		$5,000,000	$5,000,000			$5,000,000		
Primary Streets (Mission, Howard, Fremont, 1st, 2nd, New Montgomery)	$90,000,000		$34,000,000	$47,000,000		$2,400,000	$6,600,000		
Alleys	$21,000,000		$5,000,000	$11,500,000		$3,000,000	$1,500,000		
Zone 1 Streets	$32,875,000						$32,875,000		
Fremont/Folsom Off-ramp realignment	$2,500,000						$2,500,000		
Mid-Block Crossings	$3,000,000		$2,700,000						
Signalization	$8,750,000		$1,500,000	$7,250,000			$300,000		
Casual Carpool	$250,000		$27,000						
Natoma	$13,300,000		$13,300,000				$223,000		
Shaw Plaza	$1,700,000		$1,530,000						
Underground Pedestrian Connector	$125,000,000						$170,000		$125,000,000
TRANSIT AND OTHER TRANSPORTATION									
Transit Delay Mitigation	$3,000,000		$3,000,000						
BART Station Capacity	$10,000,000		$9,000,000	$1,000,000					
TMA Guidelines	$250,000		$80,000	$170,000					
Traffic Studies	$2,500,000		$1,900,000	$600,000					
Congestion Charging Studies and Pilot	$1,000,000		$400,000	$600,000					
DOWNTOWN RAIL EXTENSION	$2,596,000,000		$45,300,000	$345,980,000					$2,207,520,000
OPEN SPACE									
City Park	$50,000,000	$18,200,000		$1,900,000				$1,600,000	$32,000,000
City Park connections	$18,500,000	$9,300,000			$9,200,000				
2nd/Howard	$15,000,000	$10,000,000						$5,000,000	
Transbay Park	$10,100,000						$10,100,000		
Improvements to Downtown Parks outside Plan Area	$10,000,000	$10,000,000							
Mission Square	$5,000,000				$5,000,000				
Bus Ramps/Oscar Park	$18,300,000						$18,300,000		
Total by Source		**$47,500,000[1]**	**$122,737,000[1]**	**$421,000,000**	**$14,200,000**	**$5,400,000**	**$77,568,000**	**$6,600,000**	**$2,364,520,000**
SUBTOTALS			**$591,237,000**			**$103,768,000**			

[1]Totals for Plan Impact Fee expenditures do not include fee administration costs, allowed up to 5% of impact fee revenues per the enabling ordinances.

Source: Transit Center District Plan Program Implementation Document

TABLE A.3
TRANSIT CENTER TJPA FUNDING PLAN, AS OF NOVEMBER 2010 (IN MILLIONS, YOE DOLLARS)

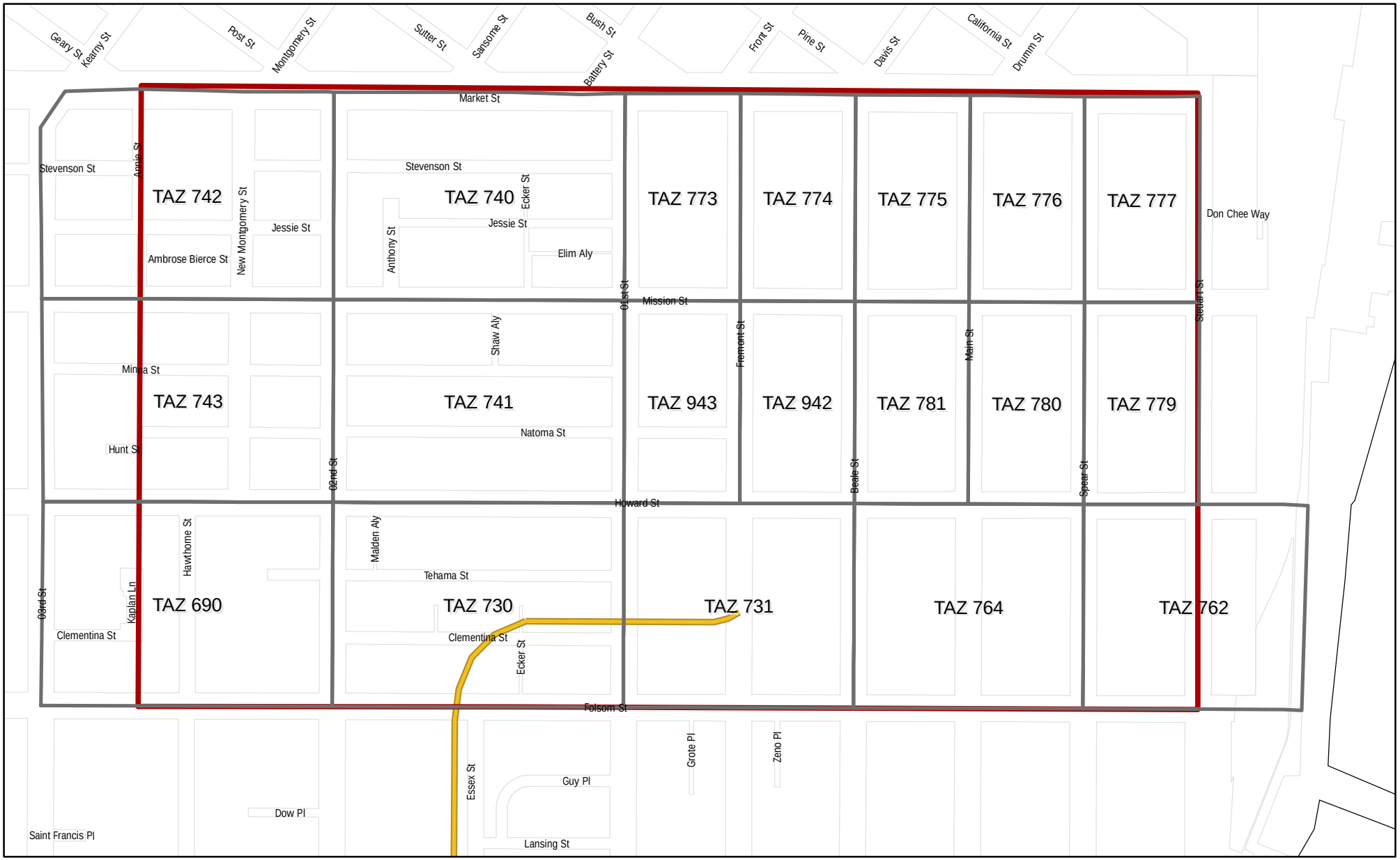
Sources [a]	Phase 1	Phase 2	Total
SF Prop K	$98	$50	
San Mateo Sales Tax	$5	$19	
AC Transit Capital Contribution	$39	-	
Misc. Local	$7	-	
Regional Measure 1	$54	-	
Regional Measure 2	$143	$8	
AB 1171	$150	-	
RTIP	$28	-	
Land Sales or Alternative	$429	$185	
Federal Earmarks (FTA & FRA)	$65	-	
TIFIA Loan	$171	$377	
ARRA High Speed Rail	$400	-	
Other, to be determined	$0	$1,957	
Total Revenues	**$1,589**	**$2,596**	**$4,185**

Total funding commitment	
Phase 1	$1,589
Phase 2	$639
	$2,228
Balance to be determined	$1,957
Total funding	**$4,185**

Transit Center Cost [b] and Funding (in millions, YOE dollars)

	Cost	Revenue Committed	Revenue TBD
Bus-related cost, all in Phase 1	$1,010	$1,010	-
Rail-related cost	$3,175	$1,218	$1,957
	$4,185	**$2,228**	**$1,957**

[a] Source of funding estimates: Funding plan materials presented to TJPA Board, January 13, 2011.
[b] Source of costs: *Transit Center District Plan Draft for Public Review*, Table 7-1 (November 2009). The allocation between bus and rail was not provided by the TJPA but reflects a reasonable allocation for the purposes of this planning analysis.



Map 1 Transbay Area with TAZs

0 390 780 Feet

Streets

Transbay TAZs

Transbay Plan Area

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Map 2
SF CHAMP Model Neighborhoods