



**BRIEFING: JUNE 14, 2017 BOARD MEETING AGENDA ITEM #3**

**TO:** Chairman Richard and Board Members

**FROM:** Tom Fellenz, Chief Counsel and Interim CEO

**DATE:** May 10, 2017

**RE:** Consider Appointing a Designee to the Transbay Joint Powers Authority

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**Summary of Recommended Action**

California High-Speed Rail Authority (Authority) staff recommends that the Board accept the Transbay Joint Powers Authority (TJPA) Board's invitation to become a voting member of the TJPA by: (1) approving entry into the TJPA; (2) designating an individual to serve as a director on the TJPA Board (which can be either an Authority Board Member or an Authority staff member); (3) authorizing the Chief Executive Officer, or his designee, to execute the TJPA Joint Powers Agreement on behalf of the Authority; and, (4) acknowledging the TJPA Bylaws.

The Authority's entry into the TJPA is conditioned on concurrence of the member agencies and amendment to the Joint Powers Agreement and Bylaws by the TJPA Board.

**Background**

The Transbay Transit Center will be the eventual Phase 1 northern terminus of the high-speed rail system. Although not currently a member of the TJPA, the Authority has worked with the TJPA staff to advance the project and ensure that future high-speed rail needs are met as the project is developed. The Authority's capital cost estimate in the 2016 Business Plan includes \$550 million for the extension of service from the 4th and King station to the Transbay Transit Center as a planning estimate subject to further development in future agreements.

In 2001, the City and County of San Francisco, the Alameda-Contra Costa Transit District and the Peninsula Corridor Joint Powers Board (Caltrain) created the TJPA to design, build, operate and maintain the new Transbay Transit Center and associated facilities in downtown San Francisco. As shown in the artist's rendering below, the Transbay Transit Center is a transportation and housing project that will greatly enhance downtown San Francisco and the San Francisco Bay Area's regional transportation system. The project will replace the former Transbay Terminal at First and Mission Streets in San Francisco with a modern regional transit hub connecting eight Bay Area counties and the State of California through 11 transit systems: AC Transit, BART, Caltrain, Golden Gate Transit, Greyhound, Muni, SamTrans, WestCAT Lynx, Amtrak, Paratransit and the Authority.

The current five voting directors on the TJPA Board are three (3) directors appointed by the City of San Francisco, one (1) director appointed by the Alameda-Contra Costa Transit District and one (1) director appointed by the Peninsula Corridor Joint Powers Board-Caltrain. One non-voting Ex-Officio Member from the California Department of Transportation (a 2006 addition) serves as an advisory member of the Board and/or TJPA committees.



In January 2017, the TJPA Board found, by resolution, that the Transbay Program is being developed in two phases, with the first phase being the construction of the Transit Center for bus operations, and the second phase being the development of the Downtown Extension of Caltrain and eventually bringing high-speed rail to the Transbay Transit Center. The Board also found that: (1) the Authority is a major stakeholder in the development and operation of phase two of the Transbay Program; and, (2) inviting the Authority to join the TJPA as a new member is critical to successful completion of phase two.

Based on the above findings, the TJPA Board unanimously passed a resolution directing the TJPA Executive Director to invite the Authority to join the TJPA conditioned on concurrence of the member agencies, amendment to the Joint Powers Agreement and Bylaws by the TJPA Board, and all requirements of law.

### **Prior Board Action**

There has not been any prior Board action directly related to this item.

### **Discussion**

The TJPA has primary jurisdiction with respect to all matters concerning the financing, design, development, construction, and operation of the Transbay Program. The Transbay Program has

received funding from many sources including Prop K (a half-cent local sales tax for transportation that was approved by San Francisco voters in November 2003), State Regional Improvement funds and One Bay Area Grant funds. The Federal Railroad Administration (FRA) also awarded \$400 million of American Recovery and Reinvestment Act (ARRA) funds to the TJPA for specific high-speed rail-related elements of the Transbay Transit Center project. These funds were awarded, per the FRA-TJPA MOU, directly to the TJPA and are above and beyond the ARRA funds awarded for the California high-speed rail project (\$2.553 billion).

Joining the TJPA as a voting member would allow the Authority the opportunity to participate in decisions regarding the Transbay Transit Center, the San Francisco terminus of the high-speed rail system pursuant to the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century (California Streets & Highways Code Section 2400 *et seq.*). As a voting member of the TJPA, the Authority would have the opportunity to take part in important decisions helping to ensure the Transbay Transit Center will fully accommodate the Authority's utilization of the intermodal terminal as well as decisions regarding funding the future expansion of service into the station.

Pursuant to Section 16 of the TJPA Joint Powers Agreement and Article X, Section 10.1 of the TJPA Bylaws, a public entity may become a new member of the TJPA upon concurrence of the members. If approved by the TJPA Board, the governing board of the public entity must adopt a resolution: (1) approving entry into the TJPA; (2) designating a director; (3) authorizing the execution of the TJPA Joint Powers Agreement (setting up the structure of the TJPA to develop, design, construct, renovate, rehabilitate, improve, operate, manage and maintain the new regional transit terminal); and, (4) acknowledging the TJPA Bylaws (which specify the TJPA Board's general operating procedures). The public entity must also pay such fees, expenses and costs as may be set by the TJPA Board. Based on a review of the TJPA Board agendas, staff has determined that, to date, the TJPA Board has not set any such fees, expenses or costs.

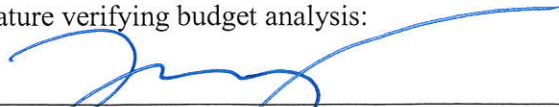
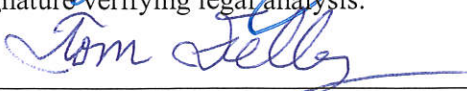
### **Legal Approval**

The Authority Chief Counsel's office affirms the Authority's ability to join the TJPA under applicable law.

### **Budget Implications**

California Government Code Section 6508.1 provides that the debts, liabilities and obligations of an agency (like the TJPA) would be the debts, liabilities and obligations of the parties to the agreement "unless the agreement specifies otherwise." Section 7 of the TJPA Joint Powers Agreement states that "Members of the [TJPA] shall not be responsible for any costs incurred by the [TJPA] in fulfillment of its purposes pursuant to this Agreement and/or the Bylaws."

Further, Section 11 makes clear that the "debts, liabilities, and obligations of the [TJPA] do not constitute the debts, liabilities, or obligations of [the members]." Therefore, the Authority's monetary contributions would be limited to such fees, expenses and costs as may be set by the TJPA Board. However, as set forth above, the TJPA Board has not set any such fees, expenses or costs to date.

<b>REVIEWER INFORMATION</b>	
Reviewer Name and Title: <b>Russell Fong, CFO</b>	Signature verifying budget analysis: 
Reviewer Name and Title: <b>Tom Fellenz, Chief Counsel</b>	Signature verifying legal analysis: 

**Recommendations**

Authority staff recommends that the Board: (1) approve entry into the TJPA; (2) designate an individual to serve as a voting member of the TJPA Board (which can be either an Authority Board Member or an Authority staff member); (3) authorize the Chief Executive Officer, or his designee, to execute the TJPA Joint Powers Agreement on behalf of the Authority; and, (4) acknowledge the TJPA Bylaws. The Authority's entry into the TJPA is conditioned on concurrence of the member agencies and amendment to the Joint Powers Agreement and Bylaws by the TJPA Board.

**Attachments**

- Draft Resolution #HSRA 17-11
- TJPA Joint Powers Agreement
- TJPA Bylaws