

**CITY AND COUNTY OF SAN FRANCISCO
BOARD OF SUPERVISORS**

BUDGET AND LEGISLATIVE ANALYST

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POLICY ANALYSIS REPORT

To: Supervisor Mar
From: Budget and Legislative Analyst
Date: December 4, 2013
Re: Funding and Implementing the Bicycle Strategy



SUMMARY OF REQUESTED ACTION

Pursuant to your request, the Budget and Legislative Analyst has prepared this report on how to fund and implement the San Francisco Municipal Transportation Agency's (SFMTA) Strategic Plan Scenario of the Bicycle Strategy. As requested, we have provided a breakdown of how SFMTA's capital and operating budgets currently allocate funding between transportation modes and how this funding is prioritized among modes and within the Bicycle Capital Program specifically. We have identified potential funding sources that could be used to fund the Strategic Plan Scenario of the Bicycle Strategy by 2018 and have provided three funding scenarios for the Board of Supervisors to consider. Additionally, as requested, we have reviewed SFMTA's planning and project delivery processes that pertain to the implementation of bicycle projects and have provided recommendations for how to improve those processes. Finally, we reviewed bicycle investment in other cities for comparison to San Francisco.

EXECUTIVE SUMMARY

- To achieve the San Francisco Municipal Transportation Agency's (SFMTA's) policy goal of decreasing private automobile use in San Francisco from 61 percent of all trips in 2010 to 50 percent of all trips by 2018, more trips will have to be made by other transportation modes including transit, taxi, ridesharing, car sharing and bicycling.
- To encourage more bicycle use, SFMTA prepared three bicycle infrastructure improvement and funding scenarios in its Bicycle Strategy that are projected to increase the percentage of trips made by bicycle, or bicycle mode-share, from its current level of 3.5 percent of all trips to between 4.5 to 20 percent, depending on the level of funding and the specific projects executed. Funding needed to accomplish the three plans ranges from \$59.4 million to \$580.5 million, with higher bicycle mode-share resulting from higher funding levels.
- For purposes of this analysis, the Budget and Legislative Analyst analyzed potential funding sources and options for SFMTA's mid-range bicycle infrastructure plan, known as the Strategic Plan Scenario, which has a projected cost of \$191.1 million. While these costs appear significant, SFMTA staff points out that to the extent current transit riders and others are encouraged to take more trips by bicycle,, investments in bicycle infrastructure leading to higher bicycle mode

share will help alleviate transit system overcrowding and possibly avoid higher costs for increasing transit service.

- The Strategic Plan Scenario of the Bicycle Strategy plan calls for upgrades to 50 miles of the existing bicycle network in San Francisco, 12 miles of new bicycle facilities, 21,000 bicycle parking spaces, upgrades to 50 intersections to accommodate bicycles, and other improvements. These investments are projected to result in an increase in the bicycle mode-share from its current 3.5 percent level to between 8 and 10 percent of all trips.
- Implementing the \$191 million Strategic Plan Scenario of SFMTA's Bicycle Strategy and increasing bicycle mode-share to between 8 and 10 percent of all trips by 2018 would require \$142 million more than SFMTA's current projected revenue sources available for bicycle projects during that time.
- Possible revenue sources that could be considered by the Board of Supervisors to fully execute the Strategic Plan Scenario by 2018 include those shown in Exhibit A. The annual amounts presented in the table represent maximums available and, in some cases, are already at least partially committed to other purposes. However, the use of some or all of these sources could enable execution of the Strategic Plan Scenario in the five year period between FY 2014-15 and FY 2018-19.

Exhibit A: Possible Funding Sources for Implementing Bicycle Strategy

Revenue Source	Annual Amount Available
Vehicle License Fee (VLF) Increase	\$72,800,000
.5% Increase in Sales Tax	\$73,000,000
General Obligation Bond (one-time revenue) ¹	\$500,000,000
Proposition K Advance (one-time)	\$13,050,000
2016 SFMTA Revenue Bonds (one-time)	\$150,000,000
2019 SFMTA Revenue Bonds (one-time)	\$150,000,000
SFMTA Operating Budget Discretionary Revenue	\$278,500,000
General Fund Discretionary Funds	\$2,710,000,000

Source: Budget and Legislative Analyst compiled from various sources.

- Revenues from an increase in the Vehicle License Fee (VLF) from its current level of .65 percent of vehicle value to its historic level of two percent of vehicle value and the 0.5% increase in sales tax would both require voter approval. The Vehicle License Fee increase has been authorized for the City and County of San Francisco by State law and could be on the ballot in November 2014. Both the VLF increase or a 0.5% increase in the sales tax are estimated to generate approximately \$73 million per year each, some or all of which could potentially be used for bicycle projects and infrastructure over a five year Strategic Plan Scenario implementation period.

- Issuance of general obligation bonds typically involve an extensive approval process, including pre-ballot review by the City's Capital Planning Committee, the Mayor and Board of Supervisors' approval and approval by two-thirds of voters. The Board of Supervisors could recommend that a certain percentage of new general obligation bond proceeds be spent to fund the Strategic Plan Scenario, to the extent such expenditures are determined to be eligible general obligation bond expenditures. The Controller estimates that the City and County of San Francisco has the capacity to issue \$500 million in debt over the next ten years.
- The City's current half cent sales tax supplement, authorized by the voters through Proposition K, already generates funds allocated to SFMTA for bicycle projects and other purposes. These funds, now awarded to SFMTA every year as sales tax revenues are collected, could be advanced to SFMTA before the sales tax revenues are received. Doing so would mean SFMTA would incur financing costs, or interest charges, but it would provide cash for more projects to be executed sooner. This source could generate approximately \$13 million for bicycle projects on a one-time basis during a five year Strategic Plan Scenario execution time span.
- SFMTA intends to issue \$150 million in revenue bonds in both 2016 and 2019 for transportation projects. Earmarking portions of these revenues for the bicycle projects would contribute to execution of the Strategic Plan Scenario in the five year window ending in FY 2018-19.
- Funds could be transferred during the five year Strategic Plan Scenario execution period from either the City and County of San Francisco's General Fund or the SFMTA operating budget if authorized by the Board of Supervisors or the SFMTA Board of Directors, respectively.
- The sources in Exhibit A and other sources have also been identified by the Mayor's Transportation Task Force for possible use for bicycle and other transportation projects. The Mayor's Transportation Task Force recommendations call for funding 83 percent of the Strategic Plan Scenario as well as elements in SFMTA's more expansive Full-System Build Out Scenario over a 15 year period. The three scenarios presented by the Budget and Legislative Analyst are distinguished from the Mayor's Transportation Task Force recommendations in that they assume funding for 100 percent of the Strategic Plan Scenario over a more accelerated five year time frame.
- The Budget and Legislative Analyst developed three possible five year funding scenarios to enable execution of the Strategic Plan Scenario using different combinations of the funding sources identified in Exhibit A above. The three scenarios are:
 - Scenario 1: Sources that would not require voter approval
 - Scenario 2: Sources that would require voter approval
 - Scenario 3: Combination of sources; some requiring voter approval, some not

The proposed sources and timing for the Budget and Legislative Analyst's three funding scenarios are presented in Exhibits B, C and D. As shown, each scenario would generate approximately \$142 million over the five year period. This would cover the projected funding shortfall, enable SFMTA to execute the Strategic Plan Scenario during the five year period between FYs 2014-15 and 2018-19

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and enable the City to achieve a bicycle mode-share increase from the current 3.5 percent level to between 8 and 10 percent.

Exhibit: B: Scenario 1 – Revenue sources requiring voter approval							
		Revenue Available for Bicycle Projects					
Revenue Sources	Annual Estimated Amount Generated	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	Total
Vehicle License Fee	72,800,000		14,560,000	14,560,000	14,560,000	14,560,000	58,240,000
General Obligation Bonds	500,000,000	25,500,000					25,500,000
0.5% Increase in Sales Tax	73,000,000		14,600,000	14,600,000	14,600,000	14,600,000	58,400,000
TOTAL		25,500,000	29,160,000	29,160,000	29,160,000	29,160,000	142,140,000

Exhibit C: Scenario 2 - Revenue sources that would not require voter approval							
		Revenue Available for Bicycle Projects					
Revenue Sources	Annual Estimated Amount Generated	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	Total
Proposition K Fund Advance	11,450,000	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000	8,000,000
2016 SFMTA Revenue Bonds	150,000,000		54,000,000				54,000,000
2019 SFMTA Revenue Bonds	150,000,000					54,000,000	54,000,000
SFMTA Operating Budget Discretionary Revenue	278,500,000	2,228,000	2,228,000	2,228,000	2,228,000	2,228,000	11,140,000
General Fund Allocation Discretionary Funds	2,710,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	15,000,000
TOTAL		6,828,000	63,828,000	6,828,000	6,828,000	63,828,000	\$142,140,000

Exhibit D: Scenario 3 – A combination, with some revenues requiring voter approval and some not requiring voter approval

Revenue Sources	Annual Estimated Amount Generated	Revenue Available for Bicycle Projects					
		FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	Total
Vehicle License Fee	72,800,000		8,736,000	8,736,000	8,736,000	8,736,000	34,944,000
General Obligation Bonds	500,000,000	12,500,000					12,500,000
0.5% Increase in Sales Tax	73,000,000		8,760,000	8,760,000	8,760,000	8,760,000	35,040,000
Proposition K Fund Advance	11,450,000	1,000,000	500,000	500,000			2,000,000
2016 SFMTA Revenue Bonds	150,000,000	23,250,000					23,250,000
2019 SFMTA Revenue Bonds	150,000,000					23,250,000	23,250,000
SFMTA Operating Budget Discretionary Revenue	278,500,000	835,500	835,500	835,500	835,500	835,500	1,671,000
General Fund Allocation Discretionary Funds	2,710,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	10,000,000
TOTAL		39,155,500	20,831,500	20,831,500	20,331,500	43,431,500	142,655,000

- Successful execution of all projects in the Strategic Plan Scenario over a five year period will require additional staff and contractor resources for SFMTA and effective project management tools and controls. SFMTA is currently preparing a staffing analysis that will help address their needs to implement capital projects.
- In its 2011 audit of SFMTA's Sustainable Streets Division, which is responsible for implementation of bicycle projects, the Controller's Office made several recommendations for improved management tools and controls over the Division's projects. While some of the recommendations have been partially or fully implemented, others have not. While the Traffic Paint Shop has made efforts to reduce its backlog, critical for bike project implementation, it has

yet to hire a manager and implement project management tools recommended by the Controller.

- Currently SFMTA allocates an estimated \$4.2 million of its \$851.1 million operating budget and \$35.7 million of its \$2.6 billion five year capital budget to bicycle capital projects and related operating costs. This amounts to 0.49 percent of its operating budget and 1.4 percent of the capital budget allocated to the bicycle transportation mode. Most of SFMTA's level of funding is used for its capital intensive and more costly transit operations.
- SFMTA's level of funding to the bicycle transportation mode, at \$9.16 per capita, is not unlike other cities in the United States. A survey of six cities in the United States by the Budget and Legislative Analyst identified a range of per capita expenditures on bicycle projects ranging from \$3.11 to \$12.72.

Recommendations

The Budget and Legislative Analyst has prepared the following recommendation for consideration by the Board of Supervisors.

The Board of Supervisors should urge SFMTA to:

1. Reduce bicycle project backlogs by hiring a Traffic Paint Shop Manager in the next six months and allocating funding to the Traffic Paint Shop so it can improve its project management database and tools.
2. Develop a standardized, simple tracking document to be updated monthly for Sustainable Streets Division project managers to track original budgets, actual expenditures, revised budgets, staff assigned, original and revised schedules, planned and actual milestone dates, and percentage of project completion for each bicycle project until the new Capital Project Control System (CPCS) system goes live, at which point this data could be integrated into the completed CPCS system.

The Board of Supervisors should request that SFMTA:

3. Report to the Board of Supervisors every six months on the progress of the first two recommendations and include the status of each bicycle project with the project information detailed in the recommendation as well original and actual budgets.
4. Report back to the Board of Supervisors and the SFMTA Board of Directors on the findings of the staffing analysis currently underway to support the SFMTA's Capital Improvement Program.
5. Develop and report back to the Board of Supervisors on an implementation plan with the Department of Public Works within six months of the selection and approval of bicycle projects by the SFMTA Board of Directors. The plan should include, but not be limited to, each project or project phase's schedule and budget, whether there is a need for interagency coordination and

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the plan for addressing it, the level of community outreach that will be needed based on similar projects and the level of staffing required to deliver these projects.

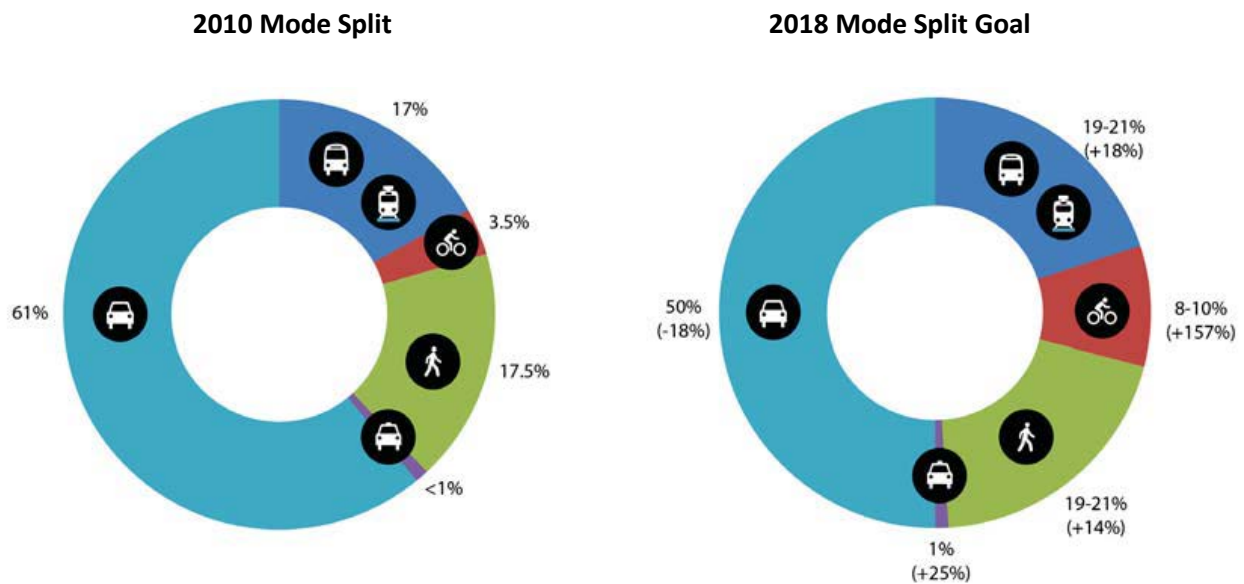
The Board of Supervisors should:

6. Establish a follow up process for the Board of Supervisors to consider the costs and benefits of the Budget and Legislative Analyst's three alternative funding scenarios presented in this report, or other alternatives, incorporating input from SFMTA and other stakeholders.

BACKGROUND

The San Francisco Municipal Transportation Agency’s (SFMTA) 2013-2018 Six Year Strategic Plan, approved by the SFMTA Board on January 3, 2012, defined the Agency’s vision, goals and objectives for the six fiscal years between Fiscal Years 2012-13 and 2017-18. One of these goals is making transit, walking, bicycling, taxi, ridesharing and car sharing the preferred means of travel. To help reach this goal, the Agency set a Citywide mode share target to achieve by 2018: 50 percent of all trips to be taken by private automobile and 50 percent of all trips to be taken by non-private automobile.¹ Exhibit 1 from the 2013-2018 Bicycle Strategy shows that, in 2010, approximately 61 percent of all trips taken in San Francisco were taken by private automobile and 39 percent were taken by non-private automobile, based on model results.

Exhibit 1: 2010 Mode Split and 2018 Mode Split Goal



Source: SFMTA 2013-2018 Bicycle Strategy

Stemming from the SFMTA’s Six Year Strategic Plan, the Agency’s companion Fiscal Years 2013-2018 Bicycle Strategy focuses on the Agency’s goals for the bicycle mode during that six year span while incorporating the broader goals of the Six Year Strategic Plan. In order to reach the target of 50 percent of trips taken by non-private automobile by 2018, the Bicycle Strategy projects that the share of bicycle trips would need to increase from 3.5 percent in 2012 to approximately 8-10 percent of all trips taken in San Francisco, as shown in Exhibit 1, above.

¹ Mode share is the percentage share that a particular type of transportation mode (i.e. car, bus, rail, plane etc.) has in relation to other modes. A trip is defined as the movement of a person from an origin to a destination with a trip purpose.

The 2013-2018 Bicycle Strategy outlines the following three possible scenarios for building-out the City's bicycle infrastructure and increasing the projected mode share that would result from each, as summarized in Exhibit 2.

Exhibit 2: Three Bicycle Plan Scenarios in SFMTA's Bicycle Strategy		
Scenario	Cost	Resulting Bicycle Mode Share
<i>The Bicycle Plan Plus Scenario</i>	\$59.4 million	4.5 – 6%
<i>The Strategic Plan Scenario</i>	\$191 million	8-10%
<i>The Full System Build-Out</i>	\$580.5 million	20%

Source: Bicycle Strategy, April 2013, SFMTA

Details on each scenario are presented further below. It is important to note that the dollar amounts shown in the three Bicycle Plan Scenarios in Exhibit 2 do not represent specific projects; instead, they represent the level of investment that would be needed to create the mode shifts in each scenario. The specific bicycle components of projects will likely be adjusted as actual projects are selected. Each scenario's estimated cost is in 2013 dollars and includes labor costs.

According to Timothy Papandreou, Director of Strategic Planning and Policy at SFMTA, achieving the mode share goal does not solely come from increasing bicycle infrastructure. The Bicycle Strategy notes that additional resources are required to achieve an 8-10 percent total trips bicycle mode share by 2018. These resources include public awareness programs, community outreach, marketing and Citywide policies such as continued mixed-use development, complete streets and traffic calming, and parking management. Moreover, prior to implementation, many of bicycle infrastructure projects that are reflected in the three scenarios shown below will require a community process and environmental clearance approvals.

THE BICYCLE PLAN PLUS SCENARIO

The first scenario is the "Bicycle Plan Plus Scenario" and includes completing the bicycle improvements outlined in the 2009 Bicycle Plan as well as the following improvements:

- Upgrade 10 miles of the existing bicycle network to premium bicycle facilities²
- Upgrade 10 intersections to accommodate bicycles
- Install 8,050 bicycle parking spaces
- Deploy and maintain a 500 bicycle / 50 station bicycle sharing system
- Provide the existing level of support programs (\$1.2m /yr)

² Premium bike facilities consists of painted bike lanes, buffered bike lanes, separated bike lanes, bicycle boxes, traffic diverters, bicycle boulevards, and bicycle signals.

The Bicycle Plan Plus can be described as largely a continuation of the status quo and could result in a 1-2.5 percent increase in the City's bicycle mode share for a total mode share of 4.5-6 percent according to the SFMTA. At the time that the Bicycle Strategy was written, the estimated six year cost of this scenario was \$59,356,800.

Exhibit 3: The Bicycle Plan Plus Estimated Costs and Components		
Component	Unit of Work	Estimated Cost
Complete the 2009 Bicycle Plan ³	10 miles	\$25,000,000
Upgrade Existing and Construct New Bike Facilities		
Bike Boulevards	2 miles	\$2,314,500
Deluxe Cycle Tracks	1 mile	\$12,500,000
Basic Cycle Tracks	2 miles	\$890,000
Colored Bike Lanes	2 miles	\$1,372,800
Buffered Bike Lanes	2 miles	\$500,000
Shared Bike/Bus Lanes	1 miles	\$942,000
Intersection Improvements		
Bike Signals	10 intersections	\$625,000
Bike Boxes	10 intersections	\$12,500
Bike Counters	10 intersections	\$75,000
Bike Parking		
Lockers	50 Lockers	\$225,000
Racks	4,000 Racks/2 spaces per rack	\$2,000,000
Bike Share		
Bike Sharing Program	500 Bikes (includes 6 years of operation and maintenance)	\$5,700,000
Public Outreach		
Program Costs	Education and Outreach Campaigns	\$7,200,000
TOTAL		\$59,356,800

Source: SFMTA Finance and Information Technology Division. Cost estimates were developed in 2011 by the Livable Street subdivision and based on project costs at the time. The costs reflected in the tables are the average unit cost of each bicycle component. Some of these costs have likely increased over time.

³ \$20 million of the \$25 million has been identified and will be subtracted from the remaining cost.

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The Strategic Plan Scenario

The Strategic Plan scenario requires a dramatic increase in funding for bicycle infrastructure in San Francisco that is more consistent with the global best practice cycling cities, according to SFMTA staff. This Strategic Plan Scenario completes the 2009 Bicycle Plan, builds off of the Bicycle Plan Plus scenario and includes the following additional elements:

- Upgrade 50 miles of the existing bicycle network to premium bicycle facilities
- Construct 12 miles of new bicycle facilities
- Upgrade 50 intersections to accommodate bicycles
- Install 21,000 bicycle parking spaces
- Deploy and maintain a 2,750 bicycle/275 station bicycle sharing system.
- Double the existing level of support programs (\$2.5m/yr)

At the time that the Bicycle Strategy was written, the cost was estimated to be \$191,144,660 in one-time costs and includes both capital and labor costs, as presented in Exhibit 4. This plan is projected to result in a 4.5 percent to 6.5 percent increase in Citywide bicycle mode share for a total of 8-10 percent which is consistent with SFMTA's goal of reaching the 8-10 percent bicycle mode share by 2018-2020.

Exhibit 4 : Strategic Plan Scenario Estimated Cost		
Component	Unit of Work	Estimated Cost
Complete the 2009 Bicycle Plan	10 miles	\$25,000,000
Upgrade Existing and Construct New Bike Facilities		
Bike Boulevards	12.4 miles	\$14,349,900
Deluxe Cycle Tracks	6.2 miles	\$77,500,000
Basic Cycle Tracks	12.4 miles	\$5,518,000
Colored Bike Lanes	12.4 miles	\$8,511,360
Buffered Bike Lanes	12.4 miles	\$3,100,000
Shared Bike/Bus Lanes	6.2 miles	\$5,840,400
Intersection Improvements		
Bike Signals	50 intersections	\$3,125,000
Bike Boxes	50 intersections	\$62,500
Bike Counters	25 intersections	\$187,500
Bike Parking		
Secure Bike Station	3 Stations/200 spaces per station	\$1,800,000
Lockers	500 Lockers	\$2,250,000
Racks	10,000 Racks/2 spaces per rack	\$5,000,000
Bike Share		
Bike Sharing Program	2,750 Bikes (includes 6 years of operation and maintenance)	\$23,900,000
Public Outreach		
Program Costs	Education and Outreach Campaigns	\$15,000,000
TOTAL		\$191,144,660

Source: SFMTA Finance and Information Technology Division. Cost estimates were developed in 2011 by the Livable Street subdivision and based on project costs at the time. The costs reflected in the tables are the average unit cost of each bicycle component. Some of these costs have likely increased over time.

The Full System Build-Out

Of the three scenarios, the Full System Build-Out scenario contains the most improvements and construction of new bicycle infrastructure and the highest cost, as detailed in Exhibit 5. This scenario compares to the bicycle infrastructure found in the most bicycle-oriented cities in the world, such as

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Amsterdam and Copenhagen, which each have bicycle mode shares of 37 percent (San Francisco's is 3.5 percent)⁴ and includes:

- Complete the bicycle plan (10 miles)
- Upgrade 200 miles of the existing bicycle network to premium bicycle facilities
- Construct 35 miles of new bicycle facilities
- Upgrade 200 intersections to accommodate bicycles
- Install 50,600 bicycle parking spaces
- Deploy and maintain a 2,750 bicycle/275 station bicycle sharing system.
- Provide a build-out level of support programs (\$10m/yr)

Each scenario builds on each other in order to fully implement the Full-Build Out Scenario. For purposes of this report, the focus will be on implementing the Strategic Plan Scenario which is the level of investment SFMTA believes is necessary for SFMTA to reach its Strategic Plan target: 50 percent of all trips made in the City to be by walking, bicycle, public transit, or vehicle sharing by 2018-2020. Achieving this target requires an increase in the Citywide bicycle mode share from the current level, 3.5 percent, to 8-10 percent.

⁴ 2013 Draft SFMTA Bicycle Strategy.

Exhibit 5 : The Full System Build Out Estimated Cost		
Component	Unit of Work	Estimated Cost
Complete the 2009 Bicycle Plan	10 miles	\$25,000,000
Upgrade Existing and Construct New Bike Facilities		
Bike Boulevards	47 miles	\$54,390,750
Deluxe Cycle Tracks	23.5 miles	\$293,750,000
Basic Cycle Tracks	47 miles	\$20,915,000
Colored Bike Lanes	47 miles	\$32,360,800
Buffered Bike Lanes	47 miles	\$11,750,000
Shared Bike/Bus Lanes	23.5 miles	\$22,137,000
Intersection Improvements		
Bike Signals	200 intersections	\$12,500,000
Bike Boxes	200 intersections	\$250,000
Bike Counters	100 intersections	\$750,000
Bike Parking		
Secure Bike Station	3 Stations/200 spaces per station	\$1,800,000
Lockers	2,000 Lockers	\$9,000,000
Racks	24,000 Racks/2 spaces per rack	\$12,000,000
Bike Share		
Bike Sharing Program	2,750 Bikes (includes 6 years of operation and maintenance)	\$23,900,000
Public Outreach		
Program Costs	Education and Outreach Campaigns	\$60,000,000
TOTAL		\$580,503,550

Source: SFMTA Finance and Information Technology Division. Cost estimates were developed in 2011 by the Livable Street subdivision and based on project costs at the time. The costs reflected in the tables are the average unit cost of each bicycle component. Some of these costs have likely increased over time.

SFMTA Project Prioritization Process

SFMTA's bicycle projects in the coming years will be guided by a number of Agency plans and documents as well as its Operating and Capital budgets. First, the Agency's FY 2013 - 2018 Five Year Strategic Plan provides broad goals and objectives, which includes an increase in Citywide trips using sustainable

modes of transportation (walking, bicycling, public transit, and vehicle sharing). The Agency's FY 2013-2018 Bicycle Strategy draws off the goals of the overall Strategic Plan for the same time span.

The Bicycle Strategy also provides a set of goals and objectives focused on rider safety, education, convenience and improvements to the City's bicycle infrastructure. SFMTA's 20 Year Capital Plan covering FY 2013-2032 lists all of the SFMTA's anticipated capital needs for the upcoming 20 years, presented without financial constraints, or regardless of whether funding sources have been identified for each project. SFMTA's 20 Year Capital Plan provides the basis for the Agency's Five Year Capital Improvement Program (CIP) which identifies projects to be executed in the next five year window. The Five Year CIP only includes projects for which SFMTA has identified viable funding sources expected to be received within the five year timeframe.⁵

Based on the \$15.7 billion unconstrained funding need identified in the SFMTA's 20 Year Capital Plan and average projected revenues over the next seven fiscal years, SFMTA projects a shortfall of \$472.5 million dollars a year. As a result of this shortfall, every time SFMTA receives unrestricted funding, it must make a determination of which project is the highest priority and will receive the funding.

SFMTA staff report that increasing bicycle mode share is imperative to maintaining Muni service operations as it helps to relieve some of the pressure on transit crowding. SFMTA staff notes that if the bicycle mode share does not grow commensurate with transit and walking mode shares, it would potentially result in an increase in the cost of the SFMTA's transit operations, due to peak-period short trip demand on crowded Muni lines. The Budget and Legislative Analyst concurs with SFMTA staff statement that increasing the bicycle mode share in step with other modes could help SMFTA avoid future transportation systemwide cost increases.

Bicycle Project Prioritization

SFMTA's process for establishing project priorities generally involves funding trade-off decisions among transportation modes and within modes. SFMTA staff report that the bicycle project selection process includes evaluating projects based on: (1) defined criteria, (2) stakeholder outreach, and (3) direction provided by the SFMTA Board of Directors.

The Agency's Sustainable Streets Division is responsible for planning and executing bicycle projects. The Strategic Planning and Policy Unit within the Sustainable Streets Division is currently in the process of prioritizing which bicycle projects will be recommended for funding in the FY 2015 - 2019 Capital Investment Program (CIP) Bicycle Program category.

The Sustainable Street's Division project selection criteria are:

- Existing Need : Existing Bicycle Network upgrades and safety hot spots analysis based on level of traffic stress in the existing network and bicycle collisions data on the existing network.

⁵ SFMTA 20-Year Capital Plan, October 2013.

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- Expansion: Bicycle Network Expansion opportunities identified using a GIS methodology which overlays land use and demographic variables such as population density, employment density, proximity to schools, existing bicycle activity, topography, transit ridership, and crash rates onto the street network.
- Effectiveness: Assessment of how effective the bicycle project would be in changing bicycle behavior given existing physical or traffic conditions.
- Project Readiness : Determine the time-frame that a proposed project could be completed by evaluating the time it would take for environmental clearance, community support, securing funding and if another Agency, such as DPW, is conducting work on a street that a proposed bicycle project is located so that work can be done concurrently.

Sustainable Streets Division staff is currently seeking input from advocacy and community organizations, City departments, and other stakeholders on bicycle projects for inclusion in SFMTA's FY 2015-2019 Capital Improvement Program (CIP) Budget. The SFMTA is hosting a stakeholder workshop in December 2013 comprised of representatives from advocacy, community organizations and City departments to identify and prioritize the next round of CIP projects for the five year CIP period. Recommended projects will be presented to the SFMTA Board of Directors in April 2014 for approval and inclusion in the FY 2015-2019 CIP Budget.

With input from SFMTA staff, the SFMTA Board of Directors directed staff to prioritize bicycle projects in the following five priority corridor areas:

- 1) Embarcadero/ Bay Trail
- 2) Market Street / the Wiggle/Panhandle
- 3) Valencia/Mission to Polk
- 4) Great Highway
- 5) South of Market grid

In addition to these key corridors, the SFMTA is addressing safety hotspots and gaps in the existing bicycle network as well as potential additions to the network.

Existing Funding Sources for Bicycle Infrastructure

The following section explains what the SFMTA contributes to the Bicycle Program in its Operating and Capital Budgets.

SFMTA's Operating Budget

Section 8A.106 of the City Charter requires that the SFMTA submit a proposed budget for the next two fiscal years to the Mayor and Board of Supervisors no later than May 1st of each even-numbered year. As long as the SFMTA stays within the revenue formulas outlined in the Charter and does not request additional General Fund resources or support, the Mayor must forward the budget to the Board of

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Supervisors as submitted. The Board of Supervisors may allow the SFMTA’s budget to take effect without any action on its part, or it may reject the budget in its entirety by a vote of at least 7 of the 11 members.

In FY 2012, the Board of Supervisors approved SFMTA’s two-year Operating Budget for FY 2012-13 and FY 2013-14 which totaled \$828.2 million dollars and \$851.1 million dollars respectively. The sources of revenue are shown in Exhibit 6 below.

Exhibit 6: SFMTA Revenue Sources: FY 2012-13 and 2013-14 SFMTA Operating Budgets (in millions)				
Revenue Source	FY 2013 Adopted Budget	Percentage	FY 2014 Adopted Budget	Percentage
Transit Fares	\$198.3	24%	\$201.2	24%
Operating Grants	113.7	13%	115.7	13%
Parking & Traffic Fees and Fines	270.0	33%	278.5	33%
Taxi Services	10.2	1%	10.2	1%
Other (Advertising, Interest, Service Fees)	23.1	3%	24.6	3%
General Fund Baseline	212.9	26%	220.9	26%
TOTAL	\$828.2	100%	\$851.1	100%

Source: SFMTA FY 2012 -13- FY 2013-14 Operating Budget

According to Ms. Sonali Bose, SFMTA’s Chief Financial Officer, SFMTA does not allocate expenditures in its Operating Budget by transportation mode. Instead, the Operating Budget is apportioned across SFMTA’s nine divisions as well as the Board of Directors, the Executive Director’s Office and Agency-wide expenses as shown in Exhibit 7 below.⁶ Ms. Bose noted that transit direct and indirect costs occupy between 75% to 80% of the Operating Budget, leaving 20-25% for other SMFTA activities and transportation modes including the Bicycle Program.

⁶ Agency wide expenses include the retiree health subsidy, Health Service System Administrative costs, property rent, payment to other agencies (BART, JPB, MTC), judgments & claims, work orders (City Attorney, DT, DHR, Real Estate. Capital program and construction is negative because the Operating Budget will charge approximately \$2.4 to the capital budget. Typically, this is for staff who are usually funded by the Operating Budget but are working on Capital Projects.

Exhibit 7: SFMTA Operating Budget Allocations, Fiscal Year 2013-14	
Division	Amount
Board of Directors	\$725,627
Capital Program & Construction	(2,434)
Communications	3,926,126
Executive Director	1,192,197
Finance & Info. Technology	77,008,396
Government Affairs	671,304
Human Resources	24,962,039
MTA Agency Wide	90,289,473
Safety	4,345,595
Sustainable Streets	136,930,047
Transit Services	486,429,129
Taxi & Accessible Services	24,580,614
TOTAL	\$851,058,113

Source: SFMTA Finance and Information Technology Division

Bicycle Funding in the Operating Budget

Bicycle network planning and prioritization of projects is performed by the Strategic Planning and Policy sub-division of SFMTA's Sustainable Streets Division. The Strategic Planning and Policy sub-division manages all agency wide efforts for strategic and long range planning. The design and implementation of specific bicycle projects and programs is conducted by the Livable Streets subdivision of the Sustainable Streets Division whose staff design, plan, manage and conduct outreach for SFMTA's bike projects and programs. The bike projects also receives support from other subdivisions within the Sustainable Streets Division including Transportation Engineering for multi-modal traffic analysis, and Field Operations for striping and signing bike lanes and installing bike parking racks.

Although, the SFMTA's Operating Budget is not allocated by mode, SFMTA staff estimate that approximately \$4.2 million of SFMTA's \$851 million Operating Budget for FY 2013-14, or approximately 0.5%, is used to support staff in the Sustainable Streets Division who work on bicycle projects. According to Ms. Leanne Nhan, SSD Manager of Administration and Operations, monies from the Operating Budget are typically used for non-project based staff activities that cannot be funded by a capital project grant. Exhibit 8 presents SFMTA's estimate of the allocation of the \$4.2 million in its Operating Budget dedicated to the Bicycle Program in FY 2013-14.

Exhibit 8: Estimated Bicycle Program Operating Budget, Fiscal Year 2013-14		
Sustainable Street Subdivision	Budgeted Expenditures	Uses
Transportation Engineering	\$661,030	Funds benefit all modes. The cost is based on a 4% modal breakdown of street use for bikes.
Livable Streets	\$359,238	Non project based staff activities such as staff trainings and team meeting.
Strategic Planning & Policy	\$100,464	Bicycle Strategy Bicycle Strategy Planning, Bike Wayfinding Planning, bike planning of Complete Streets, prioritization of bike projects in the CIP, and Transportation Demand Management for bikes.
Paint Shop	\$795,055	Maintenance of bike lanes, sharrows and corrals.
Sign Shop	\$386,500	Maintenance of racks and removing signs related to bike lanes.
Signal Shop	\$468,643	Maintenance of bike signals, signal timing changes for bikes and other special projects.
Division Overhead	\$564,771	Division administrative support
Department Overhead	\$871,005	Department support
TOTAL	\$4,206,706	

Source: SFMTA Finance and Information Technology Division

Operating Budget Unrestricted Funding

As shown in Exhibit 8 above, the SFMTA receives about a third of its revenues, approximately \$278.5 million in FY 2013-14, from parking and traffic fees and fines from traffic violations. Pursuant to Section 8A.105 of the City Charter, funds from these revenue sources can only be used for public transit purposes such as buses, trolleys and/or trains. Along with these funds, the General Fund allocation of \$69 million in the FY 2013-14 budget, representing an in lieu amount of parking tax, can also only be used for public transit purposes. The remaining revenues, approximately \$503 million, or 59% of the total Operating Budget, are unrestricted and can be used to fund capital improvements, management, supervision, maintenance, extensions and day-to-day operations of the Agency in accordance with Section 8A.105 of the City Charter.

SFMTA's 20 year Capital Plan and 5 Year Capital Investment Program (CIP) Budget

SFMTA's FY 2013-2032, 20-Year Capital Plan was approved by the SFMTA Board of Directors on October 15, 2013 and comprises all of the SFMTA's unconstrained capital needs (all necessary projects regardless of available funding) over the next 20 years, which total approximately \$15.7 billion. SFMTA's FY 2013-

2017 Capital Investment Program (CIP) is a shorter-term, five year capital planning document that draws from the projects identified in the 20-Year Capital Plan and the goals outlined in SFMTA’s Five Year Strategic Plan. The FY 2013-2017 CIP is “fiscally constrained”, or only includes projects for which project funding has been identified and/or secured for the five year period covered by the budget. The five year CIP is also included in the Citywide Capital Plan which the Board of Supervisors approves.

To develop the five year CIP, SFMTA staff project revenues based on expected funding from federal, State, regional and local sources and prioritize capital projects that can be advanced during this five-year period. The projected revenues and expenditures for the FY 2013-2017 CIP amount to approximately \$2.6 billion in total. The FY 2013-17 CIP incorporates the Agency’s capital budgets for FY 2012-13 and FY 2013-14 Capital Budgets, which consist of \$550.5 million and \$472.8 million dollars, respectively.

The FY 2013-2017 five year CIP is programmed by transportation mode, as summarized in Exhibit 9 below. The Bicycle Program receives approximately 1.39% of SFMTA’s total FY 2013-2017 CIP. It is important to note that bicycle projects cost significantly less than more capital-intensive projects such as transit projects so the percentage of investment is not necessarily a good indicator of investment equity.

Exhibit 9: Allocation of SFMTA FY 2013-2017 Capital Investment Program (CIP) Spending by Mode¹		
Mode	Allocation	Percent Total
<i>Bicycle</i>	\$35,733,971	1.39%
Pedestrian	16,923,291	0.66%
Parking	51,300,000	2.00%
Other Street Improvements (Traffic Calming, Signals, School)	97,306,585	3.79%
Transit ²	2,261,093,418	88.00%
Taxi	3,694,000	0.14%
Support Infrastructure ³	103,010,757	4.01%
Reserve	417,500	.02%
TOTAL	\$2,569,479,522	100%

Source: SFMTA Finance and Information Technology Division

¹This accounts for new funding and does not include approximately \$591,000,000 in carry-forward funds from the previous fiscal year.

²This includes approximately \$967,000,000 in FTA New Starts funding for the Central Subway Project.

³This includes the following Capital Programs: Accessibility, Security, Communications, Safety and Facilities.

Memo to Supervisor Mar
December 4, 2013

According to Mr. Jonathan Rewers, Capital Financial Planning & Analysis Manager for SFMTA, the Agency programs its capital funding in accordance with the legislative or policy mandates of the federal, state and regional funding agency sources. A large portion of the SFMTA's capital budget comes from competitive and formula grants which can only be used to fund specific capital needs as defined by the granting agency or legislation. An example of this is Proposition K, the local half-cent sales tax passed by voters in 2003 for transportation projects and programs.

The Expenditure Plan that accompanies Proposition K and was also approved by the voters, sets aside revenues for several specific capital projects such as the Central Subway and allocates the remaining funds as follows: 65.5% to transit projects, 8.5% to paratransit projects, 24.6% for streets and traffic safety (which includes bicycle projects) and 1.3% for transportation systems management/strategic initiatives. SFMTA programs these dollars to specific projects in its five year CIP consistent with the Proposition K Expenditure Plan. The SFMTA reports it cannot use funding from the transit projects category to fund projects in the streets and traffic safety category.

Mr. Rewers noted that when there are unrestricted funds in the CIP that are not restricted by a granting agency, SFMTA staff use a tool they have developed called CIP Analysis and Shortfall to help identify which capital programs have the greatest need and then prioritize funding accordingly. The CIP Analysis and Shortfall tool tracks which capital programs are experiencing the greatest funding shortfall and to what extent each capital program's needs are or are not being met and their project delivery status. This tool was used by SFMTA to program the Series 2013 Revenue Bonds where \$14 million was allocated to bicycle and complete streets projects out of the \$150 million revenue bond issuance.

Bicycle Funding in the Capital Improvement Program (CIP) Budget

The SFMTA's Five Year FY 2013-2017 CIP, approved by the SFMTA Board of Directors in April 2012, allocated an estimated \$20.9 million for the Bicycle Program over a five-year period including approximately \$3.5 million in prior year carry-forward funds. Since approval of the CIP, additional revenue sources have been identified and technical adjustments have been made resulting in an approximately \$14.9 million increase in bicycle funding over the five year period ending in FY 2016-17, for a total of \$35.7 million. SFMTA staff report that, as of November 2013, the Bicycle Program will receive an additional approximately \$2.1 million between FY 2012-13 and FY 2013-14, due to additional revenue allocations from several funding sources and other adjustments, for a total of \$37.8 million over the five year FY 2013-2017 CIP period. Exhibit 10 provides a breakdown of the known funding sources for the Bicycle Program for the five year FY 2013-2017 period as of the writing of this report.

Exhibit 10 : Known SFMTA Bicycle Program Funding, by Source FY 2013-2017 Capital Investment Program (CIP)		
Revenue Source	Amount	% Total
Local Proposition B Streets GO Bond	\$11,979,100	34%
One Bay Area Grant (OBAG) Program	11,682,442	33%
Local Proposition K ½ Cent Sales Tax	4,819,369	13%
Transportation Fund for Clean Air	2,600,376	7%
MTC Transit Development Assistance	1,875,000	5%
Caltrans Local Assistance and Bicycle Transportation Account	987,384	3%
SFMTA Operating Funds	950,000	3%
SFMTA Revenue Bond A	750,000	2%
Developer Impact Fees ¹	50,000	.14%
Bikes Belong (Private Grant)	25,000	.07%
Bike Facilities Program	15,300	.04%
TOTAL	\$37,833,086	100%

Source: SFMTA Finance and Information Technology Division

¹The Interagency Plan Implementation Committee (IPIC) prioritizes and manages funding from development impact fees.

The \$37,833,086 is \$2,099,115 more than the \$35,733,971 in Exhibit 9 due to technical adjustments made after the total FY 2013-2017 CIP allocation by mode was provided.

Bicycle Funding in Other Municipalities

The Budget and Legislative Analyst surveyed the seven cities shown in Exhibit 11 to see how much other cities invest in bicycle infrastructure per capita relative to San Francisco. Amsterdam, which receives a significant amount of funding from other levels of government, has the highest bicycle spending per capita at \$22.44 per person. The American cities that were surveyed invest between \$3.11 and \$12.72 per person. Of the seven cities surveyed, San Francisco has the 5th highest amount of bicycle spending per capita.

Exhibit 11: Per Capita Capital Bicycle Spending in Other Cities				
City	Estimated Annual Amount Spent on Capital Bicycle Improvements Per Year	Time Frame	Population (2012)	Bicycle Spending Per Capita
Amsterdam	\$17,500,000	Average over 2007-2010 (4 years)	779,808	\$22.44
Minneapolis	\$5,000,000	2011	392,880	\$12.72
Seattle	\$6,641,986	FY 2012-13	634,535	\$10.47
Portland	\$6,000,000	2013-14	603,106	\$9.94
San Francisco	\$7,566,617	Average CIP FY 2013-2017	825,863	\$9.16
Austin**	\$5,000,000	2013-14	842,592	\$5.93
Los Angeles	\$12,000,000*	2013-14	3,858,000	\$3.11

Sources: Seattle Department of Transportation, FY 2012-13 Adopted Budget, Portland Bureau of Transportation Requested Budget, FY 2013-14, Los Angeles Department of Transportation staff, City of Austin, Capital Planning Office staff, City of Minneapolis (2011) Bicycle Master Plan, San Francisco FY 2013-17 Capital Improvement Program, *Sustainable Communities*, Sustain, Issue 21, Fall/Winter 2010, The Kentucky Institute for the Environment and Sustainable Development.

**This is an estimate based on \$7 million from the City and an additional \$5 million in grant funding per year.*

***City of Austin staff report that a portion of their bicycle funding is spread across different capital programs and may not account for the full amount expended on bicycle projects.*

Existing Funding Need

In order to calculate the additional funding needed to mirror the level of investment described in the Bicycle Strategy's Strategic Plan Scenario, the Budget and Legislative Analyst considered SFMTA's revenue projections for the last three years of the FY 2013-2017 CIP as well as SFMTA's projected future revenues for the Capital Budget in FYs 2017-18 and 2018-19. This approach allows a full five years, starting in FY 2014-15, for implementation of the Bicycle Strategic Plan set forth in the SFMTA's Bicycle Strategy. Revenue or expenditures from FYs 2012-13 and 2013-14 were not considered as FY 2012-13 has ended and the next phase of bicycle projects will not be selected until Spring of 2014. The calculation also includes \$6 million from the Series 2013 Revenue Bonds that was allocated for bicycle projects.

In addition, SFMTA staff advises that \$20 million of the \$25 million dollars needed to complete the 2009 Bicycle Plan, which is included in the total cost of the Strategic Plan Scenario and shown in Exhibits 3, 4, and 5 above, have been identified. The \$20 million is composed of \$8 million in Series 2013 Revenue Bonds and \$12 million from a One Bay Area Grant (OBAG).

As shown in Exhibit 12, SFMTA would need an additional approximately \$142.1 million to fund the Strategic Plan Scenario by FY 2018-19. This is based on the plan costing approximately \$171 million, after accounting for the \$20 million identified for the 2009 Bicycle Plan, and approximately \$28.9 million in known revenue being available for these projects during the time frame between FY 2013-14 and 2017-18.

It is important to note that this calculation is an estimate and may not include bicycle projects currently being implemented that contribute to the fulfillment of the Strategic Plan Scenario budget. Also, the estimated cost of the Strategic Plan Scenario is in 2013 dollars and does not account for inflation or increased labor costs in future years.

Exhibit 12: Bicycle Strategy Funding Shortfall FY 2014-15 through 2018-19	
Revenue Source	Amount
FY 15, FY 16, FY 17 Capital Improvement Budget (CIP)	\$17,761,189
Projected FY 2017-2018 Capital Budget	\$2,574,978
Projected FY 2018-19 Capital Budget	\$2,653,807
Series 2013 Revenue Bonds	\$6,000,000
<i>Revenue Subtotal</i>	\$28,989,974
Total Estimated Cost: Strategic Plan Scenario	\$191,144,660
Less \$20 million for 2009 Bicycle Plan	(\$20,000,000)
<i>Cost Subtotal</i>	\$171,144,660
TOTAL Estimated Shortfall	\$142,154,686

Source: Budget & Legislative Analyst's Office.
Revenue estimates prepared with input from SFMTA.

Opportunities to Bridge the Funding Gap

In addition to the funding that has already been allocated to the Bicycle Program in SFMTA's Capital Improvement Program, there are other potential revenue options that could be pursued in order to fund the implementation of the Bicycle Strategy's Strategic Plan Scenario in order to meet the SFMTA's Strategic Plan goal of a 50 percent sustainable transportation mode share by 2018. Exhibit 13 provides a summary of funding sources that could potentially be used to cover the approximately **\$142 million** shortfall.

Exhibit 13: Potential Revenue Sources to Fund SFMTA's Bicycle Capital Projects	
Revenue Source	Potential Annual Revenues
Vehicle License Fee (VLF)	\$72,800,000
General Obligation Bond (one- time revenue) ¹	\$500,000,000
.5% Increase in Sales Tax or Another Voter Approved Measure	\$73,000,000
Proposition K Advance (one-time)	\$13,050,000
2016 SFMTA Revenue Bonds (one-time)	\$150,000,000
2019 SFMTA Revenue Bonds (one-time)	\$150,000,000
SFMTA Operating Budget Discretionary Revenue	\$278,500,000
General Fund Discretionary Funds	\$2,710,000,000

Source: Table created by the Budget & Legislative Analyst based on data from (1) The Budget and Legislative Analyst report to Supervisor Mar, *Impact of Raising the Vehicle License Fee and Subsequent Improvements to SFMTA Services*, November 18, 2013, (2) *Report on the Mayor's Proposed FY 2013-14 Budget*, (3) the Mayor's Transportation Task Force *Revenue Options* presentation, June 25, 2013 and *Draft Report*, September 24, 2013 and (4) SFMTA staff.

¹According to the September 24, 2013 presentation at the Mayor's Transportation Task Force, the Controller's office estimates the City will have \$500,000,000 in bonding capacity over the next 10 years; however, actual capacity will depend on assessed property values.

SFMTA also point out that that several public-private partnership opportunities exist and are currently being pursued, including:

- A sponsorship model for increasing the number of bike shares units
- Future development agreements to incorporate bicycle parking
- Branding, marketing and wayfinding sponsorship opportunities

While such funding opportunities may be viable options that could offset the cost of the Bicycle Strategy, they were not reviewed for this report.

Each potential source is now discussed individually.

Vehicle License Fee (VLF)

In September 2012, the State Legislature passed the Local Assessment Act (S.B. 1492), which authorized the City and County of San Francisco to impose a voter-approved local assessment for specified vehicles, up to a total Vehicle License Fee of two percent of the value of the vehicle. The current VLF tax rate is .65 percent of the value of a vehicle. If a two percent increase is approved, the City would be able to retain all collections of the VLF above 0.65 percent (1.35%) less the amount required by the California

Department of Motor Vehicles (DMV) to administer the local assessment which are not known at this time.

Exhibit 14 below, from the Budget and Legislative Analyst's report *Impact of Raising the Vehicle License Fee and Subsequent Improvement* shows the projected new revenue that would be generated over four years if the VLF tax rate was raised to two percent.

Exhibit 14: Projected Additional Revenue if VLF is Raised to Historic Level of 2.0%¹				
Year	Initial Year	2nd Year	3rd Year	4th Year
Projected Revenue	\$72,769,071	\$73,026,983	\$73,110,365	\$73,122,630

Source: Budget and Legislative Analyst report to Supervisor Mar: *Impact of Raising the Vehicle License Fee and Subsequent Improvements to SFMTA Services*, November 18, 2013, based on DMV data of VLF collections from San Francisco in 2012.

¹These amounts do not account for inflation or administration costs incurred by the DMV.

An increase in the VLF would require approval by two-thirds of the Board of Supervisors and a simple majority of voters. If approved by the necessary parties, revenues would be deposited into the General Fund and would be subject to allocation during the annual budget review. If the City wanted to dedicate a certain portion of the VLF to fund the Bicycle Strategy, a Charter Amendment defining the set-aside would need to be approved by a majority of voters as a companion measure to the VLF measure, according to Ms. Michelle Allersma, Controller's Budget and Analysis Division Director, of the Office of the Controller.

General Obligation Bonds

General obligation bonds may be sold by a local public entity that has legal authority to levy a tax rate on real and personal property located within its boundaries. According to Ms. Nadia Sesay, Director Mayor's Office of Public Finance, general obligation bonds can be used as a financing tool to construct, acquire, or improve real property such as public buildings, roads, school facilities, including street and road improvements. Proceeds of the bonds may not be used to purchase equipment or pay for operations and maintenance. General obligation bonds are the most secure type of municipal bond available and therefore attain the lowest borrowing cost of any comparable long-term instrument/bond.

The Office of the Controller estimates that the City has the capacity to issue \$500 million in general obligation bonds over the next 10 years, subject to certain assumptions on assessed valuation growth; however, such capacity may be affected by future assessed valuation. Further analysis is required to determine whether general obligation bond proceeds may be used to fund parts or all of the Bicycle Strategy but it appears to the Budget and Legislative Analyst that such funds could be used for at least

some of the construction, acquisition or improvements of streets and roads that are part of the City's planned bicycle projects.

General obligation bonds typically involve an extensive approval process, including pre-ballot review by the City's Capital Planning Committee, the Mayor and Board of Supervisors' approval and approval by two-thirds of voters. The Board of Supervisors could recommend that a certain percentage of general obligation bond proceeds should be spent to fund the Bicycle Strategy; to the extent such expenditures are determined to be eligible general obligation bond expenditures.

Sales Tax Increase

Other voter approved measures could be pursued to fund the Bicycle Strategy such as a parcel tax on certain property types or an increase in the sales tax. For purposes of this report, an increase in sales tax was reviewed. The current sales tax rate in San Francisco is 8.75% which is 1.25% more than the statewide minimum sales tax rate of 7.5%. If there were an increase in the sales tax by 0.5 percentage points to 9.25% it would produce approximately \$73 million in one year, according to the Mayor's Transportation Task Force⁷. These funds could potentially be used either completely or partially to fund bicycle projects.

An increase in the sales tax requires approval by the Mayor and the City's Capital Planning Committee, two-thirds approval of the Board of Supervisors, and two-thirds approval by the voters if the tax revenues are restricted for a particular purpose, such as bicycle projects; or approval by a simple majority of voters if there is no specific spending plan. Similar to the VLF, if the latter option is taken, the revenues would be deposited in the General Fund and would be subject to allocation during the annual budget review.

Proposition K Funds Advance

Proposition K was passed by voters in 2003 and extended the existing a half-cent local sales tax (Proposition B approved in 1989) to fund transportation projects in San Francisco and approved a new 30 year Expenditure Plan identifying projects and program to be funded by the sales tax. The current sales tax rate in San Francisco is 8.75 percent, 0.5 of which is due to Proposition K.

Proposition K revenues are administered by the San Francisco County Transportation Authority (SFCTA) and must be allocated to transportation projects and programs in accordance with the voter approved Expenditure Plan, which calls for allocating approximately 1.19 percent of total revenues generated to Bicycle Circulation and Safety. Based on \$3.3 billion in projected total Proposition K revenues over the 30-year life of the program, this will produce approximately \$35 million for bicycle projects, or an average of approximately \$1.2 million per year.

The Proposition K Expenditure Plan authorizes the SFCTA to advance future Proposition K revenue in each Expenditure Plan category in the event that a project sponsor wants to deliver a project sooner

⁷ Mayor's Transportation Task Force: Draft Report, September 24, 2013.

than would occur if the funds are only allocated annually as they are generated by sales tax collections. If revenue is advanced, the recipients receive more cash up-front but have to pay financing costs, or interest, which would be taken from the advancing category's total available Proposition K funds. This additional expense would be offset by the ability to execute projects faster than would occur through the annual allocation process.

The SFCTA reports that it strives to adhere to the following tenets when considering whether to advance Proposition K funds:

- 1) Individual programs within the Expenditure Plan must retain at least 20- years' worth of funding, after accounting for debt service;
- 2) Projects and programs should not trigger debt costs higher than 10% of the overall Proposition K cap for the respective Expenditure Plan line item; and
- 3) Where feasible, non-Proposition K funds will be used first, and high priority will be given to leveraging federal, state or other local funds using Proposition K.

According to SFCTA staff, if 20 years' worth of Proposition K funds dedicated to the Bicycle Circulation and Safety category are advanced to the SFMTA evenly over the next five years, there would be approximately \$11.5 million available. If all future Proposition K funds through the end of the program in FY 2032-33 are advanced in FY 2014-15, \$10.05 million would be available for projects. If the total available to SFMTA is not advanced until FY 2018-19, then approximately \$13.1 million would be available.⁸ Advancing all funds available to SFMTA in FY 2014-15 would result in the lowest amount available due to higher financing costs which amount to approximately \$11,950,000, after adjusting for inflation. However, this would enable bicycle projects to be implemented sooner and the resulting benefits to the transposition system would also be realized sooner.

The SFCTA advises that eligible project sponsors such as SFMTA, BART and Caltrain and the Peninsula Corridor Joint Powers Board are required to work collaboratively to develop bicycle prioritization criteria and a program of projects to be funded with Proposition K revenues every four to five years as part of a regular update to the Proposition K Strategic Plan and Five Year Prioritization Programs. Should this collaborative process result in a need to advance Proposition K funds from future years, the SFCTA Board would have the sole discretion to advance funds based on Proposition K's Expenditure Plan fiscal policies, as well as past and future project delivery, decreased future local leveraging and decreased source of funds for future bicycle education and promotion.

SFCTA staff also note that bicycle improvements may also be funded from other Proposition K categories outside of the Bicycle Circulation and Safety category such as the Traffic Calming category. For purposes of this report, only the Bicycle Circulation and Safety category was reviewed.

⁸ These amounts are based on the projected total amount of Proposition K funds available in the Bike Circulation and Safety Category over 30 years (\$35 million), less what has been spent to date (\$8 million), less what has been programmed over the next five-years (\$5.01 million) and less financing costs which vary depending on the situation but range from approximately \$9 million to \$11 million.

SFMTA Revenue Bonds

On October 2, 2013, the Board of Supervisors approved the issuance and corresponding appropriation ordinance for \$150 million in SFMTA Revenue Bonds (the "Series 2013 Revenue Bonds"). The appropriation ordinance allocated \$90 million to the transit capital improvement program for transit projects, \$16 million for pedestrian projects, \$30 million for parking garage projects and \$14 million for bicycle projects. Of the \$14 million for bicycle projects, SFMTA staff has recommended programming \$6 million for Bicycle Strategy Projects and \$8 million for the Masonic Streetscape Project which was one of the projects in the 2009 Bicycle Plan.

As reported by the Budget and Legislative Analyst to the Board of Supervisors Budget and Finance Committee, SFMTA also anticipates future revenue bond issuances beyond the Series 2013 Revenue Bonds to pay for additional capital projects. SFMTA estimates \$150 million in new revenue bonds in 2016 and an estimated \$150 million in new revenue bonds in 2019, totaling \$300 million. According to Mr. Rewers of SFMTA, the Agency plans to distribute these revenue bonds proceeds across all of SFMTA's Capital Programs. However, specific expenditure plans have not been developed or approved yet for these two future bond issuances.

General Fund Support to SFMTA for Bicycle Projects

If the Board of Supervisors determines that it wants to allocate additional General Fund revenues to the SFMTA for bicycle projects over several years, it could come from the General Fund's discretionary revenues or the General Fund Reserve.

According to the Budget and Legislative Analyst's report on the Mayor's proposed FY 2013-14 budget, \$2.71 billion of the \$3.6 billion⁹ General Fund Budget is discretionary due to \$890 million being unavailable due to City Charter mandated tax set-asides, baseline transfers and General Fund reserves. The \$2.7 billion is available for appropriation to City departments and programs¹⁰.

According to Ms. Julia Friedlander, Deputy City Attorney, if the Board of Supervisors appropriates additional General Fund monies to the SFMTA beyond the "Base Amount" required by the City Charter, the Board of Supervisors can specify the purposes for which such funds can be used. The SFMTA could not use the appropriated revenues for anything other than the designated purposes; however, as with any executive branch department, the SFMTA cannot be compelled to spend appropriated revenues.

There are two ways that the Board of Supervisors could allocate additional General Fund sources to the SFMTA for bicycle projects:

- (1) *The Annual Budget Review* - This would entail the Board of Supervisors working with the Mayor's office and the Capital Planning Committee to reach agreement on the Mayor proposing and the Board of Supervisors approving an additional allocation of General Fund

⁹ The Office of the Controller reports the General Fund budget is now \$3.9 billion.

¹⁰ There may be additional restrictions on the \$2.7 billion due to federal and State matching grant requirements.

monies to the SFMTA for bicycle projects. The Board of Supervisor's could also reallocate funds to bicycle projects as part of its annual review of department budgets.

- (2) *Supplemental Appropriation* – This would allocate funding from the General Fund Reserve or any other unrestricted available source. According to the City's Administrative Code, the General Fund Reserve is intended to address revenue weaknesses, expenditure overages, or other programmatic goals not anticipated during the annual budget process. The Mayor and the Board of Supervisors may, at any time following adoption of the annual budget, appropriate monies from the General Reserve for any lawful governmental purpose through passage of a supplemental appropriation ordinance by a simple majority vote. The current balance of the General Fund Reserve is \$44,663,143.

SFMTA Operating Budget Discretionary Funds

As previously mentioned, 59 percent of the SFMTA's total \$852 million Operating Budget, or \$503 million, is discretionary and could be allocated to fund bicycle projects. In SFMTA's FY 2013-2017 CIP, the Agency allocated \$9,892,500 from the Operating Budget to the Capital Improvement Program to fund capital projects, of which \$950,000 was allocated to the Bicycle Program. SFMTA could potentially either: (1) reallocate some or all of the \$9,892,500 in Operating Budget funds that are currently being transferred to the Capital Improvement Program to the Bicycle Program specifically, at the expense of other Capital Programs or (2) SFMTA could allocate additional funds from the \$503 million in discretionary funds in the Operating Budget to the Capital Improvement Plan's Bicycle Program. This latter option would require reducing funding from other areas of the SFMTA Operating Budget. SFMTA staff note that if Operating Budget funds were made available for bicycle projects then transit services and/or other SFMTA services would be reduced.

POTENTIAL BICYCLE PROJECT FUNDING SCENARIOS FOR CONSIDERATION BY THE BOARD OF SUPERVISORS

The Budget and Legislative Analyst has developed three possible funding scenarios for filling the \$142 million funding gap needed to fully implement the Bicycle Strategy during the five year period between FYs 2014-15 and 2018-19. These scenarios are meant to provide a guide for discussion; it is assumed that policy makers, department staff, and the community may be interested in using more or less from a specific revenue source or, if contingent on voter approval, the revenue source may not become available. Amounts were selected for each scenario to ensure that the approximately \$142 million funding shortfall would be covered but without relying too heavily on any one potential funding source.

The three scenarios are configured as follows:

Scenario 1: Sources that would not require voter approval

Scenario 2: Sources that would require voter approval

Scenario 3: Combination of sources; some requiring voter approval, some not

Scenario 1: Sources Requiring Voter Approval

The scenario is comprised of 20 percent of the VLF's estimated annual revenues over four-years, 5.1 percent of general obligation bond proceeds and 20 percent of a .5 percent increase in sales tax over four-years.¹¹ This assumes that the VLF and increase in sales tax are approved on the November 2014 ballot.

Exhibit: 15: Scenario 1 – Revenue sources requiring voter approval							
		Revenue Available for Bicycle Projects					
Revenue Sources	Annual Estimated Amount Generated by this Revenue Source	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	Total
Vehicle License Fee	72,800,000		14,560,000	14,560,000	14,560,000	14,560,000	58,240,000
General Obligation Bonds	500,000,000	25,500,000					25,500,000
0.5% Increase in Sales Tax	73,000,000		14,600,000	14,600,000	14,600,000	14,600,000	58,400,000
TOTAL		25,500,000	29,160,000	29,160,000	29,160,000	29,160,000	142,140,000

Source: Budget & Legislative Analyst's Office

¹¹ This assumes that the increase in the VLF and sales tax is approved during November 2014 and revenues are collected in FY 2015-16.

Scenario 2: Sources Not Requiring Voter Approval

This scenario is composed of the \$8,000,000 of advanced Proposition K funds, 36 percent of future 2016 SFMTA Revenue Bonds, 36 percent of future 2019 SFMTA Revenue Bonds, 0.8 percent of SFMTA's discretionary Operating Budget each year over a five-year period, and .11 percent of the General Fund's discretionary funds each year over a five-year period.

Exhibit 16: Scenario 2 - Revenue sources that would not require voter approval							
Revenue Sources	Annual Estimated Amount Generated by this Revenue Source	Revenue Available for Bicycle Projects					
		FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	Total
Proposition K Fund Advance	11,450,000	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000	8,000,000
2016 SFMTA Revenue Bonds	150,000,000		54,000,000				54,000,000
2019 SFMTA Revenue Bonds	150,000,000					54,000,000	54,000,000
SFMTA Operating Budget Discretionary Revenue	278,500,000	2,228,000	2,228,000	2,228,000	2,228,000	2,228,000	11,140,000
General Fund Allocation Discretionary Funds	2,710,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	15,000,000
TOTAL		6,828,000	63,828,000	6,828,000	6,828,000	63,828,000	142,140,000

Source: Budget & Legislative Analyst's Office

Scenario 3: Combination of Sources both Requiring and Not Requiring Voter Approval

This scenario includes a combination of the sources presented in Scenarios 1 and 2, some of which would require voter approval and some of which would not. The approximately \$142 million in funding needed over five years to cover the full \$171 million in funding to execute the Bicycle Strategy is composed of 12 percent of the VLF's estimated annual revenues over four-years, 2.5 percent of general obligation bond proceeds, 12 percent of a .5 percent increase in sales tax over four-years assuming that the VLF and increase in sales tax are on the November 2014 ballot. It also contains \$2 million advanced Proposition K funds, 15.5 percent of future 2016 SFMTA revenue bonds, 15.5 percent of future 2019

SFMTA Revenue Bonds, 0.3 percent of SFMTA’s discretionary Operating Budget each year over a five-year period, and .07 percent of the General Fund’s discretionary funds each year over a five-year period.

Exhibit 17: Scenario 3 – A combination, with some revenues requiring voter approval and some not requiring voter approval							
Revenue Sources	Annual Estimated Amount Generated by this Revenue Source	Revenue Available for Bicycle Projects					
		FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	Total
Vehicle License Fee	72,800,000		8,736,000	8,736,000	8,736,000	8,736,000	34,944,000
General Obligation Bonds	500,000,000	12,500,000					12,500,000
0.5% Increase in Sales Tax	73,000,000		8,760,000	8,760,000	8,760,000	8,760,000	35,040,000
Proposition K Fund Advance	11,450,000	1,000,000	500,000	500,000			2,000,000
2016 SFMTA Revenue Bonds	150,000,000	23,250,000					23,250,000
2019 SFMTA Revenue Bonds	150,000,000					23,250,000	23,250,000
SFMTA Operating Budget Discretionary Revenue	278,500,000	835,500	835,500	835,500	835,500	835,500	1,671,000
General Fund Allocation Discretionary Funds	2,710,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	10,000,000
TOTAL		39,155,500	20,831,500	20,831,500	20,331,500	43,431,500	142,655,000

Source: Budget & Legislative Analyst’s Office

The Mayor’s Mayors Transportation Task Force also includes the majority of the aforementioned potential funding sources into their recommendations for funding the City’s transportation needs over the next 15 years. The Mayor’s Transportation Task Force is an advisory body consisting of Supervisors, San Francisco Department Staff, and community and business representatives tasked by the Mayor to

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develop a set of priorities and recommendations for funding the City's transportation infrastructure through 2030.

The Task Force's recommendations fund 83 percent of the Strategic Plan Scenario of the Bicycle Strategy as well as additional expansion elements noted in the Full-System Build Out Scenario over a 15 year period. Mr. Rewers, a member of the Task Force, advised that the Bicycle Strategy projects in the Task Force's proposed investment plan may be funded sooner than 15 years from now depending on when funding is secured. The three scenarios presented by the Budget and Legislative Analyst above are distinguished from the Mayor's Transportation Task Force recommendations in that they assume that 100 percent of the Strategic Plan Scenario from the Bicycle Strategy would be funded over a more accelerated five year time frame.

SFMTA's Implementation of the Bicycle Strategy

As of the writing of this report, the SFMTA reports it has completed 47 of the 60 near term bicycle projects identified in the 2009 Bicycle Plan. The remaining 13 projects are either under construction, in the planning and design phase, are temporarily suspended or are being replaced by a longer term project. The Strategic Plan Scenario of the Bicycle Strategy budgets \$25 million for the completion of the 2009 Bicycle Plan shown in Exhibit 4. As noted by SFMTA staff, the next phase of bicycle improvements envisioned in the Bicycle Strategy are more complex and will likely require greater levels of interagency and intra-agency coordination, public outreach and additional funding. To prepare for the next generation of bicycle projects, it is imperative that the SFMTA's project planning and delivery process is operating efficiently and delivering projects on-time and on-budget.

In 2011, the Office of the Controller, City Services Auditor conducted an audit of the SFMTA Sustainable Streets Division, which is responsible for implementation of the Bicycle Strategy, and identified several opportunities where the Division could improve the management and delivery of their projects. The current status of implementing these audit findings are summarized in Exhibit 18.

As can be seen, only one of the five recommendations have been fully implemented: the recommendation that the Sustainable Streets Division determine if it could use the project management software that the Capital Projects and Construction Division was procuring at the time. The two recommendations partially implemented are: (1) the Traffic Paint Shop should devise a plan to reduce their project backlog and (2) the Sustainable Streets Division should revise its performance metrics. Two of the recommendations have not been implemented due to the time needed for project management software implementation, according to SFMTA staff.

Exhibit 18: Sustainable Streets Division Audit: Project Implementation Recommendations				
	Finding	Consequences	Recommendation	Current Status
1.	SSD lacks a uniform tool that would allow it to more effectively track and report the status of its projects ensuring projects are on budget and on schedule.	SSD and SFMTA management is at a disadvantage in ensuring that projects are running smoothly and knowing when they are not.	SSD should work with SFMTA's Capital Projects and Construction Division to see if the Sustainable Streets Division can use the project management software that the Capital Projects and Construction Division is now procuring.	COMPLETED SFMTA's Capital Projects and Construction Division recently completed the integration of the Capital Project Control System (CPCS), project management software that allows the Division to track capital project budgeting, financing, contractor payments, project design, construction scheduling and claims management. On September 17, 2013, the SFMTA Board authorized a contract to expand the CPCS to assist the SSD.
2.	SSD project managers do not track the status of their projects as effectively as they should. Project managers do not track or report project information uniformly.	Inhibit the ability of SFMTA and SSD's senior managers to effectively manage projects and increases the risk for project delays, budget overruns, increased project costs due to delays, lack of accountability for projects, loss of grant funds from funding agencies for projects due to missed deadlines.	SSD should use project management to uniformly report on project data such as staff assigned, scope of work, original budget, revised budget, actual cost to date, original and revised schedule (milestone dates), actual milestone completion dates, and percentage of project complete.	NOT COMPLETED The contract term for the CPSC began October 1, 2013 and ends June 20, 2015 which means the system may not be active for another year and eight months. In the interim, the SSD is using a software system called the Capital Resource Information System (CRIS) to track projects' original budgets and actual expenditures. Revised budgets, staff assigned, original and revised schedule (milestone dates), actual milestone completion dates, and percentage of project complete are still not centrally tracked.
3.	There is no operations manual for managing SSD's projects.	An operations manual sets out clear duties and responsibilities for staff. The lack of an operations manual makes the success of a project dependent on the management and monitoring methods that each project manager chooses to use (or not use).	Develop an operations manual for projects that details staff duties and responsibilities, including the reporting of project status.	NOT COMPLETED SFMTA is in the process of internally developing an operations manual that will complement the CPCS system which is underdevelopment.

	Finding	Consequences	Recommendation	Current Status
4.	The Traffic Paint Shop cannot promptly fulfill all of the work requested resulting in a four- to six-month backlog.	Implementation of projects requiring paint (such as bike lanes) is delayed.	Make a plan to address the Traffic Paint Shop's backlog of work.	PARTIALLY COMPLETED See Exhibit 19 below
5.	Performance measures for the Livable Streets Subdivision's bicycle projects have not been developed	SFMTA cannot evaluate the efficiency, productivity or effectiveness of its Bicycle Program.	Ensure that its measures fully reflect its mission, goals, and objectives, and all areas of its work.	PARTIALLY COMPLETED SFMTA revised their performance measures to reflect the goals outlined in SFMTA's FY 12/13-17/18 Strategic Plan including; number of secure bicycle parking spaces are tracked and overall customer satisfaction with the bicycle network. The performance measure: <i>Percentage of all capital projects delivered on-time and on-budget</i> will not be tracked until implementation of the CPCS. SSD reports that number of sharrows and miles of bike improvements are also tracked but not officially reported.

Source: Budget & Legislative Analyst's Office based on data provided by the SFMTA

The Traffic Paint Shop, located under SSD's Field Operations subdivision, installs, modifies and maintains the City's pavement markings, which include traffic lane lines, crosswalks, bicycle lanes, colored curbs, reflective bumps and messages in the street such as bicycle sharrows. As reported in the Controller's audit and referenced in Exhibit 18, the Traffic Paint Shop was found not able to promptly fulfill all of the work requested resulting in a backlog of projects that delay project implementation including bicycle improvement projects. The Traffic Paint Shop has developed the plan summarized in Exhibit 19 to address the issues that have caused the backlog. These solutions have not been completely implemented as of the writing of this report.

Exhibit 19: SFMTA Traffic Paint Shop's Plan to Reduce Backlog	
Action	Results
Hire a Traffic Paint Shop Manager position that was vacant since April of 2011.	Position filled in June, 2012. However, the position has become vacant and is scheduled for agency recruitment efforts again this year.
Hire 5 Temporary Exempt Painters to catch up with the backlog.	Completed in 2012.
Purchase 2 new traffic striping trucks for use by new Temporary-Exempt staff.	Completed in 2012.
Implement new SHOPS database to enable Paint Shop to manage work logs and produce reports.	This system is currently being tested by the Traffic Sign Shop and will go live in November, 2013. It may be expanded to the Traffic Paint Shop in 2014 if funds are available.
Develop a Paint Review Committee (PRC) together SSD Engineering teams and the Traffic Paint Shop to review and prioritize outstanding work logs.	The PRC has met monthly throughout 2013 and has successfully resolved many previously outstanding work logs. SSD's Engineering teams are now more actively involved in resolving and tracking outstanding logs. The average resolution completion rate is 16.4% per month.

Source: SFMTA Traffic Paint Shop

The Traffic Paint Shop reports that as of September 2013, it completed 30.9% of its backlog dating back to 2010. The total backlog in January 2013 was 394 work logs which have decreased by 245, to 149 work logs. The Traffic Paint Shop should prioritize filling the Traffic Paint Shop Manager Position and funds should be identified to expand the SHOPS database to the Paint Shop to better manage their workload.

Staff Implementation

The Livable Streets subdivision of SFMTA's Sustainable Streets Division currently has 37 engineers and planners to plan, design, and manage pedestrian, bicycle, traffic calming and school projects including \$7 million worth of bicycle projects each year; \$7 million is the annual average allocation for the Bicycle Program in the FY 2013-2017 Capital Improvement Program.¹² On average, the \$191 million Strategic Plan Scenario amounts to \$38.2 million a year, over a five year period which is a 446% increase in the Bicycle Program's budget per year, over a five year period. Additional labor and/or contractors will be needed to implement the amount of projects that this level of funding assumes.¹³

It is difficult to determine the amount of additional labor that would be needed to implement the Strategic Plan Scenario because the projects have not been selected or scoped. Ms. Bridget Smith, Deputy Director of Livable Streets within SFMTA's Sustainable Streets Division, estimates that the Livable Streets subdivision would need roughly 15-20 additional planners and engineers on top of the

¹² Staff count is from September 2013 and includes one Public Relations Officer.

¹³ This assumes that 15% of the \$191 million Strategic Plan Scenario budget will be for planning and design and the remainder for construction.

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current 37 engineers and planners to perform the work that this level of investment assumes by 2018.¹⁴ Furthermore, additional labor will be needed to implement the bicycle projects from SFMTA's support units and DPW. Depending on their complexity and cost, implementation of bicycle projects is either performed by (a) SFMTA's internal Traffic Signal, Sign or Paint Shops; or (b) DPW who performs the work in-house or contracts the work out.

Currently, SFMTA's Capital Grants and Budgeting subdivision within the Finance and Information Technology Division is conducting a staffing analysis to determine the level of staffing required to deliver the projects in the CIP. Results from this study, to be completed in late February, should guide SFMTA to determine necessary staffing levels to support the CIP.

Recommendations for Bicycle Project Implementation

The Budget and Legislative Analyst has prepared the following recommendation for consideration by the Board of Supervisors.

The Board of Supervisors should urge SFMTA to:

1. Reduce bicycle project backlogs by hiring a Traffic Paint Shop Manager in the next six months and allocating funding to the Traffic Paint Shop so it can improve its project management database and tools.
2. Develop a standardized, simple tracking document to be updated monthly for Sustainable Streets Division project managers to track original budgets, actual expenditures, revised budgets, staff assigned, original and revised schedules, planned and actual milestone dates, and percentage of project completion for each bicycle project until the new Capital Project Control System (CPCS) system goes live, at which point this data could be integrated into the completed CPCS system.

The Board of Supervisors should request that SFMTA:

3. Report to the Board of Supervisors every six months on the progress of the first two recommendations and include the status of each bicycle project with the project information detailed in the recommendation as well original and actual budgets.
4. Report back to the Board of Supervisors and the SFMTA Board of Directors on the findings of the staffing analysis currently underway to support the SFMTA's Capital Improvement Program.
5. Develop and report back to the Board of Supervisors on an implementation plan with the Department of Public Works within six months of the selection and approval of bicycle projects by the SFMTA Board of Directors. The plan should include, but not be limited to, each project or

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project phase's schedule and budget, whether there is a need for interagency coordination and the plan for addressing it, the level of community outreach that will be needed based on similar projects and the level of staffing required to deliver these projects.

The Board of Supervisors should:

6. Establish a follow up process for the Board of Supervisors to consider the costs and benefits of the Budget and Legislative Analyst's three alternative funding scenarios presented in this report, or other alternatives, incorporating input from SFMTA and other stakeholders.