MINUTES
SPECIAL MEETING

CITY COUNCIL
CITY OF SOUTH SAN FRANCISCO

Meeting to be held at:
MUNICIPAL SERVICES BUILDING
COUNCIL CHAMBERS
33 ARROYO DRIVE
SOUTH SAN FRANCISCO, CA

WEDNESDAY, FEBRUARY 27, 2019
6:00 p.m.

CALL TO ORDER — 6:02 p.m.

ROLL CALL — Present: Councilmembers Addiego, Nagales, and Nicolas, Vice Mayor Garbarino, Mayor Matsumoto.

AGENDA REVIEW

None.

PUBLIC COMMENTS – comments are limited to items on the Special Meeting Agenda.

None.

ADMINISTRATIVE BUSINESS

1. Study Session to present opportunities for a Community Facility District (CFD) financing strategy for the East of Highway 101 Area. (Mike Futrell, City Manager)

City Manager Futrell presented the Industrial Area Community Facilities District (CFD) proposal with financing strategies to solve the East of Highway 101 area Mobility Challenge by 2020. He reported that the San Francisco Bay Area has experienced unparalleled economic success since the end of the Great Recession. With approximately 660,000 created in the region since 2010, and the unemployment rate in San Mateo County as of December 2018, was at 2%, reflective of the robust economy. South San Francisco and its residents have benefited from the economic success in the form of greater job opportunities, increased home values and the elimination of blighted sites in the city, replaced by modern buildings.

He indicated that the economic growth has affected traffic in South San Francisco due to the growing number of jobs and associated commuters. Much of the increased traffic is associated with growth in the City's biotechnology and industrial area, centered along Highway 101 and East of Highway 101 (E101 Area.) To understand traffic patterns and the impact of future economic growth, the City began developing a new ***E101 Area Traffic Master Plan***. The City will develop a new master traffic plan for areas West of Highway 101 in 2019. Once complete, both traffic master plans will become part of the new General Plan for South San Francisco.

The E101 Area is an international hub for the biotechnology industry as well as a regional center for industry, logistics, and travel. Presently, the E101 Area serves approximately 28,000 employees across 21 million square feet of office/R&D, industrial, commercial, and hotel uses. Office/R&D and industrial space is in very high demand, with vacancy rates under five percent. Over the next two decades, the City expects to add over 13 million square feet of mostly office and R&D space in the E101 Area, doubling its daytime population to up to 55,000 employees. Approximately half of this growth has been approved or under construction and most will be office/R&D uses along with new hotels, retail, and employer amenities.

He provided an overview of the E101 challenges in accommodating expected growth such as Regional congestion on US-101, 280, 380; Limited road access into the district via Oyster Point Blvd, Grand Avenue, Produce Avenue or South Airport Blvd; Physical barriers created by US-101, the Caltrain Corridor and the San Francisco Bay; and future environmental concerns related to wetlands and sea level rise.

City Manager Futrell stated that the City hired the firm of Fehr & Peers, well-qualified transportation experts, to develop the master traffic plan for the East of Highway 101 area. Fehr & Peers held multiple public meetings to gain information, feedback and ideas; studied existing travel patterns, roadway congestion, bicycle and pedestrian gaps; and evaluated the transit service within the E101 Area. Fehr & Peers then studied and projected future growth in the E101 Area, modeled that growth in light of existing transportation conditions, and concluded continued growth will increase the stresses on the City's transportation systems to an unacceptable level.

In light of the conclusion that continued growth would negatively affect transportation systems, Fehr & Peers explored and modeled possible improvements to transportation. What emerged were five initiatives, which, if successfully implemented, would improve transportation to an acceptable level even with the projected future growth. The Fehr & Peers study is known as ***Mobility 2020***. Mobility 2020 identifies major capital and operating investments for the E101 Area, which improves the transportation system; however, the plan requires an investment of approximately $356 million for construction, and an annual operating revenue stream of approximately $7 million for operation and maintenance. There are insufficient local, regional, state, or federal funds available to cover the cost of the needed improvements, requiring that City Staff look to other solutions to fund the needed improvements.

He indicated that city staff, in conjunction with many companies in the E101 Area, have explored the establishment of a Mello- Roos Community Facilities District (CFD) as a means to raise needed funding. Pursuant to the Mello-Roos Community Facilities Act of 1982 ("Mello-Roos Act"), a CFD is a defined geographic area in which the City is authorized to levy annual special taxes to be used to either finance directly the costs of specified public improvements and/or public services, or to pay debt service on bonds issued to finance the public improvements, as well as to pay costs of administering the CFD and for maintenance and operation of assets acquired through the CFD. The formation of the CFD requires consent of 66.7% or more of the affected landowners.

Essentially, upon formation of a CFD, businesses in the E101 Area would pay a special tax rate of $1.00 per building square foot per year, for a 30-year term, with those funds going towards improving transportation in the E101 Area. Discussion of the CFD formation process and costs/benefits was the focus of the study session, with city staff seeking Council's guidance and direction to continue pursuing a CFD as a means to finance transportation improvements.

He indicated that without any improvements, the E101 Area would experience extended peak period congestion and diminished regional competitiveness in the future. With its current infrastructure and services, the E101 Area can theoretically absorb approximately 10,000 new employees – equivalent to the amount of development currently under construction. However, the growth (and any growth beyond it) will result in worsening congestion along key corridors such as Oyster Point Boulevard and East Grand Avenue. Recent traffic studies suggest that sixteen E101 Area intersections would operationally break down if all projected growth materializes by 2040.

New roadway capacity and reduced solo driving is necessary to maintain an efficient and effective transportation network in the E101 Area given future growth. This would require new street connections, stronger Transportation Demand Management (TDM) programs, transit service expansions, and walking/bicycling investments. The Mobility 2020 study focuses on five major projects within the E101 Area to enhance access and provide viable options to travel to and from work while reducing delay. Combined, these projects are intended to increase roadway throughput capacity by approximately 20-30 percent and support a reduction in drive alone trips to 60 percent of all commute trips. These projects will also improve traffic West of Highway 101 by reducing the number of cars commuting through South San Francisco in route to major job centers East of Highway 101. The five recommended initiatives include:

1. Utah Avenue Interchange with US-101
   a. Description: Extends Utah Avenue from South Airport Boulevard to San Mateo Avenue with a new southbound onramp and off-ramp.
   b. Cost Estimate - $100M
   c. Mobility Improvement: Provides a new east-west crossing of US-101 and a more direct path to the US-101 southbound onramp, alleviating a bottleneck at South Airport Boulevard/Produce Avenue intersection. Enables traffic to bypass East Grand Avenue and helps maximize underutilized capacity of Utah Avenue.
   d. Status: This project is on the State Transportation Improvement Program (STIP) and is currently in design utilizing a $3.8 million grant from the Metropolitan Transportation Commission (MTC). This Caltran supported project will finish design in early 2020, and then move into the environmental phase, costing an additional $4 million and lasting approximately 24 months. If placed on the fast track, this project could start construction in 2023 and open in 2025, pending funding. This project is also on the list of projects associated with the recently passed Measure W sales tax measure. Being on the STIP and the Measure W list, this project is eligible for funding from multiple sources.

2. I-380 Connector to Haskins Way/Littlefield Avenue
   a. Description: Connects I-380/North Access Road directly to the E101 Area via either Haskins Way or Littlefield Avenue
   b. Cost Estimate - $130M
   c. Mobility Improvement: Provides direct connection to I-380, US-101, and I-280 via presently underutilized freeway stub. Enables traffic to travel I-280 to I-380, then directly into the E101 Area, bypassing US-101 completely.
   d. Status: This project is in the South San Francisco FY18-19 CIP project for conceptual design. This project is also on the list of projects associated with the recently passed Measure W sales tax measure.

3. Grand Avenue/US-101 Northbound Off-ramp Flyover
   a. Description: Realigns northbound US-101 off-ramp to Grand Avenue by routing traffic above the new Caltrain Station. Figure 8 shows the current and proposed road alignment. Figure 9 is a rendering of the eastern Caltrain Plaza with the Off-Ramp Flyover in place.
   b. Cost Estimate - $35M
   c. Mobility Improvement: Removes barrier to accessing Caltrain station and supports more efficient connection to Grand Avenue for eastbound and westbound off-ramp traffic.
   d. Status: This project is in conceptual design.

4. Street Operations, Safety, and Active Transportation Improvements
   a. Description: Modernizes street infrastructure to provide more efficient intersection operations, on-street bus stops, bicycle and pedestrian improvements, and new trail connections, creating safer links to Caltrain, Ferry Terminal and BART. See Figure 10 for a visual summary of projects. Below is a summary of project areas and cost estimates:

Street Corridor Operations & Safety	**$**	**71,100,000**
Forbes Blvd	*$*	*4,200,000*
Gateway Boulevard	*$*	*2,900,000*
Grand Ave	*$*	*21,800,000*
Gull Drive	*$*	*6,000,000*
Oyster Point Boulevard	*$*	*7,100,000*
South Airport Boulevard	*$*	*14,100,000*
Other Internal Street Operations TBD	*$*	*15,000,000*
Bicycle & Pedestran Access to Transit	**$**	**20,000,000**
Caltrain Trail Connections	$	7,100,000
BART/Centennial Trail Connections	$	12,900,000

   b. Cost Estimate - $91M
   c. Mobility Improvement: Supports improved circulation within E101 Area and enhanced connections to transit, Bay Trail, and Centennial Trail.
   d. Status: In planning.

5. Increase in Commuter Shuttles
   a. Description: The City is well served by transit – two nearby BART stations, Caltrain Station and Ferry Terminal – but cannot effectively use these assets due to the severe lack of "last mile" commuter shuttles. Increasing the number of shuttles, and operation and maintenance of same, is required to reduce the number of employees driving to work.
   b. Cost Estimate - Purchase shuttles, plus $6 million per year for operation and maintenance.
   c. Mobility Improvement: Maximizes ridership to promote a mode shift to transit.
   d. Status: In design.

City Manager Futrell stated that the Five Point Solutions would enable the East of 101 Area's transportation system to keep pace with growing demand. The improvements would help expand the Area's peak period street capacity by approximately 20-30 percent and support a quadrupling of transit and bicycle ridership. These solutions would also provide ancillary benefits to the areas West of Highway 101. More transit users equate to fewer commuters driving to work, equating to fewer cars on major arterials such as Westborough Boulevard, Hillside Boulevard and Sister Cities Boulevard. Construction of the I-380/Littlefield Flyover allows vehicles to bypass South San Francisco all together, travelling to work via I-280 to I-380 and directly into the industrial area East of Highway 101.

He stated that the East of 101 Traffic Impact Fee was established in 200, and updated in 2005 Resolution #101-2005, and in 2007 Resolution #84-2007. The East of 101 Traffic Impact fee funds traffic improvements that help mitigate increased traffic generated from new developments in the East of 101 Area. The fee is paid as part of the building permit issuance by developers of new projects. Each land use category has a different generated fee paid per square foot. Commercial use has the highest fee, followed by Office/R&D, hotels, and industrial. Completed East of 101 Traffic Impact Fee funded projects include adding additional Northbound US 101 exit lanes on South Airport Boulevard and Grand Avenue; adding additional turn lanes on Dubuque and Oyster Point Boulevard; and improving the Utah Avenue and South Airport Boulevard intersection.

In the fiscal year 2018-19 Capital Improvement Program, the East of 101 Traffic Impact Fee is funding the design of intersection improvements at East Grand Avenue and Gateway Boulevard and Oyster Point Boulevard at Gateway Boulevard and Veterans Boulevard. A total of $3,729,452 is allocated for these projects, leaving a current unallocated balance in the East of 101 Traffic Impact Fee fund of $12,127,761. Receipts into the East of 101 Traffic Impact Fee fund over the past five years are shown below:

- FY13-14: $1,886,962
- FY 14-15: $1,411,850
- FY 15-16: $1,637,445
- FY 16-17: $ 109,867
- FY 17-18: $5,698,648

He indicated that the revenue generated by the East of 101 Traffic Impact Fee was not adequate to address the five recommended solutions in Mobility 2020. He stated that numerous CFDs have formed in the Bay Area. For example, the City of San Mateo formed a CFD in the Bay Meadows project, and the City of Redwood City formed a CFD around the One Marina project, both to fund public infrastructure.

He presented Council with the proposed IA-CFD boundaries, which included all non-residential parcels in the East of 101 Area, plus certain non- residential parcels extending to San Mateo Avenue and Airport Blvd, located to the west of Highway 101. In total, the IA-CFD would be comprised of approximately 493 taxable parcels with 348 unique property owners, made up of a total land area of 1,124 acres containing approximately 20 million building square feet. He noted that publicly owned parcels would be excluded from the proposed IA-CFD area.

Councilmember Addiego praised City Manager Futrell for his vision and thanked him for his thorough presentation. He requested a study session due to discuss potential impact of the proposed project.

City Manager Futrell stated that a study session would be scheduled for Council to discuss the proposed CFD.

2. Report regarding an overview of City's progress towards meeting September 2019 deadline for Green Infrastructure Plan in accordance with requirements of the Municipal Regional Permit. (Matthew Ruble, Senior Civil Engineer, Keith Lichten from Regional Water Quality Control Board)

Senior Civil Engineer, Matthew Ruble introduced Keith Lichten with the Regional Water Quality Control Board who provided Council with an overview of the City's progress towards the SSF Green Infrastructure Plan and provided an overview of the Clean Water Act and the National Pollutant Discharge Elimination Systems (NPDES) stormwater program. He stated that the San Francisco Bay Regional Water Quality Control Board's Municipal Regional Permit (MRP) regulates pollutants in stormwater runoff from municipal storm drain systems throughout San Mateo, Santa Clara, Alameda, and Contra Costa Counties. Provision C.3.j of the MRP requires each jurisdiction subject to the MRP, including City of South San Francisco, to develop a Green Infrastructure Plan that demonstrates how each permittee will gradually shift from traditional "gray" storm drain infrastructure-which channels polluted runoff directly into receiving waters without treatment-to a more resilient and sustainable storm drain system comprised of "green" infrastructure, which captures, stores and treats stormwater using specially designed landscape systems.

Mr. Lichten stated that in addition to managing runoff in a more sustainable fashion, the Green Infrastructure Plans must be designed to collectively achieve specific reductions in mercury and polychlorinated biphenyls (PCBs) in stormwater runoff by 2020 and 2040, per Provisions C.11 and C.12 in the MRP. The City of South San Francisco's Green Infrastructure Plan must be developed and submitted to the Water Board by September of 2019. The City is currently working on updating conditions of approval for private development to encourage greener infrastructure. In addition, the City received $9.5 million dollars in grant funding from Caltrans to design a regional green infrastructure project at Orange Park. He indicated that while the short-term costs to develop a Green Infrastructure Plan are known and were presented in 2017 with a work plan, the potential long-term costs to retrofit existing urbanized areas with green infrastructure at levels necessary to achieve the required pollutant load reductions may be significant.

Schaaf & Wheeler consultants provided an overview of the pre-urban development indicating that green infrastructure projects are specifically designed to help maintain a balance of natural drainage systems by capturing, slowing, and absorbing stormwater, as well as filtering pollutants such as mercury and PCBs. Green infrastructure such as green streets, bioswales, permeable surfaces, green parking lots, rain harvesting systems, and green roofs helps increase the time it takes stormwater to runoff to flow downstream having the capability to decrease flooding, reduce erosive forces of water, as well as filtering pollutants. Green stormwater infrastructure provides amenities with many benefits beyond water quality improvement and groundwater replenishment, including creation of attractive streetscapes, reduction of heat island effect, bicycle and pedestrian accessibility, clean air, climate change resilience and mitigation, place making and community cohesion, energy savings,

higher property values, and enhanced flood protection. The City of South San Francisco has green infrastructure projects, created as part of the C3 requirement for private developments, the Orange Memorial Park Regional Project, and Safe Routes to School grants (safer street crossings). Staff will continue to participate in the C/CAG Green Infrastructure Committee meetings and will bring the draft GI Plan to Council for adoption summer of 2019.

Mayor Matsumoto inquired about the City's efforts to implement Green Infrastructure (GI) elements with new developments and the City's Community Civic Campus. The City of South San Francisco implemented Green Infrastructure elements and is in the process of reviewing GI elements for the Community Civic Campus. She inquired about trash enforcement on Caltrans property.

Mr. Lichten stated that the San Francisco Bay Regional Water Quality Control Board issued an enforcement order that requires Caltrans to comply with trash control from at least 1/3 of Bay Area right of way (approximately 9,000 acres) within the next seven years. As a result, Caltrans has committed $400 million dollars towards trash control and will be seeking partnerships with Bay Area cities to fund cooperative projects to help cities advance clean water goals.

Councilmember Addiego indicated that the city has requested partnerships with Caltrans to address trash on local roadways and thanked Mr. Lichten for his efforts in addressing trash control and pursuing enforcement.

ADJOURNMENT

Being no further business, Mayor Matsumoto adjourned the meeting at 7:01 p.m.

Respectfully submitted by:

Rosa Govea Acosta

Rosa Govea Acosta, CMC, CPMC
City Clerk

Approved by:

Karyl Matsumoto
Mayor

Approved by the City Council: ____/____/____