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Thomas N. Lippe
Brian Gaffney
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February 5, 2013

Roberta Boomer
Secretary to the Board of Directors
San Francisco Municipal Transportation Agency
One South Van Ness Avenue, 7th Floor
San Francisco, CA 94103

Jonas P. Ionin
Acting Commission Secretary
San Francisco Planning Commission
1650 Mission Street, Suite 400
San Francisco, CA 94103-2414

Angela Calvillo
Clerk of the Board
San Francisco Board of Supervisors
1 Dr. Carlton B. Goodlett Place
City Hall, Room 244
San Francisco, Ca. 94102-4689

Re: Central Subway Project: Use of the Pagoda Theater Parcel to remove the TBM machines.

Dear Chairman Nolan and Members of the SFMTA Board of Directors;
President Fong and Members of the San Francisco Planning Commission; and
President Chiu and Members of the San Francisco Board of Supervisors:

This office represents Howard Wong and SaveMuni.com with respect to the construction of the Central Subway Project. I am writing on their behalf to submit comments on:

(1) The SFMTA's current proposal to alter the alignment and terminus of the subway tunnels north of the Chinatown Station to change the tunnel boring machine (TBM) extraction location from Columbus Avenue between Union and Powell streets to the Pagoda Theater parcel at 1731-1741 Powell St.

(2) The current proposal before the Planning Commission to grant Conditional Use Application No. 2013.0050C to the Pagoda Theater property; and to recommend to the Board of Supervisors that it amend Zoning Map Sheet HT01 to reclassify the Pagoda Theater property from the 40-X Height and Bulk District to the 55-X Height and Bulk District; and to recommend to the Board of Supervisors that it adopt the "Central Subway

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Tunnel Boring Machine Extraction Site Special Use District” for the Pagoda Theater property.

(3) The current proposal before the Board of Supervisors to amend Zoning Map Sheet HT01 to reclassify the Pagoda Theater property from the 40-X Height and Bulk District to the 55-X Height and Bulk District; and to adopt the “Central Subway Tunnel Boring Machine Extraction Site Special Use District” for the Pagoda Theater property.

I also write to object to all of the above proposed decisions on the grounds set forth in this letter. Whether viewed as a change to the previously approved Pagoda Theater project or to the previously approved Central Subway project, all of the above proposed decisions will violate the California Environmental Quality Act (CEQA) unless preceded by the preparation and certification of a Subsequent or Supplemental Environmental Impact Report.

1. A Subsequent or Supplemental EIR is required to assess the environmental impacts of altering the alignment and terminus of the subway tunnels north of the Chinatown Station to change the TBM extraction location from Columbus Avenue to the Pagoda Theater parcel.

The 2008 Final Supplemental Environmental Impact Report (“2008 FSEIR”) for the Central Subway Project included a proposal to excavate two tunnels from the proposed Chinatown Station (i.e., the purported terminus of Central Subway service) approximately 2000 feet further to Washington Square. (2008 FSEIR, pp. p. 2-33 - 2-34; 10-16.)

As explained in the letter dated February 4, 2013 from Lawrence B. Karp, the soil in the area of both the Columbus Avenue extraction site and in the Pagoda Theater parcel is sandy and saturated with groundwater. (Mr. Karp’s letter is attached as Exhibit 1 to this letter.) As a result, either site used for extracting the TBMs must be dewatered in order to safely shore the excavation. Dewatering the Columbus Avenue extraction site will not cause the same environmental impacts as dewatering the Pagoda Theater extraction site because the former does not have any buildings that would sink due the loss of support caused by dewatering. The Pagoda Theater site, however, is surrounded by buildings, including a number of recognized historic resources, that are in close proximity to the proposed excavation and are, therefore, likely to sink due to loss of support caused by dewatering.

This is a new significant geologic impact that the 2008 FSEIR neither identified or described. Also, the January 31, 2013 Addendum prepared by the City’s Environmental Review Officer fails to discuss this new significant environmental impact. Instead, the Addendum merely recites the continued applicability of mitigation measures that the SFMTA adopted to reduce other types of geologic impacts. For example, the Addendum states:

The 2008 SEIS/SEIR recognized the potential for settlement of geologic materials

during construction of the Central Subway. Design-level geotechnical analysis conducted as part of the project considers the potential for settlement and identifies construction methods to minimize it as appropriate given the soil conditions in applicable locations along the alignment. The 2008 SEIS/SEIR includes mitigation to minimize settlement through monitoring of movement and sequential support for excavation as necessary (through use of ground improvement techniques such as jet grouting or underpinning) (see Mitigation Measures, p. 57). This mitigation measure would be applicable to the proposed extension of the tunnel and construction of the retrieval shaft, and no new significant impact would occur.

(Addendum, p. 51.)

However, there is no evidence that the environmental review for the project ever considered whether this mitigation measure would be effective to reduce ground subsidence and building settlement caused by dewatering in the specific location now proposed for removal of the TBMs. Indeed, the 2008 FSEIR based its finding of “no significant impacts” on these buildings on their “distance” from the Columbus Avenue extraction site stating:

Under the North Beach Construction Variant, an extraction shaft would be located in the middle lanes of Columbus Avenue at the north end of the alignment to allow for removal of the Tunnel Boring Machine (TBM). ... Of the properties in the impact area, Washington Square Park and the associated Washington Square Park Triangle are the only resources in close proximity to the extraction shaft. Washington Square Park is listed as locally significant -- both individually as San Francisco's Landmark No. 226, and as a contributor to a proposed historic district. There would be no vibration impacts to the park and visual impacts would be limited to the duration of construction and would not substantially impact park use or historic integrity. Five additional properties, considered contributors to the proposed Washington Square Historic District, are located within 200 feet of the extraction shaft. The buildings include 1636-1656 Powell Street, 575-579 Columbus Street, 1731-1741 Powell Street, 1717-1719 Powell Street, and 1701-1711 Powell Street. Because of the distances from the extraction shaft and the temporary nature of construction activity, there would not be vibration impacts to any of the historic buildings.

(2008 FSEIR, p. 6-77 and 6-78.)

The new location eliminates most of that “distance.” Therefore, the City must prepare and certify a Subsequent or Supplemental Environmental Impact Report to assess the impacts of dewatering and excavating the Pagoda Theater property.

2. A Subsequent or Supplemental EIR is required to assess the environmental impacts on historic resources of extending the Central Subway to North Beach.

The change in the project discussed in the previous section will impact several historic buildings that were not included in the original Area of Potential Impacts (APE).¹ As described by Mr. Karp, because of the geologic and soil conditions, the demolition of the Pagoda and the construction of the shaft on the Pagoda site will significantly impact a number of adjacent or nearby historic buildings by subsidence.

The original APE evaluated three nearby historic buildings that will be impacted by the construction of the TBM removal shaft at the Pagoda Theater property, including:

- 1701-1715 Powell Street (Ref 369), located nearby at the corner of Union Street. The the Historic Property Survey Report (Report) determined this property to be eligible as a contributor to the NB Historic District and the Washington Square Historic District. (See Exhibit 5, p.26.)
- 1717-1719 Powell Street (Ref 370), which abuts the project site to the south. The Report determined this property to be eligible as a contributor to the North Beach Historic District and the Washington Square Historic District. (See Exhibit 5, p.26.)
- The Pagoda Theater property (at 1731-1741 Powell Street). The Report determined this property to be a contributor to the Washington Square Historic District and to the overlapping North Beach Historic District. (See Exhibit 5, p.26.) This determination was made by the Federal Transit Administration and concurred in by the State Historic Preservation Officer (see Exhibit 7). It is a historic resource that under the revised project description will be demolished rather than remodeled.

Several nearby historic buildings that will be impacted were not included in the original APE and therefore were not evaluated. These buildings must be included in a revised Historic Property Survey Report prepared for purposes certifying a Subsequent or Supplemental EIR for this project.

- 721 Filbert Street abuts the project site to the west. Although mentioned in the Addendum, it was not included in the APE and not evaluated for its eligibility for listing on the

¹The map of the APE boundaries is set forth in Appendix D to the Memorandum of Agreement between the U.S. Department of Transportation, Federal Transit Administration and the California State Historic Preservation Officer and the City and County of San Francisco Municipal Transportation Agency regarding the Central Subway/third Street Light Rail Phase 2, In the City and County of San Francisco, California. A true and correct copy of the relevant excerpt of this map is attached hereto as Exhibit 5.

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National Register or California Register. Indeed, the inventory form on file with the State of California which rates this building as "NR 4," which means that it "appears eligible for individual listing in the National Register (NR) or California Register (CR) through other evaluation" as well as being a contributor to the North Beach Historic District. (A true and correct copy of this inventory form is attached hereto as Exhibit 8.)

- 732-736 and 738-742 Union Street also abut the project site to the west. These are not mentioned in the Addendum, but are included in the current North Beach Survey area and would likely be determined by evaluation to be contributors to the North Beach Historic District.
- The nearby buildings at 720-722 and 728-730 Union should also be included within the APE for the revised project as the excavation for the shaft on the Pagoda site could impact them. These two buildings are also included in the current North Beach Survey area and would likely be determined by evaluation to be contributors to the North Beach Historic District.
- Several additional nearby buildings that may be impacted by the new project description are not in the currently designated APE but are in the North Beach Survey area and would likely be determined by evaluation to be contributors to the North Beach Historic District, including 744 Union, 748-50 Union and 756 Union.

Therefore, the City must prepare and certify a Subsequent or Supplemental Environmental Impact Report to assess the impacts of the revised project on historic architectural resources in the vicinity of the Pagoda Theater property.

3. A Subsequent or Supplemental EIR is required to assess the environmental impacts of extending Central Subway service to North Beach.

The 2008 FSEIR variously describes the SFMTA's reasons for building the two tunnels 2000 feet past the Chinatown Station to Washington Square, as follows:

- "for removing the Tunnel Boring Machine (TBM)" (p. S-1);
- "where the TBM would be extracted and construction equipment and materials could be delivered" (S-8);
- "for removing the Tunnel Boring Machine (TBM)" (p. 1-1);
- "to facilitate construction and extraction of the tunnel boring machines" (p. 2-26);
- "for construction purposes" (p. 2-33);
- "to extract TBMs and could be used to deliver materials to Chinatown Station" (p. 2-34).

Recently, however, new information has come to light showing that another purpose of these tunnel extensions is to commence construction of "Phase 3" of the Central Subway to bring subway service to North Beach. For example, in a declaration executed under oath on August 8,

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2012 and filed in court in the case entitled *Bruno v. City and County of San Francisco*, San Francisco Superior Court No. CPF-12-512380, John Funghi, Central Subway Program Manager, testified that the cost to the City of leaving the TBMs in the ground rather than extracting them for resale, will consist of "compensating" the contractor for their lost resale value, which Mr. Funghi estimated at \$2,225,000 for each of two machines, for a total cost of \$4,450,000. (A true and correct copy of this declaration is attached as Exhibit 2 to this letter.

This testimony is striking because the 2008 FSEIR estimated the cost of extending the tunnels the additional 2000 feet to Washington Square at \$54 million in YOE (year of expenditure) dollars (pp. S-13, Table S-3; 2-50, Table 2-7, n. 1) and more recently SFMTA officials have estimated the cost of extending the tunnels the additional 2000 feet to Washington Square at approximately \$70 million. (See letter dated February 5, 2013 from Howard Wong to Thomas Lippe attached hereto as Exhibit 3.) Naturally, the question arises as to why the City would spend \$54 million to \$70 million to save \$4.5 million. The simple answer is that it would not do so. It is also clear that the City would not spend this money to use the tunnels "to deliver materials to Chinatown Station." Indeed, SFMTA officials have recently stated that SFMTA does not intend to use these tunnels to deliver materials to Chinatown Station. (See letter dated February 5, 2013 from Howard Wong to Thomas Lippe attached hereto as Exhibit 4.)

The Addendum provides the answer, stating:

"As a separate project, SFMTA could consider extension of the Central Subway further north and/or construction of a subway station in North Beach. Neither the Columbus Avenue retrieval shaft site nor the proposed 1731 Powell Street site would preclude either of these additions to the system. Any such proposal is not part of the current effort and would be subject to additional environmental review."

(Addendum, p. 56.) SFMTA staff have also reported that: "Leaving the TBMs in the ground could significantly impede the future extension of the subway into North Beach, however, because the encapsulated TBMs would likely have to be removed to extend the tunnels or construct an underground station." (See Exhibit 6 [November 29, 2012 letter from SFMTA's Edward Reiskin to Micki Jones and Mike Sonn, enclosing Agenda Item Report, page 6].)

Thus, regardless of whether "extension of the Central Subway further north and/or construction of a subway station in North Beach" is formally part of the current project, the patent absurdity of the notion that the City would spend anywhere from \$54 million to \$70 million to save \$4.5 million, as well as the other evidence cited above, demonstrate that extending service to North Beach is a reasonably foreseeable future activity associated with the project or an expansion of the project. Where, as here, this reasonably foreseeable future activity may contribute to significant environmental effects, the lead agency must analyze these effects in the project EIR. (*Laurel Heights Improvement Assn. v. Regents of the University of*


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California (1988) 47 Cal.3d 376, 395-396 (*Laurel Heights I*.) This obligation attaches whether the future activities are considered a foreseeable future activity under *Laurel Heights I* or a separate project subject to cumulative effects analysis: one way or the other the EIR must conduct this assessment. (*San Joaquin Raptor/Wildlife Rescue Center v. County of Stanislaus* (1994) 27 Cal.App.4th 713, 733 (*San Joaquin Raptor I*.)

Therefore, the City must prepare and certify a Subsequent or Supplemental Environmental Impact Report to assess the impacts of extending service to North Beach.

Thank you for your attention to this matter.

Very truly yours,



Thomas N. Lippe

List of Exhibits

1. Letter dated February 4, 2013 from Lawrence B. Karp to Thomas Lippe.
2. Declaration of John Funghi In Support of City and County of San Francisco's Opposition to Application for Temporary Restraining Order, executed under oath on August 8, 2012 and filed in *Bruno v. City and County of San Francisco*, San Francisco Superior Court No. CPF-12-512380.
3. Letter dated February 5, 2013 from Howard Wong to Thomas Lippe.
4. Letter dated February 5, 2013 from Howard Wong to Thomas Lippe.
5. Excerpts from the Memorandum of Agreement between the U.S. Department of Transportation, Federal Transit Administration and the California State Historic Preservation Officer and the City and County of San Francisco Municipal Transportation Agency regarding the Central Subway/third Street Light Rail Phase 2, In the City and County of San Francisco, California, including pages 26 and part of the map of the Central Subway Project APE as set forth in Appendix D.
6. November 29, 2102 letter from SFMTA's Edward Reiskin to Micki Jones and Mike Sonn, enclosing Agenda Item Report.
7. State Historic Preservation Officer's letter concurring with Federal Transit Administration's evaluations of historic properties within the APE (11/5/07) and State Historic

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Preservation Officer's letter concurring with FTA's Finding of Adverse Effect (7/9/08).

8. Historic resources inventory form for 721 Filbert Street.

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EXHIBIT 1

LAWRENCE B. KARP
CONSULTING GEOTECHNICAL ENGINEER

FOUNDATIONS, WALLS, PILES
UNDERPINNING, TIEBACKS
DEEP RETAINED EXCAVATIONS
SHORING & BULKHEADS
CEQA, EARTHWORK & SLOPES
CAISSONS, COFFERDAMS
COASTAL & MARINE STRUCTURES

SOIL MECHANICS, GEOLOGY
GROUNDWATER HYDROLOGY
CONCRETE TECHNOLOGY

February 5, 2013

Thomas N. Lippe, Esq.
329 Bryant Street, Suite 3D
San Francisco, CA 94107

Subject: Central Subway Phase 2, North Beach Construction Variant, San Francisco
Proposed Termination & Extraction of TBMs in Block 101 (Pagoda Theater)

Dear Mr. Lippe:

Herein the subject project is evaluated with respect to feasibility and potential environmental impact resulting from the deep excavation and construction of an underground structure at the site of the former Pagoda Theater at 1731-41 Powell Street [Block 101, Lot 004], near Columbus Avenue and Filbert Street.

Project

The project is the second phase of SFMTA's Light Rail Transit Project. The first phase is a 5.1 mile light-rail line along the 3rd Street corridor that opened in April 2007. The second phase, the Central Subway Project, a 1.7 mile alignment, will extend Muni's T Third Line from the Caltrain Station to Chinatown. New stations will be 4th & Brannan (surface), Yerba Buena/Moscone at 4th & Folsom, Union Square/Market Street at Stockton & Union Square, and Chinatown at Stockton & Washington (the last three subsurface). The tunnel will be drilled using boring machines (TBMs) that are planned to be extracted from the bore at Chinatown or left in place north of the station, or with a construction variant the TBMs would be extracted from Columbus Avenue at Washington Square and that location would be used to bring materials 2,000 feet back to Chinatown. It appears logical that a station is also thought of for Washington Square on the way to Fisherman's wharf, but those variants are not included in plans. Extracting the TBMs at Washington Square, although feasible, would be disruptive. Recently another proposal, to extract the TBMs at the former Pagoda Theater in conjunction with development, is evaluated herein.

Geology

The site is situated in the northern section of the San Francisco Peninsula, which is a northwest trending range of hills composed of a heterogeneous assemblage of folded, faulted and sheared rocks of the Franciscan formation, Jurassic and Lower & Upper Cretaceous age (Mesozoic; 144 to 208 million years old). Geologic maps (Schlocker 1974) show the Pagoda site is at the contact of dune sand (*Qd*) to the west and artificial fill (*Qaf*) to the east that is comprised principally of dune sand.

Investigation

No subsurface exploration program was performed for extraction of the TBMs with development of the Pagoda site, which will involve a 75 foot deep retained excavation. An investigation was performed (Treadwell & Rollo 2008) for a different idea at the site having excavations from 5 to 16 feet deep for the formerly planned garage, however that would only be about one-sixth the depth of the TBM extraction site.

Underpinning & Shoring

The 2008 report, although intended for a relatively shallow development, was used by the Planning Department to produce a non-engineered addendum to the supplemental EIS/EIR (SFPD 2013) which has been adapted for TBM extraction by the Planning Department without any regard to exponentially high lateral pressures and the necessary shoring of the excavation and mandatory protection (providing lateral support and underpinning) of buildings on adjoining properties required under 2010 SFBC §3307.1. The 75 foot deep shaft required to extract the TBMs cannot be shored using "treated zones" as there will be huge lateral pressures due to depth and because of the silts and clays intermixed with sand in the fill (Treadwell & Rollo 2008); even in clean sand that will accept microfine grout, shoring is still required.

The fill and sedimentary soils have a large percentage of fine grained materials (those that pass a No. 200 sieve) so stabilization by intrusion grouting with microfine cement, which has replaced chemical grouting, due to EPA regulations, of soils adjacent to the excavation will not work leaving, due to restricted access, lateral restraint methods being the only viable shoring alternative, with all procedures subject to lateral movement during construction and in service due to the required dewatering. Internal bracing will not work because that would interfere with TBM extraction, therefore tiebacks for soldier beams are really the only solution but tiebacks will intrude at least 40 feet into neighboring lots.

Tieback (horizontal anchors) installation require easements from land owners; at least commercial properties at Lots 005A (1701-11 Powell), 005 (1717-1719 Powell), 045 (659 Columbus), 031 (721 Filbert) and residential properties at Lots 005A (722 Union), 006 (728-730 Union), and 007 (732-736 Union). The addendum mentions nothing about acquiring the necessary easements for tiebacks or the difficulty of underpinning buildings with basements (1717 Powell, 659 Columbus, and 721 Filbert).

Groundwater

Excavating to a depth of 75 feet (to below sea level) as indicated in the addendum would be necessary will require dewatering to intercept groundwater flowing from Russian Hill toward the Bay. Dewatering will lower the groundwater table under buildings on Union, Powell, Columbus, and Filbert, some of which are more than 100 years old and historically significant as well.

The water table at 1731-1741 Powell was considered to be stabilized at Elev. 56.5 (Treadwell & Rollo 2008), or about 6 to 8 feet below street level (Elevation from 62.3 to 65.1). With the bottom of the TBM retrieval shaft at 75 feet below grade (SFPD 2013), dewatering will drop the existing phreatic surface down about 67 to 69 feet. This huge drop in groundwater will drastically influence the buoyancy of building foundations within 130 feet or more from the retrieval area.

Properties with buildings that will be affected by groundwater drawdown are the commercial properties at Lots 005A (1701-1711 Powell), 005 (1717-1719 Powell), 045 (659 Columbus), 031 (721 Filbert), 030 (729 Filbert) and residential properties at Lots 005A (722 Union), 006 (728-730 Union), 007 (732-736 Union), 007A (740A&B/738-742 & Union), 008 (744 Union), 009 (748-750 Union), and the church at 010 (756 Union). As the excavation, which must be drained, proceeds downward and the phreatic surface drops and ground is lost from pumping or during shoring operations, areal subsidence will occur and the buildings along Union, Powell, Columbus, and Filbert that were originally built to much lesser standards than are required today, are very likely to be severely damaged from differential settlement unless they are deeply underpinned. Protection of buildings that will be affected by the excavation requires years to obtain rights of entry and underpin.

Historical

Several noteworthy buildings will be impacted by dewatering. The 721 Filbert Street garage which adjoins the Pagoda site to the west is a two story UMB former stable over a basement built in 1907 and rated as eligible for the National Register by the North Beach Survey. As noted (SFPD 2013), it is considered a potential historic resource by the Planning Department and is an historic resource for the purposes of CEQA. The proposed extraction site for the TBMs is also adjacent to a potential historic resource at 1717-1719 Powell Street immediately south of the project site, a three-story building built in 1914 that has an art deco facade. I understand the building was rated by the North Beach Survey and was determined to be a contributor to the North Beach Historic District and the Washington Square Historic District by the Federal Transit Administration's evaluations.


Summary

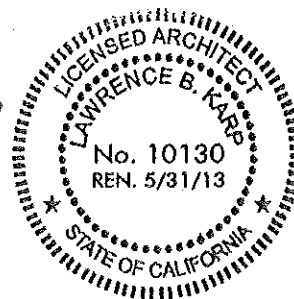
The negative consequences of engineering and construction of a deep retained excavation in an urban environment are missing from the supplemental EIS/EIR addendum. The prior choice for termination of the tunnel between Washington Square and Mariani Plaza must have been made to keep the TBM extraction away from buildings. An understanding of the effect of lowering the groundwater table by dewatering and the resulting increase in effective stress under the neighboring buildings is also missing from the addendum. The project is likely to generate claims by neighbors for property damage and inverse condemnation.

The proposed excavation and subgrade construction will require shoring and subsurface drainage facilities that will draw down the groundwater table having a steep hydraulic gradient (DeLisle 1993) from levels existing under the nearby structures, a potential environmental impact. Where lateral and subjacent support for adjacent structures are likely to be impacted during excavation for the project, underpinning of nearby foundations above 9 foot levels from the curb angle will be required by the building owners (in my experience always protested) and below 9 feet by the developer pursuant to 2010 SFBC §3307.1.

In my professional opinion, the conclusion reached by the Planning Department that there would be no environmental effects from the proposed rerouting of the end of the tunnel is wrong. The project as proposed is likely to result in significant environmental impacts during construction and in service to the surrounding environment and historical resources. The Planning Department's use of an addendum to a supplemental EIS/EIR is improper under CEQA because the proposed changes to the project will result in new or substantially more severe significant impacts.

Yours truly,


Lawrence B. Karp



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LAWRENCE B. KARP CONSULTING ENGINEER

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EXHIBIT 2

FILED
Superior Court of California
County of San Francisco

AUG 09 2012

CLERK OF THE COURT

BY: [Signature]
Deputy Clerk

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City and County of San Francisco

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SAN FRANCISCO

UNLIMITED JURISDICTION

MARC BRUNO, an individual and
Representative of Save North Beach,

Petitioner,

vs.

CITY AND COUNTY OF SAN
FRANCISCO, ET AL.,

Respondents.

Case No. CPF – 12 – 512380

**DECLARATION OF JOHN FUNGHI IN
SUPPORT OF CITY AND COUNTY OF SAN
FRANCISCO'S OPPOSITION TO
APPLICATION FOR TEMPORARY
RESTRAINING ORDER**

Hearing Date: August 9, 2012
Hearing Judge: Judge Jackson
Time: 11 a.m.
Place: 503

Date Action Filed: July 31, 2012
Trial Date: n/a

Attached Documents: Request for Judicial Notice

I, John Funghi, declare that the following statements are true and accurate and are within my personal knowledge. If called, I would testify as follows:

1. I am the Program Manager for the San Francisco Municipal Transportation Agency's (SFMTA) Central Subway Project. I have held this position for approximately seven years.

1 2. I am a licensed civil engineer (California License No. 42122) and I hold a Class A
2 Engineering and Class B Contractor's License (California License No. 644290).

3 3. I have reviewed or am aware of the contents of the following documents relevant to the
4 statements made in this Declaration:

- 5 a. Third Street Light Rail Project Final Environmental Impact
6 Statement/Environmental Impact Report (EIS/EIR)certified in November 1998;
- 7 b. Central Subway Final Supplemental EIS/EIR certified in August 2008;
- 8 c. Record of Decision (ROD) issued in November 2008;
- 9 d. Preliminary Engineering Design Drawings dated October 2008;
- 10 e. Final Design Drawings dated August 2011;
- 11 f. Construction Contract CS-1252 for Construction of Tunnels, including
12 Specifications and Drawings.

13 4. The Central Subway Project is Phase 2 of the Third Street Light Rail Project, an at-
14 grade light rail transit line from Third and Sunnydale Streets (Visitation Valley) to the Caltrain Station
15 at 4th and King Streets. Phase 2 will extend the light rail service from 4th and King Streets to an
16 underground (subway) portal located at 4th and Harrison Streets. The light rail line will then run in a
17 twin-bore tunnel 1.6 miles north under 4th Street and Stockton Streets into Chinatown. Three subway
18 stations will be constructed, at the Moscone Convention Center, in Union Square, and in Chinatown.
19 The rail lines in the tunnels will terminate 250 feet past the Chinatown Station, but the tunnels will
20 extend approximately 2000 feet beyond that station into North Beach, terminating below Columbus
21 Avenue between Union and Powell Streets. The tunnels will be dug using tunnel boring machines.
22 Each machine is 22 feet wide and 35 feet long, excluding the running gear that extends behind each
23 TBM an additional 300 feet. Each TBM weighs approximately 70 tons. The tunnels were extended
24 into North Beach because that is the first location north of the Chinatown Station where there is
25 sufficient space to extract the TBMs. The tunnels will terminate in a shaft (commonly referenced as
26 the "Retrieval Shaft") to be constructed in the right-of-way on Columbus Avenue between Union and
27 Powell Streets.
28

1 5. As approved under Final Design, the Retrieval Shaft will be 46 feet in length, 40 feet
2 wide and will extend 38 feet from the surface of the roadway median to the tunnels below. The
3 Retrieval Shaft will be excavated from the surface, and the shaft will be constructed using secant piles
4 (which are concrete with reinforcing steel), steel beams and steel plating.

5 6. The Retrieval Shaft will initially be used for the removal of the TBMs from the tunnels,
6 and could be used for delivery of materials to the Chinatown Station, which are its designated
7 "temporary" uses. After retrieval of the TBMs, the roadway will be reconstructed. The only remaining
8 indication of the presence of the underground tunnels and shaft will be a 39 inch access and vent
9 cover that will be located in the median on Columbus Avenue.

10 7. In planning and designing the Central Subway Project, the SFMTA determined at least
11 as early as 2005-2006 that the TBMs would be removed from the ground through a retrieval shaft, so
12 that the resale or reuse value of the TBMs at the conclusion of tunneling activities would not be lost or
13 wasted, thereby reducing construction costs. The SFMTA also determined that it would not procure
14 the TBMs itself, but would require the Contractor to do so, so that the contractor would be responsible
15 for maintenance and repair, and delay to construction costs arising from TBM failure or breakdown.

16 8. The characterization of the tunnel extension and the Retrieval Shaft as "temporary"
17 describes the use of the tunnels extension and Retrieval Shaft, not the means or methods of
18 construction. As the SEIR notes, the tunnels would be used to store materials. The final designs of
19 the Retrieval Shaft provide that tunnels extension and Retrieval Shaft will be constructed of concrete
20 and steel and will be permanent underground facilities. The preliminary designs of the tunnels and
21 Retrieval Shaft – the designs that were considered during the environmental review process for the
22 Central Subway Project – indicated that the tunnel extensions and Retrieval Shaft would be
23 constructed of concrete and steel and would be permanent underground facilities.

24 9. Late in the final design process, in approximately May 2011, the SFMTA considered
25 using a retrieval shaft excavated that used only temporary shoring – a shaft that is essentially a shored
26 construction pit. The SFMTA included that type of shaft as an option to the tunnel construction
27 contract (CS-1252). A temporarily shored retrieval shaft would have to be backfilled with soil after
28 removal of the TBMs, which would extend the construction duration and impacts.

1 10. Bernard Impreglio Healey, Joint Venture Partners ("BIH") the tunnel contractor, bid the
2 work and later explained to the SFMTA that schedule savings could be realized constructing the
3 concrete and steel Retrieval Shaft, rather than employing other shoring and construction methods that
4 would require backfilling the shaft.

5 11. Under the terms of the tunnel construction contract (Contract CS-1252), the TBMs are
6 the property of the contractor, BIH. Each machine costs approximately \$7,400,000 to purchase. The
7 removal of the TBMs through the Retrieval Shaft is intended to maximize resale or reuse value of the
8 TBMs to reduce construction costs. At the conclusion of tunnel construction, each TBM will retain
9 resale or reuse value of approximately \$2,225,000. If the SFMTA alters the current design of the
10 tunnels so that the TBMs are not removed from the ground, the City will be required to compensate
11 BIH for its lost resale, reuse or scrap value of the TBMs or TBM components left in the ground, as
12 well as additional labor costs.

13 12. It may be possible to remove parts and components of the TBMs through other tunnel
14 access points, such as the Chinatown Station or the tunnel portal at 4th and Harrison Streets. But the
15 TBMs are not designed to be removed in pieces: only portions of the TBMs could be disassembled and
16 cut up, thereby reducing the value of the salvaged pieces to scrap metal resale only. The scrap value
17 of each TBM would be a very small percentage of resale/reuse value (likely less than \$50,000 using
18 present day scrap metal values). The SFMTA would be required to compensate BIH for the difference
19 in value from the resale or reuse value of the TBMs and their scrap value.

20 13. If the TBMs are not removed through the Retrieval Shaft, the TBMs' shields and
21 cutterheads would have to be left in ground and encapsulated in concrete. The shield is the steel
22 exterior shell of the TBM, and the cutter head is a 10 ton rotary cutter assembly that excavates the
23 tunnel – both are far too large and heavy to remove except through the Retrieval Shaft.

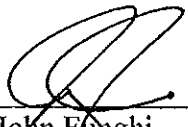
24 14. Although the SFMTA has considered options (as described herein) to removing the
25 TBMs from the Retrieval Shaft, the cost to the Agency to implement these options would likely
26 exceed \$3,000,000. Underground utilities must be relocated to build the Retrieval Shaft. If the work
27 to relocate the utilities or the construction of the Retrieval Shaft is delayed, the City will in the near
28 term incur significant delay charges from BIH. Although the exact amount of the delay charges are

1 unknown at this time, I would estimate that the delay charges would be approximately \$25,000 per
2 day.

3 15. The work to complete the Retrieval Shaft has been closely scheduled. Tunneling will
4 begin from 4th and Harrison Streets in February 2013. Relocation of utilities will take approximately
5 three months. No work may be performed from late November until January 1, 2013, because the City
6 imposes a moratorium on construction work during the holidays. Construction of the Retrieval Shaft
7 will take approximately ten months, which if started in January 2013 would be finished just in time for
8 the scheduled removal of the TBMs in early 2014.

9 16. Impacts of construction of the Retrieval Shaft will be minimized. The streets will be
10 kept clean; dust will be monitored and controlled; noise will be kept within required decibel levels;
11 construction equipment will have noise attenuation devices; and the City will wash merchants'
12 windows if required. While traffic may be impacted during utility relocation construction, all lanes
13 will be reopened at the end of each workday and no work will take place on weekends. During
14 construction of the Retrieval Shaft, at least one traffic lane in each direction on Columbus Avenue will
15 remain open.

16 Signed under penalty of perjury, this 8th day of August, 2012, at San Francisco, California.

17
18 
19 _____
20 John Funghi
21 Central Subway Program Manager
22 San Francisco Municipal Transportation Agency
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PROOF OF SERVICE

I, AUDREY WILLIAMS PEARSON, declare as follows:

I am a citizen of the United States, over the age of eighteen years and not a party to the above-entitled action. I am employed at the City Attorney's Office of San Francisco, City Hall, 1 Dr. Carlton B. Goodlett Place, Room 234, San Francisco, CA 94102.

On August 9, 2012, I served the following document(s):

DECLARATION OF JOHN FUNGHI IN SUPPORT OF CITY AND COUNTY OF SAN FRANCISCO'S OPPOSITION TO APPLICATION FOR TEMPORARY RESTRAINING ORDER

on the following persons at the locations specified:

Marc Bruno, In Pro Per
15 Nobles Alley
San Francisco, CA 94133

in the manner indicated below:

- ☒ **BY UNITED STATES MAIL:** Following ordinary business practices, I sealed true and correct copies of the above documents in addressed envelope(s) and placed them at my workplace for collection and mailing with the United States Postal Service. I am readily familiar with the practices of the San Francisco City Attorney's Office for collecting and processing mail. In the ordinary course of business, the sealed envelope(s) that I placed for collection would be deposited, postage prepaid, with the United States Postal Service that same day.
- ☒ **BY PERSONAL SERVICE:** I sealed true and correct copies of the above documents in addressed envelope(s) and caused such envelope(s) to be delivered by hand to Marc Bruno
- ☐ **BY OVERNIGHT DELIVERY:** I sealed true and correct copies of the above documents in addressed envelope(s) and placed them at my workplace for collection and delivery by overnight courier service. I am readily familiar with the practices of the San Francisco City Attorney's Office for sending overnight deliveries. In the ordinary course of business, the sealed envelope(s) that I placed for collection would be collected by a courier the same day.
- ☐ **BY FACSIMILE:** Based on a written agreement of the parties to accept service by fax, I transmitted true and correct copies of the above document(s) via a facsimile machine at telephone number (415) 554-4630 to the persons and the fax numbers listed above. The fax transmission was reported as complete and without error. The transmission report ☐ is attached or ☐ will be filed separately with the court.

I declare under penalty of perjury pursuant to the laws of the State of California that the foregoing is true and correct.

Executed August 9, 2012, at San Francisco, California.


AUDREY WILLIAMS PEARSON

EXHIBIT 3

SaveMuni.com

126 Varennes Street
San Francisco, California 94133
415 982-5055

February 5, 2013

Thomas N. Lippe, Attorney
Lippe Gaffney Wagner LLP
329 Bryant St., Suite 3D
San Francisco California 94107

Dear Mr. Lippe:

SUBJECT: \$80 million Cost of Central Subway's Tunnel Extension to Washington Square

This letter provides information regarding the SFMTA's cost estimates of extending the tunnels 2,000 feet to Washington Square, which is approximately \$70 million.

In 2007, the tunnel extension's preliminary cost estimate was \$54 million. With further developments of the design, schedule and inflation, the cost increased in ensuing years.

FSEIR/ SEIS EXECUTIVE SUMMARY 2007:

<http://centralsubwaysf.com/FSEIS-SEIR-Executive-Summary>

Alternative 3---Fourth/ Stockton Alignment: "Costs for Alternatives 3A and 3B do not include the North Beach Construction Variant, which is estimated to cost \$54 million in Year of Expenditure (YOE) dollars."

From 2007 to 2012, the tunnel extension's costs were reported as \$70 million.

CHRONICLE June 22, 2007:

<http://www.sfgate.com/bayarea/article/SAN-FRANCISCO-Chinatown-rail-project-estimate-2585072.php>

"San Francisco's proposed subway to Chinatown could cost hundreds of millions of dollars less than originally thought, despite a decision to build a \$70 million tunnel that could eventually bring the subway to North Beach."

SF WEEKLY 2012:

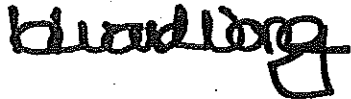
http://blogs.sfweekly.com/thesnitch/2012/08/central_subway_lawsuit.php

"The plan to dig 2,000 feet beyond the last planned stop of the subway -- at a minimum estimated cost of \$70 million -- and extract the tunnel- boring machines on Columbus between Union and Filbert has been described to area residents as the "least disruptive" option."

http://blogs.sfweekly.com/thesnitch/2012/07/central_subway_north_beach_law.php

"The plan to dig nearly half a mile beyond the last stop of the subway -- at a minimum estimated cost of \$70 million -- and extract the tunnel boring machines in the heart of North Beach has been described to area residents as the "least disruptive" option."

Sincerely yours,



Howard Wong, AIA
For SaveMuni.com

EXHIBIT 4

SaveMuni.com

126 Varennes Street
San Francisco, California 94133
415 982-5055

February 5, 2013

Thomas N. Lippe, Attorney
Lippe Gaffney Wagner LLP
329 Bryant St., Suite 3D
San Francisco California 94107

Dear Mr. Lippe:

SUBJECT: STATEMENTS BY SFMTA OFFICIALS AT CENTRAL SUBWAY MEETINGS

This letter provides backup information to the Lippe, Gaffney, Wagner LLP letter, regarding statements by SFMTA officials at recent public meetings.

JANUARY 22, 2013: COMMUNITY MEETING AT TELEGRAPH HILL NEIGHBORHOOD CENTER

SUBJECT: Extraction of Tunnel Boring Machines (TBMs) in North Beach and Pagoda Theater

PANEL: Supervisor David Chiu, SFMTA Director Ed Reiskin, Central Subway Project Manager John Funghi and Supervisorial Aide Judson True

ATTENDEES: Neighbors and merchants (Very well attended meeting)

- **SFMTA Director Ed Reiskin promised that the North Beach shaft will only be used for machine extraction---no storage, delivery of materials etc.** Mr. Reiskin stated this very clearly because construction delivery to Chinatown through the tunnel would disrupt North Beach for years. North Beach merchants wanted to understand how the tunnels were being used.
- **Mr. Reiskin admitted that technically almost anything can be done---bury TBMs in Chinatown, extract TBMs at Chinatown or dismantle/ back out TBMs through the 4th Street portal.** Also, MTA said the residual value of the two TBMs was \$4.5 to \$6.0 million. [Note: Technically, TBM extraction in North Beach is not a necessity].
- **Mr. Reiskin stated that as part of the 2-year lease of the Pagoda property, the City would retain a **First-Right-of-Refusal** to purchase the property.** [Note: This potential cost implies non-complying work for a North Beach Subway Station].

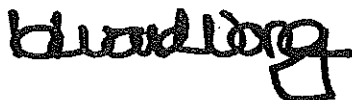
As questions & answers began, the activation of the fire alarm ended the meeting---before important questions were answered. Video tape of the meeting is available.

2012 COMMUNITY MEETINGS IN NORTH BEACH

- Central Subway Project Manager John Funghi said that various TBM retrieval options were analyzed in the 2006 to 2008 timeframe, and that a report was produced that showed the continuation to North Beach as the most cost effective and the least disruptive.
- Mr. Funghi claimed that the MTA Board, based on the study's findings, selected Option 3B with the North Beach Construction Tunnel Variant as the preferred alternative.

[Note: If, as Mr. Funghi claims, a study or analysis does exist that justifies tunneling to North Beach, it has yet to be shared with the public. SaveMuni.com has submitted a number of FOIA/Sunshine Requests to the SFMTA asking that the report be produced, but NO such report has been produced to date].

Sincerely yours,



Howard Wong, AIA
For SaveMuni.com

EXHIBIT 5

MEMORANDUM OF AGREEMENT

between the

U.S. DEPARTMENT OF TRANSPORTATION

FEDERAL TRANSIT ADMINISTRATION

and the

CALIFORNIA STATE HISTORIC PRESERVATION OFFICER

and the

CITY AND COUNTY OF SAN FRANCISCO

MUNICIPAL TRANSPORTATION AGENCY

regarding the

**CENTRAL SUBWAY/THIRD STREET LIGHT RAIL PHASE 2,
IN THE CITY AND COUNTY OF SAN FRANCISCO, CALIFORNIA**

WHEREAS, A Programmatic Agreement among the Federal Transit Administration, the California Historic Preservation Officer and the Advisory Council on Historic Preservation for the construction of the Third Street Light Rail/New Central Subway was included as part of the Record of Decision for the 1998 Final EIS/EIR; and

WHEREAS, The Federal Transit Administration (FTA) plans to assist the San Francisco Municipal Transportation Agency (SFMTA) to implement the Central Subway, Phase 2 of the Third Street Light Rail (undertaking) pursuant to the New Starts Funds process under Section 5309 of Title 49 of the United States Code, and the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU); and

WHEREAS, 36 CFR 800 et seq. requires that federal agencies take into account the effects of their projects on historic properties; and

WHEREAS, The undertaking consists of the construction of an underground subway, one surface station and three subway station facilities, to connect the existing T-Third light rail system at Fourth and King Streets with the Bay Area Rapid Transit District (BART) at Market Street and under Stockton Street into Chinatown; and

WHEREAS, FTA and SFMTA have thoroughly considered alternatives to the Undertaking, including a No-Build Alternative (Alternative 1) and three Build Alternatives (2, 3A, and 3B) that have been analyzed in the Draft and Final Supplemental Environmental Impact Statement/Environmental Impact Report (SEIS/SEIR); and

frames and the storefront has been altered, but certain design elements, such as the projected bays on the upper floors, conform to other building in the Washington Square and North Beach neighborhoods. It was previously listed in the Office of Historic Preservation's Historic Properties Directory as requiring re-evaluation (NRHP Code 4D/7N). The building qualifies as a contributor to the proposed Washington Square Historic District, and the overlapping proposed North Beach Historic District.

14. 1701-1715 Powell Street (Reference 369) eligible as a contributor to the North Beach Historic District and Washington Square Historic District.

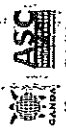
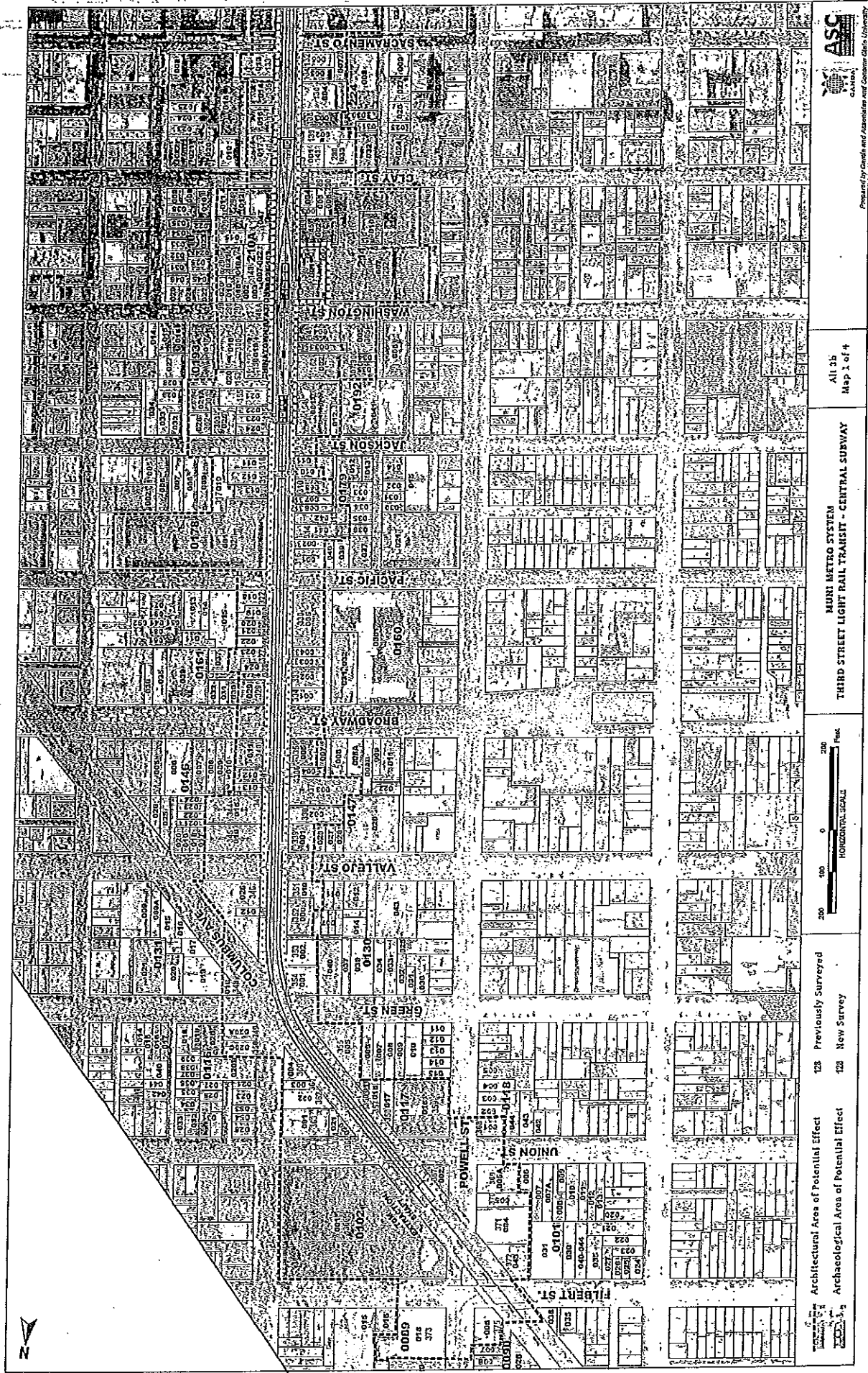
This two-story wood-framed building was constructed in 1908 for Eliza Baum. It features slanted bay windows and a modillioned cornice. In the past, the storefronts housed drugstores, liquor and cigar stores, and restaurants, while the upper floor was used for residential purposes. By the mid-1930s it was known as the Milano Inn. The building was previously listed in the Office of Historic Preservation's Historic Properties Directory as requiring re-evaluation (NRHP Code 7N). The building is eligible for the NRHP as a contributor to the proposed Washington Square Historic District, and overlapping proposed North Beach Historic District.

15. 1717-1719 Powell Street (Reference 370) eligible as a contributor to the North Beach Historic District and Washington Square Historic District.

This three-story wood-framed building was constructed in 1914, and it is a fine example of Art Deco architecture. Several Italians have owned the property and it has housed a grocery store and a macaroni factory. This building was previously listed in the Office of Historic Preservation's Historic Properties Directory as requiring re-evaluation (NRHP Code 7N). The building appears to be a contributor to the proposed Washington Square Historic District, and the overlapping proposed North Beach Historic District.

16. 1731-1741 Powell Street (Reference 371) eligible as a contributor to the North Beach District and Washington Square District.

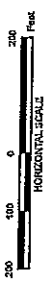
Italian architect J. P. Capurro designed the Washington Square Theatre at 1731-1741 Powell Street. Theatre was an important aspect of the local Italian community. In 1925 the building became the Milano Theatre, and in 1937 it was renamed the Palace Theatre. By 1974 it began to feature Chinese movies as the Pagoda Theatre. The two-story building was constructed in 1908 with a fireproof frame of structural steel. The building has an impressive Art Deco-style stepped parapet/marquee; however, the building's exterior was stripped during a renovation project that was halted. It is listed in the Office of Historic Preservation's Historic Properties Directory as requiring re-evaluation (NRHP Code 7N). The building is eligible as a contributor to the proposed Washington Square Historic District, and also to the overlapping proposed North Beach Historic District.



Prepared by Cantor and Associates and Southern Cross University

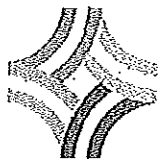
All 35
Map 1 of 4

MUNI METRO SYSTEM
THIRD STREET LIGHT RAIL TRANSIT - CENTRAL SUBWAY



Architectural Area of Potential Effect 125 Previously Surveyed
Archaeological Area of Potential Effect 122 New Survey

EXHIBIT 6



November 29, 2012

Ms. Micki Jones
President, North Beach Neighbors
Email: sffd22@aol.com

Mr. Mike Sonn
Chair, Transportation & Parking Committee
Telegraph Hill Dwellers
Email: Mike.Sonn@fhd.org

*Re: Request for study, analysis and information related to North Beach
Retrieval Option Review*

Dear Ms. Jones and Mr. Sonn:

Thank you for your letter regarding the recent community meeting in which we presented options for the Central Subway's tunnel boring machines (TBMs). We appreciate your feedback as we pursue the necessary prerequisites to move this process forward.

Please find attached a document that provides background information on the San Francisco Municipal Transportation Agency's (SFMTA) analysis of the five options that were presented last week. While developing the options analysis, we participated in discussions with several city departments, including the City Attorney's Office, the Planning Department and our Tunnel Contractor, to receive feedback in developing and fine-tuning our review. The attached information was presented to the agencies for comment, and we incorporated their feedback into last week's presentation.

Next Tuesday, December 4, the SFMTA Board of Directors will open discussions about the TBM options at their regularly scheduled meeting. A calendar item prepared by SFMTA staff will guide the Board's discussion and propose a course of action for determining the feasibility of Option 4 (TBM removal from 1731-1741 Powell Street) and Option 3 (leaving TBM head under Columbus Avenue). We have attached the calendar item for your review. The Board agenda and the calendar item will be finalized and made publicly available by Friday, November 30.

We encourage you, your neighbors, local merchants and North Beach community organizations to participate in this discussion by presenting your feedback to the Board of Directors. Community input has informed and guided this review process so far, and it will continue to be instrumental as we work together to determine an outcome.

Edwin M. Lee
Mayor

Tom Nolan
Chairman

Cheryl Brinkman
Vice-Chairman

Leona Bridges
Director

Malcolm Heinicke
Director

Jerry Lee
Director

Joël Ramos
Director

Cristina Rubke
Director

Edward D. Releskin
Director of
Transportation

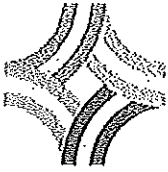
One South Van Ness Ave.
Seventh Floor
San Francisco, CA 94103

Tele: 415.701.4500

www.sfmta.com



Ms. Micki Jones, North Beach Neighbors
Mr. Mike Sonn, Telegraph Hill Dwellers
North Beach Retrieval Option Review
November 29, 2012
Page 2



Thank you again for participating in this process and providing your comments. We look forward to working closely with you and the North Beach community as the Central Subway Project proceeds.

Sincerely,

A handwritten signature in black ink, appearing to read "E. Reiskin". The signature is fluid and cursive, with a long horizontal stroke at the end.

Edward D. Reiskin
Director of Transportation

Attachments: Central Subway TBM Options Analysis
SFMTA Board Calendar Item

cc: Supervisor David Chiu
John Funghi, Central Subway Program Director

THIS PRINT COVERS CALENDAR ITEM NO.: 11

**SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY**

DIVISION: Central Subway Project

BRIEF DESCRIPTION:

Authorizing the Director to determine the feasibility of Option 4 for the removal of tunnel boring machines (removal from 1731-1741 Powell Street) and Option 3 (leaving tunnel boring machine head under Columbus Avenue) and to seek guidance from the City's environmental review officer and the Federal Transit Administration as to whether either Option requires additional environmental review, and if either Option 4 in the first instance or Option 3 in the second is feasible and does not require further environmental review, authorizing the Director to take all actions necessary to implement either option.

SUMMARY:

- The SFMTA Board of Directors on August 19, 2008 adopted Central Subway Project Alternative 3B, Fourth /Stockton Alignment with semi-exclusive surface rail operations on Fourth Street and a construction variant to extend the tunnel 2,000 feet to a North Beach Retrieval Shaft on Columbus Avenue.
- The SFMTA Board of Directors on June 28, 2011, awarded Contract No. 1252 to Barnard Impregilo Healy to construct tunnels, cross passages and the tunnel boring machine (TBM) retrieval shaft in the median of Columbus Avenue in North Beach.
- Prior to the start of construction of the North Beach Retrieval Shaft in August 2012, SFMTA staff held community meetings to provide information and address concerns related to construction activities. At these meetings, members of the community expressed concern about construction-related traffic and business disruption. To address these concerns, the community members requested that the SFMTA evaluate options to the approved TBM retrieval plan. The Central Subway Program has evaluated five retrieval shaft construction options and recommends, as its first preference, to further evaluate moving the Central Subway Tunnel Boring Machine Retrieval Shaft to 1731-1741 Powell Street, with a back-up plan of leaving the TBMs in the ground under Columbus Ave. between Powell and Union Streets. If neither alternative can be accomplished by February 1, the Project will continue with construction of the previously approved retrieval shaft on Columbus Avenue.

ENCLOSURES:

1. SFMTA Board of Directors Resolution
2. Project Budget & Financial Plan
2. North Beach Retrieval Option Review

APPROVALS:

DATE

DIRECTOR _____

11/29/12

SECRETARY _____

11/29/12

ASSIGNED SFMTAB CALENDAR DATE: December 4, 2012

PAGE 2

PURPOSE

Requesting authorization to further evaluate the feasibility of removing Tunnel Boring Machine (TBM) Retrieval Shaft to 1731-1741 Powell Street or leaving the TBMs in the ground under Columbus Avenue, between Powell and Union Streets by February 1, 2013 with the expectation that the Project will proceed to construct the retrieval shaft on Columbus Avenue as previously approved if the necessary reviews and approvals cannot be obtained by that time.

GOAL

This staff report addresses Strategic Plan Goal 3 – Improve the environment and quality of life in San Francisco

Objective 3.3 Allocate capital resources effectively

DESCRIPTION

General Background:

The Central Subway Project (Project) is the second phase of the SFMTA's Third Street Light Rail Project, and will add 1.67 miles of light rail track north from the northern end of the new Third Street Light Rail at Fourth and King Streets to a terminal in Chinatown. The Project will serve regional destinations, including Chinatown (the most densely populated area of the country that is not currently served by modern rail transportation), Union Square, Moscone Convention Center, Yerba Buena, South of Market and AT&T Park. The Project will also connect to BART and Caltrain (the Bay Area's two largest regional commuter rail services), serve a low automobile ownership population of transit customers, increase transit use and reduce travel time, reduce air and noise pollution, and provide congestion relief.

The Project will have four stations and connecting subsurface tunnels to provide direct rail service to the South of Market and Chinatown neighborhoods. The Project has been planned and located in a manner that will be most compatible with the greatest public good and the least disruption to residents and businesses in the Project area.

The Project will issue construction contracts with a total estimated construction cost of approximately \$1,090 million. Construction started in 2010 and will continue for eight years. The start of revenue operations is scheduled for 2019.

Environmental Review Background:

The Third Street Light Rail Project Final Environmental Impact Statement/Environmental Impact Report (EIS/EIR) was certified by the San Francisco Planning Commission in 1998. On January 19, 1999, the Public Transportation Commission approved Resolution No. 99-009, which adopted the environmental findings pursuant to the California Environmental Quality Act (CEQA) for the Project, including mitigation measures as set forth in the 1998 FEIS/FEIR and Mitigation Monitoring Report. The Federal Transit Administration (FTA) issued a Record of

Decision (ROD) for the Initial Operating Segment (IOS) of the Project (the Third Street LRT Phase I) on March 16, 1999, under NEPA and authorized the SFMTA to enter into final design for the IOS in early 2000. Revenue operation of Phase I of the Third Street Light Rail, extending from Bayshore Boulevard to Fourth and King Streets, began in April 2007.

On November 19, 2002, the SFMTA Board of Directors adopted Resolution No. 02-144, authorizing the Director of Transportation to execute Contract No. CS-138 with Parsons Brinckerhoff Quade & Douglas and PGH Wong for professional engineering and other support services for the Central Subway segment of the Project ("PB/Wong Agreement"), in an amount not to exceed \$29,800,000. On January 27, 2003, the Board of Supervisors authorized the Director of Transportation to execute the PB/Wong Agreement. The PB/Wong Agreement included services to prepare a Supplemental EIS/EIR for the Project.

On June 7, 2005, the SFMTA Board of Directors selected the Fourth/Stockton Streets option as the Locally Preferred Alternative (LPA) to be carried forward in the SEIS/SEIR. The intent of the SEIS/SEIR was to update environmental conditions in the Central Subway study area and to evaluate alternatives to the Project, including an enhancement to the alignment discussed in the EIS/EIR (Alternative 2) and the Fourth/Stockton Alignment, LPA (Alternative 3A). The SEIR/SEIS also evaluated a construction variant to the tunnel construction, in which the Tunnel Boring Machines would be removed through a retrieval shaft constructed on Columbus Avenue, between Powell and Union Streets ("the North Beach Construction Variant"). A Notice of Preparation was issued in June 2005 and a public scoping meeting was held.

In response to comments received during the public scoping process and preliminary cost estimates prepared for the Project, SFMTA made refinements to the Fourth/Stockton Alignment and identified a Fourth/Stockton, Modified LPA (Alternative 3B) for evaluation in the SEIS/SEIR.

The Draft SEIS/SEIR was issued on October 17, 2007, for a 55-day public review period. During the public comment period, a series of three publicized community meetings were held in the Chinatown, Union Square and South of Market areas to provide information to the public about the Draft SEIS/SEIR. These meetings were well attended and the public was able to view renderings and talk with Project staff about the Project and the environmental process. The San Francisco Planning Department conducted a public hearing on the Supplemental EIS/EIR on November 15, 2007.

The public comment period was closed on December 10, 2007. The SFMTA received 39 comment letters, and 23 people, representing 20 organizations, provided comments at the Planning Commission public hearing held on November 15, 2007. At the public hearing, 19 speakers expressed support for the Project and one expressed opposition to the Project. Of those responding during the public comment period, five (including the Recreation and Parks Department) expressed support specifically for Alternative 3B.

On February 19, 2008, the SFMTA Board of Directors adopted Resolution No. 08-029, selecting the Central Subway Project Alternative 3B, Fourth/Stockton Alignment with semi-exclusive surface rail operations on Fourth Street, and the North Beach Construction Variant, as the Locally Preferred Alternative, authorizing the Executive Director/CEO to carry forward this selection in the Final SEIS/SEIR.

The San Francisco Planning Commission adopted Motion No. M-17668 on August 7, 2008, certifying completion of the Central Subway Final SEIR. The Planning Commission certified the SEIR as accurate, adequate and objective, reflecting the independent judgment of the Planning Commission. On August 19, 2008, the SFMTA Board of Directors adopted Central Subway

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Project Alternative 3B, Fourth/Stockton Alignment with semi-exclusive surface rail operations on Fourth Street and the North Beach Construction Variant findings required by CEQA including a Statement of Overriding Considerations and a Mitigation Monitoring and Reporting Plan. As relevant here, no significant environmental impacts were identified due to the North Beach Construction Variant, although a variety of improvement measures were identified and adopted to minimize insignificant impacts from construction.

Environmental appeals were filed and heard by the Board of Supervisors on September 16, 2008. The Board of Supervisors voted unanimously to uphold the Planning Department's certification of the Supplemental EIR.

The Notice of Determination was filed on September 18, 2008, and the 30-day legal challenge period expired without any legal challenges. The notice for the Final SEIS appeared in the Federal Register on October 3, 2008, and the 30-day waiting period elapsed. The FTA issued the Record of Decision announcing the completion of the Central Subway environmental process on November 16, 2008. On January 7, 2010, the FTA issued its approval for the Project to enter into Final Design.

Project Status:

The Central Subway design consists of a short portion of in-street surface light rail from the Caltrain Station to Bryant Street, before transitioning into subway operation for most of the alignment. The subway will consist of twin bore tunnels, with three subway stations serving the Yerba Buena/Moscone, Union Square/Market Street, and Chinatown areas.

The Union Square/Market Street Station will connect with the existing BART/Muni Powell Street Station. A deep tunneling approach using TBMs will reduce surface disruption during construction, create a more direct alignment, and shorten the construction period. The Central Subway tunnels will pass under the existing BART/Muni Market Street subway tunnels with the rail over 95 feet below the ground surface. Most of the alignment will be located under existing street right-of-way with limited required underground easements. The stations will have center-platforms and are designed to accommodate high-floor two-car trains. Whenever feasible, off-street properties have been identified for the primary station access with transit oriented development opportunities at the Moscone/Yerba Buena and Chinatown Stations.

The running tunnels will be constructed using TBMs, which will pass through differing geological formations, including bay mud, alluvium, Colma formation, and Franciscan bedrock. Subway station construction methods will vary. The Yerba Buena/ Moscone Station will be constructed using traditional top-down cut-and-cover construction. The Union Square/Market Street Station is located in a very constricted area and will be constructed using a top-down cut-and-cover method. Chinatown Station, also in a very constricted area, will be constructed using mined sequential excavation.

Relocation of utilities under Contracts 1250 and 1251 for the Yerba Buena/Moscone Station, the portal area and Union Square/Market Street Station has been completed. The tunneling work (Contract 1252) has started at four construction sites. Contract No. 1300, the combined construction contract for stations, surface improvement, track way and systems, has been issued for competitive bids. Project construction is expected to be completed in 2018.

North Beach TBM Retrieval Shaft:

The decision to extend the Central Subway tunnel to North Beach was made following discussions with North Beach community groups, including Renew SF, Friends of Washington Square Park, and Telegraph Hill Dwellers Association, during development of the final Supplemental EIR from 2006 through 2008. During the preliminary design and environmental review period, presentations were made to these groups and residents and owners of businesses adjacent to the alignment. Verbal and written comments received during these presentations were incorporated into the final environmental document.

Since 2006, the Project held ten community meetings in North Beach to inform residents, business owners and organizations of the proposed construction activities. (Additional meetings are planned for the near future.) During the Project's 10-year planning and development process, three alignment alternatives were considered, in addition to the TBM retrieval shaft on Columbus Avenue in North Beach. Other retrieval shaft locations along the Stockton and Union Street right-of-way were evaluated and presented to the public, including the option of removing the TBMs from the Chinatown Station site. However, Project staff concluded that constructing the retrieval shaft on Columbus Avenue would cause the least disruption to traffic and public access to local businesses.

In the months before North Beach Retrieval Shaft construction started in August 2012, four community meetings were held to inform the public of the upcoming construction activities. These meetings took place on May 11 (North Beach Business Association), May 22 (Telegraph Hill Dwellers), July 17 and July 25, 2012 (North Beach Neighbors). The presentations described the initial utility relocation work necessary to construct the TBM retrieval shaft on Columbus Avenue. Some members of the North Beach community raised concerns at these meetings about traffic disruption and business impacts caused by the upcoming retrieval shaft construction. Most of the utility relocation construction was completed between August and November on a half-block section of Columbus Avenue between Union and Filbert Streets where no commercial frontages are located. Only one lane of traffic on Columbus Avenue was closed at a time, and it was only closed during approved work hours (Monday to Friday, 7 a.m. to 3:30 p.m.). Based on the current TBM Retrieval Shaft construction plans, construction of the retrieval shaft will begin in January 2013 and will be completed in approximately ten months. To minimize the effects of construction, a variety of measures will be employed, including traffic controls, daily street sweeping and a limiting the contractor's daily work schedule.

Before commencing utility relocation work, the Project sent a 30-day construction notice to owners of property near the construction site, as required by local ordinance. The Project's outreach team also visited more than 75 North Beach businesses to provide information about the utility relocation work and to ensure that business owners and managers knew how to contact the team should they have questions or concerns.

Some residents and business owners in North Beach expressed concern that the North Beach Retrieval Shaft work, if carried out as planned, would negatively impact traffic on Columbus Avenue and disrupt businesses, without providing the benefits to the neighborhood of enhanced public transportation. They requested that the Project team evaluate options to the current

planned retrieval shaft work, including the feasibility of leaving the TBMs underground.

The Agency decided to move forward with approved utility relocation work to meet contractual and grant funding obligations. Utility relocation work has temporarily shut down due to the holiday construction moratorium and is currently planned to re-start after January 2013. In the meantime, the SFMTA completed a preliminary feasibility assessment of TBM removal options.

Project staff evaluated several options for the TBMs. The TBMs could be left in the ground at various locations. That would require removing some of the TBMs internal components and encapsulating the machine in concrete or within a structure to guard against surface settlement as the machines deteriorate. Leaving the TBMs in the ground could significantly impede the future extension of the subway into North Beach, however, because the encapsulated TBMs would likely have to be removed to extend the tunnels or construct an underground station. Removing the encapsulated TBMs at a later date would be more difficult, disruptive and expensive than removing them at the conclusion of Central Subway tunneling. The concrete and protective structures of the encapsulated TBMs would make them significantly larger, heavier, and far more difficult to remove, particularly if they are removed south of the Columbus Avenue site on Stockton Street, given the narrow confines of Stockton Street. Also, the TBM retrieval shaft site under Columbus Avenue was selected because there is sufficient space at that location to construct the shaft and retrieve the TBMs while maintaining traffic flow around the site. Retrieving the TBMs at other locations on the alignment would require additional traffic flow disruption.] ✓

As requested by concerned North Beach community residents and business owners, Project staff evaluated four additional options to the approved TBM retrieval shaft. The options to approved retrieval shaft plans were evaluated using three criteria: 1) potential impact to the Project's cost and schedule timeline; 2) potential impacts to the adjacent neighborhood, including traffic, proximity of construction work to residences, and impacts to residential and commercial property access; and, 3) impediments to a potential (but not yet planned) future extension of the T-Third Line to North Beach and Fisherman's Wharf. These criteria are discussed below.

Cost and Schedule:

Each option was evaluated based on its potential to impact the Project's cost and schedule. The SFMTA has entered into a \$233 million contract to construct the tunnels; the Agency issued Notice to Proceed for the tunneling work on January 27, 2012. The tunnel contract is currently on schedule and within budget. Delays to the Project that prevent the tunnel contractor from completing its work within contract time limits would expose the Project to significant financial risk of contractor claims. Funding commitments secured for the Project also require that budget and schedule milestones be maintained.

Neighborhood Impacts:

TBM options were each evaluated based on the proximity to residences and businesses of the work required to remove or abandon the TBMs, required street closure, and constraints to site access and area/space available to construct each option, and resulting traffic impacts.

Potential Implications for Extension of Rail Service:

TBM resolution options were each evaluated based on their potential to impede consideration or construction of a future extension of light rail service into the North Beach/Fisherman's Wharf area. At this time, there is no identified funding to plan, design, review or construct such an extension. However, a possible extension of the T-Third was identified in the SFMTA's 20-Year Capital Plan. The SFMTA therefore evaluated the options for removing or abandoning the TBMs based on the potential to impact a future extension of the line.

Five TBM removal options were considered and evaluated as follows:

- *Option 1 – Base Case "Approved Project" Complete TBM removal on Columbus Avenue between Powell and Union Streets*

The currently designed retrieval shaft location is approximately 200 feet from the closest residents and approximately 70 feet from the closest businesses. All work would be done within the public right-of-way. Columbus Avenue would be reduced to a single lane in each direction for ten months in 2013. The retrieval shaft on Columbus Avenue would not negatively impact the future consideration of an extension of the Third Street T Line to North Beach and/or Fisherman's Wharf, and as approved, the retrieval shaft could also be used for construction purposes should an extension be approved. The 2000 feet of additional tunnel beyond the Chinatown Station can be used as underground train storage for the LRV fleet and as emergency exit and safe harbor areas for train operators and other staff during an emergency.

- *Option 2 – Leave Tunnel Boring Machine Head North of the Chinatown Station*

Based on preliminary conversations with the Planning Department's Major Environmental Analysis division, this option likely would require minimal additional environmental study. However, a final determination cannot be made until new construction drawings and specifications are prepared by the Project's engineering consultants and analyzed by the Planning Department for possible impacts. Leaving the TBM Head underground in Chinatown will increase cost and could create site access issues for the tunnel and station contractors that would jeopardize the Project's schedule. Leaving the TBM head underground could complicate or preclude reasonable near-term prospects for a future extension of the T Third Line. This option would reduce Project construction costs by \$21 to \$23 million and would reduce the Tunnel Contract schedule by approximately three months by eliminating tunnel construction north of the Chinatown Station. However, overall project savings are unknown, as the SFMTA will be required to compensate the tunneling contractor for the lost resale value of the two buried TBMs. Leaving the TBMs underground may also delay the station contractor's work, which is currently scheduled to begin on the underground stations as soon as the TBMs pass beyond the Chinatown Station site.

- *Option 3 – Leave Tunnel Boring Machine Head under Columbus Avenue*

Based on preliminary conversations with the Planning Department's Major Environmental Analysis division, this option likely would require minimal additional environmental study.

However, a final determination cannot be made until such time as new preliminary construction drawings and specifications are considered for possible impacts. Leaving the TBM Head under Columbus Avenue will leave an encapsulated large obstacle that would be difficult and disruptive to remove at a later date, as the concrete and protective structures would make the abandoned TBMs significantly larger and heavier. This option will also complicate a possible future extension of the line and/or station. Abandoning the TBMs underground on Columbus Avenue would require the SFMTA to compensate the tunnel contractor for the loss of resale value of two buried TBMs and the costs of removing the TBM trailing gear in pieces, and may also cause schedule delays to the Tunnel and Station work. Adopting this option would likely increase the Project costs by \$3-\$5 million and increase the Project schedule by approximately two months.

- *Option 4 -- Complete TBM Removal at 1731-1741 Powell Street*

Based on preliminary conversations with the Planning Department's Major Environmental Analysis division, this option likely would require minimal additional environmental study. However, a final determination cannot be made until such time as new preliminary construction drawings are considered for possible impacts. The property, a former cinema commonly known as the Pagoda Palace, is currently empty and decrepit. However, the owner has obtained approvals, including environmental approvals, from the Planning Department to redevelop the property as a mixed use retail/residential development. To use the site for TBM retrieval may require demolishing the old building. This option imposes minimal traffic impacts on Columbus Avenue. This option would not preclude future extension of LRV service. This option will increase the Project budget by approximately \$3 million and require the appropriation of additional local (non-federal) funds to purchase or otherwise secure access rights for the property from the current owner. This Option would not impact the Project schedule, provided that the SFMTA can reach agreement with the property owner, obtain any necessary further review and approvals, including approval to demolish the building by February 1, 2013. The property owner's approval may require that the City grant a zoning variance to allow development of the site to the existing building height, which exceeds current height restrictions for new construction.

- *Option 5 -- Leave TBM Head North of Taylor Street under Columbus Avenue*

Based on preliminary conversations with the Planning Department's Major Environmental Analysis division, this option likely would require minimal additional environmental study. For the reasons articulated above, abandoning the TBMs underground will require the SFMTA to compensate the tunneling contractor for the loss of the two buried TBMs resale value and the costs of removing the TBM trailing gear in pieces, and may delay construction of the tunnels and stations. If the tunnels are extended north of Taylor Street, then any future extension of the line would not conflict with the existing Powell Street Cable Car lines. This option would increase Project costs by \$24 - 26 million due to the increased tunnel length and would increase the Project schedule by approximately three months.

The above alternatives were presented to the North Beach community at a public meeting on November 19, 2012. The meeting was attended by approximately ninety people, representing a

cross section of those who support extending transit to North Beach and a group of constituents who want no construction-related disruption. SFMTA staff expressed the Agency's commitment to working with merchants, local businesses and neighbors to minimize disruption and impacts associated with Central Subway construction.

Based on the above review, only Option 4, complete TBM Removal at 1731-1741 Powell Street, will address the construction concerns of the North Beach community without significantly impeding the possible future extension of rail service to North Beach/Fisherman's Wharf. The challenges associated with this option include the very tight timeline in which to acquire or secure access rights for the private property (including issuance of any required zoning variance), the appropriation of local funds needed to purchase or secure these access rights, and the need for any additional engineering review and approvals necessary to retrieve the TBMs from the site. If Option 4 proves infeasible, Option 3, Leave Tunnel Boring Machine Head under Columbus Avenue, would respond to disruption concerns raised by some members of the North Beach community, and, while this option creates additional challenges for a future extension of the T Third Line to North Beach and Fisherman's Wharf, this Option would increase Project costs less than Option 5. The challenges associated with Option 3 for the currently approved Project include the tight timeline in which to obtain additional Project funding, complete the additional engineering work, execute the necessary construction contract modifications, and complete any additional environmental study required.

Staff recommends, as its first preference, to further evaluate Option 4 (remove tunnel boring machine from 1731-1741 Powell Street) with a back-up plan to further evaluate Option 3 (leave tunnel boring machine head under Columbus Avenue) until February 1, 2013. If the necessary reviews and approvals cannot be obtained by that time, staff recommends that the Project focus on constructing the approved retrieval shaft on Columbus Avenue so that the Project's schedule and budget are not put at risk.

Consideration of extending rail service into North Beach/Fisherman's Wharf will be a separate effort, given that funding has yet to be identified for planning, design or construction. SPUR is currently planning a design charette to be held this winter to begin community discussions regarding such extension, and are eager to work with affected communities and neighborhoods to move that discussion forward.

The City Attorney's Office has reviewed this calendar item.

ALTERNATIVES CONSIDERED

The principal alternatives considered include leaving the Tunnel Boring Machine Head under Stockton Street or at either of two locations under Columbus Avenue. The alternatives that will be pursued will be to consider moving the TBM retrieval shaft to a site on private property and leaving the TBM head under Columbus Avenue to minimize disruptions to traffic on Columbus Avenue.

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FUNDING IMPACT

The funding for Central Subway is from federal, state and local sources. Costs for advancing the Base Case: Construction on Columbus/Complete TBM removal is covered by the existing Central Subway Project budget and thus does not increase the Project budget. The Central Subway Project Budget & Financial Plan is set forth in Enclosure 2.

RECOMMENDATION

Staff recommends that the SFMTA Board of Directors authorize staff to first pursue the feasibility of moving the TBM retrieval shaft to property at 1731-1741 Powell, with a back-up plan to leave the TBM head under Columbus Avenue between Union and Powell Streets. If the required necessary Project review and possible approvals cannot be obtained by February 1, 2013, then the SFMTA Board directs staff to proceed with the approved retrieval shaft construction on Columbus Avenue so that the Project's schedule and budget are not put at risk.

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No. _____

WHEREAS, The Final Environmental Impact Statement/Environment Impact Report (Final EIS/EIR) for the two-phase Third Street Light Rail Project (the "Project") was completed in November 1998; and,

WHEREAS, The former Public Transportation Commission approved Resolution No. 99-009 on January 19, 1999, which adopted the environmental findings pursuant to the California Environmental Quality Act (CEQA) for the Project, including mitigation measures as set forth in the Project's Final Environmental Impact Report and Mitigation Monitoring Report; and,

WHEREAS, Design and construction of the 1.7-mile Central Subway is Phase 2 of the Third Street Light Rail Transit Project; and,

WHEREAS, The SFMTA Board of Directors adopted Resolution No. 05-087 on June 7, 2005, which selected the Fourth/Stockton option as the Locally Preferred Alternative (LPA) to be carried forward in the SEIS/SEIR; and,

WHEREAS, In response to comments received during the public scoping process and preliminary cost estimates prepared for the Project, SFMTA made refinements to the Fourth/Stockton Alignment and identified a Fourth/Stockton, Modified LPA (Alternative 3B) for evaluation in the SEIS/SEIR; and,

WHEREAS, The San Francisco Municipal Transportation Agency Board of Directors on February 19, 2008 adopted Resolution No. 08-029, selecting the Central Subway Project Alternative 3B, Fourth/Stockton Alignment with semi-exclusive surface rail operations on Fourth Street and the North Beach Construction Variant, as the Locally Preferred Alternative; and,

WHEREAS, The San Francisco Planning Commission adopted Motion No. M-17668 on August 7, 2008 certifying completion of the Central Subway Final SEIR; and,

WHEREAS, The SFMTA Board of Directors adopted Resolution No. 08-150 on August 19, 2008 adopting Central Subway Project Alternative 3B, Fourth / Stockton Alignment with semi-exclusive surface rail operations on Fourth Street and the North Beach Construction Variant; and,

WHEREAS, Certain members of the North Beach community are concerned that the North Beach Retrieval Shaft work as approved will impede traffic on Columbus Avenue and disrupt businesses, without receiving the benefit of enhanced public transportation; and,

WHEREAS, Certain members of the North Beach community has requested that the Central Subway team evaluate options to the current approved retrieval shaft construction work; and,

WHEREAS, The SFMTA has reviewed several options to the North Beach Construction Variant; and,

WHEREAS, According to the North Beach Retrieval Option Review, only Option 4, Complete TBM Removal at 1731-1741 Powell Street, will address the construction impacts of the North Beach community without impeding the possible future extension of the T-Third to North Beach/Fisherman's Wharf should funding be identified to plan, design and construct such an extension, and only Option 3, Leave Tunnel Boring Machine Head under Columbus Avenue will provide a reasonable option that the North Beach community may accept without precluding reasonable near-term prospects for a future extension of the T Third Line to North Beach and Fisherman's Wharf, if Option 4 proves infeasible; and,

WHEREAS, In order to not impact the construction schedule, Options 3 and 4 require that additional local funds be appropriated, and review (including environmental review) and approvals be obtained by February 1, 2013; and,

WHEREAS, If the necessary review, approvals or funds cannot be obtained by that time, the Project must proceed with constructing the approved retrieval shaft construction on Columbus Avenue so as not to put the Project's schedule and cost obligations at risk; therefore be it

RESOLVED, That the San Francisco Municipal Transportation Agency Board of Directors authorizes the Director of Transportation or his designee to evaluate the feasibility of Option 4 (remove tunnel boring machine from 1731-1741 Powell Street) as an alternative to the previously approved plan to remove the tunnel boring machines for the Central Subway Program using Columbus Avenue between Powell and Union Streets, and, if the Director determines Option 4 to be feasible and if the City's Environmental Review Officer and the Federal Transportation Administration conclude that no additional environmental review is necessary, authorizes the Director of Transportation to take all actions necessary to implement Option 4; and,

RESOLVED, That if the Director of Transportation determines that Option 4 is not feasible, the San Francisco Municipal Transportation Agency Board of Directors authorizes the Director of Transportation or his designee to evaluate the feasibility of Option 3 (leave tunnel boring machine head under Columbus Avenue) as an alternative to the previously approved plan to remove the tunnel boring machines for the Central Subway Program using Columbus Avenue between Powell and Union Streets, and, if the Director determines Option 3 to be feasible and if the City's Environmental Review Officer and the Federal Transportation Administration conclude that no additional environmental review is necessary, authorizes the Director of Transportation to take all actions necessary to implement Option 3; and be it

FURTHER RESOLVED, That if the Director of Transportation determines by February 1, 2013 that either Option 3 or Option 4 is not feasible, or if the City's Environmental Review Officer or the Federal Transit Administration concludes that the preferred Option requires additional environmental review, the SFMTA Board of Directors directs the Central Subway Program to continue to construct the retrieval shaft for the tunnel boring machines on Columbus Avenue, as previously approved.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of December 4, 2012.

Secretary to the Board of Directors
San Francisco Municipal Transportation Agency

ENCLOSURE 2

THIRD STREET LIGHT RAIL PROJECT
CENTRAL SUBWAY

Project Budget & Financial Plan

Cost	(\$Million)
Conceptual and Preliminary Engineering	46.32
Program Management & Construction Management	206.52
Final Design	86.05
Construction Contracts	1,089.61
Vehicles	26.38
Contingency	63.34
Right-of-Way	37.40
Other Professional Services	22.68
Total Central Subway Cost	\$ 1,578.30

Funding	(\$Millions)
Federal 5309 New Starts	942.20
Federal CMAQ	41.03
State RTIP Grant	88.00
State TCRP Grant	14.00
State Proposition 1A - High Speed Rail	61.31
State Proposition 1B - PTMISEA	307.78
Proposition K Sales Tax Funds	123.98
Total Central Subway Funding	\$ 1,578.30

North Beach Retrieval Option Review

1. Base Case: Construction on Columbus Avenue/Complete TBM removal
 2. Leave TBMs head north of Chinatown Station
 3. Leave TBMs head under Columbus Avenue
 4. Complete TBM removal at 1731-1741 Powell Street
 5. Leave TBMs head north of Taylor Street under Columbus Avenue
- *Additional environmental work is required to investigate further

Criteria	Good	Fair	Poor
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Neighborhood Impacts	Option 1	Option 2	Option 3	*Option 4	*Option 5
Residential Considerations (NB)	Good	Fair	Good	Fair	Good
Business Considerations	Fair	Fair	Good	Fair	Good
Construction Access/Area	Fair	Poor	Fair	Fair	Fair
Traffic Impacts	Poor	Poor	Fair	Good	Fair
Neighborhood Impacts Summary	Fair	Poor	Fair	Poor	Fair

Environmental Impacts/Planning Processes	Option 1	Option 2	Option 3	*Option 4	*Option 5
Within FEIS/FEIR Limits	Good	Good	Good	Fair	Fair

Cost and Schedule	Option 1	Option 2	Option 3	*Option 4	*Option 5
Cost (does not include cost of schedule delay)	Good	Good	Fair	Fair	Poor
Schedule	Good	Fair	Fair	Good	Fair

Future Phase III Considerations	Option 1	Option 2	Option 3	*Option 4	*Option 5
Central Subway Phase III Extension Considerations	Good	Poor	Poor	Good	Poor
Future North Beach Transit Station Considerations	Good	Poor	Poor	Good	Good

EXHIBIT 7

Attachment D

**SHPO's letter concurring with FTA's
evaluations of historic properties within the
APE (11/5/07) and SHPO's letter concurring
with FTA's Finding of Adverse Effect (7/9/08)**

**OFFICE OF HISTORIC PRESERVATION
DEPARTMENT OF PARKS AND RECREATION**

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05 November 2007

Reply To: FTA980703A

Leslie Rogers, Regional Administrator
US Department of Transportation
Federal Transit Administration, Region IX
201 Mission Street, Suite 1650
San Francisco, CA 94105-1839

Re: Determination of Eligibility for Phase 2 of the 3rd Street Light rail, San Francisco, San Francisco County, CA

Dear Mr. Rogers:

Thank you for initiating consultation with me pursuant to Section 106 of the National Historic Preservation Act as amended and the implementing regulations codified in 36 CFR 800 with regards to the above referenced undertaking. You are requesting I review and concur with the determination of eligibility for 76 properties and 18 previously evaluated properties.

As I presently understand it, the undertaking consists of extension of the light rail from the current terminus at Fourth and King Streets, primarily via subway, to a terminus in Chinatown on Stockton between Washington and Jackson Streets.

I concurred with the delineation of the APE in our earlier consultation.

FTA has determined that 39 properties are eligible for inclusion in the National Register of Historic Places (NRHP). Of those properties the following were reevaluated and recommended as eligible for inclusion in the NRHP:

1. 920 Sacramento Street, (Reference 285), eligible under Criterion A and C both individual and as a contributor to the Chinatown Historic District. I concur with this determination but am unable to concur with the eligibility under Criterion B.
2. 950 Clay Street (Reference 292), eligible as a contributor to the Chinatown Historic District
3. 1325-1341 Stockton Street (Reference 337), eligible as a contributor to the North Beach Historic District
4. 470-480 Columbus Avenue (Reference 348), eligible under Criterion C as an example of Moderne Architecture. At this time I am unable to concur with the determination of eligibility under Criterion B.
5. 1435 Stockton Street (Reference 353), eligible as a contributor to the North Beach Historic District
6. 1455 Stockton Street (Reference 354), eligible individually under Criterion C for its architecture and as a contributor to the North Beach Historic District
7. 500-524 Columbus Avenue (Reference 360), eligible as a contributor to the North Beach Historic District

8. 532 Columbus Street/1527 Stockton Street (Reference 362), eligible as a contributor to the North Beach Historic District
9. 548 Columbus Street/629 Union Street (Reference 364), eligible as a contributor to the North Beach Historic District and the Washington Square Historic District
10. 552-566 Columbus Street (Reference 365), eligible as a contributor the North Beach Historic District and the Washington Square Historic District
11. 600-668 Columbus Street (Reference 366), eligible as a contributor to the North Beach Historic District and Washington Square Historic District
12. 651 Columbus Avenue (Reference 367), eligible as a contributor to the North Beach Historic District and Washington Square Historic District
13. 701-705 Union Street (Reference 368), eligible as a contributor to the North Beach Historic District and Washington Square Historic District
14. 1701-1715 Powell Street (Reference 369), eligible as a contributor to the North Beach Historic District and Washington Square Historic District
15. 1717-1719 Powell Street (Reference 370), eligible as a contributor to the North Beach Historic District and Washington Square Historic District
16. 1731-1741 Powell Street (Reference 371), eligible as a contributor to the North Beach Historic District and Washington Square Historic District, but I am unable to concur with the determination that the building would be eligible if it were to be restored (7N1)

FTA has determined that two newly identified properties are individually eligible for listing in the NRHP:

17. 601 Fourth Street (Reference 173), eligible under Criterion A for its association with the Liggett and Meyers Tobacco Company and under Criterion C as a significant example of industrial architecture for the early twentieth century. I am able to concur with the determination under Criterion C but will need more justification under Criterion A to consider the building eligible.
18. 54 Fourth Street (Reference 238), at this time I am unable to concur with the eligibility under Criterion B and C unless more information is provided. Additionally FTA may want to consider eligibility under Criterion A for its association with construction of new commercial buildings and hotel to showcase San Francisco during the Panama-Pacific Exposition.

Additionally, FTA has determined that the following properties are eligible as contributors to historic districts and I concur with the following determinations:

19. 165-167 O'Farrell Street (Reference 256)
20. 918 Sacramento Street (Reference No. 286)
21. 910-914 Clay Street (Reference No. 289)
22. 916-918 Clay Street (Reference No. 290)
23. 868-870 Clay Street (Reference No. 294)
24. 45-53 Ross Alley (Reference No. 301)
25. 168-770 Jackson Street (Reference No. 317)
26. 1200-1206 Stockton Street (Reference No. 322)
27. 1208-1214 Stockton Street (Reference No. 323)
28. 1216-1218 Stockton Street (Reference No. 324)
29. 1220-1222 Stockton Street (Reference No. 325)
30. 1224-1226 Stockton Street (Reference No. 326)
31. 1230 Stockton Street (Reference No. 327)
32. 1238-1242 Stockton Street (Reference No. 328)
33. 1201-1217 Stockton Street (Reference No. 330)
34. 1241-1245 Stockton Street (Reference No. 332)
35. 1247 Stockton Street (Reference No. 333)
36. 1265 Stockton Street/705 Broadway (Reference No. 334)

37. 1301-1317 Stockton/700 Broadway (Reference No. 335)
38. 1319-1323 Stockton Street (Reference No. 336)
39. 1355-1365 Stockton Street (Reference No. 339)
40. 1300 Stockton Street (Reference No. 340)
41. 1318-1324 Stockton Street (Reference No. 341)
42. 1326-1328 Stockton Street (Reference No. 342)
43. 1334-1338 Stockton Street (Reference No. 344)
44. 637 Vallejo Street/1362 Stockton Street (Reference No. 345)
45. 1424 Stockton/401-451 Columbus Ave (Reference No. 346)
46. 1418 Stockton Street (Reference No. 347)
47. 702-712 Vallejo Street/1401-1405 Stockton Street (Reference No. 351)
48. 1411 Stockton Street (Reference No. 352)
49. 501-543 Columbus Ave (Reference No. 355)
50. 526 Columbus Ave/1521 Stockton Street (Reference No. 361)
51. 549-561 Columbus Ave (Reference No. 356)
52. 561-571 Columbus Ave (Reference No. 357)
53. 575-579 Columbus Ave (Reference No. 358)
54. 166 South Park (Reference No. 192)

Of the properties determined eligible for the NRHP as contributors to a historic district, I am unable to concur with the following:

55. Willie "Woo Woo" Wong Playground- 850 Sacramento Street (Reference No. 283), the property still has to maintain integrity to be considered a contributor to a historic district, and as the report states, the property does not maintain integrity.

As for archeological resources, FTA has determined there is potential for buried deposits and that a new Programmatic Agreement for deferred identification is appropriate. I agree with this approach.

I look forward to continuing consultation on this project. If you have any questions, please contact Amanda Blosser of my staff at (916) 653-9010 or e-mail at ablosser@parks.ca.gov.

Sincerely,

Susan K. Stratton for

Milford Wayne Donaldson, FAIA
State Historic Preservation Officer

MWD:ab

**OFFICE OF HISTORIC PRESERVATION
DEPARTMENT OF PARKS AND RECREATION**

P.O. BOX 842898
SACRAMENTO, CA 94286-0001
(916) 653-8824 Fax: (916) 653-9824
calshpo@ohp.parks.ca.gov
www.ohp.parks.ca.gov



July 9, 2008

Reply To: FTA080501A

Leslie T. Rogers, Regional Administrator
Federal Transit Administration
201 Mission Street, Suite 1650
San Francisco, CA 94105-1839

RE: Finding of Effect for the Proposed San Francisco Municipal Transportation Agency
Third Street Light Rail - Central Subway, San Francisco, CA

Dear Mr. Rogers:

You have provided me with the results of your efforts to determine whether the project described above may involve or affect historic properties. You have done this, and are consulting with me, in order to comply with Section 106 of the National Historic Preservation Act and implementing regulations codified at 36 CFR Part 800.

The Federal Transit Administration (FTA) has found that the proposed project will have an adverse effect on historic properties. I concur with this finding.

Thank you for considering historic properties as part of your project planning. If you have any questions, please contact Natalie Lindquist of my staff at your earliest convenience at (916) 654-0631 or e-mail at nlindquist@parks.ca.gov.

Sincerely,

Susan K Shattox for

Milford Wayne Donaldson, FAIA
State Historic Preservation Officer

Contract No: CS-138 - Central Subway
Routing Date: 7-11-08
File No.: 1.70-01.17
Doc No.: 02912 Initials: MLC
MTA Project No. M544 PBM Wong Project No. 13217

XREF FILE NO.
G.C.E.N SHPO
1.70-01.06a
1.70-01.06b
1.70-01.13

EXHIBIT 8

State of California — The Resources Agency
DEPARTMENT OF PARKS AND RECREATION

HISTORIC RESOURCES INVENTORY

Ser. No. _____
HABS _____ HAER _____ NR 4 _____ SHL _____ Loc _____
UTM 10/551900/4183690 B _____
C _____ D _____

IDENTIFICATION

1. Common name: 721 Filbert
2. Historic name: Hildebrand Stables
3. Street or rural address: 721 Filbert Street
City San Francisco, CA Zip 94133 County San Francisco
4. Parcel number: 101/31
5. Present Owner: Crown Building Maintenance Co. Address: 721 Filbert
City San Francisco, CA Zip 94133 Ownership is: Public _____ Private X
6. Present Use: garage; industrial or Original use: stable & stores
offices

DESCRIPTION

- 7a. Architectural style: Mission Revival
- 7b. Briefly describe the present physical description of the site or structure and describe any major alterations from its original condition:

This 2-story-&-basement garage is a brick structure with clinker brick facade. Three elliptical arches cover three automobile-sized entrances, but the two outer ones originally were stores. Windows with factory sash are between the arches and in one transom. A curved parapet above clay tile rooflets sets the Mission Revival atmosphere. The upper window sills have been significantly lowered and dark metal sash inserted, but the job is sympathetically done. A string course completes the ornamentation, in contrasting red brick like the four-course arch voussoirs.

8. Construction date: 1906
Estimated X Factual _____
9. Architect M.J. Lyon
10. Builder R.W. Moller
11. Approx. property size (in feet)
Frontage 80 Depth 138
or approx. acreage _____
12. Date(s) of enclosed photograph(s)
1982



13. Condition: Excellent _____ Good ☒ Fair _____ Deteriorated _____ No longer in existence _____
14. Alterations: sandblasted; upper windows; conversion from stable to garage
15. Surroundings: (Check more than one if necessary) Open land _____ Scattered buildings _____ Densely built-up ☒
Residential ☒ Industrial _____ Commercial ☒ Other: _____
16. Threats to site: None known _____ Private development _____ Zoning _____ Vandalism _____
Public Works project _____ Other: _____
17. Is the structure: On its original site? ☒ Moved? _____ Unknown? _____
18. Related features: none

SIGNIFICANCE

19. Briefly state historical and/or architectural importance (include dates, events, and persons associated with the site.)

This massive-seeming garage is very visible just off Washington Square. Only one other building in North Beach has a façade entirely of clinker brick, and the other is on a much less visible site (corner of Powell & Vallejo). This may be the only clinker brick garage in the city, worth even sand-blasting to restore something like the original color from the bright paints that once covered it. The architect N.J. Lyon did both the original building and its conversion from stable to garage in 1924. He designed also Madison and Marshall Schools, the office structure at the northwest corner of Van Ness and Pacific, and a couple of buildings listed in Splendid Survivors. His client here was the notorious political boss Abe Ruef, who had bought the land together with the adjacent site of the pre-fire Russian Orthodox Church. Later he was to have a hand in constructing there the Washington Square Theater, now called the Pagoda Palace. The subject building was long called the Columbus Garage.

20. Main theme of the historic resource: (If more than one is checked, number in order of importance.)
Architecture 1 Arts & Leisure _____
Economic/Industrial 2 Exploration/Settlement _____
Government _____ Military _____
Religion _____ Social/Education _____

21. Sources (List books, documents, surveys, personal interviews and their dates).

Edwards Abstracts: 20 Oct. 1906.
Bldg. Perm. Applic. 124076, 7706559.
Gumina, Italians of S.F.: 65.

22. Date form prepared June 1982
By (name) Anne Bloomfield
Organization No. Beach Hist'l Project
Address: 2229 Webster St.
City San Francisco, CA Zip 94115
Phone: _____

