

State of California
Business, Transportation and Housing Agency
Department of Transportation

PROGRAM AMENDMENTS
Traffic Congestion Relief Applications
Resolution TA-02-07

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CTC Meeting: May 9, 2002

Reference No: 2.1c.(4)

Original Signed By _____
ROBERT L. GARCIA
Chief Financial Officer
May 1, 2002

TRAFFIC CONGESTION RELIEF (TCR) PROGRAM APPLICATION APPROVAL

RESOLUTION TA-02-07

At the May 9, 2002 California Transportation Commission (Commission) meeting, the Commission will be asked to consider the following Traffic Congestion Relief Program application for \$35,000,000 for the Santa Clara Valley Transportation Authority (VTA). The Department of Transportation recommends the project application be approved. A fact sheet describing the project is attached.

- Project #2- \$35,000,000 for Phase 3, for Fremont-South Bay Commuter Rail; acquire rail line and start commuter rail service between Fremont and San Jose in Santa Clara and Alameda Counties - Alternative Project Proposed.
Applicant Agency: Santa Clara Valley Transportation Authority (VTA)
Implementing Agency: VTA
Advance Requested: \$35,000,000

As part of the Major Investment Study (funded through TCRP Project #1) on the Silicon Valley Rapid Transit Corridor which roughly follows Interstate 880 and 680 from Fremont to Milpitas and Downtown San Jose, several mass transit alternatives were studied for implementation in this Corridor. Among them were commuter rail and the continuation of the Bay Area Rapid Transit (BART) system to San Jose from its current terminus in Fremont. In November 2001, the VTA Board of Directors selected the BART alternative (TCRP Project #1), and MTC included the BART project in the 2002 Regional Transportation Plan adopted by the Commission in December 2002. At this point, TCRP Project #2 (Fremont-South Bay Commuter Rail; acquire rail line and start commuter rail service between Fremont and San Jose) was no longer an economically viable, stand-alone project, and therefore, removed from the region's RTP. VTA is now requesting the CTC approve the Alternative Application to use \$35 million from TCRP Project #2, combined with \$45 million from TCRP Project #1.2, to acquire the right of way and use it to extend BART from Fremont to Downtown San Jose.

TCR Program – Application Approval Project # 2

**Santa Clara / Fremont-South Bay Commuter Rail; acquire rail line and start commuter rail service
Alameda between Fremont and San Jose in Santa Clara and Alameda Counties.**

(\$ X 1,000)

<i>Estimated Project Cost:</i>	\$80,000	<i>TCRP Funds covered by the application:</i>	\$35,000
<i>Total TCRP Funds Available:</i>	\$35,000	<i>Phases(s) covered in application:</i>	3
<i>Lead Agency:</i>	Santa Clara Valley Transportation Authority (VTA)	<i>Implementing Agency:</i>	VTA

<i>TCRP Allocations requested concurrently with application:</i>	\$0	<i>for Phase(s):</i>	N/A
<i>Advanced requested:</i>	\$35,000	<i>for Phase(s):</i>	N/A

Project Summary The purpose of this project is to acquire existing railroad right-of-way currently owned and operated by the Union Pacific Railroad (UPRR) and known as the Milpitas Subdivision and the San Jose Industrial Lead. The right of way runs along the Fremont-South Bay Transportation Corridor, which runs parallel to I-880 and I-680 highways in Alameda and Santa Clara Counties. The right-of-way to be acquired is approximately 17.3 miles in length, generally 60 to 80 feet in width. The approximate limits of the portion to be acquired are north of Paseo Padre Parkway in Fremont and to Control Point Michael (at Highway 87) in San Jose. This right of way, once acquired, will be used for the preferred mass transportation alternative selected under TCRP #1 – Extend BART from Fremont to downtown San Jose.

Summary of Action: This application will program all TCRP funds available for this project, and includes a request for an advance of \$35,000,000, towards the purchase of the rail line, originally intended for the Fremont-South Bay Commuter Rail project, and incorporates these funds and the scope of this project as an element within the preferred mass transportation alternative selected under TCRP #1 – Extend BART from Fremont to Downtown San Jose. Based on recent VTA Board action, the Fremont-South Bay Commuter Rail project is no longer an economically viable project and was subsequently removed from the Regional Transportation Program (RTP).

Section 14556.12(b)(1) of the Government Code (GC) stipulates that under certain conditions the lead applicant may submit an application for an alternate project specified in Section 14556.40. Two of the conditions stipulated under GC Section 14556.12(b)(1) apply to this alternative project application. The two conditions are 1) if sufficient matching funds are not available to complete the project, and 2) if the specified project is not included in or consistent with the respective RTP.

If this alternative project application is approved, the funding will be combined with \$45 million from TCRP #1.2 to acquire the right of way and use it to extend the Bay Area Rapid Transit (BART) system from Fremont to downtown San Jose.

Cost and Schedule (\$ x 1,000)

Phase	Scope	Start	End	Cost
1	Environmental Review -CE	8/1/01	8/1/01	
3	UPPR Right of Way Acquisition	1/1/00	8/1/02	\$80,000
Total:				\$80,000

Funding Plan (\$ x 1,000)

Source	Type		Phase 1	Phase 2	Phase 3	Phase 4	Total
TCRP #2	State	Committed			\$35,000		\$35,000
		Proposed					
TCRP #1.2	State	Committed			\$45,000		\$45,000
		Proposed					
	Totals:	Committed			\$80,000		\$80,000
		Proposed					
		Totals:			\$80,000		\$80,000

Prior TCRP Action: None.

Status of Conditions: None.

Discussion/Issues: No issues. The right of way acquisition project is categorically exempt under CEQA. Regional Transportation Plan documentation on file. Although an allocation for right of way will not be made until the CTC has received comments from the Department on the real estate appraisals, for cashflow purposes VTA has requested an advance of \$35,000,000 for the acquisition of the UPRR corridor. VTA will submit an amended application to request an advance of the \$45,000,000 under TCRP Project #1.2, if approved for the acquisition of the UPRR corridor under this application.

Recommend Approval with the following conditions:

- Prior to an allocation of funds for right of way capital, Department Right of Way staff must review real estate appraisals for methodology of valuation, and report findings to the Commission prior to Commission allocation.
- In the event that any portion of the right-of-way acquired under this project approval is not used for transit purposes and is later resold, the Department shall be entitled to a refund or credit, at the Department's option, of the then fair market value, unless VTA requests, and receives approval from the Department, that the proceeds from the resale of right of way be reinvested in the BART Extension from Fremont to Downtown San Jose project.
- In the event that the BART or Commuter rail service is not established by 2012, the VTA shall return to the State the \$35 million from this application, as well as \$45 million from TCRP Project #1.2, plus interest based upon the rate received by the Pooled Money Investment Account (PMIA), or shall update the Commission on progress to establish the service and seek Commission approval to defer this repayment provision.
- Prior to an allocation of capital funds for TCRP Sub-Project #1.2, the VTA shall update the project application to reflect the revised funding plan and to reflect the condition of repayment as stated above.

CALIFORNIA TRANSPORTATION COMMISSION
Approval of Traffic Congestion Relief Program
Project Applications

RESOLUTION TA-02-07

- 1.1 WHEREAS the Traffic Congestion Relief Act of 2000 (herein after referred to as “statute”), which was established by Chapters 91 (AB 2928) and 656 (SB 1662) of the Statutes of 2000, establishes the Traffic Congestion Relief Program, providing \$5.39 billion for projects throughout the State of California to reduce traffic congestion, provide for safe and efficient movement of goods, and provide system connectivity; and
- 1.2 WHEREAS in accordance with Government Code Section 14556.11 the California Transportation Commission (Commission) has adopted guidelines, in consultation with the Department of Transportation (Department) and regional agencies, to implement the Traffic Congestion Relief Program (TCRP); and
- 1.3 WHEREAS the statute and guidelines require applicants to specify full and complete project applications, including scope, cost and schedule, financial plans and funding sources; and
- 1.4 WHEREAS the Commission, with assistance from the Department, is required by statute to review and approve applications for TCRP projects that meet the requirements in statute and guidelines; and
- 1.5 WHEREAS the Santa Clara Valley Transportation Authority has submitted an Alternative Project Application for TCRP Project #2, Fremont-South Bay Commuter Rail; acquire rail line and start commuter rail service between Fremont and San Jose in Santa Clara and Alameda Counties; and
- 1.6 WHEREAS Government Code (GC) Section 14556.12(b)(1) stipulates that under certain conditions the lead applicant may submit an application for an alternate project specified in Section 14556.40; and
- 1.7 WHEREAS two of the conditions stipulated under GC Section 14556.12(b)(1) apply to this alternative project application, including 1) if sufficient matching funds are not available to complete the project, and 2) if the specified project is not included in or consistent with the respective RTP; and
- 1.8 WHEREAS the Commission, with assistance from the Department, has reviewed the alternative TCRP project application, and subsequent clarifications and revisions, and determined they comply with the statute and guidelines.
- 2.1 NOW THEREFORE BE IT RESOLVED the Commission does hereby approve the following alternative TCRP project application for \$35,000,000, as submitted, with subsequent clarifications and revisions:

- Project #2- \$35,000,000 for Phase 3, for Fremont-South Bay Commuter Rail; acquire rail line and start commuter rail service between Fremont and San Jose in Santa Clara and Alameda Counties.

Applicant Agency: Santa Clara Valley Transportation Authority (VTA)

Implementing Agency: VTA

Advance Requested: \$35,000,000

and

- 2.2 BE IT FURTHER RESOLVED that prior to an allocation of funds for right of way capital, Department Right of Way staff must review real estate appraisals for methodology of valuation, and report findings to the Commission prior to Commission allocation; and
- 2.3 BE IT FURTHER RESOLVED that for cashflow purposes, an advance of \$35,000,000 is approved for the purchase of a portion of the existing railroad right-of-way currently owned and operated by the Union Pacific Railroad and known as the Milpitas Subdivision and the San Jose Industrial Lead; and
- 2.4 BE IT FURTHER RESOLVED that in the event that any portion of the right-of-way acquired under this project approval is not used for transit purposes and is later resold, the Department shall be entitled to a refund or credit, at the Department's option, of the then fair market value, unless VTA requests, and receives approval from the Department, that the proceeds from the resale of right of way be reinvested in the BART Extension from Fremont to Downtown San Jose project; and
- 2.5 BE IT FURTHER RESOLVED that in the event that the BART or Commuter rail service is not established by 2012, the VTA shall return to the State the \$35 million from this application, as well as \$45 million from TCRP Sub-Project #1.2, plus interest based upon the rate received by the Pooled Money Investment Account (PMIA), or shall update the Commission on progress to establish the service and seek Commission approval to defer this repayment provision; and
- 2.6 BE IT FURTHER RESOLVED that prior to an allocation of capital funds for TCRP Sub-Project #1.2, the VTA shall update the project application to reflect the revised funding plan, a request for advance, and to reflect the condition of repayment as stated in Section 2.4 above; and
- 2.7 BE IT FURTHER RESOLVED that all lead agencies shall provide the Commission and the Department with a progress report on April 1st and October 1st of each year on actual expenditures and status of work, until the projects have been completed; and
- 2.8 BE IT FURTHER RESOLVED that this TCRP project application approval by the Commission reserves the State funding for the projects as specified by the statute, and allows the applicant agencies to incur costs in accordance with the approved project application, statute and guidelines.