

Date: May 23, 2007Committee Meeting Date: May 17, 2007Board Meeting Date: June 7, 2007**BOARD MEMORANDUM**ACTION  DISCUSSION  INFO 

**TO:** Santa Clara Valley Transportation Authority  
Board of Directors

**THROUGH:** Michael T. Burns  
General Manager

A handwritten signature in black ink, appearing to read 'Michael T. Burns'.

**FROM:** Carolyn M. Gonot  
Chief Development Officer

A handwritten signature in black ink, appearing to read 'Carolyn M. Gonot'.

**SUBJECT:** BART Purchase of Western Pacific Milpitas Property for Warm Springs  
Extension Project

**RECOMMENDATION:****Policy-Related Action: Yes****Government Code Section 84308 Applies: No**

Authorize the General Manager to execute a Purchase Agreement and all other documents necessary to convey approximately three miles of former Western Pacific Railroad Road (WPRR) right-of-way to the Bay Area Rapid Transit District (BART) for \$20,089,756.

**BACKGROUND:**

In December 2002, VTA purchased approximately 15 miles of the WPRR Milpitas rail corridor from the Union Pacific Railroad Company (UPRR). The purchase was intended to preserve and protect a potential corridor for the proposed Silicon Valley Rapid Transit Project. The property boundary begins just north of Paseo Padre Parkway in the City of Fremont, County of Alameda and terminates at Williams Street in the City of San Jose. The \$80,273,904 purchase price was funded through the issuance of Grant Anticipation Note bonds, which were subsequently refunded with 2000 Measure A Sales Tax Revenue Bonds.

In November 2001, VTA also entered into a Comprehensive Agreement with BART to establish parameters for the construction and operation of a possible BART extension to Warm Springs and ultimately into Santa Clara County. The agreement gives BART the right of first refusal to purchase a portion of the corridor, between Paseo Padre Parkway and Mission Boulevard, in Alameda County, for construction of the Warm Springs Extension (WSX) Project.

## **DISCUSSION:**

The acquisition of the Milpitas Line corridor was intended for both BART and VTA to use the corridor for their respective projects. The WSX project requires 3.66 miles of the corridor or 24.59% of the total purchased length. The property required by WSX includes 2.78 miles in fee title and .88 miles in the form of an operating easement.

The attached Exhibit A illustrates the portions of the VTA owned corridor to be conveyed to BART. The solid light blue area represents the area to be conveyed in fee title and the striped light blue area shows where BART will be granted operating easements on the VTA owned corridor.

The following is a summary of the purchase price and agreement, which will reimburse VTA for the purchase price and costs associated with this segment of the corridor:

1. BART will pay \$19,739,353 for its pro-rata share of the total cost of the property;
2. BART will pay \$2,614,190 for its pro-rata share of the bonding cost incurred by VTA through June 30, 2007;
3. VTA will credit BART with \$1,352,450 for its pro-rata entitlement to remediation transportation credits received from UPRR;
4. VTA will credit BART with \$341,337 for salvaged track material contained in the purchased area. BART will deliver the rails and ties to a location specified by VTA;
5. VTA will credit BART with \$475,000 for re-engineering costs required to realign BART's current design to align with the proposed SVRT alignment;
6. VTA will credit BART our 50% share of closing costs estimated at \$95,000
7. Net reimbursement value to VTA is \$20,089,756

## **ALTERNATIVES:**

The Board can choose to not approve the sale of this property to BART. However, without this property, BART will not be able to construct the Warm Springs Extension, which is a precursor to the construction of the potential BART extension to Silicon Valley.

## **FISCAL IMPACT:**

VTA will receive \$20,089,756.00, which will be credited to the Measure A program.

Prepared by: Roberta Notrangelo, Manager Real Estate and Project Administration

# BART WSX Project . . . .

**Sale Area to BART**

Existing Fremont BART Station

Paseo Padre Pkwy

Segment 1A

Grimmer Blvd.

Segment 1B

Fee Title Area 

BART Warm Springs Station\*

Operating Easement Area 

Alameda County line  
Santa Clara County line

Montague Station\*

**Retained SVRT ROW** 

Berryessa Station\*

End ROW  
24th & Williams

\*Planned stations