

Date: January 28, 2008
Committee Meeting Date: January 16, 2008
Board Meeting Date: February 7, 2008
ACTION ITEM

BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
Board of Directors

THROUGH: Michael T. Burns
General Manager

FROM: Mark S. Robinson
Acting Chief Engineering & Construction Officer

SUBJECT: Utility Relocation Agreements with MCI Communication Services, Inc. and
Santa Fe Pacific Pipeline, L.P. for the Relocation of Communication and
Petroleum Facilities—WP Milpitas Line

Policy-Related Action: No

Government Code Section 84308 Applies: No

RECOMMENDATION:

Authorize the General Manager to execute Utility Relocation Agreements with MCI Communications Services, Inc. (MCI) in an amount not to exceed \$22,300,000 and Santa Fe Pacific Pipeline, L.P. (SFPP) in an amount not to exceed \$9,000,000. These Agreements are required in order to clear communication and petroleum facilities from VTA's freight rail corridor, formerly known as the WP Milpitas Line, thereby enabling the use of that corridor for future transportation-related improvements.

BACKGROUND:

In December 2002, VTA purchased a freight rail corridor from Union Pacific Railroad (UPRR) extending from Fremont to San Jose, a distance of approximately 15 miles. This corridor was formerly known as the WP Milpitas Line. The land was purchased for future transportation-related improvements. Under the terms of the VTA and UPRR Purchase and Sale Agreement, VTA is obligated to relocate existing freight railroad facilities from the VTA corridor onto adjacent UPRR property. Relocation of the existing freight railroad facilities is identified as the Freight Railroad Relocation Project (FRR).

DISCUSSION:

To clear VTA's corridor, VTA must relocate communication facilities and a petroleum line in advance of relocating UPRR facilities. MCI will be the lead on communication facilities and be responsible for the design and installation of a joint duct bank that will accommodate the MCI, Sprint, Qwest Communications and Level 3 fiber optic relocations. SFPP will design and relocate their petroleum pipeline. This work will take place between Grimmer Boulevard in Fremont and Curtis Avenue in Milpitas. The total cost of the MCI work will not exceed \$22,300,000 and SFPP work will not exceed \$9,000,000.

Actual costs will be supported with monthly invoices from MCI and SFPP. VTA anticipates entering into cost sharing agreements with the Alameda County Transportation Authority, City of Fremont and Santa Clara Valley Water District, in connection with the Mission/Warren/Truck Rail and Berryessa Creek Projects in the corridor, pursuant to which those agencies will pay a proportionate share of MCI and SFPP utility relocation costs. Discussions with our cost share partners will be finalized within the next few months and a recommendation to authorize execution of those agreements will be brought to the Board upon conclusion of negotiations.

ALTERNATIVES:

There are no practical alternatives to the recommended action if VTA is to comply with the VTA and UPRR Purchase and Sale Agreement dated December 2002.

FISCAL IMPACT:

This work was budgeted in the FRR Project Budget Authorizations (Board Action January 4, 2007 and June 7, 2007) funded by Measure A. Including commitments of these funds, a budget of \$13,700,000 will remain available for the FRR Project.

STANDING COMMITTEE DISCUSSION/RECOMMENDATION:

The Transit Planning & Operations Committee considered this item on January 16, 2008, and unanimously recommended that the Board approve this item. The committee recognized that this work, which is the beginning of the railroad relocation on the UPRR right-of-way, was agreed to as part of the right-of-way purchase and therefore not optional.