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CITY HALL • 1 FRANKLIN SQUARE PLAZA • OAKLAND, CALIFORNIA 94612

REBECCA KAPLAN  
Councilmember At-Large  
atlarge@oaklandnet.com

(510) 238-7008  
FAX: (510) 238-6910  
TDD: (510) 839-6451

July 14, 2009

Oakland City Council  
Oakland, California

President Brunner and Members of the City Council:

RE: "Discussion on the Bay Area Rapid Transit's (BART) Design and Construction Proposal,  
Funding status, Local Job Projections, and Projected Ridership for the Oakland Airport  
Connector

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Please see the attached items for discussion

Respectfully submitted,

  
REBECCA KAPLAN  
Councilmember, At-Large

# California Legislature

**DON PERATA**

RET. PRESIDENT PRO TEM  
STATE SENATE

June 8, 2009

Chairman Scott Haggerty  
MTC  
1101 Eighth Street  
Oakland, Ca 94607

Dear Scott:

As the author of SB 916 – which placed regional Measure 2 on the ballot-, I must oppose the Oakland Airport Connector project. In short, the proposal is too much money for too little transit and economic value.

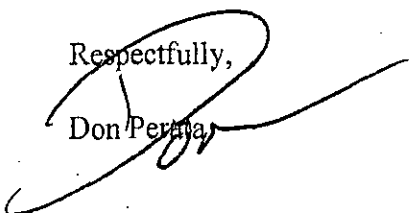
While the connector was included in the menu of RM2 transportation projects, that election was in 2004. *The world has since changed dramatically.* And so has the project. In 2003 when the project was proposed, only \$30M was needed to complete funding for the \$230M connector. In fact, we told the voters (in the ballot pamphlet) that this was “the final portion of funds needed for direct BART service” to the airport. Project costs now exceed \$300M and the RM2 dollars needed have quadrupled. Even more damning, the ridership predicted in 2003 has fallen substantially from 13,540 to fewer than 4500 by 2020. This fails any cost-benefit analysis *on its face.*

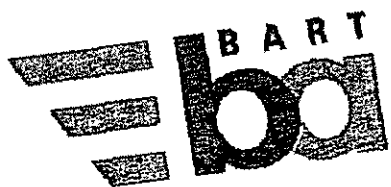
It seems prudent in light of these hard facts (as well as the national and state uncertain economy and the fiscal and debt troubles at the port of Oakland) to discontinue further action on the connector. While some will argue delays will only add cost, I argue construction of the BART airport extension is *unwarranted at all* in today’s market.

Elected representatives everywhere act as consistent with today’s realities; we cannot conduct public affairs as if the weak economy is simply a market correction. There is less tax dollars available and more competition than our generation has ever known. This requires strong fiscal discipline and hard choices. Whether the money comes from taxes, tolls or fees, it’s the *same pair of pants, only different pockets!*

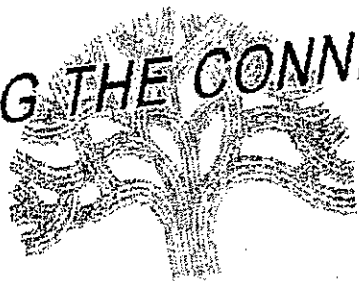
I am unconvinced an Oakland Airport Connector is the highest and best use of available transit money – even assuming potential millions from the federal government stimulus program. Washington bureaucrats don’t know any better; we should. Conditions have changed. Express busses through synchronized traffic lights, BART around the bay and (my personal favorite) all-bay commuter ferry service are superior uses of limited capital transit funds. The public and posterity are watching us carefully. Thank you for your consideration.

Respectfully,

  
Don Perata



MAKING THE CONNECTION



Oakland Airport Connector  
Full Funding Plan Action  
BART Board of Directors  
April 23, 2009

# View from 10,000 Feet

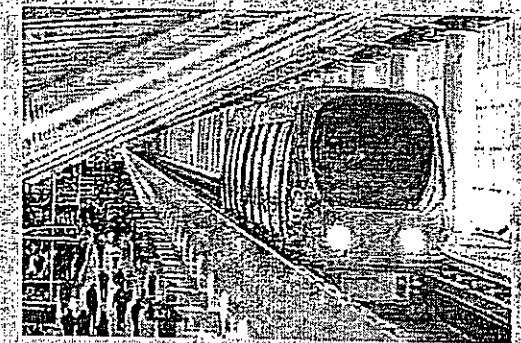
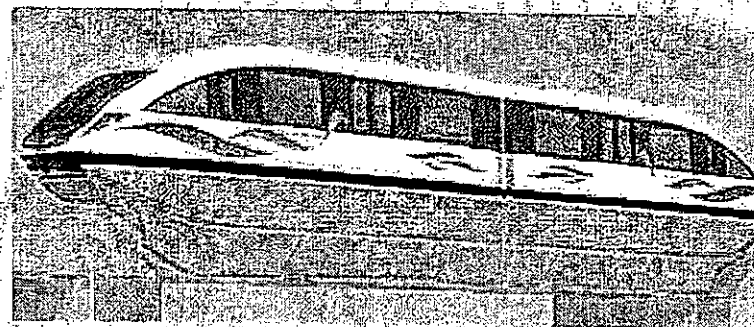
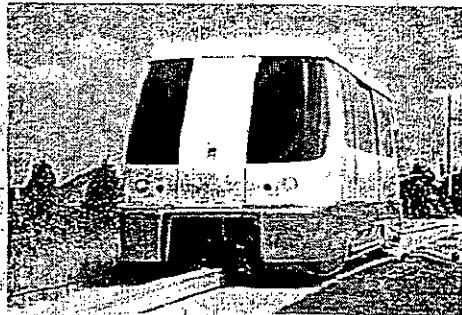
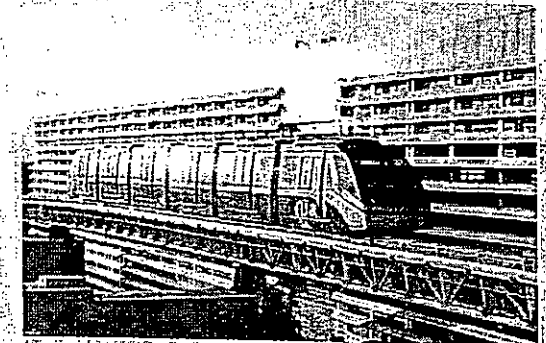
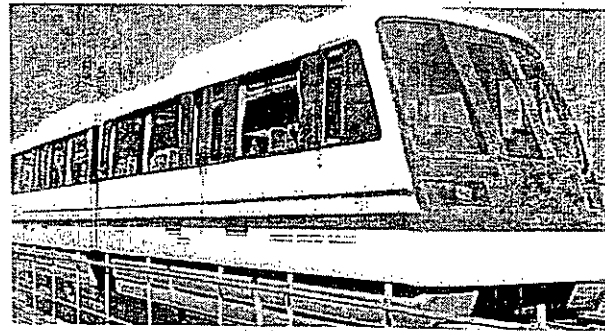
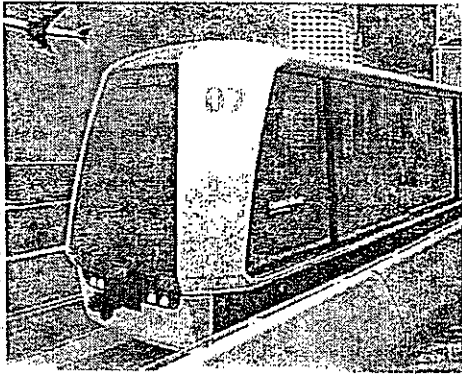


# Current Project Status

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- FEIR Done 2002 – EIR Addendum 2007
- Agreements & Right of Way all done w/exception of PORT
- Previous procurement expired due to costs and drop at Oakland Airport
- Cost and Competition Development
  - Scope Reductions
  - Cable - Automated People Mover (APM) system
  - Self propelled APM providers showing interest
  - Teams are forming
- Affordable Capital Cost
  - Civil/Systems capital cost \$386 - 416M
  - Total Project cost \$499M - \$529M
  - Also requires reduced operations, maintenance and life cycle costs

# Potential APM Technologies



**Self Propelled**

**Maglev & Monorail**

**Cable**

# Full Funding Plan

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## Committed Public Funding

FTA P5	= \$25 M
Alameda County Transportation Improvement Agency	= \$89M
Port of Oakland (escalated)	= \$44 M
STIP (State Transportation Improvement Program)	= \$21M
Regional Measure 1 & 2 (Bridge Toll)	= <u>\$109M</u>
<b>Total Committed Funding</b>	<b>= \$288M</b>

## Proposed Funding

* Federal Recovery and Reconstruction Act (ARRA)	= \$70M
Seismic under runs (MTC reallocated RM2 funds)	= \$50M
MTC State & Local Partnership Plan Funds (SLPP)	= \$20M
BART Debt Financing (TIFIA)	= <u>\$93 -123M</u>
<b>Total Potential and Committed Funding</b>	<b>= \$522 - 552M</b>

\* **Deadlines of June 30 Full Funding Plan, release RFP & December 31, 2009 Contract Award**

# Estimated Project Costs

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Capital Construction Cost	= \$386 - 416M
BART Spent to Date, Delivery & Contingency Cost	= <u>\$113M</u>
Project Capital Cost	= \$499-529M
Capitalized Interest	= <u>\$23M</u>
<b>Total Project Cost</b>	<b>= \$522 - 552M</b>



# BART Debt Financing

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## ▪ Financial Modeling

- Flexible, low interest TIFIA financing currently best option
- Paid back through the fare box
- Conservative Ridership scenario
- Early years shortfall total \$22M can be mitigated by
  - Price Competition
  - Doolittle Overcrossing (Subject to FAA approval)
  - Remaining Construction Reserve
  - High Speed Rail Bond
  - Other fund sources

# OAC Schedule

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## Design Build Operate & Maintain (DBOM)

Issue RFP /RFQ	May 2009
Proposals Due	Sept 2009
Contract Award	Nov 2010
NTP	Jan 2010
Revenue Service	2013

# Needed Now

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By June 30 2009 to meet MTC Deadline

## BART Staff

Release Request for Proposals (May 2009)

## BART Board

Approve three resolutions in support of an OAC Full Funding Plan

- Approve support of ARRA funding
- Confirm Seismic under run and Approve MTC reallocation to OAC
- Approve staff to file TIFIA loan application

# Needed to Award

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By December 31, 2009 Deadline

Agency Actions:

- Port - Funding Commitment / Agreements
- FTA - P5 Funding Commitment
- ACTIA – Full Funding Agreement
- BART - TIFIA Funding Commitment
- BART - Affordable Proposal & Board Action
- MTC
  - Reallocation of RM2 Seismic Funds to OAC
  - Adopt SLPP Funding
  - Commit Full Funding

# Staff Recommendation

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**Approve OAC Full Funding Plan and Resolution**

▼ Ad Feedback

## News Publications

Topic: RSS Feed

# Editorial: It's time for BART to rethink the Oakland Airport

Oakland Tribune , May 14, 2009 by Anonymous

**BART DIRECTORS NEED** to consider alternatives before approving financing for a light-rail system between the Coliseum station and the Oakland Airport.

For years now, BART officials have fantasized about a people-mover that would transport riders along the 3.2-mile trip. Rather than the existing AirBART bus service, riders would board an elevated light-rail system.

Originally forecast to cost \$130 million in 2000, the price tag has escalated to more than \$500 million. Meanwhile, just-released daily ridership projections for the system, once forecast at 13,540 by 2020, have now shrunk to 4,670 by the end of the next decade. And the projected round-trip fare has jumped from \$4 to \$12 per person.

Last year, district officials had visions of a public-private partnership to finance the deal. That idea dissolved when three groups of private companies bailed out, apparently realizing the project had too much financial risk and not enough potential upside. Six months ago, the light-rail project seemed nearly dead.

But the prospect of \$70 million of federal stimulus dollars breathed new life into the project. *District officials are now talking about financing the airport rail link on their own. The plan now calls for seeking bids from private companies to design, build, operate and maintain it. That's a recognition that the private sector can often operate cheaper than the public sector.*

The problem is that, even with all the funding the district has lined up, it's still about \$93 million to \$123 million short of what it needs to build the system.

Today, district directors will decide whether to seek \$150 million of federal loans to bridge the gap and have some cushion. Before they take on that debt, they should consider the consequences and the alternatives.

For even if the district manages to build the system, its own projections show that it will lose millions of dollars in the future on operations and won't turn a consistent profit until 2036.

That means that the taxpayers and riders of the rest of the system will be left to subsidize the airport link.

In the past, we have been supportive of the airport linkage. But the new financial and ridership projections have made us rethink our position.

It's not surprising that the ridership projections for the airport link have plummeted. Air travel has been hard hit by the economic downturn and soaring fuel prices. Oakland Airport also has been hurt badly because some key carriers have moved more service across the Bay to the San Francisco Airport. The number of Oakland passengers this year will be only about two-thirds the total in 2005.

Fewer airport passengers means fewer people to ride the link from the Coliseum to the terminal. Projections prepared for BART show it could be a decade or more before the airport recovers to the levels of just a few years ago. And, looking to the future, the state's plans for high-speed rail between Northern and Southern California will certainly cut into airport traffic. We also believe that the projected \$12 round-trip fare will discourage more passengers than BART thinks from using the connector.

In an ideal world, it would be great to have a fancy rail system to move passengers from their flights to BART. It would be great to mirror the service across the Bay at SFO. But the San Francisco Airport carries 64 percent of the region's air passengers, while Oakland serves just 20 percent.

So, even though BART has some federal stimulus money to help pay for the light-rail system, spending it to build a money-losing entity that will create more operating debt for the district in the future makes little sense. The stimulus money could probably be better spent on other Bay Area transportation projects.

Meanwhile, BART has a much cheaper alternative -- improved bus service -- to shuttle passengers from the Coliseum station to the airport terminal. It's time to put the brakes on the light-rail plan and look at other solutions.

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