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APRIL 11, 2006

IGNACIO DE LA FUENTE, PRESIDENT
CITY COUNCIL
OAKLAND, CALIFORNIA

PRESIDENT DE LA FUENTE AND MEMBERS OF THE CITY COUNCIL

SUBJECTS: 1) AGENCY RESOLUTION AUTHORIZING AN AGENCY PAYMENT TO THE CITY UNDER THE COOPERATION AGREEMENT IN AN AMOUNT NOT TO EXCEED \$725,000 TO COVER THE CITY'S COST FOR PLAN REVIEW, CONSTRUCTION MONITORING AND ADMINISTRATION FOR THE OAKLAND AIRPORT CONNECTOR PROJECT 2) CITY RESOLUTION ACCEPTING A CONTRIBUTION OF FUNDS FROM THE REDEVELOPMENT AGENCY UNDER THE COOPERATION AGREEMENT IN AN AMOUNT NOT TO EXCEED \$725,000 TO COVER THE CITY'S COSTS FOR PLAN REVIEW, CONSTRUCTION MONITORING, AND ADMINISTRATION FOR THE OAKLAND AIRPORT CONNECTOR PROJECT

PURPOSE AND SCOPE

In accordance with the Measure H Charter Amendment, which was passed by the voters at the General election of November 5, 1996, we have made an impartial financial analysis of the accompanying Proposed Resolution and Agenda Report. In making our analysis, we also asked for additional information and clarification from City and Redevelopment Agency staff.

The City Auditor is elected by the citizens of Oakland to serve as an officer in charge of an independent department auditing City government activities. The City Charter established the independence of the Office of the City Auditor.

Since the Measure H Charter Amendment specifies that our impartial financial analysis is for informational purposes only, we did not apply Generally Accepted Government Auditing Standards as issued by the Comptroller General of the United States. Moreover, we found that the scope of our analysis is impaired by Administrative Instruction Number 137, effective May

21, 1997, which provides only two (2) weeks for us to plan, perform and report on our analysis. Due to this time constraint, we did not verify data contained in the Proposed Resolutions and Agenda Report.

SUMMARY

The Proposed Resolutions specify that the City of Oakland will be required to contribute up to \$725,000 towards the construction of the Bay Area Rapid Transit (BART) Airport Connector Project. A partnership of governmental entities is proposing to construct a rail line linking the BART Coliseum/Oakland Airport station to the two terminals at the Oakland International Airport. The proposed rail line would travel on an elevated path along the center divider of Hegenberger Road.

The BART station is approximately 3.2 miles from the Oakland International Airport. Currently, air travelers, airport employees and others desiring to continue on public transportation from this station take shuttles, buses or taxis to the airport. The rail line would provide an alternative means to arrive at the terminals for the growing number of air passengers forecasted in the coming years.

The length of the Airport Connector is entirely located within the limits of the City of Oakland. The City Council passed a resolution on November 28, 2000 considering this rail link a top priority transportation project (Resolution 76153 C.M.S.).

FISCAL IMPACT

The estimated cost of the Airport Connector is as follows:

Use of Funds	
Preliminary Engineering and Environmental Studies	\$ 3,800,000
Other Engineering & Design-Build-Finance-Operate Studies	11,932,000
Right of Way	12,000,000
Advanced Utility Relocations	4,000,000
Construction Contracts	294,068,000
Construction Engineering	<u>52,000,000</u>
Estimated Total	<u>\$377,800,000</u>

The proposed amount of up to \$725,000 contributed by the City represents less than 1% of the estimated project cost. No further contributions from the City toward the project are expected as of this report's completion date. The Airport Connector is expected to be operational by 2011.

CONTRACTOR SELECTION PROCESS

BART will be the lead agency with responsibility for administering the Airport Connector project. These responsibilities include formulating the preliminary design, issuing the Request for Proposals and oversight of the selected private contractor that will complete the project.

A Cooperative Agreement between BART and the City has been drafted for the purpose of this project. If entered into, the agreement includes provisions for BART to consider input from the City on the project's architectural, engineering and design elements that affect City infrastructure.

INTERMEDIATE STATIONS

The Airport Connector included preliminary plans for up to two intermediate stations along the course of the route. The locations were to be in the vicinity of 1) Edgewater Drive and Hegenberger Road and 2) Doolittle Drive and Hegenberger Road.

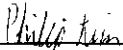
Due to funding constraints, construction of neither station is included in the current plans. However, according to staff, the track alignment of the Airport Connector will be designed to allow for later construction of intermediate stations should funding for these become available.

The Cooperative Agreement also includes a provision which requests BART to evaluate the feasibility of building a station at the proposed Doolittle Drive and Hegenberger Road location. A prior cost estimate from 2003 to complete both stations was \$25,000,000.

CONCLUSION

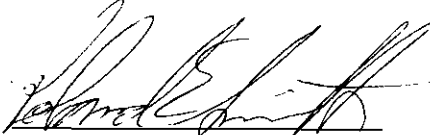
The City Auditor recommends that the City adopt this resolution based upon the percentage of funding that the City will be required to contribute compared to the overall costs of this project. In addition, when completed, the Airport Connector is expected to alleviate the demands on public transportation arising from the forecasted increase in travelers using BART to arrive at Oakland International Airport.

Prepared by:



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Issued by:



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Report completion date:
April 5, 2006