

DATE: JUNE 25, 2008
TO: ALAMEDA COUNTY MAYORS
FROM: MAYOR MARK GREEN, CITY OF UNION CITY
**RE: POTENTIAL LOSS IN FUNDING TO ACQUIRE OAKLAND
SUBDIVISION, PROPOSED CHANGE TO RESOLUTION 3434**

The Mayor's Conference requested additional information on MTC's proposed policy change for Resolution 3434 projects. Resolution 3434 is a policy document for funding transit projects that were identified in the voter approved Regional Measure 2, the \$1 increase in tolls for the Bay Area region's state-owned bridges. The toll proceeds are earmarked to fund transit projects that relieve congestion on the bridges. One of the criteria for receiving funding from Regional Measure 2 is to have Transit Oriented Development around the rail stations in the rail corridors funded by Regional Measure 2. Dumbarton Rail is one of the projects identified for funding under Regional Measure 2. Dumbarton Rail would provide rail service between Redwood City and Union City. MTC staff is proposing to divert \$91 million from the project and use it to fund the Warm Springs BART extension. The \$91 million would not be paid back until FY 2019-20 to FY 2026-27 from Alameda County Regional Transportation Improvement Funds. Implementation of the Dumbarton Rail project will require the acquisition of the Oakland Subdivision from Union Pacific Railroad. Public acquisition of the Oakland Subdivision, the rail line that parallels the BART tracks between Oakland and Union City, would benefit Priority Development Areas identified in Oakland, San Leandro, Hayward, and Union City. Newark's and Fremont's Priority Development Areas would benefit from the completion of the Dumbarton Rail project. Union City certified an Environmental Impact Report for the track improvements on the Oakland Subdivision to enable Dumbarton Rail, Capitol Corridor, and ACE to have a stop at the Union City BART Station.

Acquisition of the Oakland Subdivision can advance without full funding for the Dumbarton Rail project. Acquisition of the Oakland Subdivision would have separate utility that would benefit Alameda County cities. If there was a desire of the cities, Capitol Corridor could also provide a stop at the San Leandro and Hayward BART stations in addition to Union City.

Recommendation

MTC's Programming and Allocations Committee is scheduled to make a recommendation on Resolution 3434 to the full Commission on July 9. I am recommending that cities adopt resolutions and sent letters to MTC opposing the diversion of funds from the Dumbarton Rail project to Warm Springs, and that MTC should authorize beginning negotiations with Union Pacific Railroad to acquire the Oakland Subdivision. Sample letters and resolutions are attached