CITY OF PALO ALTO
MEMORANDUM

DATE: September 15, 2008
TO: Our Council Colleagues
FROM: Mayor Larry Klein and Council Member Yoriko Kishimoto

SUBJECT: Request to agendize discussion of Measure B, BART Sales Tax Measure

On August 5, 2008, Valley Transportation Authority (VTA) Board of Directors voted to put a ballot measure at the November 4th General Election this fall. Measure B would enact a 1/8th cent sales tax for 30 years for Bay Area Rapid Transit (BART) to operate and maintain the 16 mile proposed extension from Warm Springs to San Jose and Santa Clara. We oppose this ballot measure and request your support to place a proposed resolution on our agenda in early October.

BART was one of the projects proposed in the 2000 Measure A which was overwhelming passed by county voters. At the time, there were no timelines or bonding costs included. BART was estimated to cost $4.1 billion (2000 dollars). Since then, it has become apparent that supplemental vehicles and parking added an additional $562 million (in 2003 dollars) -- an incremental increase equivalent to the entire amount estimated for our county’s share of Caltrain electrification costs plus Measure A allocation to Caltrain upgrades over 30 years, $171 million! In addition, bonding costs, largely to accelerate BART construction to 2016, would cost $3.8 billion (2003 dollars). In contrast, the Palo Alto Intermodal Transit Center project ($50 million to come from Measure A) is not slated to complete funding until 2025 although we have benefited from some early funding of small improvements to bus bays and access.

VTA’s representatives to Metropolitan Transportation Commission (MTC) are recommending that $91 million be diverted from the Dumbarton rail corridor to complete the BART to Warm Springs. Ironically, BART to Warm Springs is short of funding since it had “lent” $145 million in funding to BART to SFO which has not been
able to repay it. For the Peninsula, this has been a double take-away since there is no longer a convenient transit option to the San Francisco airport because the new BART link from the Caltrain station at Millbrae to SFO has been closed due to operating deficits.

The Federal Transit Administration (FTA) has consistently given the BART extension a “not recommended” rating due to concerns about the operating and capital financial plans and also questions about the project’s ridership and travel-time benefits. According to MTC, Measure B, if successful, will move the project “closer” to a full funding plan. VTA has advanced $400 million so far to take BART to 65% engineering design. Updated construction estimates are due this fall or winter and expected to raise current estimates. More than 94% of the cost is yet to be incurred – the key decisions are still in front of us.

Dumbarton Rail is the latest project to be sacrificed to pay for BART. Caltrain reports that electrification cost estimates have also risen and a funding agreement has not been reached among the three agencies. With daily ridership having risen to 46,000, electrification and modernization is key to increasing capacity, restoring service to more stations, reducing fuel consumption and costs, and improving energy efficiency. This may be the topic of a different agenda item or study session. These are some of the reasons we oppose Measure B.

Please join us in placing a resolution to oppose Measure B on the council agenda for full discussion.