Introduction

The 2007-2008 Santa Clara County Civil Grand Jury (Grand Jury) received a complaint from a citizen stating that Santa Clara County (County) has committed funds to the Dumbarton Rail Corridor (DRC) project, which has significant cost and legal issues and is of questionable benefit to county residents.

Background

In the past 20 years, the Bay Area and Santa Clara County have established programs that address regional and county transportation issues.

In 2000, county voters approved Measure A, which was a series of 14 transportation projects designed to provide transportation relief to the residents of the county. The projects ranged from extending BART to downtown San Jose to connecting Caltrain to the Dumbarton Rail Corridor, and would be under the management of the Santa Clara Valley Transportation Authority (VTA). These projects would be paid for through an extension of the ½ cent sales tax through 2030. Proponents of this measure stated that these projects would be completed on time and within budget.

In 2004, voters from the seven Bay Area counties approved Regional Measure 2 (RM2), which is part of an overall Regional Traffic Relief Plan and includes the DRC project and the BART extension project.

The DRC project, a part of this regional transportation program, is a proposed passenger rail service that would span the southern portion of the San Francisco Bay, connecting communities in the East Bay (Union City, Fremont, Newark) to communities in the West Bay (Menlo Park and beyond to San Jose and San Francisco). A new rail bridge crossing the bay would replace the existing rail bridge which has not been in operation since the mid-1980s. The lead agency for the project is the Caltrain Peninsula Joint Powers Board.

Six daily westbound trains would depart in the morning and converge with the existing Caltrain line in the West Bay. Using the Caltrain line, three of the trains would travel north to San Francisco while the other three trains would head south to San Jose. During the afternoon peak, all trains would reverse their routes back to Union City. Four train stations would be directly served by DRC trains (Union City Intermodal Station, Fremont Centerville, Willow Street in Newark and Willow Road in Menlo Park).
In the 1990s, the San Mateo County Transportation Authority (SMCTA) purchased the right of way from the Southern Pacific Railroad for the Dumbarton Bridge rail crossing. Transit studies were conducted by SMCTA to determine if passenger rail service should be considered for the Dumbarton Bridge. The cost of the DRC was projected to be $300 million and the project was scheduled to be completed by 2012. Daily ridership was projected to be 5,600 in 2010 and 12,800 by 2030.

Santa Clara County’s contribution to the $300 million project cost is $44 million, Alameda County’s $32.5 million and San Mateo County’s is $50 million. The balance of the $300 million would come from the Metropolitan Transportation Commission (MTC).

Discussion

A DRC project study report was completed in February 2004, and a Project Advisory Committee was formed in April 2004. An implementation schedule was established that showed (a) thirteen environmental studies and project design completion by 2009, (b) construction funding approval in 2010, and (c) final design and construction completion by 2012. Passenger service would start in 2012 after project completion.

The MTC recently reported that the 2004 project costs of $300 million have escalated to $600 million. Additional revenues to cover the funding gap have yet to be identified. In addition, a key issue of the overall project has not been resolved. The segment of the project that involves the Newark-Union City line is dependent on reaching agreement with the Union Pacific Railroad Company (UPRR) for the use of their rail line. To date, there has been no agreement reached with the railroad after years of discussion. The original completion date of 2012 will not be met because of the significant funding shortfalls and legal issue with UPRR.

DRC project management has been reviewing alternatives if the right of way issue and the significant financial shortfall are not resolved. Among the alternatives being considered are to build portions of the rail corridor project that would only use current committed funds. The VTA has expressed concern in their internal memos over these issues and has considered withholding funds during the current phase, but has released $2 million to date.

Other justifications identified for undertaking this project are improved commuter delay times across the Dumbarton Bridge and increased ridership of the rail system. The original study was completed in 1999. However, a study conducted by the MTC in 2005 indicates that there has been a 97% drop in commuter traffic delay times from the original study. In addition, a San Francisco Bay Area Regional Rail Plan study in 2007 indicated very low ridership potential for the Dumbarton Rail Corridor even though regional population is projected to increase by 1.5 million by 2025.
Conclusions

The original assumptions for the county’s participation in the DRC project are not valid, and the voters of the county and the VTA should question the county’s participation in this regional project.

The original projected cost of $300 million has doubled. With the overall project costs doubling in the last four years, the original VTA commitment of $44 million could double to $88 million. The benefit of this expenditure to the County is questionable.

The timetable of completion by 2012 is not going to be met. Without additional funds that have yet to be identified and approved, the project would have to consider a reduced scope that would mean only partial project completion.

Full completion of the project is in jeopardy if agreement with the UPRR for the right of way is not obtained.

Another assumption, that the DRC would improve commuter traffic delay times across the Dumbarton Bridge, has proven to be incorrect. The latest study conducted in 2005 does not support that conclusion.

Although the Regional Transit Plan estimates that regional population will increase by 1.5 million by 2025, the San Francisco Bay Area Regional Rail Plan 2007 report said that the Dumbarton Rail Corridor would have low to moderate ridership potential.
Findings and Recommendations

Findings were reviewed with the subject agencies.

Finding 1

Projected project costs for the DRC project have doubled since receiving voter approval in 2000 on Measure A and RM2 in 2004. Currently, there are no additional funds committed or available to fund the increased project costs nor any plans to obtain them.

Recommendation 1

The VTA Board of Directors should not proceed with additional funding until the current alternatives analysis is complete.

Finding 2

The DRC has yet to obtain a right of way from UPRR, which jeopardizes a significant portion of the project.

Recommendation 2

The VTA should not expend any additional funds on this project until this issue is resolved by the DRC.

Finding 3

There is serious doubt about the cost versus benefit of this project to county residents. The original assumptions of improved commuter delay times and high ridership have proven not to be correct.

Recommendation 3a

The VTA should evaluate the MTC data and use the 2007 Regional Rail Plan as part of its overall decision to continue participation.

Recommendation 3b

The VTA should evaluate the County’s $44 million commitment to the overall project in terms of benefit received.
Key References

Documents


Funding Agreement between Santa Clara Valley Transportation Authority and San Mateo County Transportation Authority for Final Design (PS&E or Plans, Specifications, and Estimates) Phase of DRC Project, October 2007.


Santa Clara County Ballot Measure A, June 2000.


Regional Measure 2, Regional Relief Plan - Ballot Measure and Statute, July 2004.
Documents - continued


Regional Measure 2, Regional Traffic Relief Plan, Attachment C, MTC Resolution No. 3647, Revised: 07/25/07-C.


Interviews

December 13, 2007 Member, Dumbarton Rail Citizens Advisory Panel
January 31, 2008 General Manager, VTA
February 12, 2008 Former Member, Dumbarton Rail Policy Advisory Committee and VTA Board of Directors
February 19, 2008 Member, Dumbarton Rail Policy Advisory Committee and VTA Board of Directors
March 4, 2008 Project Manager, DRC Project
PASSED and ADOPTED by the Santa Clara County Civil Grand Jury on this 8th day of May, 2008.

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Raymond A. Blockie, Jr.
Foreperson

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Tim Cuneo
Foreperson pro tem

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Kathryn C. Philp
Secretary