

U.P.'S THREAT TO SACRAMENTO DEPOT

U.P. Breaks Deal, Says It Will Move Tracks



A year ago, Sacramento transit activists and historic preservation groups were fairly confident that they had achieved a victory which would save the historic Sacramento SP Depot. A negotiating team including Union Pacific and citizens hammered out an agreement, endorsed by the City Council May 22, 2001, that would keep the station as the hub of a transit terminal with not only Amtrak, but a Regional Transit light rail line, commuter rail service and buses. The next step was to be a full environmental study of the terminal, leading to funding and construction of an expanded multimodal facility.

That was before Union Pacific, which signed on to the agreement, unilaterally pulled out. UP declared in March that despite the agreement, it would move its mainline tracks. UP also let it be known it expected public agencies to build a new station serving the relocated tracks on partially remediated toxic land in the SP yards.

Even before the UP announcement, Sacramento officials were upset at the railroad. Ever since 1996, Union Pacific had been promising to finally fix the roof on the National Registry site depot and add a temporary roof on the collapsed Railway Express Agency building, which matches station facades but is in a worse state of decay. UP dragged its heels until mid-January, then suddenly said it would fix the REA roof. Five months later, the railroad still had not completed for the city permits to do so.

City staff finally did begin environmental work to purchase the station to save it, but refused to include the platforms, subways and tracks. "Without acquiring more land," the Save Our Rail Depot (SORD) citizens group commented in a recent letter, the City could not "ensure the continued public transit functions at the site" (the purpose of the purchase). "The goals of the 2002 project cannot be met if the rail station has no publicly owned or controlled tracks. Acquiring four acres...does not assure that the city would have tracks at its improved station, given the intent of the Union Pacific Railroad to move tracks away from the Depot. We recommend that the city acquire 37 acres along with the Depot and the REA Building thus assuring a return on its investment. In San Jose and Portland passenger tracks [and] depots are in public ownership."

The citizen group also found fault with the City's use of a superceded 9-year-old plan, the Railyards Specific Plan Richards Boulevard Area Plan (Sacramento, 1993). "That plan included constructing a new intermodal station at 7th and North B, a concept that has been rejected by the current

Beirut?, Hebron? No, it's Sacramento! The Railway Express Agency building has been the subject of angry debates at City Hall, but is Union Pacific just using the REA building as a stalking horse for what could happen to the SP Depot?

City Council (Resolution 2001-313, May 22, 2001) which considers the Historic Depot as "the grand pedestrian gateway and core facility for the Intermodal Station." SORD rejects use of the old plan, since it would thwart proper environmental reviews.

The dominant view in Sacramento is that UP really just wants to remove the station and does not care about a multimodal terminal. Even City staffers who worked with the railroad to try to obtain a plan acceptable to the public now seem to believe that the railroad has a land development agenda, not a rail agenda for the site. Certainly, all possible actions have been taken to impair passenger access to the site, and UP's melodramatic flair in letting the roof cave in on the REA building reminds one of a classic villain.

Another revealing alternate view of the project comes from websites that publicize Philip Anschutz's activities. Anschutz, by some accounts the unseen hand in UP land deals, is the biggest UP shareholder. The Anschutz Company is also the largest shareholder of common stock of Qwest.

Tsewq, a website run by shareholders, is critical of actions that boosted the perceived value of Qwest assets. Suspicious minds may connect this business model to an entire career. Anschutz parlayed assets of tiny Rio Grande into a leveraged buyout of SP, then to UP's huge real estate holdings by actions that created a prospect of future earnings. Qwest's takeover of US West was a similar guppy-eats-the-whale junk bond purchase.

The SEC is digging into Qwest's books for misstating exchanges of fiber optic line capacity as earnings, following the collapse of Global Crossing, its trading partner. With the Feds watching, Qwest can't play that game, and big losses in current accounts may boost its finance costs. Its stock went from \$64.50 to \$4.86 in just two years.

The message for Sacramento officials is to retain some caution and look out for the city's interests. The land UP wants to develop is highly toxic, and the quality of its remediation has not been properly studied by independent experts. Sacramento city officials still may end up doing the right thing, but now appear headed toward short-sighted land use decisions that would sacrifice city transportation goals and historic structures to help out a corporate raider.

BART Livermore Extension Won't Help I-580 Delays

The I-580 Corridor Study looks at options for extending Bay Area Rapid Transit service 10.5 miles from Dublin to Livermore or bus service, but will not consider upgrades of Altamont Commuter Express (ACE), in the same corridor. The study, overseen by the Alameda County Congestion Management Agency (ACCMA), is coming up with some discouraging conclusions on BART's ability to solve traffic congestion on snarled Interstate 580.

Two BART options, two diesel light rail options (called tBART) and an express bus option are being studied. One BART and tBART option use the I-580 median through Livermore. Two others diverge from I-580 to parallel Union Pacific's line through downtown Livermore.

At the March 8 meeting, CMA members confirmed that vocal opposition to changing the "character" of downtown Livermore meant that the tBART and BART downtown options will probably be dropped from study.

Fewer than 4,000 new riders would be attracted by BART extensions costing \$700 million to \$1.2 billion. Projected travel over Altamont in 2020 is 95,000 daily trips and from the Livermore Tri-Valley area 256,000, but consultants disclosed that 70% of trips cannot reasonably be served by BART or express buses. Traffic reduction on I-580 from the extension would be about 1.4%. The BART consultant cautioned that this value could be off since the numbers are so small they are at the edge of the model's ability to measure them.

By comparison, a recent study by the Santa Clara Valley Transportation Authority (VTA) showed that 27,500 riders would climb aboard a fully upgraded ACE service. TRAC's request that ACE be considered as part of the I-580 study was not accepted, but it still appears to be the best option.

- For a small fraction of the proposed \$1 billion BART extension cost, ACE could be upgraded to multiple trains per hour, parking at Dublin BART station could be doubled and a "transfer only" station built in Fremont linking BART, Capitols, ACE and Dumbarton Rail trains.
- Cost per new BART Livermore trip is \$90 to \$110 compared to \$10 to \$15 for each new ACE trip.
- BART extension would require an operating subsidy of \$18 million per year. This is equivalent to 12 years of Alameda County's subsidy of ACE.

BART is understandably intimidated by ACE's success in the corridor, since its East Dublin-Pleasanton line is by all accounts the "Achilles Heel" of the network, carrying less than half the traffic of Sacramento's trolleys. That's not a very good performance for a line that runs in the median of Interstate 580, but the area does suffer from an extremely dispersed travel habit.

Some observers have hinted that the BART East Dublin-Pleasanton line may lose some service, or be combined with other trains if revenue shortfalls continue. A renowned New York rail planner believes the best thing for BART to do with the line is sell it to the state as a higher speed Oakland-San Joaquin route.

He points out that the line underutilizes the valuable time slots it is given in the Transbay tube, and is a white elephant for BART, but for the state rail network is a key missing piece of the puzzle. Amtrak lacks a fast, direct route to the Central Valley, and the East Dublin-Pleasanton line could be at least part of the solution.

Thanks to TRAC Board Member Vaughn Wolfe for tracking the I-580 study.