

# Joint Powers Board Approves Rail Right-Of-Way Purchase

A letter of intent to purchase 52.4 miles of Southern Pacific mainline right-of-way between San Francisco and San Jose for \$242.3 million was approved unanimously January 2 by a three-county Joint Powers Board.

Culminating nearly two years of negotiations, the agreement also provides for acquisition of the 11-mile Dumbarton line between Redwood City and Newark, an 8.4-mile portion of the Vasona line in Santa Clara County between San Jose and Vasona Junction, and additional 25-mile passenger service to Gilroy as soon as operational arrangements are completed.

Purchase prices for these added lines are \$12.7 million for Dumbarton, \$5 million for Vasona and \$8 million for Gilroy operating rights. Also in the package are five-year purchase options to acquire other important corridors on the Peninsula,

including the San Bruno line (a candidate for the BART/SF Airport extension) and the Moffett Branch for potential Santa Clara County light rail.

Closing of the right-of-way transaction is contingent on financing being obtained by the three JPB members (San Francisco, San Mateo and Santa Clara counties). Southern Pacific will continue to operate service over the 126-year-old line under a contract with Caltrans first signed in 1980 and continued into 1991 through legislation sponsored by Senator Rebecca Morgan. The JPB is responsible for long-term operation of the Peninsula commute, but S.P. will remain as the corridor's freight operator.

San Mateo County Supervisor Tom Nolan, JPB chairman, said January second's transaction "represents a clear response to demands by California voters for rail projects now."

Financing for the purchase is predicated on \$120 million earmarked from Proposition 116, approved last June. Another \$53 million in Proposition 116 moneys is allocated among San Francisco, San Mateo and Santa Clara counties for corridor improvements. JPB officials will seek the remaining funding from other sources.

The contract establishes the JPB's right to operate service to Gilroy on Southern Pacific's existing trackage from Lick Junction in South San Jose, proposed site of a rail maintenance facility for the Peninsula Commute and AMTRAK rolling stock. A five-year option to purchase half the Gilroy corridor for an additional \$12 million also is included in the transaction.

Property along the corridor identified by the JPB as necessary for expanded parking and

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grade separation projects also will be conveyed by S.P., and the JPB will control scheduling the dispatching for passenger and freight operations.

Purchase prices for the option corridors are \$15 million for the San Bruno Branch and \$5 million for the Moffett Branch. Option prices will remain fixed for three years. The remainder of the Vasona line from Vasona Junction to a site near the Permanente plant in north Cupertino (8.4 miles) also is included in the option package.

SamTrans General Manager Gerald T. Haugh, who is executive director of the JPB, said the parties will attempt to close the transaction by mid-1991. Many details remain to be completed, Haugh said, before closing can occur. These include project financing, negotiations of operating agreements and completion of environmental audit and title investigation.

David J. Miller, chief negotiator for the JPB, said the three counties set out two years ago to protect the CalTrain commute and other key corridors for public transportation purposes; to assure no interruption in CalTrain service; to negotiate the acquisition in phases, and to assure continued freight service.

"These objectives have been achieved," said Miller, who is SamTrans legal counsel. "The transaction includes guarantees and indemnities from Southern Pacific on title and environmental issues."