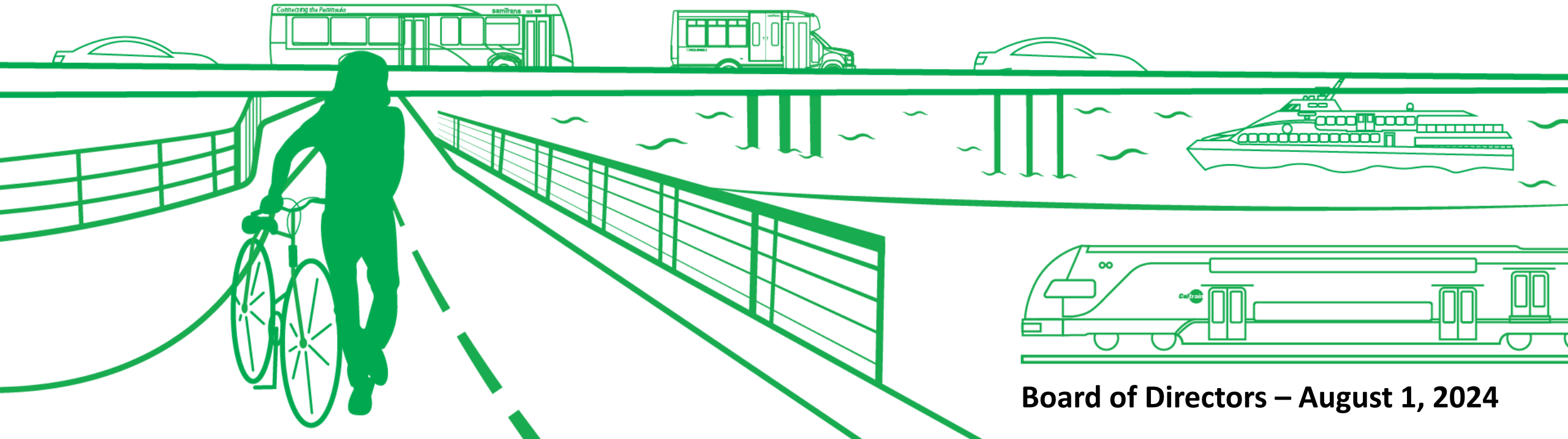




SAN MATEO COUNTY
**Transportation
Authority**

Policy on Land-banked Properties + Broadway Grade Separation Update



Board of Directors – August 1, 2024

Agenda

- Background
- Proposed approach on property valuation + Broadway Grade Separation Project (“Project”) funding request
- Project Update
- Recommendations



Background

- Feedback on policy considerations from July meetings
 - Provide guiding principles to frame discussion
 - Keep projects moving
 - Property valuation should be reasonable and treat projects equitably
 - Need for transparency with tenants
 - Minimize risk
- City of Burlingame is requesting ROW funding to purchase TA and other properties for the Project
- ROW allocation depends on valuation of TA-owned property



Property Valuation Recommendation

- Projects assume market value for all properties when developing cost estimates
- Tailored approach based on individual projects
 - Proposed use (transportation or non-transportation)
 - Purchase price
 - Investment earnings based on CPI
 - Operating and maintenance costs
 - Revenue earned
- Recommended property valuation reflects TA out of pocket costs



Property Valuation Recommendation

- Considerations
 - Proposed use
 - Non-transportation projects pay market value
 - Transportation projects pay adjusted value
 - Adjusted value reflects costs and revenues
 - If revenues exceed costs – sell for \$0
 - If costs exceed revenues - sell for “Make Whole” value



Property Valuation

Project Facts

Property purchased in 1996:	\$100,000
Investment earnings:	\$100,000
Revenue earned from leases:	\$500,000
TA land - market value:	\$1,000,000
Total project cost estimate:	\$20,000,000

"Make Whole" Value = Purchase Price + Investment Earnings

If Revenue > "Make Whole" then Contribute property to project

$\$100,000 + \$100,000 = \$200,000$

$\$500,000 > \$200,000$



Contribute
Property



Property Valuation – Example (contd.)

Recommendation

- Sell property for \$0 to project
- Reduce maximum TA cash contribution by the ‘Make Whole’ property value (\$200,000)

Project impacts

- Reduce ROW and Project cost estimates by \$1,000,000
- TA contribution (land + cash) to Project decreases by \$500,000
- Improve Project fundability



Project Funding Change Example

(in \$ millions)



Reduces:

- Project Cost
- Non-TA Funding
- TA Contribution

■ TA Cash Contribution
 ■ TA Land Contribution
 ■ Non-TA Funding



Timing of ROW funding Allocation – Recommendation

- Prioritize advancing projects
- Allocate funding when key project milestones are complete
 - Land needs well defined
 - Project ready to start land acquisition
 - Construction is reasonably certain



Broadway Grade Separation Project Update



Broadway Project Location



Project Location



Existing Conditions

Proposed Grade Separation



Project Location



Existing Conditions

Proposed Grade Separation



Project Scope and Goals

Scope

- Elevate the existing two-track railroad
- Reconstruct the Broadway station with a central boarding platform
- Reconfigure existing station parking
- Improve pedestrian/bicycle access

Goals

- Enhance safety for all modes of travel
- Improve overall traffic flow
- Reduce congestion, delays and queuing
- Minimize impact of the project to the community and businesses



Project Update

95% Design Phase

Design Team

- Addressing 65% design comments by JPB and City
- UPRR coordination
- Addressing CMGC comments

CMGC

- CMGC contract was awarded in April 2024
- Developed project risks & assumptions
- Developing 65% cost estimate & overall construction schedule
- Developing schedule to target potential early work packages
- Project team reviewing CMGC's innovation proposals

Utility Relocation

- Prepared 35% relocation plans



Next Steps - CMGC

1. Refining Project Costs & Schedule

- Project team and CMGC revising construction estimate (65%)
- Expect updated cost estimate in August
- Expect updated construction schedule with early packages in August

2. Advancing design for main construction and early work packages

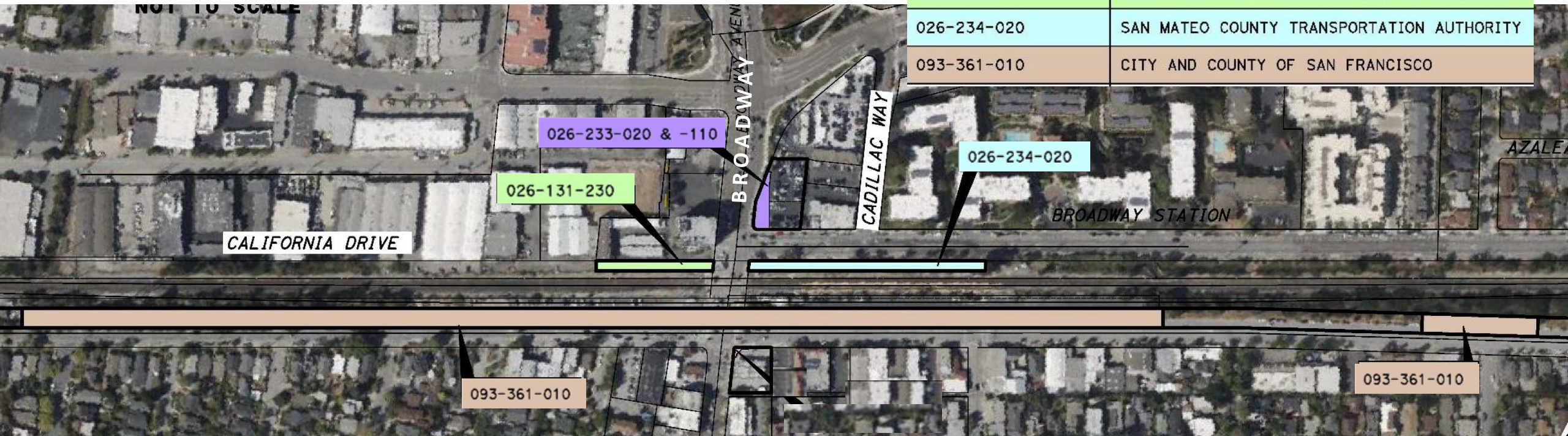
3. Funding Requests

- Won't follow same schedule as with Design-Bid-Build
- Developing a more nuanced funding plan to meet match and timely use of funds grant requirements
- For early (construction) work packages



Property Acquisitions - Map

APN	GRANTOR
026-233-020 & -110	NANCY L. TATEOSIAN TRUST
026-131-230	SAN MATEO COUNTY TRANSPORTATION AUTHORITY
026-234-020	SAN MATEO COUNTY TRANSPORTATION AUTHORITY
093-361-010	CITY AND COUNTY OF SAN FRANCISCO



Property Acquisitions – Parcel List

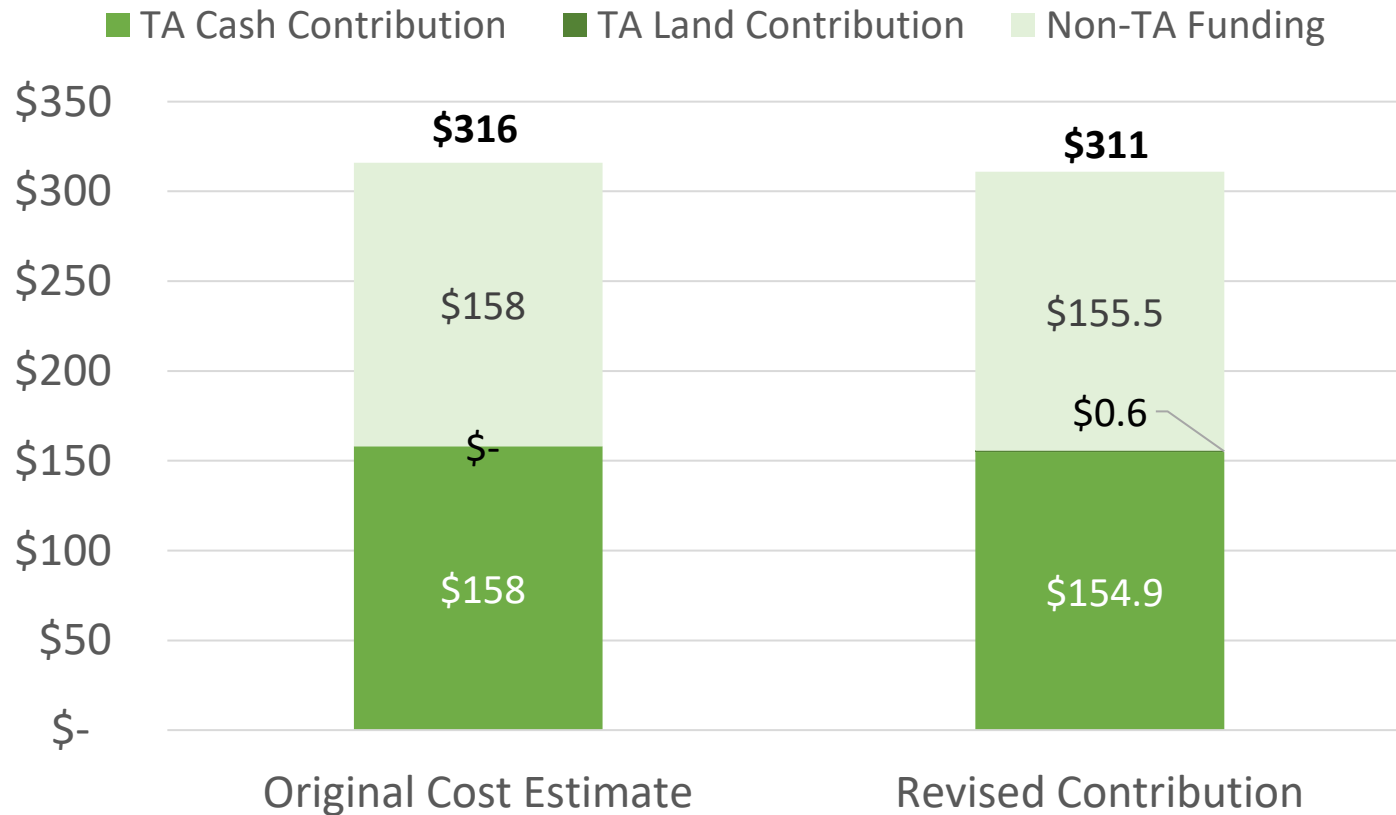
#	Assessor's Parcel #	Ownership (Existing Use)	Parcel (Sq Ft)	Acquisition Area (Sq Ft)
1	026-131-230	SMCTA (self-storage)	7,466	7,466
2	026-234-020	SMCTA (car wash + gas station)	15,031	15,031
3	026-233-020 & -110	Nancy L Tateosian Trust (car dealership)	19,919	4,314
4	083-093-361-010	City and County of San Francisco (unimproved, street, utilities)	245,802	158,057



Broadway Example*

Project Funding Change Example

(in \$ millions)



Assumptions

Original Project Estimate	\$316M
TA Property Values	
Market	\$5M
"Make Whole"	\$600K
Other ROW Costs Estimate	\$19M
Purchase Price	\$300K
Interest Earned	\$300K
Revenue Earned	\$2M

Impacts

- Project cost estimate goes down
- Local funding need goes down
- TA project contribution goes down

* For illustration purposes only, actual values will change



Example Change to Project Funding

Original Project Budget		Revised Budget		Change
Project Estimate w/o ROW	\$ 292,000,000	Project Estimate w/o ROW	\$ 292,000,000	
TA Property Sale Price (Market Value)	\$ 5,000,000	TA Property – Sale Price	\$ -	
Other Properties + soft costs	\$ 19,000,000	Other properties + soft costs	\$ 19,000,000	
Total Project Estimate	\$ 316,000,000	Total Project Estimate	\$ 311,000,000	\$ (5,000,000)
Max TA Cash Contribution	\$ 158,000,000	Max TA Cash Contribution less Land Contribution	\$ 154,900,000	\$ (3,100,000)
TA Land Contribution	\$ 0	TA Land Contribution ("Make Whole" value)	\$600,000	\$ 600,000
Local Contribution	\$ 158,000,000	Local Contribution	\$ 155,500,000	\$ (1,500,000)



Project Next Steps

- Update funding plan
 - \$70M was deprogrammed in the Fiscal Year 2025 State budget
 - \$3M federal earmark under consideration
- Continue working with the State on restoration of TIRCP funding
- Apply for competitive grants
 - Rail Crossing Elimination (September)
 - Solutions for Congested Corridors (November)
 - Local Partnership Program (November)



Staff Recommendations

- Sell TA property to the Broadway Project for \$0
- Reduce TA contribution to the Project by “Make Whole” value (\$559,000)
- Program and allocate ~\$20.6M in Measure A grade separation program funds and Burlingame local match of ~\$2.9M to acquire properties at the September 2024 meeting



Next Steps

- Action on programming/allocation request (September)
- Incorporate guidance on property valuation and right-of-way allocations into Strategic Plan (Fall)

