

Transbay Terminal Update

Business Agents with the San Francisco Building Trades Council were given an update on the plans for construction of the new Transbay Terminal at the regular meeting on March 14th. Maria Ayerdi, Executive Director of the Transbay Joint Powers Authority gave a very brief overview of the project, and then introduced Project Manager Emilio Cruz, who gave a power point presentation, looking at a revised design for the terminal; sources of funding and the proposed construction schedule. He said that rising material costs over the last three years had boosted the overall cost of the project and had forced the redesign of the terminal. He mentioned that a project labor agreement for the terminal construction was not possible because of federal funding, but that land with in the 40-acre redevelopment area that was sold to private developers would probably qualify for PLAs. According to Cruz, the transit terminal would be built in two phases at a total cost of \$2.6 billion in 2006 dollars. Current plans project the start of construction in late 2008 with the completion of the transit center by 2013.

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The overall plan proposes the demolition of the existing terminal and the construction of a new multi-modal public transit hub serving Muni, AC Transit, Golden Gate transit, SamTrans, Greyhound CalTrain and a high speed rail project. The larger project will include 21 acres of adjacent land deeded to the Authority from the State of California and 19 acres of private development. The entire 40 acre project was declared a redevelopment district last year and is now under the jurisdiction of the San Francisco Redevelopment Agency. The project area is bounded by Mission Street on the North, Folsom Street on the South, Second Street on the east and Main Street on the west.

The terminal is designed to accommodate high- speed rail on the underground level. The \$33 billion dollar rail project would have bullet trains speeding between Los Angeles and San Francisco at 220 miles per hour and carrying 115,000 passengers a day. Similar high-speed systems have been quitesuccessful in China, Japan and Europe and relieve congestion on existing freeways and at airport terminals. The state legislature has already submitted a \$10 billion bond measure for a high-speed rail system that was to be submitted to the electorate in November. Construction was to begin in 2007. However, recent alternative proposals submitted by Governor Schwarzenegger and by the legislature for infrastructure investments may derail the proposed funding for the statewide system.

Back in January the Governor has proposed a \$220 billion ten-year program using bond financing for highway construction, new school facilities and water resource development, including levee enhancements. As we go to press the State legislature is working with the Governor on a possible \$49 billion infrastructure bond issue that would include the items mentioned by the Governor as well as spending for environmental protection. A compromise bond proposal for infrastructure is expected to result in the removal of the bond proposal for the rail system. Although President Pro Tem Don Perata has proposed alternative bond financing of \$1 billion to keep the project alive he feels that even this limited funding measure may not survive the final negotiations between the Governor and the legislature.

The Transbay Joint Powers Authority has also proposed a very imaginative, mixed-use tower that would rise 850’ on the north side of Mission Street across from the new terminal. The building would be constructed on private land and would include 90 units of housing, 550,000 square feet of office space, a 260 room hotel and 25,000 square feet of retail.

According to Maria Ayerdi, about \$1.6 billion in funding has been secured from local state and federal sources. The 40-acre redevelopment project is also expected to generate 3,400 units of new housing. The entire project is currently projected to cost \$4.35 billion, including the high-rise tower. The construction of the transit terminal and the 850' tower would generate employment of roughly 1,200 construction jobs for a four- year period.