

WEST DUBLIN
Development



EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL: <i>[Signature]</i>		GENERAL MANAGER ACTION REQ'D: Approval and Forward to Board of Directors for Action		
DATE: 4/6/01		BOARD INITIATED ITEM: No		
Originator/Prepared by: Kathleen K. Mayo Dept: Transit System Development Ext. 4881 Signature/Date:	General Counsel <i>[Signature]</i> 4/2/01	Controller/Treasurer <i>[Signature]</i> 4/2/01	District Secretary	BARC <i>[Signature]</i> 4/2/01

NARRATIVE:

ADOPT THE WEST DUBLIN/PLEASANTON BART STATION AND TRANSIT VILLAGE PROJECT

PURPOSE:

To obtain Board action on the West Dublin/Pleasanton BART Station and Transit Village Project.

1. Certify the Supplemental Environmental Impact Report (EIR).
2. Approve implementation of the Recommended Project defined as the Proposed Project in the Final Supplemental EIR.
3. Adopt Findings, Facts in Support of Findings, Statement of Overriding Considerations, and Mitigation Monitoring and Reporting Plan for the West Dublin/Pleasanton BART Station and Transit Village Project.

DISCUSSION:

A Supplemental Environmental Impact Report (Supplemental EIR) has been prepared to update the analysis and supplement the evaluation of the environmental impacts associated with the proposed development of the West Dublin/Pleasanton BART Station and Transit Village Project located in the cities of Dublin and Pleasanton. The Proposed Project would include completion of construction of the San Francisco Bay Area Rapid Transit District (BART) West Dublin/Pleasanton Station. The Proposed Project also would include development of a 17-acre transit village that would include a mix of residential, office, and hotel uses; parking facilities for the BART station and the transit village uses; pedestrian bridges over Interstate 580 to access the BART station; and a bus intermodal facility.

On February 8, 1990, BART certified the Environmental Impact Report for the Dublin/Pleasanton Extension Project (DPX EIR) and approved the DPX project, a three-station extension with stations in Castro Valley, West Dublin/Pleasanton, and East Dublin/Pleasanton, all with surface parking. The West Dublin/Pleasanton Station was to be deferred until funding was available. The

EDD: Adopt the West Dublin/Pleasanton BART Station and Transit Village Project

DPX EIR evaluated the environmental impacts associated with extending the BART rail line through the Livermore/Amador Valley area into the communities of Castro Valley, Dublin, and Pleasanton. The DPX EIR also included a conceptual evaluation of the environmental impacts associated with construction of a West Dublin/Pleasanton BART station and joint development on the adjacent parcels. The development assumed for the West Dublin/Pleasanton station site included either high-density retail or office uses on the Pleasanton parcel and office uses on the Dublin parcel. The transit village uses being proposed as part of the current project differ in density and type of land uses from those assumed in the DPX EIR and the BART parking will be in garages. Therefore, BART prepared a Supplemental EIR in order to supplement, where necessary, the environmental analysis included in the DPX EIR.

The Supplemental EIR has been prepared by BART, as the lead agency, in compliance with the California Environmental Quality Act (CEQA) and the State CEQA Guidelines. The Supplemental EIR provides a full disclosure of the anticipated significant environmental impacts of the proposed project and identifies measures to mitigate significant impacts.

The Recommended Project for adoption includes several elements, including the completion of construction of the West Dublin/Pleasanton BART Station approved by the BART Board of Directors as part of the Dublin/Pleasanton Extension Project (DPX) on February 8, 1990. On the Dublin parcel, a 240-room, eight-story hotel and 160-unit, four-story residential building are proposed to be constructed. The hotel is proposed to be located closer to the freeway with 251 parking spaces, of which 71 would be accommodated as shared parking within the BART parking garage. The residential portion of the development is proposed to be located furthest from the freeway and would include 297 parking spaces, some located at the surface level and some at the one-half level under the residential buildings. In addition, a 713-stall, six-story parking garage for BART patrons is proposed to be constructed on the eastern portion of this parcel. A pedestrian overcrossing would connect the BART parking garage to the BART station. An intermodal transfer station is proposed to be incorporated into the parking garage and would include eight bus stalls for public transit transfers to the BART station.

The proposed shared parking between the hotel and BART parking garage would optimize the use of available parking spaces. Shared parking is possible because the hotel's peak demand for parking spaces occurs at a different time than the peak demand for parking by BART patrons. BART reserves 10% of its parking spaces for persons arriving after 10:00 AM. These spaces would be available for use by hotel patrons until 10:00 AM. After 10:00 AM, these spaces would be vacated by the hotel users and available for BART patrons. An agreement between BART and the hotel developer would be executed outlining the specific shared parking details. Hotel management would most likely be responsible for managing the use of the parking spaces and ensuring they are vacated by 10:00 AM. This shared parking approach would be consistent with Objective 14.3 of the proposed West Dublin BART Specific Plan, which encourages the use of shared parking among nearby land uses to satisfy parking demand for individual land uses and to reduce the amount of land needed for parking.

On the Pleasanton parcel, a 170,000 gross square foot office building with five stories is proposed to be constructed. A total of 560 parking spaces would be provided at grade on the site (3.5

EDD: Adopt the West Dublin/Pleasanton BART Station and Transit Village Project

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EDD: Adopt the West Dublin/Pleasanton BART Station and Transit Village Project

stalls per 1,000 rentable square feet). The office building may include some ancillary retail uses. A 419-stall, five-story parking garage would be constructed in the northeastern portion of this parcel for the use of BART patrons. One bus stop located on Stoneridge Mall Road would be provided for public transit transfers to the BART station. A pedestrian overcrossing would connect the BART parking garage to the BART station.

The cities of Dublin and Pleasanton will be responsible for approvals of the transit village private development and will rely on the Supplemental EIR as responsible agencies under CEQA.

The BART station area would be located between the east- and westbound lanes of Interstate 580 within the Caltrans median. Foundations for this station were constructed when the line from Castro Valley to East Dublin/Pleasanton was constructed, limiting the amount of construction activity necessary for the new station.

FISCAL IMPACT:

In order to finance the estimated \$44 million public portion of the project (i.e., the BART station with ancillary parking, bus intermodal facility, and pedestrian walkways from the station to either side of Interstate 580), a Joint Powers Authority would be created between BART and the Association of Bay Area Governments (ABAG). The Joint Powers Authority would issue bonds for construction of the public facilities. The amount of bonds needed to construct the public facilities would be reduced by the pre-payment of ground rent generated by private use of BART property. Repayment of the bonds would be through a combination of contributions from the cities of Dublin and Pleasanton of tax revenues to be generated from the private development and BART revenues generated by the station and other potential funding sources and backed by a general farebox pledge. Funding of the private development would be implemented with conventional financing and would not involve any BART or other public funds.

ALTERNATIVES:

The Supplemental EIR considered the following range of alternatives to the Recommended Project:

1. A "no project" alternative.
2. Office rather than residential on the Dublin side.
3. Reduced density on the Dublin side.
4. Reduced density on the Pleasanton side.

RECOMMENDATION:

It is recommended that the BART Board adopt the following motions:

MOTIONS:

MOTION 1

Having reviewed and considered the information contained in the Dublin/Pleasanton Extension

EDD: Adopt the West Dublin/Pleasanton BART Station and Transit Village Project

Project EIR certified by this Board on February 8, 1990, and the Final Supplemental EIR, the Board hereby:

1. Certifies that, based on BART's independent review and analysis, the Supplemental Environmental Impact Report has been completed in compliance with CEQA.
2. Approves implementation of the Recommended Project, including those actions authorized by the Board on November 4, 1999, as modified by the Board on September 28, 2000 (attached).

MOTION 2

Having reviewed and considered the draft Findings, Facts in Support of Findings, Statement of Overriding Considerations and the Mitigation Monitoring Plan dated April 2, 2001, the Board hereby: Adopts the Findings, Facts in Support of Findings, Statement of Overriding Considerations, and Mitigation Monitoring and Reporting Plan.

EDD: Adopt the West Dublin/Pleasanton BART Station and Transit Village Project

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MOTION 2

Having reviewed and considered the draft Findings, Facts in Support of Findings, Statement of Overriding Considerations and the Mitigation Monitoring Plan dated April 2, 2001, the Board hereby: Adopts the Findings, Facts in Support of Findings, Statement of Overriding Considerations, and Mitigation Monitoring and Reporting Plan.

November 4, 1999

WEST DUBLIN/PLEASANTON BART STATION

Requested Board Actions

1. Pursuant to the Infrastructure Financing Act (California Government Code Section 5956 et.seq.), the General Manager or his designee is authorized to complete negotiations and execute a development agreement and/or long-term ground lease with Jones Lang LaSalle for private development on BART property adjacent to the proposed West Dublin/Pleasanton BART Station;
2. Pursuant to the Infrastructure Financing Act (California Government Code Section 5956 et.seq.), the General Manager or his designee is authorized to complete negotiations and execute an agreement with Jones Lang LaSalle for design and construction of the proposed West Dublin/Pleasanton BART Station and ancillary facilities, including BART parking facilities;
3. The General Manager and Treasurer/Controller or their designees are authorized to complete negotiations and execute an agreement with Jones Lang LaSalle to secure up to \$3,500,000 from LaSalle that the District may apply towards operating deficits, if any, which occur during the first three years of operating the BART station. Should such funds be called upon and operating revenues from the proposed West Dublin/Pleasanton BART Station are not sufficient to amortize repayment to LaSalle, then repayment of the funds will become a general obligation of the District;
4. The General Manager or his designee is authorized to complete negotiations and execute agreements with the Cities of Dublin and Pleasanton to enable the cities to provide tax revenue generated from private development at the proposed West Dublin/Pleasanton BART Station to be applied to financing design, construction and operation of the proposed West Dublin/Pleasanton BART Station;
5. The General Manager or his designee is authorized to enter into a Joint Exercise of Powers Agreement (JPA) with the Association of Bay Area Governments for the sole purpose of financing the design and construction of the proposed West Dublin/Pleasanton BART Station, including having the JPA issue appropriate debt instruments;
6. The Board agrees to assume BART's share of debt for design, construction and operation of the proposed West Dublin/Pleasanton BART Station, contingent upon completion of the CEQA process and adoption of the proposed project. Debt service will be covered by ~~a~~ combination of farebox revenue, fare surcharges, parking charges and/or other sources subsequently identified;
7. The General Manager or his designee, with BART acting as the Lead Agency, is authorized to prepare and release a Draft Environmental Impact Report (DEIR)

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according to the California Environmental Quality Act with an understanding that should the overall proposed West Dublin/Pleasanton Project not be implemented, the District will be responsible for reimbursing Jones Lang LaSalle for the cost of preparing the DEIR and securing other entitlements up to a maximum obligation of \$1,000,000;

8. The General Manager or his designee is authorized to negotiate and execute an agreement with the California Department of Transportation, including reimbursement for oversight costs, to enable the proposed West Dublin/Pleasanton BART Station to be constructed within the CalTrans right of way; and
9. The General Manager or his designee is authorized to execute any and all agreements necessary to support the above actions.

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8. The General Manager or his designee is authorized to negotiate and execute an agreement with the California Department of Transportation, including reimbursement for oversight costs, to enable the proposed West Dublin/Pleasanton BART Station to be constructed within the CalTrans right of way; and
9. The General Manager or his designee is authorized to execute any and all agreements necessary to support the above actions.

September 28, 2000

Motion:

Motion No. 7 of the motions adopted by the Board of Directors on November 4, 1999 in connection with the proposed West Dublin/Pleasanton Station Project ("the Project") is hereby superseded by the following motions:

The General Manager, or his designee, with BART acting as the Lead Agency, is authorized to prepare and release an Environmental Impact Report (EIR) according to the provisions of the California Environmental Quality Act, and is further authorized to:

- a. Reimburse Jones Lang LaSalle for the cost of preparing the EIR for the Project and performing necessary work leading to certification of the EIR and adoption of a Project, and securing other entitlements, up to a maximum obligation of \$1,000,000. This will result in BART receiving increased ground lease rent from Jones Lang LaSalle equal to the amount of the reimbursement. The fund source for this reimbursement is BART funds previously programmed for the Seismic Retrofit Program, which will be replaced with a \$1.2 million grant from the Alameda County Congestion Management Agency that was programmed in September 2000.
- b. Reimburse Jones Lang LaSalle for preliminary design development for the Project up to a maximum obligation of \$200,000. The fund source for this reimbursement is BART funds previously programmed for the Seismic Retrofit Program, which will be replaced with a \$1.2 million grant from the Alameda County Congestion Management Agency that was programmed in September 2000.
- c. Based upon a projected time gap between certification of the EIR and adoption of a Project and issuance of Project bonds, expend up to \$1,000,000 in connection with work by BART staff and BART consultants for a design and construction agreement, design criteria and standards development, and in connection with advancement of design by Jones Lang LaSalle. Of this \$1,000,000 need, \$464,000 is currently available in BART capital reserves for immediate allocation to the Project. The balance of \$536,000 will be provided from future allocations from operating to capital. Commitment of funds will be subject to certification of funding availability by the Controller-Treasurer. These expenditures are intended to be reimbursed from Project bonds or other Project funding sources, at such time as the Project is implemented.



99-101

BAY AREA RAPID TRANSIT DISTRICT 800 Madison St. P.O. Box 12688, Oakland, CA 94604-2688 (510) 464-6000

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510/464-7103 (fax)

November 4, 1999

Immediate Release

BART Approves West Dublin/Pleasanton Station Development Proposal

Oakland, California . . . BART's Board of Directors today approved a proposal to negotiate a land lease and development agreement with Jones Lang LaSalle, a major developer, to build a West Dublin/Pleasanton Station as part of a transit oriented mixed-use development proposal.

The proposed \$100 million development would include the station to be built in the I-580 median near the I-680 Interchange with two pedestrian bridges, 1,000 parking spaces, an intermodal bus transfer facility, 160 residential units, a 240-room hotel on the Dublin side of the freeway, and 175,000 square foot office building on the Pleasanton side. The development would be built on 17 acres of BART-owned property, 9.6 acres on the Dublin side, and 7.4 acres on the Pleasanton side.

A major force behind the proposed development, BART Director Pete Snyder, who represents the Dublin and Pleasanton areas, hailed the tentative agreement as potentially one of the great landmarks in public/private partnerships. The project will most certainly be watched by other public agencies around the country.

"This proposed project has everything! It integrates public transit improvements with private development, it maximizes land use, and will help to attract more people out of their automobiles and into public transit," Snyder said.

The BART Board first approved entering into exclusive negotiations with LaSalle back in February of this year following a selection process in accordance with the Infrastructure Financing Act (California Government Code Section 5956 et. seq.).

BART Board President Dan Richard said he was very pleased to see this major step being taken, noting that a third station on the Dublin/Pleasanton line will not only be a great convenience for people who live near the I-680/580 Interchange, but it will take mounting pressure off of the East Dublin/Pleasanton Station.

Financing the design and construction of the West Dublin/Pleasanton Station, estimated to cost approximately \$40 million, will involve the creation of a Joint Powers Agreement (JPA) between BART and the Association of Bay Area Governments. The JPA would issue debt instruments which would be backed by the revenue generated by the station and LaSalle's proposed private development.

BART General Manager Thomas Margro said that it would take about a year to complete the Draft Environmental Impact Report under the California Environmental Quality Act (CEQA) process, and about two more years to construct the station.

"We could have a new West Dublin/Pleasanton Station ready for operation by 2003 and that is what we'll be working hard to achieve," Margro said.

Bob Russell, Jones Lang LaSalle Project Executive stated, "we appreciate the efforts of Director Pete Snyder, BART General Manager Thomas Margro, and the BART staff in this exciting public/private venture. This station will embody the vision for a transit village with a dynamic mix of office, hotel, and residential users. Jones Lang LaSalle is proud to be a part of this effort."

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EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL:

[Handwritten Signature]

GENERAL MANAGER ACTION REQ'D:

Approve and forward to Board (7/22/99 meeting)

DATE: *7/21/99*

BOARD INITIATED ITEM

NARRATIVE:

West Dublin/Pleasanton Joint Development

PURPOSE: To obtain Board authorization for a 60-day extension for the Exclusive Negotiation Agreement (ENA) with Jones Lang LaSalle Development, Inc. (formerly known as LaSalle Partners Development, Inc.) (LaSalle) for an assessment of financial feasibility of constructing a BART station and mixed-use development project on BART property at the West Dublin/Pleasanton BART Station.

DISCUSSION: On February 25, 1999, the Board authorized a 120-day Exclusive Negotiating Agreement with LaSalle. The ENA was executed on March 18, 1999. Since that time numerous activities have been accomplished, including:

- Meetings have been conducted with staff and elected officials of the Cities of Dublin and Pleasanton to assess opportunities and constraints.
- LaSalle has assessed real estate market opportunities for private development at the station site.
- LaSalle has engaged an architect and construction consultant to create site plans and to review the costs of constructing the station and associated transit facilities.
- BART has retained Dain Rauscher to assess optional debt service mechanisms.
- Staff have initiated a review and reassessment of costs and revenues associated with the overall project.

The additional 60 days is needed to: a) complete the analysis of all costs and revenues, b) to have Dain Rauscher review and analyze this data with respect to optional debt service mechanisms, and c) to enable staff to conduct one more set of meetings with the cities prior to the BART Board review and discussion.

FISCAL IMPACT: Both BART and LaSalle would continue to absorb their own costs incurred during the additional 60-day period.

ALTERNATIVES: Do not authorize execution of an extension to the Exclusive Negotiation Agreement with LaSalle.

RECOMMENDATIONS: It is recommended that the Board adopt the following motion. The 60-day extension of the Exclusive Negotiation Agreement will be approved as to form by the Office of the General Counsel.

MOTION: The General Manager is authorized to execute a 60-day extension to the Exclusive Negotiation Agreement with Jones Lang LaSalle Development, Inc. to assess the overall financial feasibility of a mixed-use development on BART property at the West Dublin/Pleasanton BART Station, including the station and associated transit facilities.

ROUTING NO	PERSON	DUE DATE	INITIAL	DATE	PROPOSAL AFFECTS (CHECK ALL THAT APPLY):	COORDINATION TO COMPLETE ACTION (X IF APPROVALS REQUIRED):
1.	D. Hill		<i>[Signature]</i>	7/21/99	OPERATING BUDGET	<input type="checkbox"/> AGM OPERATIONS
2.	E. Low		<i>[Signature]</i>	7/21/99	OPERATIONS	<input type="checkbox"/> WEST BAY EXTENSIONS
3.	K. Mayo		<i>[Signature]</i>	7/21/99	CAPITAL BUDGET	<input checked="" type="checkbox"/> GENERAL COUNSEL
4.	R. Collier		<i>[Signature]</i>	7/21/99	MAINTENANCE	<input checked="" type="checkbox"/> CONTROLLER
5.					CAPITAL PROGRAMS	<input type="checkbox"/> EXTERNAL AFFAIRS
6.					ENGINEERING	<input type="checkbox"/> DISTRICT SECRETARY
7.					GOVERNMENT RELATIONS	<input type="checkbox"/> BUDGET & BUSINESS MANAGEMENT
8.					PUBLIC INFO	<input type="checkbox"/> PREPARED BY: J. Ordway x6114
9.					LABOR RELATIONS	<input type="checkbox"/> INITIALS: <i>[Signature]</i> DATE: 7/21/99
10.					PROCUREMENT	
					STAFFING	
					CONSULTANTS	
					OTHER	



EXECUTIVE DECISION DOCUMENT

17
Item No. 8

GENERAL MANAGER APPROVAL: <i>[Signature]</i>	GENERAL MANAGER ACTION REQ'D: Approve and forward to Board (2/25/99 meeting)
DATE: 2/19/99	BOARD INITIATED ITEM <input type="checkbox"/>

NARRATIVE: West Dublin/Pleasanton Joint Development

PURPOSE: To obtain Board authorization to execute a 120-day Exclusive Negotiation Agreement (ENA) with LaSalle Partners Development, Inc. (LaSalle) for an assessment of financial feasibility of constructing a BART station and mixed-use development project on BART property at the West Dublin/Pleasanton BART Station.

DISCUSSION: On May 26, 1998, in order to meet the competitive selection requirements of the Infrastructure Financing Law (Govt. Code Section 5956 et seq), the Board authorized release of a Request for Developer Qualifications (RFQ)/Request for Development Proposals (RFP) for the proposed development at the West Dublin/Pleasanton BART Station, including the station and parking facilities. On July 10, 1998, two development teams responded:

- o LaSalle Partners Development, Inc.
- o Walsh, Higgins & Company, with Walsh Construction Company

Both teams were determined to be qualified. Initial interviews were conducted on August 5, 1998 and supplemental questions were transmitted to each developer on August 21 and October 27. Final interviews were conducted on December 11, 1998 and final clarification letters were transmitted to each developer on January 13, 1999. On January 20, LaSalle responded in the affirmative and concurred with its statements made on December 11. On January 22, Walsh, Higgins & Company notified BART that due to business considerations elsewhere, they were formally withdrawing from the competitive process. However, on February 5, Walsh Higgins reversed its position and indicated continued interest in working with BART.

An Evaluation Committee comprised of BART staff from the Controller-Treasurer's Office, Transit Systems Development, and Real Estate Services and a private developer (Mr. Jay Mancini of Mancini Mills, Inc.) acting as BART's consultant have reviewed and evaluated the proposals. The Committee determined that although both developers were qualified, a number of supplemental questions were necessary to more comprehensively assess each developer's ability to financially support their own proposed development, to assist in development of

ROUTING NO	PERSON	DUE DATE	INITIAL	DATE	PROPOSAL AFFECTS (CHECK ALL THAT APPLY):	COORDINATION TO COMPLETE ACTION (X IF APPROVALS REQUIRED):
1.	D. Hill		<i>[Signature]</i>	2/18/99	OPERATING BUDGET — OPERATIONS	<input type="checkbox"/> AGM OPERATIONS <input type="checkbox"/> WEST BAY EXTENSIONS <input checked="" type="checkbox"/> GENERAL COUNSEL
2.	E. Low		<i>[Signature]</i>	2/19/99	CAPITAL BUDGET — MAINTENANCE	<input type="checkbox"/> TRANSIT SYSTEM DEVELOPMENT <input type="checkbox"/> EXTERNAL AFFAIRS <input checked="" type="checkbox"/> CONTROLLER TREASURER
3.	R. Collier		<i>[Signature]</i>	2/19/99	CAPITAL PROGRAMS — ENGINEERING	<input checked="" type="checkbox"/> AGM ADMINISTRATION <input type="checkbox"/> BUDGET & BUSINESS MANAGEMENT <input type="checkbox"/> DISTRICT SECRETARY
4.					GOVERNMENT RELATIONS — PUBLIC INFO	
5.					LABOR RELATIONS — PROCUREMENT	
6.					CIVIL RIGHTS — STAFFING	
7.					SAFETY — CONSULTANTS	
8.					LEGAL — OTHER	
9.						PREPARED BY: J. Ordway
10.						INITIALS: <i>[Signature]</i> DATE: 2-18-99



EXECUTIVE DECISION DOCUMENT

NARRATIVE CONTINUED:

the BART station and associated parking and to act as the private partner in a unique public/private co-development effort. Categories of evaluation included developer qualifications, development proposals, financial capability and benefits to BART.

During the developer solicitation and interview process, BART staff and its consultant also initiated an internal financial feasibility assessment to determine the degree of debt service which could be covered by the private development. Capital and operating costs of the public transit improvements were estimated and private development revenues were calculated based on proposals received from the developers. At this stage in the proposed West Dublin/Pleasanton BART Station project, the Evaluation Committee is recommending that a developer be selected by BART and that during the next 120 days BART and the developer, working with the Cities of Dublin and Pleasanton, assess the overall financial viability of the project.

The Evaluation Committee is unanimously recommending that the Board authorize exclusive negotiations with LaSalle for the following reasons:

- o The parent company of LaSalle is an international firm with annual revenues in excess of \$230 million and a net worth of \$147 million. LaSalle has agreed to provide a completion guarantee for the commercial projects it directly develops, with the guarantee coming from the parent company. Walsh Higgins stated it would provide a completion guarantee but their guarantee would follow that required by the construction lender.
- o LaSalle agreed to fund their own effort during the 120-day feasibility assessment period and would conduct further research on site layout, project economics and funding for the public transit improvements. Walsh Higgins also agreed to fund their own effort during this time period, but has indicated they would want to concentrate all activity within the first 30 days, including negotiating a deal structure with BART. Recognizing that the feasibility effort will involve a number of participants, primarily the cities of Dublin and Pleasanton, the Evaluation Committee is concerned that 30 days will not be sufficient to address the overall feasibility of the public/private venture. LaSalle has exhibited a clearer understanding of the effort needed to undertake a public/private venture and the time frame needed to assess overall viability.

During the exclusive negotiations with LaSalle a number of issues critical to the terms and conditions of a ground lease would be addressed, including the potential for public funds to be secured to reduce the cost of the BART station and associated facilities, the magnitude of capital funds which could be generated and secured with project revenue, as well as a refinement of all project costs and revenues as determined by BART and the developer. The results of the 120-day financial feasibility assessment would be brought back to the Board for further action. Presuming a financially feasible project, an additional negotiating period would be requested to conduct predevelopment activity, including environmental impact assessment, ensuring proper zoning and local approvals, and final design of the public transit and private improvements.

Staff now recommends that the Board authorize entering into a 120-day Exclusive Negotiation Agreement with LaSalle, wherein LaSalle and BART, working with the Cities of Dublin and Pleasanton will assess the overall project viability. At



EXECUTIVE DECISION DOCUMENT

NARRATIVE CONTINUED:

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The Evaluation Committee is unanimously recommending that the Board authorize exclusive negotiations with LaSalle for the following reasons:

- o The parent company of LaSalle is an international firm with annual revenues in excess of \$230 million and a net worth of \$147 million. LaSalle has agreed to provide a completion guarantee for the commercial projects it directly develops, with the guarantee coming from the parent company. Walsh Higgins stated it would provide a completion guarantee but their guarantee would follow that required by the construction lender.
- o LaSalle agreed to fund their own effort during the 120-day feasibility assessment period and would conduct further research on site layout, project economics and funding for the public transit improvements. Walsh Higgins also agreed to fund their own effort during this time period, but has indicated they would want to concentrate all activity within the first 30 days, including negotiating a deal structure with BART. Recognizing that the feasibility effort will involve a number of participants, primarily the cities of Dublin and Pleasanton, the Evaluation Committee is concerned that 30 days will not be sufficient to address the overall feasibility of the public/private venture. LaSalle has exhibited a clearer understanding of the effort needed to undertake a public/private venture and the time frame needed to assess overall viability.

During the exclusive negotiations with LaSalle a number of issues critical to the terms and conditions of a ground lease would be addressed, including the potential for public funds to be secured to reduce the cost of the BART station and associated facilities, the magnitude of capital funds which could be generated and secured with project revenue, as well as a refinement of all project costs and revenues as determined by BART and the developer. The results of the 120-day financial feasibility assessment would be brought back to the Board for further action. Presuming a financially feasible project, an additional negotiating period would be requested to conduct predevelopment activity, including environmental impact assessment, ensuring proper zoning and local approvals, and final design of the public transit and private improvements.

Staff now recommends that the Board authorize entering into a 120-day Exclusive Negotiation Agreement with LaSalle, wherein LaSalle and BART, working with the Cities of Dublin and Pleasanton will assess the overall project viability. At



EXECUTIVE DECISION DOCUMENT
NARRATIVE CONTINUED:

the end of this period staff will request further Board action pursuant to the results of the financial assessment.

FISCAL IMPACT: Both BART and LaSalle will absorb their own costs incurred during the 120-day period. BART staff time will be covered by the operating budgets of the departments involved and BART's consultant costs (Keyser Marston Associates and Mancini-Mills, Inc.), estimated at \$30,000, will be paid for from Real Estate Services CC 404.

ALTERNATIVES: Do not authorize execution of an Exclusive Negotiation Agreement with LaSalle.

RECOMMENDATIONS: It is recommended that the Board adopt the following motion. The Exclusive Negotiation Agreement will be approved as to form by the Office of the General Counsel.

MOTION: The General Manager is authorized to execute an Exclusive Negotiation Agreement with LaSalle Partners Development, Inc. for a period of 120 days to assess the overall financial feasibility of a mixed-use development on BART property at the West Dublin/Pleasanton BART Station, including the station and associated transit facilities.

EDD.DUB/jpo



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**JONES LANG
LASALLE.**

JONES LANG LASALLE SAN FRANCISCO FACT SHEET

West Dublin/Pleasanton BART Project Involvement

Jones Lang LaSalle is serving as the Master Developer for the West Dublin/Pleasanton BART extension project. The company was selected through a competitive process to develop a transit village around a to-be-built BART station in West Dublin/Pleasanton. The project is a true mix of public and private developments. Jones Lang LaSalle will process the entitlements for the station and private projects, be responsible for the overall development of all the uses, and coordinate the construction of the station. The overall project cost is expected to exceed \$100 million.

- 2001 – Construction of all phases of development anticipated to commence
- 2002 – Private development should be complete
- Mid-2003 – Station slated to come on-line

Company Overview

Jones Lang LaSalle (NYSE:JLL) is the world's leading real estate services and investment firm, operating across 100 key markets in 34 countries on five continents. The company provides comprehensive, integrated expertise on a local, regional and global level to owners, occupiers and investors. By offering a broad range of real estate products and services, and through its extensive knowledge of domestic and international real estate markets, the company is a single-source provider of solutions for its clients' full range of real estate needs.

Jones Lang LaSalle was formed in 1999 by the merger of LaSalle Partners, a Chicago-based publicly traded company, and Jones Lang Wootton, a London-based private partnership. The firm's operational headquarters are in London and its holding company headquarters are in Chicago. The company trades on the New York Stock Exchange (NYSE) under the ticker symbol of JLL. Previously, the company traded as LAP the completed initial public offering of common stock in July 1997.

The company's investment management business, LaSalle Investment Management, is one of the world's largest and most diverse real estate investment management firms with \$21.5 billion of assets under management. Jones Lang LaSalle is also the industry leader in real estate management services, with a portfolio of more than 700 million square feet of property.



Scope of Services

- Facility and Corporate Property Services
- Retail
- Leasing and Management
- Development
- Tenant Representation
- Project Management
- Investment Banking

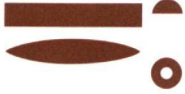
Contact Information:

Robert M. Russell
Vice President, Development
Jones Lang LaSalle
One Front Street, Suite 2600
San Francisco, CA 94111
415.395.4900

Lydia Bednerik / Yumi Sera
Blattel Associates
450 Pacific Avenue, Second Floor
San Francisco, CA 94133
415.397.4811
lydia@blattel.com / yumi@blattel.com

Blattel Associates

Marketing and Public Relations



May 2, 2000

Mike Healy
BART
Media and Public Affairs
800 Madison
Oakland, CA 94607

Dear Mike:

Please find enclosed twenty copies of the fact sheet for Jones Lang LaSalle's San Francisco office, including information on their involvement in the West Dublin/Pleasanton BART Project.

If you have any questions please do not hesitate to contact us at 415.397.4811.

Thank you.

Best,

Lydia Bednerik / Grace Paik

Public Affairs Dept.

MAY 4 2000

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WEST DUBLIN/PLEASANTON BART STATION

**Board Action
February 25, 1999**

MOTION: The General Manager is authorized to execute an Exclusive Negotiation Agreement with LaSalle Partners Development, Inc. for a period of 120 days to assess the overall financial feasibility of a mixed-use development on BART property at the West Dublin/Pleasanton BART Station, including the station and associated transit facilities.

Supplemental Motion: Staff is further directed to explore a variety of financing mechanisms, including both public and private debt service mechanisms, in assessing overall viability. Negotiations should also encompass an assessment of the benefits and savings of a truly integrated project involving the BART transit improvements and the commercial projects.

WEST DUBLIN/PLEASANTON BART STATION

Financial Viability

Next Steps

o 120-day Exclusive Negotiating Agreement

Expectations: Each party pays own costs
Better define private development project
Financial viability of overall project

o Technical Working Group - analysis topics & schedule

o Examination of costs, revenues and financing approaches

o Policy Meeting with Cities, establish Technical Working Group

o BART Board Briefings and Negotiating Direction

WEST DUBLIN/PLEASANTON BART STATION

Financial Viability

- o 120-day ENA with Jones Lang LaSalle; 60-day extension
 - Defined private development project
 - Reviewed and refined all costs and revenues
 - Assessed overall project financial viability
 - Identified and assessed funding and debt service mechanisms
 - Secured LaSalle guarantee to financially assist in covering operating deficits, if any, during the first three years of operation

- o Created Policy and Technical Working Groups
 - Cities of Dublin and Pleasanton

- o Met with Developer, Policy Group & Technical Working Group
 - Assessed Dublin/Pleasanton Vision for Station Area
 - Secured Dublin/Pleasanton support for LaSalle private development proposal
 - Secured Dublin/Pleasanton support for overall public/private venture
 - Secured Dublin/Pleasanton support for pledging tax revenue generated by private development

WEST DUBLIN/PLEASANTON BART STATION

Financial Viability

o Internal Technical Working Group:

- TSD
- Real Estate
- Treasury
- Planning
- Grant Development
- Operating Budgets
- Police
- Legal

Technical Assistance:

- Financial Viability - Keyser Marston & Associates
- Development Viability - Mancini & Goldsmith
- Debt Mechanisms - Dain Rauscher
- Bond Counsel - Orrick Herrington
- Special Counsel - Pillsbury Madison & Sutro

o External Technical Working Group:

- Dublin & Pleasanton City Managers and staff
- TSD, Real Estate, Treasury
- Jones Lang LaSalle and
 - Nielsen Dillingham Builders – Cost Estimates
 - Robin Chiang & Company – Architect
 - Kaplan McLaughlin & Diaz – Site Planners
 - Economic & Planning Systems – Market Analysis

o Policy Working Group

- Dublin & Pleasanton Councilmembers
- BART Board Director & General Manager
- Jones Lang LaSalle

WEST DUBLIN/PLEASANTON BART STATION

Financial Viability

Analysis Topics:

Costs:

- Station & Parking Construction
- Private Development Construction
- Transit Operations

Revenues:

- | | |
|---------------------------------------|-----------------------|
| - Private Sector Ground Lease | - City Property Taxes |
| - Federal, State or Local Grant Funds | - City Sales Taxes |
| - Net Farebox Receipts | - City TOT |
| - Reserved Parking Charges | - Fare Surcharge |

Debt Service Mechanisms:

- Private Sector Finance
- Public Sector Finance
- Joint Powers Authority (Project Specific)

Analyses:

- Re-assess all revenues and costs
- Multi-year cash flow analysis
- Debt service approaches - rated; unrated
- Financial Sensitivity Analyses

West Dublin/Pleasanton BART Station

Cost and Debt Service Calculations

	Cost	Use of Funds
Station Construction Cost	\$ 44,000,000	
(with parking, intermodal, etc.)	\$ (9,400,000)	<u>LaSalle (prepaid ground rent)</u>
	\$ 34,600,000	Bond requirement
Bond Proceeds (rounded)	\$ 45,680,000	Bond Amount
	\$ (8,300,000)	Capitalized Interest
	\$ (3,600,000)	Debt Service Reserve
	\$ (680,000)	<u>Miscellaneous Costs</u>
	\$ 33,100,000	Available for Construction
	\$ 1,500,000	<u>Interest Earned on Bond Proceeds</u>
	\$ 34,600,000	Total Available for Construction
Initial Annual Debt Service	\$3,610,100/yr	30 years; 6.9% true interest

11/4/99

DATA SHEETS - Cash Flow Analysis

West Dublin/Pleasanton BART Station
Financial Feasibility - Source of Funds

<u>Category</u>	<u>Item</u>	<u>Cost</u>	<u>Source of Funds</u>
Entitlement	Studies, DEIR	\$ 1,000,000	LaSalle initially; CMA requested to fund
Station Construction		\$ 34,600,000	JPA sale of bonds
		\$ 9,400,000	LaSalle (prepaid ground rent)
	Total	\$ 44,000,000	
Private Development	Office (175,000 SF)	\$ 20,400,000	LaSalle
	Hotel (240 rooms)	\$ 21,600,000	LaSalle or private partner
	Residential (160 units)	\$ 18,300,000	LaSalle or private partner
	Total	\$ 60,300,000	
Public/Private Investment	JPA (BART & ABAG)	\$ 45,680,000	Bond Cost
	LaSalle	\$ 69,700,000	Plus \$3.5 M guarantee
	Dublin/Pleasanton	\$ 10,800,000	NPV of Tax Sharing
		\$ 126,180,000	

11/4/99

WEST DUBLIN/PLEASANTON BART STATION

Board Action - Supplemental Motion February 25, 1999

“Negotiations should also encompass an assessment of the benefits and savings of a truly integrated project involving the BART transit improvements and the commercial projects.”

- **Master Developer** - Coordination of Public/Private Effort
 - Coordination of Land Use Planning
 - Advance Entitlement Funds
 - Lead Entitlement Process
 - Economies of Scale, Experience
 - Value Engineering of Station

- **Land Lease and Tax Sharing Revenue from Development**

- **Maximizes Land Lease Return to BART**

- **TOD Generates Additional BART Riders**

- **Operating Reserve of \$3.5 M**

- **City Pledges of Tax Receipts for 15-20 years**

- **Single Master Developer for Bond Financing**

WEST DUBLIN/PLEASANTON BART STATION

Financial Viability

Identification of Risks

- **Real Estate Market**
- **Entitlement Process**
- **Construction**
- **Operation**

WEST DUBLIN/PLEASANTON BART STATION

Summary of Requested Board Motions

- **Development Agreement/Ground Lease**
- **Design/Construction Agreement** --
- **\$3.5 M LaSalle Guarantee**
- **Tax Sharing with Cities**
- **Establish Joint Powers Authority with ABAG**
- **BART Coverage of Debt (e.g., fare surcharge, parking charge, etc.)**
- **Initiate CEQA Process as Lead plus Guarantee of Cost**
- **CalTrans Agreement**
- **Others Necessary to Support Above**

WEST DUBLIN/PLEASANTON BART STATION

Requested Board Actions

- 1. Pursuant to the Infrastructure Financing Act (California Government Code Section 5956 et.seq.), the General Manager or his designee is authorized to complete negotiations and execute a development agreement and/or long-term ground lease with Jones Lang LaSalle for private development on BART property adjacent to the proposed West Dublin/Pleasanton BART Station;**
- 2. Pursuant to the Infrastructure Financing Act (California Government Code Section 5956 et.seq.), the General Manager or his designee is authorized to complete negotiations and execute an agreement with Jones Lang LaSalle for design and construction of the proposed West Dublin/Pleasanton BART Station and ancillary facilities, including BART parking facilities;**
- 3. The General Manager and Treasurer/Controller or their designees are authorized to complete negotiations and execute an agreement with Jones Lang LaSalle to secure up to \$3,500,000 from LaSalle that the District may apply towards operating deficits, if any, which occur during the first three years of operating the BART station. Should such funds be called upon and operating revenues from the proposed West Dublin/Pleasanton BART Station are not sufficient to amortize repayment to LaSalle, then repayment of the funds will become a general obligation of the District;**
- 4. The General Manager or his designee is authorized to complete negotiations and execute agreements with the Cities of Dublin and Pleasanton to enable the cities to provide tax revenue generated from private development at the proposed West Dublin/Pleasanton BART Station to be applied to financing design, construction and operation of the proposed West Dublin/Pleasanton BART Station;**
- 5. The General Manager or his designee is authorized to enter into a Joint Exercise of Powers Agreement (JPA) with the Association of Bay Area Governments for the sole purpose of financing the design and construction of the proposed West Dublin/Pleasanton BART Station, including having the JPA issue appropriate debt instruments;**
- 6. The Board agrees to assume BART's share of debt for design, construction and operation of the proposed West Dublin/Pleasanton BART Station, contingent upon completion of the CEQA process and adoption of the proposed project. Debt service will be covered by a combination of farebox revenue, fare surcharges, parking charges and/or other sources subsequently identified;**
- 7. The General Manager or his designee, with BART acting as the Lead Agency, is authorized to prepare and release a Draft Environmental Impact Report (DEIR)**

according to the California Environmental Quality Act with an understanding that should the overall proposed West Dublin/Pleasanton Project not be implemented, the District will be responsible for reimbursing Jones Lang LaSalle for the cost of preparing the DEIR and securing other entitlements up to a maximum obligation of \$1,000,000;

8. The General Manager or his designee is authorized to negotiate and execute an agreement with the California Department of Transportation, including reimbursement for oversight costs, to enable the proposed West Dublin/Pleasanton BART Station to be constructed within the CalTrans right of way; and
9. The General Manager or his designee is authorized to execute any and all agreements necessary to support the above actions.

**West Dublin/Pleasanton BART Station
Financial Feasibility Variables**

Category	Variable	Data	Comments
Transit Fare Revenue	Fare	\$2.91 one-way	Standard Distance-Based Fare System
	Ridership	varies	Four year growth
	Ridership Increases	1%	1% ridership growth/year after year 4
	Fare Increases	none	
	Net Farebox Revenue	varies	Reduced by losses at CV and D/P
Development Ridership	Fare	\$2.91 one-way	Standard Distance-Based Fare System
	Ridership - Residential	23,754 trips/year	32% share; 1 employee/unit; 160 units
	Ridership - Office	74,800 trips/year	17% share; 200 SF/employee; 175,000 SF
	Ridership - Hotel Guests	27,720 trips/year	33% share; 70% occupancy; 250 days/year
	Ridership - Hotel Employees	18,068 trips/year	33% share; 75 employees; 365 days/year
Operating Costs	Station Operation & Maintenance	\$1,000,000/year	12.6 Full Time Equivalents
	Electricity	\$90,000/year	
	Police	\$455,000/year	5.15 Full Time Equivalents
	Grounds Worker	\$64,000/year	1.0 Full Time Equivalent
	Community Service Assistant	\$100,000/year	2.0 Full Time Equivalents - Parking
	Escalation	3% per year	

**West Dublin/Pleasanton BART Station
Financial Feasibility Variables**

Parking Revenue	Daily Cost of Reserved Space	\$2.00/day	50% of WD and ED spaces
	Parking Control System	\$206,000/year	Operation of parking charge collections
	Net Parking Revenue		
Tax Revenue	Real Property Tax	1/3 of 1% per year	Land value + Assessed value - improvements
	Sales Tax	none	Not yet estimated
	Transient Occupancy Tax	8% per year	70% occupancy; \$120/night rate; 240 rooms
Debt Service	Par Amount of Bonds	\$45,680,000	All costs
	Amount to Construction	\$33,059,573	
	Capitalized Interest	\$8,303,136	
	Debt Service Reserve	\$3,610,100	
	Miscellaneous Costs	\$707,191	
	Annual Debt Service	\$3,610,100/year	30 years; 6.9% true interest;

810⁰m TR *\$60 m* *W. Kelly*
90 m *Stanton*

West Dublin/Pleasanton Joint Development Fact Sheet

Project: **West Dublin/Pleasanton Station and
Development-Transit Village**

Developer: **Jones Lang La Salle - Chicago based**

Partners: **BART
Dublin
Pleasanton
ABAG (Joint Powers for Financing)**

Project Description (BART and Cities)

- **17-acres both sides of 580**
- **9.6 Dublin**
- **7.4 Pleasanton**
- **BART station in highway 580 median**
- **Parking garage Dublin side 713 spaces, 6 stories**
- **Parking garage Pleasanton side 419 spaces, 5 stories**
- **A pedestrian overcrossing from garage to BART station**

Cost \$44 million

Financing: **BART increment revenue from station.**

**Dublin/Pleasanton - TOT and sales and property taxes
(revenue bonds)**

Project Description (developer)

Dublin side

- **240 room, 8-story hotel, 251 parking spaces (71 in garage)**
- **160 Unit, 4-story residential, 297 parking spaces**

Pleasanton side

- **170,000 square foot office building, 5-stories**
- **560 parking spaces for building at-grade**

Cost: \$60 million (private financing)

April 12 EIR - Certified by BART Board



CONFIDENTIAL



REAL ESTATE SERVICES DEPARTMENT
Property Development Division
1330 Broadway, Suite 1800
Oakland, CA 94612

(510) 464-6883
Fax (510) 464-7583

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- Urgent, please call
- Hard copy to follow

COMMENTS:

Draft material for public distribution on 11/4
Includes fact sheet, benefits and revised Board
motions.

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WEST DUBLIN/PLEASANTON BART STATION

Board Action of February 25, 1999: Through exclusive negotiations with Jones Lang LaSalle ("LaSalle"), assess the overall financial feasibility of a mixed-use development on BART property at the West Dublin/Pleasanton BART Station, including the station and associated transit facilities.

Process: Public/private effort involved BART, LaSalle and the Cities of Dublin and Pleasanton and addressed:

- Definition of private development project, including Dublin and Pleasanton vision for station area
- Review and refinement of all costs and revenues
- Assessment of overall project financial viability
- Assessment of funding and debt service mechanisms

Proposed Project: The proposed \$100 million public/private development currently consists of:

- A new West Dublin/Pleasanton BART Station with ancillary parking, bus intermodal facility and pedestrian walkways from the station to either side of I-580 (approximately \$40 M), and
- Private development consisting of approximately 150 market-rate residential units and a 240-room hotel in Dublin, and an approximate 175,000 square foot office building in Pleasanton (approximately \$60 M).

Proposed Financial Structure: The current approach to funding the proposed public improvements involves creation of a Joint Powers Authority between BART and the Association of Bay Area Governments (ABAG) which would issue bonds for construction of the station. Repayment of the bonds would be through a combination of private funds from long term lease of BART's property, contributions from the Cities of Dublin and Pleasanton of tax revenues to be generated from the private development, and BART revenues generated by the station. Funding of the private development will be conventionally handled by LaSalle.

WEST DUBLIN/PLEASANTON BART STATION

Benefits of a truly integrated project involving the public transit improvements and private real estate development:

- Master Developer - Coordination of Public/Private Effort
 - Coordination of Land Use Planning
 - Advance Entitlement Funds
 - Lead Entitlement Process
 - Economies of Scale, Experience
 - Value Engineering of Station
- Land Lease and Tax Sharing Revenue from Development
- Maximizes Land Lease Return to BART
- TOD Generates Additional BART Riders
- Operating Deficit Reserve from LaSalle
- City Pledges of Tax Receipts
- Single Master Developer for Bond Financing

WEST DUBLIN/PLEASANTON BART STATION

Requested Board Actions

1. The General Manager or his designee is authorized to complete negotiations and execute a development agreement and/or long-term ground lease with Jones Lang LaSalle for private development on BART property adjacent to the proposed West Dublin/Pleasanton BART Station;
2. The General Manager or his designee is authorized to complete negotiations and execute an agreement with Jones Lang LaSalle for design and construction of the proposed West Dublin/Pleasanton BART Station and ancillary facilities, including BART parking facilities;
3. The General Manager and Treasurer/Controller or their designees are authorized to complete negotiations and execute an agreement with Jones Lang LaSalle to secure up to \$3,500,000 from LaSalle that the District may apply towards operating deficits, if any, which occur during the first three years of operating the BART station. Should such funds be called upon and operating revenues from the proposed West Dublin/Pleasanton BART Station are not sufficient to amortize repayment to LaSalle, then repayment of the funds will become a general obligation of the District;
4. The General Manager or his designee is authorized to complete negotiations and execute agreements with the Cities of Dublin and Pleasanton to enable the cities to provide tax revenue generated from private development at the proposed West Dublin/Pleasanton BART Station to be applied to financing design, construction and operation of the proposed West Dublin/Pleasanton BART Station;
5. The General Manager or his designee is authorized to enter into a Joint Exercise of Powers Agreement (JPA) with the Association of Bay Area Governments for the sole purpose of financing the design and construction of the proposed West Dublin/Pleasanton BART Station, including having the JPA issue appropriate debt instruments;
6. The Board agrees to assume BART's share of debt for design, construction and operation of the proposed West Dublin/Pleasanton BART Station, contingent upon completion of the CEQA process and adoption of the proposed project. Debt service will be covered by a combination of farebox revenue, fare surcharges, parking charges and/or other sources subsequently identified;
7. The General Manager or his designee, with BART acting as the Lead Agency, is authorized to prepare and release a Draft Environmental Impact Report (DEIR) according to the California Environmental Quality Act with an understanding that should the overall proposed West Dublin/Pleasanton Project not be implemented, the

District will be responsible for reimbursing Jones Lang LaSalle for the cost of preparing the DEIR and securing other entitlements up to a maximum obligation of \$1,000,000;

8. The General Manager or his designee is authorized to negotiate and execute an agreement with the California Department of Transportation, including reimbursement for oversight costs, to enable the proposed West Dublin/Pleasanton BART Station to be constructed within the CalTrans right of way; and
9. The General Manager or his designee is authorized to execute any and all agreements necessary to support the above actions.

WEST DUBLIN/PLEASANTON BART STATION

Board Action of February 25, 1999: Following a competitive procurement process, BART entered into exclusive negotiations with Jones Lang LaSalle ("LaSalle"), to assess the overall financial feasibility of a mixed-use development on BART property at the West Dublin/Pleasanton BART Station, including the station and associated transit facilities.

Process: Public/private effort involved BART, LaSalle and the Cities of Dublin and Pleasanton and addressed:

- Definition of private development project, including Dublin and Pleasanton vision for station area
- Review and refinement of all costs and revenues
- Assessment of overall project financial viability
- Assessment of funding and debt service mechanisms

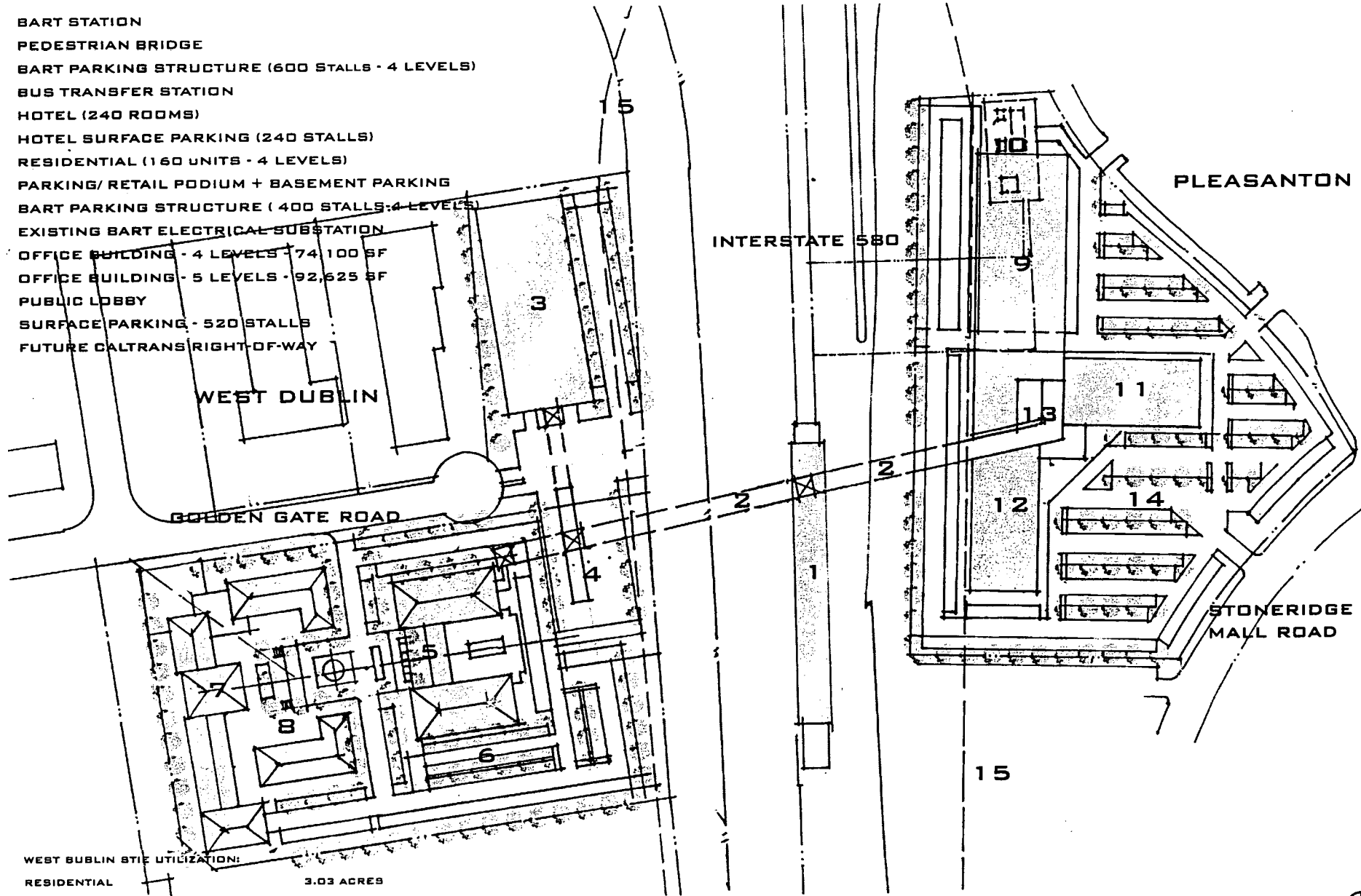
Proposed Project: The proposed \$100 million public/private development currently consists of:

- A new West Dublin/Pleasanton BART Station with ancillary parking, bus intermodal facility and pedestrian walkways from the station to either side of I-580 (approximately \$40 M), and
- Private development consisting of approximately 160 market-rate residential units and a 240-room hotel in Dublin, and an approximate 175,000 square foot office building in Pleasanton (approximately \$60 M).

Proposed Financial Structure: The current approach to funding the proposed public improvements involves creation of a Joint Powers Authority between BART and the Association of Bay Area Governments (ABAG) which would issue bonds for construction of the station and ancillary facilities, including BART parking facilities. Repayment of the bonds would be through a combination of private funds from long-term lease of BART's property, contributions from the Cities of Dublin and Pleasanton of tax revenues to be generated from the private development, and BART revenues generated by the station and other potential funding sources. Funding of the private development will be effected with conventional financing and will not involve any BART funds.

SITE PLAN - OPTION 1

- 1 BART STATION
- 2 PEDESTRIAN BRIDGE
- 3 BART PARKING STRUCTURE (600 STALLS - 4 LEVELS)
- 4 BUS TRANSFER STATION
- 5 HOTEL (240 ROOMS)
- 6 HOTEL SURFACE PARKING (240 STALLS)
- 7 RESIDENTIAL (160 UNITS - 4 LEVELS)
- 8 PARKING/ RETAIL PODIUM + BASEMENT PARKING
- 9 BART PARKING STRUCTURE (400 STALLS-4 LEVELS)
- 10 EXISTING BART ELECTRICAL SUBSTATION
- 11 OFFICE BUILDING - 4 LEVELS - 74,100 SF
- 12 OFFICE BUILDING - 5 LEVELS - 92,625 SF
- 13 PUBLIC LOBBY
- 14 SURFACE PARKING - 520 STALLS
- 15 FUTURE CALTRANS RIGHT-OF-WAY



WEST DUBLIN SITE UTILIZATION:

RESIDENTIAL	3.03 ACRES
HOTEL	3.60 ACRES
PARK. STRUCTURE/ BUS TRANSFER	3.06 ACRES



WEST DUBLIN/PLEASANTON BART STATION

Requested Board Actions

- 1. Pursuant to the Infrastructure Financing Act (California Government Code Section 5956 et.seq.), the General Manager or his designee is authorized to complete negotiations and execute a development agreement and/or long-term ground lease with Jones Lang LaSalle for private development on BART property adjacent to the proposed West Dublin/Pleasanton BART Station;**
- 2. Pursuant to the Infrastructure Financing Act (California Government Code Section 5956 et.seq.), the General Manager or his designee is authorized to complete negotiations and execute an agreement with Jones Lang LaSalle for design and construction of the proposed West Dublin/Pleasanton BART Station and ancillary facilities, including BART parking facilities;**
- 3. The General Manager and Treasurer/Controller or their designees are authorized to complete negotiations and execute an agreement with Jones Lang LaSalle to secure up to \$3,500,000 from LaSalle that the District may apply towards operating deficits, if any, which occur during the first three years of operating the BART station. Should such funds be called upon and operating revenues from the proposed West Dublin/Pleasanton BART Station are not sufficient to amortize repayment to LaSalle, then repayment of the funds will become a general obligation of the District;**
- 4. The General Manager or his designee is authorized to complete negotiations and execute agreements with the Cities of Dublin and Pleasanton to enable the cities to provide tax revenue generated from private development at the proposed West Dublin/Pleasanton BART Station to be applied to financing design, construction and operation of the proposed West Dublin/Pleasanton BART Station;**
- 5. The General Manager or his designee is authorized to enter into a Joint Exercise of Powers Agreement (JPA) with the Association of Bay Area Governments for the sole purpose of financing the design and construction of the proposed West Dublin/Pleasanton BART Station, including having the JPA issue appropriate debt instruments;**
- 6. The Board agrees to assume BART's share of debt for design, construction and operation of the proposed West Dublin/Pleasanton BART Station, contingent upon completion of the CEQA process and adoption of the proposed project. Debt service will be covered by a combination of farebox revenue, fare surcharges, parking charges and/or other sources subsequently identified;**
- 7. The General Manager or his designee, with BART acting as the Lead Agency, is authorized to prepare and release a Draft Environmental Impact Report (DEIR)**

according to the California Environmental Quality Act with an understanding that should the overall proposed West Dublin/Pleasanton Project not be implemented, the District will be responsible for reimbursing Jones Lang LaSalle for the cost of preparing the DEIR and securing other entitlements up to a maximum obligation of \$1,000,000;

8. The General Manager or his designee is authorized to negotiate and execute an agreement with the California Department of Transportation, including reimbursement for oversight costs, to enable the proposed West Dublin/Pleasanton BART Station to be constructed within the CalTrans right of way; and
9. The General Manager or his designee is authorized to execute any and all agreements necessary to support the above actions.

**LASALLE PARTNERS
Chicago, Illinois**

- o **Full Service Real Estate Company - formed 1968; merged with The Galbreath Company in 1997**
- o **Business Groups**

Investment Management

Direct Investments
Public Real Estate Securities
Opportunistic Investments
Portfolio Management
Workout Advisory Services
Research Services

\$15 B in assets (as of 3/97)

Management Services

Property Management
Facility Management
Development Management

133 M SF (as of 3/97)

Corporate/Financial Services

Tenant Representation
Investment Banking
Land Acquisition and
Development

250 Projects (1996)/7 M SF
\$4.9 B transactions (1996)

- o **Since 1985 - 180 projects valued at \$12 B.**
 - * Union Station (Washington, DC): \$90 M rehabilitation
 - * Oakland Federal Buildings: \$180 M development
 - * Grand Central Terminal (NY): \$200 M rehabilitation
- o **1996: Total revenue = \$176 M. (pre-Galbreath merger)**
- o **1996: Earnings before interest, taxes, etc. = \$32.3 M**

LASALLE PARTNERS

WEST DUBLIN BART STATION

PROPOSAL

Exclusive Negotiations leading to formal agreement with BART:

- o **Master Plan for BART Station area, including:**
 - * BART Station in I-580 median
 - * BART land in Dublin (9.75 acres)
 - * BART land in Pleasanton (7.35 acres)
 - * Connection between Station and BART lands

- o **Ground lease of BART property at station for:**
 - * Hotel on BART land in Dublin
 - * Conference Center/Hotel on BART land in Pleasanton
 - * Other development to be determined

- o **Development and Lease to BART of West Dublin Station:**
 - * BART Station in median
 - * BART commuter parking - structure for 1,400 vehicles
 - * Privately financed

LASALLE PARTNERS

WEST DUBLIN BART STATION

BENEFITS

- o **Opportunity to Construct West Dublin BART Station**
 - * Completion of Third Station for Dublin/Pleasanton Extension
 - * Parking at West Dublin to reduce pressure at East Dublin
 - * Transit access from west Dublin/Pleasanton area
 - * Reduction in cost from private real estate development

- o **Regional Linkages**
 - * Highways
 - * Airports
 - * Surrounding communities and greater Bay Area

- o **Enhanced ridership to/from new commercial development**

- o **Commercial development creating more "life at the stations" resulting in increased perceptions of a safer, more secure environment**

- o **Provision of goods/services at station, reducing traffic between station and ultimate destinations**

- o **Enhanced revenue to Dublin/Pleasanton**

LASALLE PARTNERS

WEST DUBLIN BART STATION

NEGOTIATING ISSUES

- o **Financing of Transit Improvements**
 - * Cost of Improvements (station and structured parking)
 - * Private construction, private debt, greater flexibility
 - * Public construction, public debt, less flexibility
 - * Legal issues of public versus private approaches

- o **Commercial Development on BART Land**
 - * Real estate market conditions
 - * Potential revenue versus transit costs
 - * Land value, return to BART (ground rent, participation rent, sale proceeds)

- o **Environmental Issues**

- o **Transaction**
 - * Value of commercial development
 - * Cost of BART station and access improvements
 - * Net proceeds available to build station
 - * Lease versus lease/purchase of BART station
 - * Lease versus lease/purchase of BART land
 - * Public works issues
 - * Caltrans/BART joint use agreement

- o **Joint Public/Private Partnership**
 - * Strong participation by BART in design and construction

- o **Cooperation with Local and State Jurisdictions**
 - * Caltrans
 - * City of Dublin
 - * City of Pleasanton

- o **Other Non-Traditional Fund Sources**

- o **BART Board Action**
 - * Exclusive Right to Negotiate
 - * Periodic review/negotiating direction

MacArthur BART station may gain 'transit village'

By Adam King

Tentative discussions with a local developer are giving city officials and local residents a glimmer of hope that the MacArthur BART station could see a major development begin within the next two years.

Though all parties involved emphasized that development plans are embryonic at best, inter-

national real estate firm LaSalle Partners has met with city and neighborhood representatives to discuss how best to turn the depressed area around the MacArthur BART station into a viable housing and retail center.

The station lies between 40th Street and MacArthur Boulevard, and between Telegraph and Martin Luther King Jr. Way.

The city has been looking for

ways to establish a "transit village" at MacArthur BART, like the development in the works at the Fruitvale BART station. Area residents, organized as the MacArthur BART Citizens Planning Committee (CPC), have spent about four years helping to develop options for the site.

The "transit village" concept calls for a mix of housing, retail and office uses to be built on

BART station parking lots, with a new parking structure to replace the lost parking spaces.

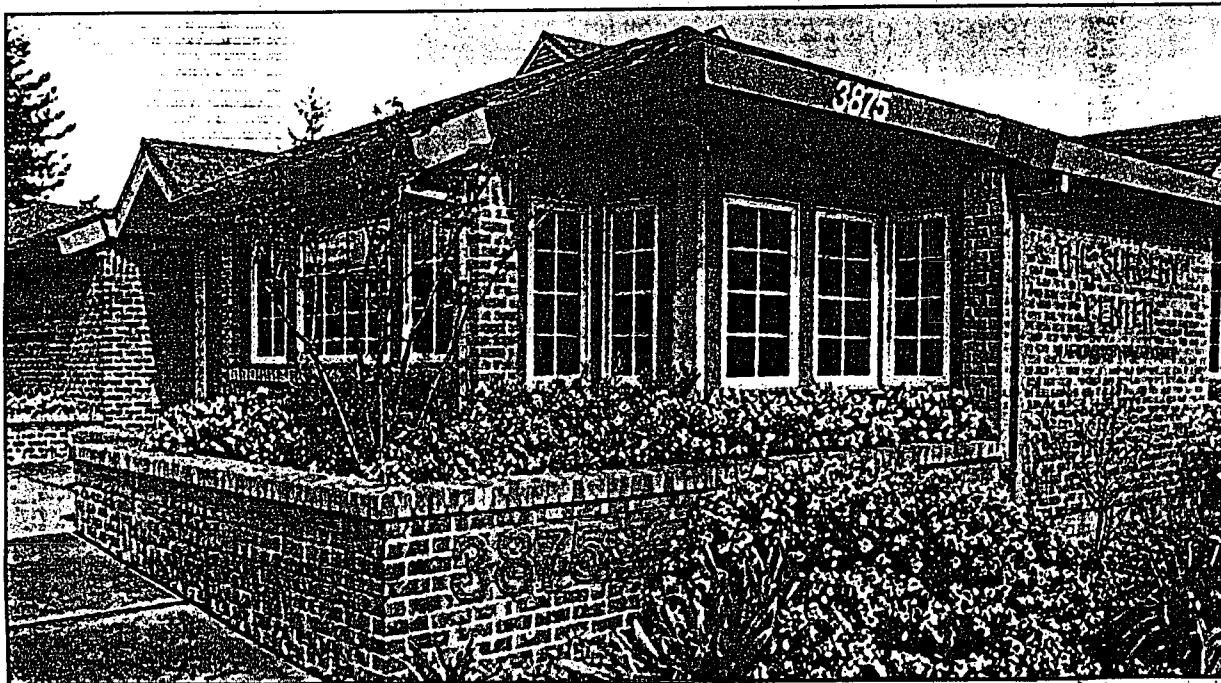
"The [MacArthur BART] parking lot has always been viewed as a liability," said Brier Tomlinson, chair of the CPC. "It's really a vacuum in a place that would be more logically a center and activity node for the Temescal [district]."

A 1995 city study outlined a

number of options for the MacArthur project, focusing on housing and some retail development. The plan pleased both area residents and BART officials, who see the housing as a potential source of riders.

"Citizens like the idea of having a lot of housing. It will increase safety on the site, and also bring in more incomes."

See BART on page



The Surgery Center at 3875 Telegraph may expand into a BART-centered 'transit village.'



Brier Tomlinson chairs a Community Planning Council.

Jeff Lindq

BART

Continued from front page

support and expand the existing retail base. There aren't a lot of services locally," Tomlinson said.

But the transit village concept faces tough challenges at BART stations, particularly at one in a neighborhood like the one surrounding MacArthur BART.

Any project must pay to replace lost parking

Developers must plan a project that will be lucrative enough to pay for not only itself but the estimated \$8 million cost to replace the six-acre, 608-space parking lot that would be lost.

Other extra project costs include the \$5.3 million required to acquire about two acres of land from owners of various parcels near the station.

A feasibility study for the proposed projects, released last December, indicated that only one of the projects would be able to pay even for itself, let alone the replacement parking and land acquisition costs. Adding those extra costs in, any of the projects would lose up to \$22 million.

Though LaSalle vice president Karel Fisher said the company has no specific proposals at this time, officials are discussing the idea of a development that would include less housing and more office space than the earlier proposals — a more profitable ratio.

"It's different from what the community's been envisioning for the past four or five years, so it's going to be very important to get buy-in," said Fisher, who met with city officials last Friday to discuss the options.

"Once the activity does locate

there, it'll be sustainable business. The city will not have to make an investment."

LaSalle's proposal would likely include an expansion of the Surgery Center, an outpatient surgery clinic on Telegraph Avenue.

Though Surgery Center administrator Ann Banchemo declined to discuss the clinic's expansion needs, she said she is hoping to have a plan in place within the next 18 months.

'Sure enough, there were two groups of prostitutes and what appeared to be drug dealing.'

—BRIER TOMLINSON
*MacArthur BART Citizens
Planning Committee*

LaSalle, or any developer, also faces the challenge of attracting commercial or residential tenants to the run-down area surrounding the station. Tomlinson repeated a story, told by LaSalle officials at a recent community meeting, that illustrates the area's character.

Blight discourages investors

"LaSalle took some potential clients to show them the site at 10 a.m., which seems like a safe enough time," Tomlinson recounted. "Sure enough, there were two groups of prostitutes and what appeared to be drug dealing at Telegraph and MacArthur."

City officials have long targeted the area with a variety of law enforcement and blight abate-

ment efforts, most recently with plans to establish a redevelopment zone encompassing the BART station, Broadway Auto Row and part of the Golden Gate neighborhood on San Pablo Avenue.

Residents aren't likely to see the kind of development planned for Fruitvale BART, which is expected to include a number of community services such as a senior center, day care, and health clinics, focusing on that neighborhood's largely Hispanic community.

There, project backers have carved out a place for the non-profit services by securing an estimated \$30 million in outside funding to subsidize the development.

Other BART stations have also been able to include more housing than MacArthur would be able to support, such as the 96-unit residential development at the Castro Valley station.

Fisher said that if a commercial and retail project succeeds at MacArthur BART, more housing could be added later.

LaSalle, a development industry giant, has already made its mark on Oakland by developing the twin-towered Federal Building.

Other LaSalle projects include the current \$200 million remodeling of New York's Grand Central Station, and the transformation of Washington, D.C.'s Union Train Station into an opulent shopping center.

"I can't say we'll turn MacArthur BART into Union Station, but whatever we do there would be a quality project, something the neighborhood can be proud of," Fisher said.

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http://www.hotcoco.com/news/transportation/stories/dubforum_20000127_srvt.htm
Published Thursday, January 27, 2000

W. Dublin BART may aid downtown

If \$60 million more is raised, the new station would include a hotel, office building and bus facility

By Elizabeth Zach
TIMES STAFF WRITER

SAN FRANCISCO -- So far, it looks like a win-win situation.

For years now, Dublin has been seeking to reinvent its downtown, such as it is. Outdated office buildings, oil change garages and a couple of fast-food joints pepper Village Parkway, which serves as the city's center.

Enter BART, which is on the verge of building another station straddling Interstate 580, complete with office buildings, a hotel and a parking garage. Historically, BART has relied on federal grants and other public money to build stations and lay tracks.

The new \$100 million station in West Dublin, according to Tom Radulovich, a member of BART's board of directors, will set an entirely new precedent.

"Somewhere along the line, BART lost its way," said Radulovich this week at a San Francisco Planning and Urban Research Association panel-discussion forum in San Francisco. Decisions about what extensions to build "became politically determined" and disregarded ridership and the jobs-to-housing balance.

"But in the future, the federal grants won't be there," Radulovich said. "Dublin and Pleasanton are leading the way. They are setting precedent by their new station being entirely locally supported and financed."

One BART real estate official, Jeff Ordway, suggested Pleasanton and Dublin could go to the local voters with bond issues to pay for a major chunk of the station project. About \$40 million of the cost has been put up by private developers; another \$60 million would be needed.

No Dublin officials attended the discussion, and when Dublin City Council member George Zika was told of the idea of passing a bond, he laughed.

"I don't see how it would be worth it to the city," said Zika. "This is the first I ever heard of it."

But other leaders in Dublin and Pleasanton heartily embrace building a new station. And in February, BART enlisted San Francisco-based developers Jones Lang LaSalle to assess the financial feasibility of the West Dublin BART station. There were some challenges, say the developers.

"We did market research, looking at entertainment, a hotel, convention center and office complex," said Bob Russell of LaSalle last week. "We're wary of reducing the land value but we also have to find compatibility with the neighborhood."

Dublin, said Radulovich, did not want housing or retail businesses as part of the project. The city wanted offices

or a convention center. The city did get a revenue-generating hotel, however.

"It's an intimidating situation," said Radulovich. "Downtown Dublin just isn't recognized, it's an interesting concept. With this station, the city sees a lot of promise."

BART also couldn't ignore demographics. Eighty-five percent of BART riders are suburban residents who work in urban areas. But that is changing with the trend to build more offices in the suburbs. Retail businesses in the outlying areas are also on the increase.

The proposed station includes a parking lot, bus facility and pedestrian walkways from the station to either side of the freeway. The private development around the station will include about 160 new homes and a 240-room hotel in Dublin and an approximately 175,000-square-foot office building in Pleasanton.

The new station, according to BART, could mean 4,000 new riders. Construction of the West Dublin station is expected to begin in 2003.

Elizabeth Zach covers Dublin. You can reach her at 925-847-2122 or ezach@cctimes.com.

[BACK TO STORY](#)

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LA SALLE PARTNERS

*200 East Randolph Drive
Chicago, Illinois 60601
(312) 782-5800*

March 31, 1998

Mr. Thomas E. Margro
General Manager
San Francisco Bay Area Rapid Transit District
Main Office
800 Madison Street
Oakland, California 94604-2688
Via Telefax 510/464-6009

**Re: Proposal for Real Estate Development
West Dublin/Pleasanton Station**

Dear Mr. Margro:

La Salle Partners, Incorporated ("La Salle") proposes to enter into a 180-day Exclusive Negotiation Agreement ("ENA") with the San Francisco Bay Area Rapid Transit District ("BART") for real estate development of a new West Dublin/Pleasanton transit station and the BART-owned land (approximately 17 acres) immediately north and south of the proposed station in the cities of Dublin and Pleasanton, California.

In this letter, we describe, in turn: (I) La Salle's essential qualifications for the proposed real estate development; (II) the basic elements of the firm's proposal; and (III) the principal benefits, as La Salle sees it, of the proposed real estate project.

I. La Salle Partners: Essential Qualifications

La Salle is principally a commercial real estate developer, property and facilities manager, and real estate investment banker. The firm, which is traded on the New York Stock Exchange, has enjoyed a long history of success in formulating, financing, and managing public/private commercial real estate developments. Its noteworthy public/private projects include:

- Union Station -- a \$90,000,000 rehabilitation of the classic train station in Washington, D.C.;
- The Oakland Federal Building -- the 1,100,000 square foot, \$180,000,000 project, which the firm developed, financed, leased to GSA (which later exercised an option to purchase), and currently manages; and

March 31, 1998

Page 2

- Grand Central Terminal -- a \$200,000,000 rehabilitation of the transit and train station in New York City.

La Salle is extremely interested in undertaking both new-station and existing-station development projects for BART.

II. Salient Elements of La Salle Partners' Proposal:

The essential elements of La Salle Partners' commercial real estate proposal are as follows:

1. After execution of a formal agreement between La Salle and BART, La Salle would develop a master plan for the entire site, which currently encompasses: (a) the Caltrans-owned site for the transit platform in the I-580 median strip; (b) approximately 9.75 acres of BART-owned land in the City of Dublin; (c) approximately 7.35 acres of BART-owned land in the City of Pleasanton; and (d) the air rights over I-580 between the transit platform and the land on either side of the freeway.

The master plan would take into account, first and foremost, BART's transit-related needs, including the need for parking stalls dedicated for the use of BART patrons. It would also plan for commercial uses, which, at this juncture, are expected to include a suites hotel in Dublin and a conference-center hotel in Pleasanton. The commercial uses ultimately selected would depend upon their compatibility with BART's transit uses, community acceptance, and market conditions.

2. La Salle would enter into a ground lease with BART for use of BART-owned properties in both Dublin and Pleasanton. Such ground lease, which would provide for a purchase option, would be negotiated during the proposed 180-day Exclusive Negotiation Agreement. Ground lease payments to BART would commence upon stabilization of cash flow from private development.
3. La Salle would enter into an agreement to develop for BART and lease to it the new station and appropriate structured parking facilities consisting of 1,400 stalls. La Salle would finance the development with funds from private sources.

BART has provided La Salle with a 1997 estimate of station-development costs indicating a budget on the order of \$40,000,000. In completing engineering-design work for the station, La Salle would work on an "open-book" basis with BART personnel to review costs and identify opportunities for cost savings. To the extent La Salle were able to realize cost savings, it would pass such savings through to BART in lower lease costs.

March 31, 1998

Page 3

4. La Salle would work closely with BART personnel in Transit System Development (as well as Operations and Systems Integration) and Real Estate to produce a transit facility and collateral commercial development on time, on budget, and at a reasonable lease rate.

III. Benefits of a Public/Private Real Estate Development for the West Dublin/Pleasanton Site

La Salle believes the benefits for BART of the proposed public/private real estate development for the West Dublin/Pleasanton site would include:

- The opportunity to obtain a new station and associated structured parking as quickly and efficiently as possible, thus, taking commute-hour pressure off the parking facilities at the Castro Valley and Pleasanton stations;
- To the extent the collateral commercial development consists of hotel, conference facilities, or office buildings, BART would benefit by the creation of new transit-demand generators, ones that would produce transit movements to and from either Oakland or San Francisco airport;
- Enhance the economic development efforts of the Dublin and Pleasanton communities and return real property to the tax rolls, thus, increasing the community tax base; and
- Through comprehensive planning and coordinated development around the station, provide BART with evidence of the value of such private/public development as it may apply at other new or existing transit stations.

La Salle is interested in undertaking this project for reasons that include:

- The opportunity to apply experience and skills developed in other private/public projects;
- The opportunity to demonstrate that a private developer can balance public and private objectives and produce a mixed-use development efficiently at a reasonable cost; and
- The opportunity to play a part in creating an innovative approach to public/private transit development.

March 31, 1998

Page 4

We look forward to hearing from you as to whether BART is interested in entering into an Exclusive Negotiation Agreement with La Salle for real estate development, financing, execution, and delivery of the West Dublin/Pleasanton station and associated parking and commercial uses.

Sincerely,

LA SALLE PARTNERS, INCORPORATED

A handwritten signature in cursive script that reads "Karel V. Fisher". The signature is written in black ink and is positioned above the printed name and title.

Karel V. Fisher
Vice President

WEST DUBLIN/PLEASANTON BART STATION

Board Action of February 25, 1999: Following a competitive procurement process, BART entered into exclusive negotiations with Jones Lang LaSalle ("LaSalle"), to assess the overall financial feasibility of a mixed-use development on BART property at the West Dublin/Pleasanton BART Station, including the station and associated transit facilities.

Process: Public/private effort involved BART, LaSalle and the Cities of Dublin and Pleasanton and addressed:

- Definition of private development project, including Dublin and Pleasanton vision for station area
- Review and refinement of all costs and revenues
- Assessment of overall project financial viability
- Assessment of funding and debt service mechanisms

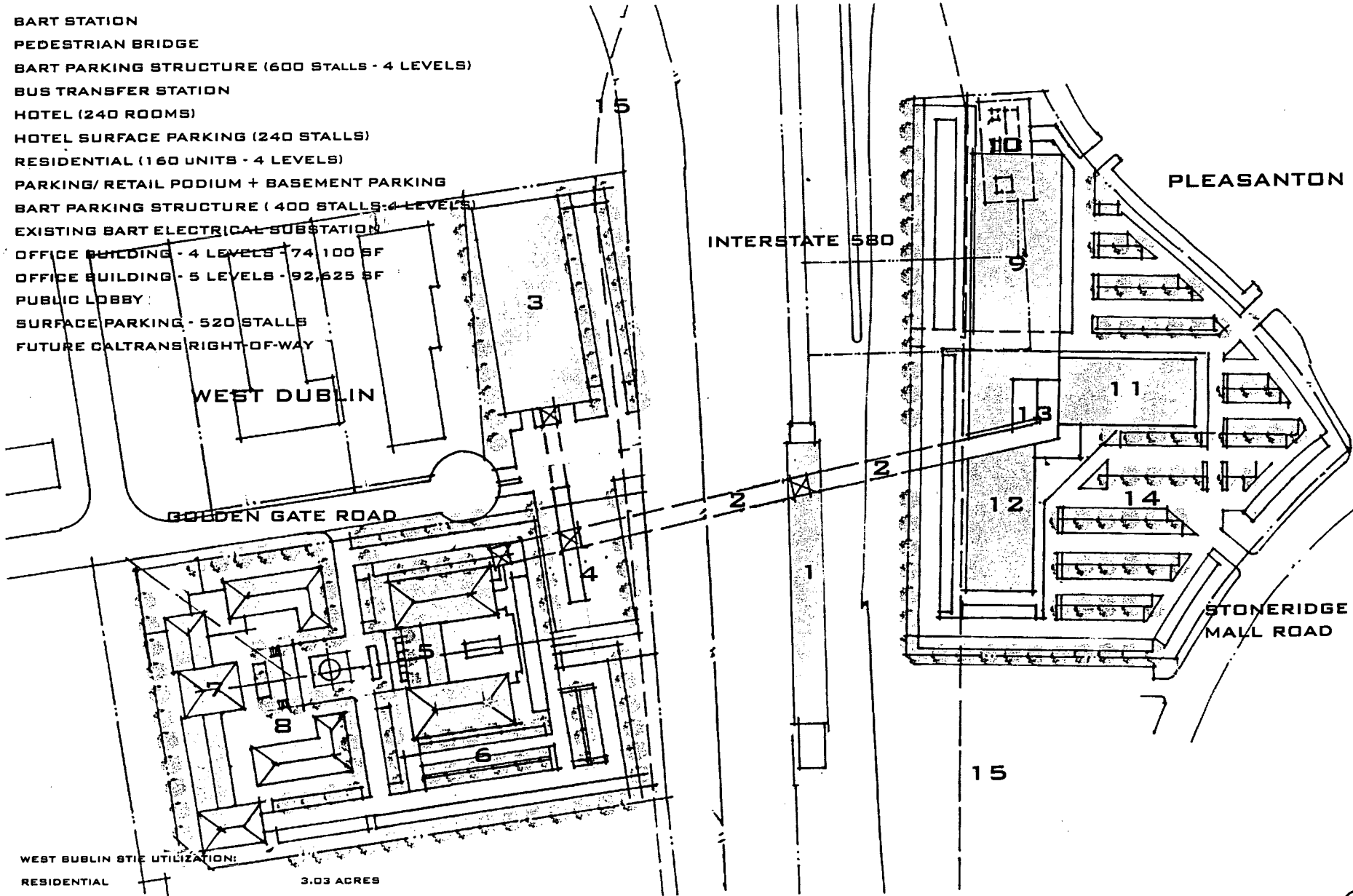
Proposed Project: The proposed \$100 million public/private development currently consists of:

- A new West Dublin/Pleasanton BART Station with ancillary parking, bus intermodal facility and pedestrian walkways from the station to either side of I-580 (approximately \$40 M), and
- Private development consisting of approximately 160 market-rate residential units and a 240-room hotel in Dublin, and an approximate 175,000 square foot office building in Pleasanton (approximately \$60 M).

Proposed Financial Structure: The current approach to funding the proposed public improvements involves creation of a Joint Powers Authority between BART and the Association of Bay Area Governments (ABAG) which would issue bonds for construction of the station and ancillary facilities, including BART parking facilities. Repayment of the bonds would be through a combination of private funds from long-term lease of BART's property, contributions from the Cities of Dublin and Pleasanton of tax revenues to be generated from the private development, and BART revenues generated by the station and other potential funding sources. Funding of the private development will be effected with conventional financing and will not involve any BART funds.

SITE PLAN - OPTION 1

- 1 BART STATION
- 2 PEDESTRIAN BRIDGE
- 3 BART PARKING STRUCTURE (600 STALLS - 4 LEVELS)
- 4 BUS TRANSFER STATION
- 5 HOTEL (240 ROOMS)
- 6 HOTEL SURFACE PARKING (240 STALLS)
- 7 RESIDENTIAL (160 UNITS - 4 LEVELS)
- 8 PARKING/ RETAIL PODIUM + BASEMENT PARKING
- 9 BART PARKING STRUCTURE (400 STALLS - 4 LEVELS)
- 10 EXISTING BART ELECTRICAL SUBSTATION
- 11 OFFICE BUILDING - 4 LEVELS - 74,100 SF
- 12 OFFICE BUILDING - 5 LEVELS - 92,625 SF
- 13 PUBLIC LOBBY
- 14 SURFACE PARKING - 520 STALLS
- 15 FUTURE CALTRANS RIGHT-OF-WAY



WEST DUBLIN SITE UTILIZATION:

RESIDENTIAL	3.03 ACRES
HOTEL	3.60 ACRES
PARK. STRUCTURE/ BUS TRANSFER	3.06 ACRES



WEST DUBLIN/PLEASANTON BART STATION

Requested Board Actions

- 1. Pursuant to the Infrastructure Financing Act (California Government Code Section 5956 et.seq.), the General Manager or his designee is authorized to complete negotiations and execute a development agreement and/or long-term ground lease with Jones Lang LaSalle for private development on BART property adjacent to the proposed West Dublin/Pleasanton BART Station;**
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- The opportunity to obtain a new station and associated structured parking as quickly and efficiently as possible, thus, taking commute-hour pressure off the parking facilities at the Castro Valley and Pleasanton stations;
- To the extent the collateral commercial development consists of hotel, conference facilities, or office buildings, BART would benefit by the creation of new transit-demand generators, ones that would produce transit movements to and from either Oakland or San Francisco airport;
- Enhance the economic development efforts of the Dublin and Pleasanton communities and return real property to the tax rolls, thus, increasing the community tax base; and
- Through comprehensive planning and coordinated development around the station, provide BART with evidence of the value of such private/public development as it may apply at other new or existing transit stations.

La Salle is interested in undertaking this project for reasons that include:

- The opportunity to apply experience and skills developed in other private/public projects;
- The opportunity to demonstrate that a private developer can balance public and private objectives and produce a mixed-use development efficiently at a reasonable cost; and
- The opportunity to play a part in creating an innovative approach to public/private transit development.

March 31, 1998

Page 4

We look forward to hearing from you as to whether BART is interested in entering into an Exclusive Negotiation Agreement with La Salle for real estate development, financing, execution, and delivery of the West Dublin/Pleasanton station and associated parking and commercial uses.

Sincerely,

LA SALLE PARTNERS, INCORPORATED

A handwritten signature in cursive script that reads "Karel V. Fisher". The signature is written in black ink and is positioned above the printed name and title.

Karel V. Fisher
Vice President

LASALLE PARTNERS
Chicago, Illinois

- o Full Service Real Estate Company - formed 1968; merged with The Galbreath Company in 1997
- o Business Groups

Investment Management

Direct Investments
Public Real Estate Securities
Opportunistic Investments
Portfolio Management
Workout Advisory Services
Research Services

\$15 B in assets (as of 3/97)

Management Services

Property Management
Facility Management
Development Management

133 M SF (as of 3/97)

Corporate/Financial Services

Tenant Representation
Investment Banking
Land Acquisition and
Development

250 Projects (1996)/7 M SF
\$4.9 B transactions (1996)

- o Since 1985 - 180 projects valued at \$12 B.
 - * Union Station (Washington, DC): \$90 M rehabilitation
 - * Oakland Federal Buildings: \$180 M development
 - * Grand Central Terminal (NY): \$200 M rehabilitation
- o 1996: Total revenue = \$176 M. (pre-Galbreath merger)
- o 1996: Earnings before interest, taxes, etc. = \$32.3 M

LASALLE PARTNERS

WEST DUBLIN BART STATION

PROPOSAL

Exclusive Negotiations leading to formal agreement with BART:

- o **Master Plan for BART Station area, including:**
 - * BART Station in I-580 median
 - * BART land in Dublin (9.75 acres)
 - * BART land in Pleasanton (7.35 acres)
 - * Connection between Station and BART lands

- o **Ground lease of BART property at station for:**
 - * Hotel on BART land in Dublin
 - * Conference Center/Hotel on BART land in Pleasanton
 - * Other development to be determined

- o **Development and Lease to BART of West Dublin Station:**
 - * BART Station in median
 - * BART commuter parking - structure for 1,400 vehicles
 - * Privately financed

LASALLE PARTNERS

WEST DUBLIN BART STATION

BENEFITS

- **Opportunity to Construct West Dublin BART Station**
 - * Completion of Third Station for Dublin/Pleasanton Extension
 - * Parking at West Dublin to reduce pressure at East Dublin
 - * Transit access from west Dublin/Pleasanton area
 - * Reduction in cost from private real estate development

- **Regional Linkages**
 - * Highways
 - * Airports
 - * Surrounding communities and greater Bay Area

- **Enhanced ridership to/from new commercial development**

- **Commercial development creating more "life at the stations" resulting in increased perceptions of a safer, more secure environment**

- **Provision of goods/services at station, reducing traffic between station and ultimate destinations**

- **Enhanced revenue to Dublin/Pleasanton**

LASALLE PARTNERS

WEST DUBLIN BART STATION

NEGOTIATING ISSUES

- **Financing of Transit Improvements**
 - * Cost of Improvements (station and structured parking)
 - * Private construction, private debt, greater flexibility
 - * Public construction, public debt, less flexibility
 - * Legal issues of public versus private approaches

- **Commercial Development on BART Land**
 - * Real estate market conditions
 - * Potential revenue versus transit costs
 - * Land value, return to BART (ground rent, participation rent, sale proceeds)

- **Environmental Issues**

- **Transaction**
 - * Value of commercial development
 - * Cost of BART station and access improvements
 - * Net proceeds available to build station
 - * Lease versus lease/purchase of BART station
 - * Lease versus lease/purchase of BART land
 - * Public works issues
 - * Caltrans/BART joint use agreement

- **Joint Public/Private Partnership**
 - * Strong participation by BART in design and construction

- **Cooperation with Local and State Jurisdictions**
 - * Caltrans
 - * City of Dublin
 - * City of Pleasanton

- **Other Non-Traditional Fund Sources**

- **BART Board Action**
 - * Exclusive Right to Negotiate
 - * Periodic review/negotiating direction

MacArthur BART station may gain 'transit village'

By Adam King

Tentative discussions with a local developer are giving city officials and local residents a glimmer of hope that the MacArthur BART station could see a major development begin within the next two years.

Though all parties involved emphasized that development plans are embryonic at best, inter-

national real estate firm LaSalle Partners has met with city and neighborhood representatives to discuss how best to turn the depressed area around the MacArthur BART station into a viable housing and retail center.

The station lies between 40th Street and MacArthur Boulevard, and between Telegraph and Martin Luther King Jr. Way.

The city has been looking for

ways to establish a "transit village" at MacArthur BART, like the development in the works at the Fruitvale BART station. Area residents, organized as the MacArthur BART Citizens Planning Committee (CPC), have spent about four years helping to develop options for the site.

The "transit village" concept calls for a mix of housing, retail and office uses to be built on

BART station parking lots, with a new parking structure to replace the lost parking spaces.

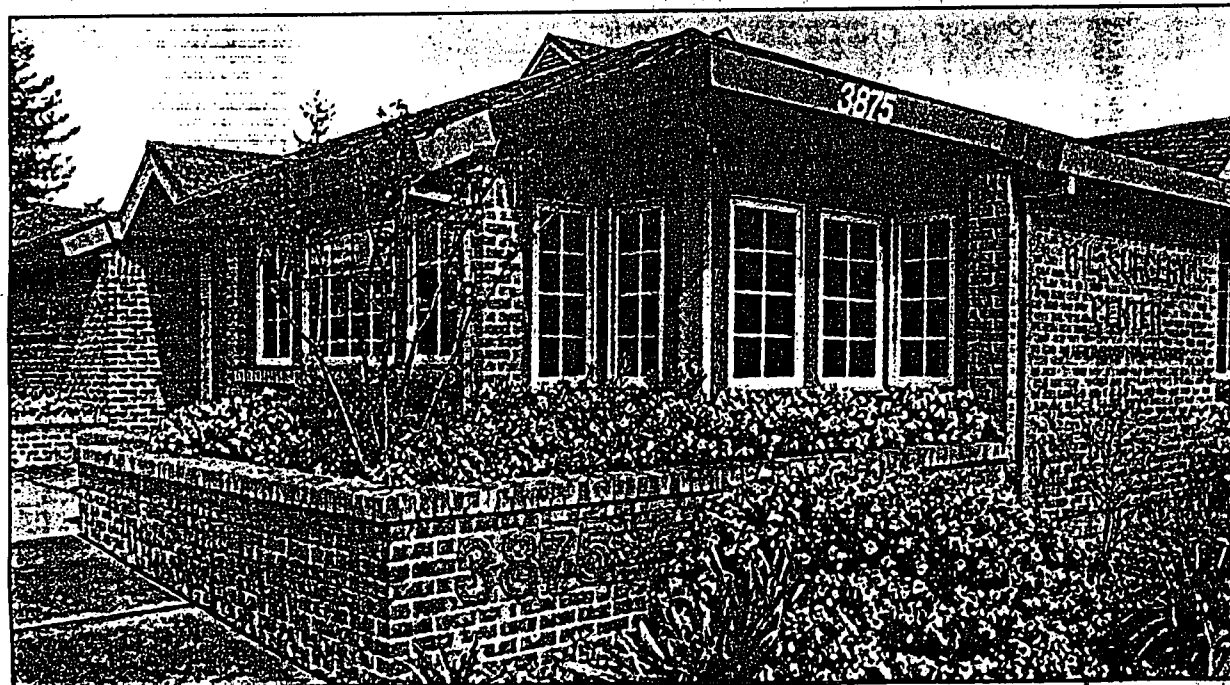
"The [MacArthur BART] parking lot has always been viewed as a liability," said Brier Tomlinson, chair of the CPC. "It's really a vacuum in a place that would be more logically a center and activity node for the Temescal [district]."

A 1995 city study outlined a

number of options for the MacArthur project, focusing on housing and some retail development. The plan pleased both area residents and BART officials, who see the housing as a potential source of riders.

"Citizens like the idea of having a lot of housing. It will increase safety on the site, and also bring in more incomes."

See BART on page



The Surgery Center at 3875 Telegraph may expand into a BART-centered 'transit village.'



Brier Tomlinson chairs a Community Planning Council.

Jeff Lindy

BART

Continued from front page

support and expand the existing retail base. There aren't a lot of services locally," Tomlinson said.

But the transit village concept faces tough challenges at BART stations, particularly at one in a neighborhood like the one surrounding MacArthur BART.

Any project must pay to replace lost parking

Developers must plan a project that will be lucrative enough to pay for not only itself but the estimated \$8 million cost to replace the six-acre, 608-space parking lot that would be lost.

Other extra project costs include the \$5.3 million required to acquire about two acres of land from owners of various parcels near the station.

A feasibility study for the proposed projects, released last December, indicated that only one of the projects would be able to pay even for itself, let alone the replacement parking and land acquisition costs. Adding those extra costs in, any of the projects would lose up to \$22 million.

Though LaSalle vice president Karel Fisher said the company has no specific proposals at this time, officials are discussing the idea of a development that would include less housing and more office space than the earlier proposals — a more profitable ratio.

"It's different from what the community's been envisioning for the past four or five years, so it's going to be very important to get buy-in," said Fisher, who met with city officials last Friday to discuss the options.

"Once the activity does locate

there, it'll be sustainable business. The city will not have to make an investment."

LaSalle's proposal would likely include an expansion of the Surgery Center, an outpatient surgery clinic on Telegraph Avenue.

Though Surgery Center administrator Ann Banchemo declined to discuss the clinic's expansion needs, she said she is hoping to have a plan in place within the next 18 months.

'Sure enough, there were two groups of prostitutes and what appeared to be drug dealing.'

—BRIER TOMLINSON
*MacArthur BART Citizens
Planning Committee*

LaSalle, or any developer, also faces the challenge of attracting commercial or residential tenants to the run-down area surrounding the station. Tomlinson repeated a story, told by LaSalle officials at a recent community meeting, that illustrates the area's character.

Blight discourages investors

"LaSalle took some potential clients to show them the site at 10 a.m., which seems like a safe enough time," Tomlinson recounted. "Sure enough, there were two groups of prostitutes and what appeared to be drug dealing at Telegraph and MacArthur."

City officials have long targeted the area with a variety of law enforcement and blight abate-

ment efforts, most recently with plans to establish a redevelopment zone encompassing the BART station, Broadway Auto Row and part of the Golden Gate neighborhood on San Pablo Avenue.

Residents aren't likely to see the kind of development planned for Fruitvale BART, which is expected to include a number of community services such as a senior center, day care, and health clinics, focusing on that neighborhood's largely Hispanic community.

There, project backers have carved out a place for the non-profit services by securing an estimated \$30 million in outside funding to subsidize the development.

Other BART stations have also been able to include more housing than MacArthur would be able to support, such as the 96-unit residential development at the Castro Valley station.

Fisher said that if a commercial and retail project succeeds at MacArthur BART, more housing could be added later.

LaSalle, a development industry giant, has already made its mark on Oakland by developing the twin-towered Federal Building.

Other LaSalle projects include the current \$200 million remodeling of New York's Grand Central Station, and the transformation of Washington, D.C.'s Union Train Station into an opulent shopping center.

"I can't say we'll turn MacArthur BART into Union Station, but whatever we do there would be a quality project, something the neighborhood can be proud of," Fisher said.

Pleasanton to help fund west Dublin BART stop

■ \$40 million project would provide 1,000 parking spaces in two garages, plus a hotel and office space

By Brian Anderson
TIMES STAFF WRITER

PLEASANTON — The city will pay its share of a \$100 million effort to build a west Dublin BART station and parking garage, City Council members have decided.

Voting 4-0, with Mayor Ben Tarver absent, the council agreed Tuesday night to take part in the funding scheme that will split about \$40 million of the project's price tag among the city, Dublin and BART.

"(The station) has always been desired by Pleasanton because of parking issues and capacity issues," Councilwoman Becky Dennis said Wednesday, referring to Dublin-Pleasanton's current commuter-clogged station. "And people don't want to go east so they can go west."

About 2½ years in the making, the 17-acre station project straddling the border between the two cities would feature 1,000 parking spaces in two garages, apartments, a hotel and office space.

With the vote, Pleasanton joins Dublin, which approved a similar resolution earlier this month, in offering up all sales, property and hotel taxes generated by the proposed development over the next 12 to 17 years.

Bonds sold to pay for the station would be repaid in part with BART fares and pre-paid rent from a private developer, who is covering \$60 million of the project's cost. Taxes generated by the development would be pledged only until BART revenue can support the bond payments.

Groundbreaking could begin as early as spring with the completion of the project expected in mid-2003, said BART spokesman Mike Healy.

Entering the financing plan was one of a handful of resolutions council members passed Tuesday. The council also:

rather than \$36. Passed by the district May 16, the rate increase is needed to pay for pipe repairs, treatment plant maintenance and increased operating costs, officials said.

■ Voted unanimously to approve Alameda County's Transportation Expenditure Plan and support putting a proposition on the November ballot asking voters to extend Measure B sales taxes for 20 years. Approved by voters in 1986, Measure B imposes a half-cent sales tax to help pay for county transportation projects.

■ Voted unanimously to allow Pleasanton Garbage Service to increase its rates more than 11 percent. Under the new rate plan, residents would pay \$22.30 per month, up from \$20.03, and businesses would shell out \$47.22, or an extra \$4.80 monthly. Increases are needed, officials said, to offset inflation, pay for maintenance, fund construction of a transfer station and cover regulatory fees.

■ Voted 4-0 to ratify the Dublin San Ramon Services District to raise regional sewer charges 12.5 percent. The average homeowner would pay \$4.50 more, or \$40.50 bimonthly

See BART, Page 4

West Dublin BART station moves on

■ The City Council agrees to team up with Pleasanton and the transit system to finance the public's share of the west side complex

By Bonita Brewer
TIMES STAFF WRITER

DUBLIN — Plans for a new West Dublin-Pleasanton BART station with nearby hotel, office and other development are rolling forward.

The Dublin City Council approved an agreement Tuesday night with Pleasanton and BART to jointly finance the public share of the \$100 million, 17-acre station complex.

"I think it's very exciting," Mayor Guy Houston said of the BART project. He said it not only will relieve congestion at the East Dublin-Pleasanton BART station and attract new riders, but also will give downtown Dublin an economic boost.

"It's been a long 2½ years (of planning) ... but now, we're on the home stretch," said BART board member Pete Snyder, adding that ground for the station could be broken by next spring. "I don't know any reason why not."

Meanwhile, citing a strong economy and a shining performance review, the Dublin council also approved a 12.5 percent pay raise for longtime City Manager Richard Ambrose.

The council increased Ambrose's salary from \$127,197 to \$143,000. It also approved extending severance pay provisions from nine months to

18 months in the event Ambrose is terminated.

The BART financing pact is expected to be considered by the Pleasanton City Council later this month.

Both cities are being asked to help pay off bonds for the \$40 million public share of the \$100 million project by pledging all sales, property and hotel taxes generated by the proposed development over the next 12 to 17 years.

No city general fund revenue would be at risk, as any tax revenue shortfalls would be covered by BART, said Christopher Foss, Dublin's economic development director.

"This agreement will require no additional city resources outside of the revenues generated specifically from the development project," Foss said.

BART last year entered talks with Chicago-based Jones Lang LaSalle for development of a mixed-use project west of the Interstates 580-680 interchange, between Pleasanton's Stoneridge mall and Dublin's Golden Gate Avenue.

The public's \$40 million share of costs includes a new BART station in the I-580 median, a 600-space parking garage on the Dublin side and a 400-space garage on the Pleasanton side, plus pedestrian walkways. BART and the Association of Bay Area Governments would jointly issue bonds to finance those costs.

The bonds would be repaid in part with BART fares and pre-paid rent from LaSalle for its private develop-

See BART, Page 4

BART

FROM PAGE 3

ment on BART property. Taxes generated by the development would be pledged only until BART revenue can support the bond payments.

LaSalle would pay for the remaining \$60 million private development, to include 160 market-rate apartments and 240 hotel rooms on the Dublin side, and a 171,000-square-foot office building on the Pleasanton side.

An environmental study is under way, and officials said they expect land-use approvals to be considered by both cities later this year.

Houston said Ambrose's compensation package approved Tuesday is in line with what four neighboring cities — Livermore, Pleasanton, Dublin and Danville — pay their managers in wages and benefits, and is not the highest.

Ambrose, city manager since 1982, got a 7.7 percent raise last year but didn't get any raises for several painful budget years in the early 1990s.

"I think he's done an outstanding job and deserves to be paid among the highest of his peers," Houston said. "It is a very good salary, and a

lot of department heads are now getting up to the six-figure level, not only in Dublin but in other cities. It's indicative of what the job market is for this area."

He said many department managers can't be recruited from outside the Bay Area, even with six-figure salaries, because of high housing costs.

Dublin salaries are based on merit. The city's proposed 2000-01 budget includes maximum 10 percent pay raises for the city's other 59 employees, Ambrose said. The city has another 94 workers, including police and fire personnel, who provide services under contract.

Bay Area express bus network plans gets go-ahead

By Sean Holstega
STAFF WRITER

OAKLAND — Bay Area bus operators have taken a major step toward a regional express bus network, meeting here Thursday to figure out how to make it a reality.

With Gov. Gray Davis having pledged \$40 million in surplus money for 100 luxury coaches, the question facing transit agencies becomes: Who will run them and how?

Transit officials agreed to move swiftly to put a fleet of coaches on the roads, rather than wait for an unfunded \$133 million to expand the car pool lane network and cover operating costs.

"We are going to need service plans and financial plans before we buy buses. All of that could come together at the end of the year," said Metropolitan Transportation Commission Deputy Executive Director Steve Heminger.

Five bus agencies in Alameda and Contra Costa counties, and BART have been developing their own operating plan since February.

Commission planners have identified express buses as the most cost-effective way to relieve congestion in the next few years. The commission predicts 26,600 people a day would ride in the luxury

coaches, with their plush reclining seats, air jets, reading lights and computer outlets.

Seeking a "quick, cheap and flexible" program, the commission proposed a dozen new routes, including Interstate 880 between San Leandro and Silicon Valley, the Dumbarton and San Mateo bridges, Interstate 580 from Altamont Pass to the Dublin/Pleasanton BART Station, the length of Interstate 280 and Interstate 80 from Vacaville to San Francisco.

The coaches would save commuters time by relying on car pool lanes.

The group will meet again in July and

recommend a course of action when the commission meets in September. But many bus agencies already have taken the initiative to boost regional ridership.

For example, in the urban East Bay, AC Transit is offering a free tryout ticket until the end of the month to lure riders to its express service over the Bay Bridge. In recent years, AC Transit has brought transbay ridership from 8,000 a day to 14,000 on its 36 routes, which primarily serve neighborhoods. In the first week of the new promotion, 1,500 people visited AC Transit's Web site.

On the Peninsula, SamTrans offers employer shuttle service to about 100 businesses over 41 routes. Private companies cover a quarter of the cost, and SamTrans reported the number of shuttles is increasing by five a year.

In the Tri-Valley, a new service from the Dublin-Pleasanton BART Station to Bishop Ranch Business Park in San Ramon starts June 25. Buses will be timed to meet trains during the morning and evening commutes.

And on July 3, a new subscription service will take residents of the Antioch area to the Livermore Valley. Already 200 people have signed up for service to Livermore's two nuclear weapons labs.

WHEELS has been running a similar service from Livermore and Pleasanton to major Silicon Valley employers such as Lockheed Martin Missiles and Space. Lockheed employees are trained to drive buses.

Pleasanton to Proceed with West BART Station Plans

The Pleasanton City Council unanimously authorized the city manager to continue negotiating a financial arrangement designed to produce a west Dublin/Pleasanton BART station. The vote was unanimous.

The cities of Pleasanton and Dublin and BART would participate in the financial arrangement.

Pleasanton Councilmember Tom Pico wanted to require that the housing contain an affordable element. However, other councilmembers indicated the housing is in Dublin and it would be difficult for Pleasanton to make that requirement.

There has been no money to build the west BART station. A public/private partnership has been proposed. The private partner in the arrangement is Jones Lang LaSalle.

The idea is that BART would build the station and two parking garages, one on each side of the freeway. LaSalle would build a 175,000 sq. ft. office building in Pleasanton on 7 acres at a cost of \$40 million. On the Dublin side, there would be 160 housing units and a 240 room hotel would be built on 10 acres. The cost is estimated at \$60 million.

ABAG (Association of Bay Area Governments) would issue revenue bonds that would be paid off by the participating public agencies. BART would use money from fare box revenues from ridership at the new station and any other related BART revenues to pay its share. Pleasanton and Dublin would pledge the sales taxes, property taxes and transient occupancy taxes resulting from the new development to pay for its share. Once the bonds are repaid, both cities would keep the taxes.

Bob Russell stated that what is being created is a transit village — mixed uses around a transport node. "It is a unique station. There is housing, transportation, an office building and a major mall (Stoneridge) all in

one location. We are very excited about this project coming together."

Russell said his firm specializes in commercial development. It will construct the office building, and perhaps the hotel. However, another builder will be brought in to develop the housing element.

Pico suggested that since ABAG is the key financier to the project it would be a way for ABAG to demonstrate its commitment to affordable housing by having it included in the project.

Councilmember Kay Ayala said she didn't have a problem asking Dublin to consider including affordable housing. However, the land is in Dublin's jurisdiction. "I wouldn't want it to seem like we're telling them what to do on their side of the freeway."

"I just want to make sure we can indicate clearly that affordable housing is an issue of concern" Pico stated.

The council compromised by passing a resolution offering to work with Dublin to create an affordability component to the housing portion of the

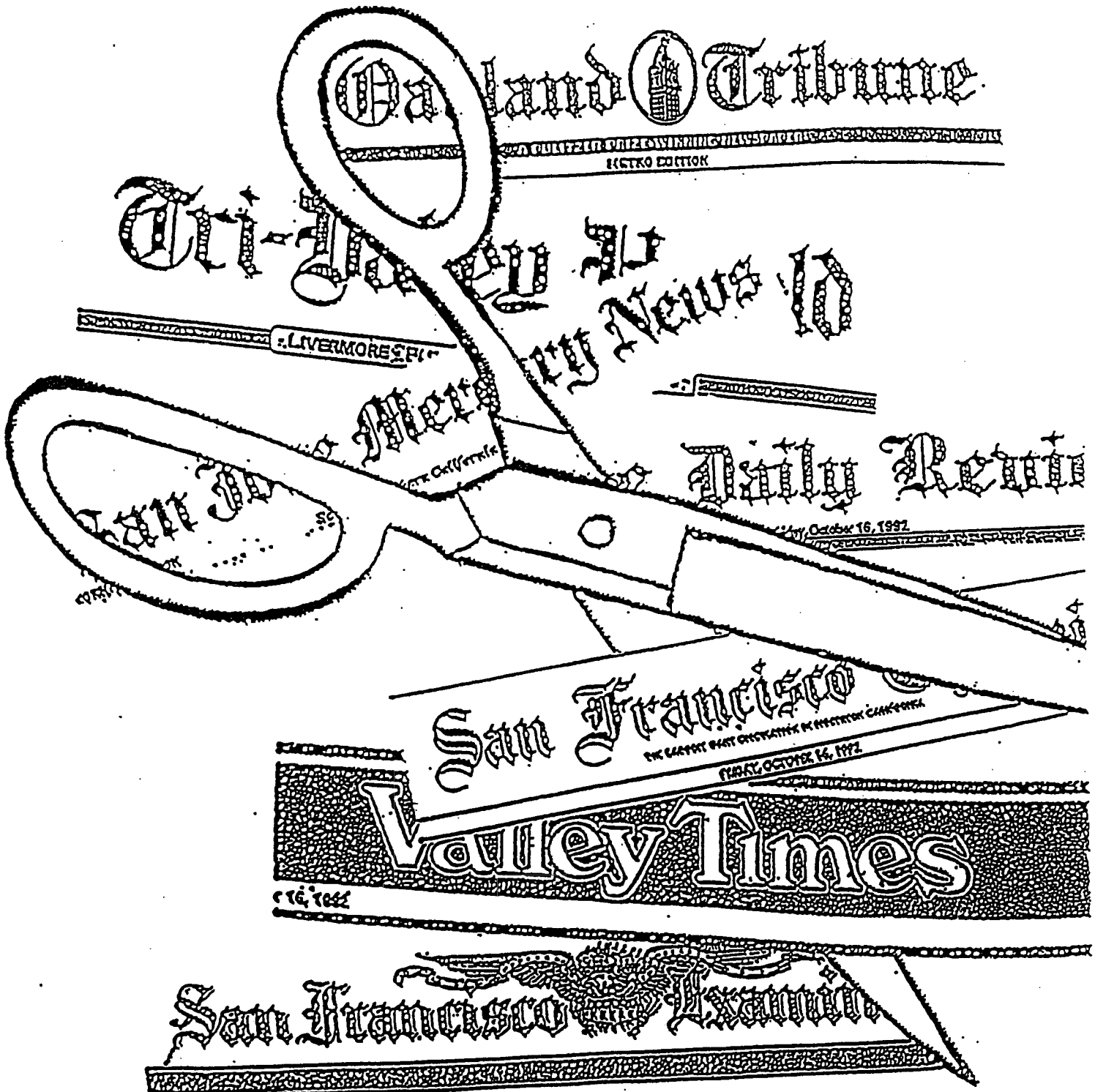
project. And, Pleasanton would offer assistance in making it happen if Dublin is interested in proceeding."

City Manager Deborah Acosta will continue negotiations on the financial portion of the project. The environmental review work will begin on the private development.

The land use approvals are expected to be considered by both cities by late 2000. The project, if approved, is projected for completion in 2003.

BART DAILY CLIPS FOR

March 09 thru 12, 2000



Prepared and Distributed by: BART Public Affairs Department
Contact: Vicki Wills Extension: 7115

BART station project gets OK

By Kara Shire
STAFF WRITER

PLEASANTON — The City Council on Tuesday served up the final piece of the West Dublin-Pleasanton BART pie, joining Dublin in giving the project its much-needed approval.

The move sets forth a flurry of activity as city staffers in both Pleasanton and Dublin begin working with the Bay Area Rapid Transit District and developer Jones Lang LaSalle to hammer out the details of the deal, which will go back to the councils for final approval of the station.

The \$100 million project calls for \$40 million in public financing to pay for parking spots, a pedestrian walkway and other improvements needed for the actual station.

Developers pay the rest

Private developers will pick up the remaining \$60 million in costs, building a 160-unit apartment complex and 240-room hotel in Dublin and a 175,000-square-foot office complex in Pleasanton.

"It is an opportunity to create something very special around the transit center where we'll have housing and office space and a regional mall all in one place," said Pleasanton City Councilwoman Sharrell Michelotti.

Housing became the major sticking point Tuesday night when Pleasanton Councilman Tom Pico asked that the project include a "substantial" amount of affordable housing on Dublin's side of the 17-acre complex.

"If we don't say this is something we want and desire, we're never going to see it," Pico said.

Council balks at idea

The rest of the council balked at the idea of telling their neighboring city what to do, and instead passed a motion encouraging Dublin to look into affordable housing options on the site, offering financial help to do it.

Dublin Councilwoman Claudia McCormick said she, too, is looking for moderately priced housing options at the site.

"I'm very hopeful that we will get affordable housing in the transit village," McCormick said. "(The council is) really concerned about the lack of affordable housing in Dublin."

But Dublin Councilman George Zika said low-cost housing is not going to happen on this project.

"It's not going to happen because if that happens the financing falls apart," Zika said.

The public portion of the BART project is being partially paid for with property and sales taxes generated from the site.

Lower the value of the property, Zika said, and you lower the revenues and increase the amount of time it takes to pay off the bonds.

BART plan is too costly

SAN Jose Mayor Ron Gonzales (Letters, March 7) states that we need BART to San Jose. What we need is a regional solution that can be in place in three to four years, not 20.

Using standard rail, we could have the same service for 25 percent of the price tag in three to four years and have money left over for other connections besides just BART to San Jose. The Metropolitan Transportation Commission's report "Blueprint for the 21st Century" clearly shows that BART is not the best bang for the buck.

Whenever you are planning to spend \$4 billion for a single solution, you have to look at what else can be done with this much money. Has this been done? If the public is going to make an informed decision we need to know the alternatives. In the counties where BART has been running, the other transit systems have suffered as BART takes up all the funding. We cannot afford to have this happen in Santa Clara County.

For a truly regional solution, look at what the Transportation and Land Use Coalition has proposed in its report "World class transit" (www.transcoalition.org).

Rail around the Bay is a good idea, as is the interim solution that the mayor mentioned. However, BART to San Jose is not a fiscally prudent or timely solution to our transportation problems.

David Coale
*Member, South Bay Chapter
Transportation and Land Use Coalition
Palo Alto*

Tri-Valley hub likely for BART

■ Board is expected to OK a public-private transit village near a new station

By Robert Oakes
TIMES STAFF WRITER

OAKLAND — A third BART station would open on the Dublin-Pleasanton line while a “transit village” with shops, a conference center, hotels and housing could be built nearby, according to a public-private venture BART officials are scheduled to approve today.

A developer would construct the station — worth about \$40 million — for BART. Meanwhile, the private company gets exclusive rights to lease about 17 acres of nearby BART-owned land and develop potentially lucrative commercial properties in the booming Tri-Valley.

The proposal for a West Dublin-Pleasanton BART stop could boost public-private development proposals around other East Bay rail stations. But the deal also serves a bottom-line need for BART: Put more people on trains.

More commuters will be able to walk to and from the station, rather than endure long driving commutes on traffic-clogged freeways, said

BART

FROM PAGE A1

BART Director Pete Snyder of Dublin. “Private development seemed to me the easiest way to do it, if we could get the right package,” Snyder said.

BART opened the Dublin-Pleasanton and Castro Valley stations in May 1997, after the proposed West Dublin-Pleasanton station along Interstate 580 was dropped due to a lack of money.

“If it doesn’t happen now, and we can’t find a vehicle like this, I think 20 years from now we would still be looking at a vacant site there,” Snyder said. BART board members will meet in a closed-door session today to complete negotiations with Jones Lang LaSalle, a Chicago-based development firm.

BART directors will then meet in open session to formally approve the West Dublin-Pleasanton package, said agency spokesman Mike Healy.

Details, including financing options, will be released today. Construction of a station could take about 2½ years.

A spokesman for Jones Lang LaSalle could not be reached for comment Wednesday. The firm has

been negotiating with BART since early 1999 for the property, which straddles I-580 and the Dublin-Pleasanton city lines.

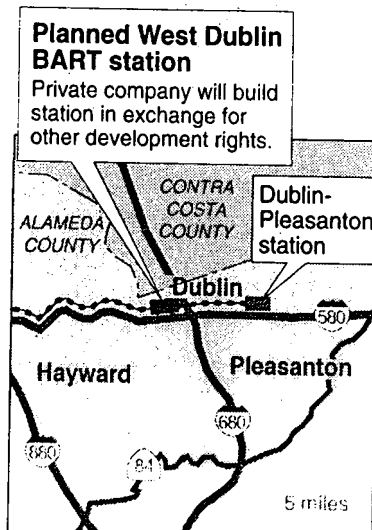
“We’re real excited about it on our side of the freeway,” said Dublin Mayor Guy Houston. “You need to take advantage of those transit hubs.” Pleasanton Mayor Ben Tarver couldn’t be reached for comment Wednesday. BART, government agencies and academics have long promoted the transit village concept, popular in Europe, as a way to get jobs, homes and commercial prop-

erties within walking distance of rail service. The concept, however, remains mostly an idea in the suburban East Bay, where tract homes, office parks and strip malls sprawl farther and farther from transit service.

One expert on transit-area development said the West Dublin-Pleasanton station is sensible.

“The transit agency gets much needed money, plus a potential pattern of station-area development that will fill up trains and bring in more fare revenues,” said Robert Cervero, professor of city and regional planning at UC-Berkeley.

Robert Oakes covers transportation. Reach him at 925-977-8432 or roakes@cctimes.com.



STAFF

MEETING

- **WHAT:** BART board meeting to approve public-private venture for West Dublin-Pleasanton station and station-area development.
- **WHEN:** 9 a.m. today.
- **WHERE:** BART headquarters, 800 Madison St., Oakland (next to Lake Merritt BART).
- **INFORMATION:** online at www.bart.gov.

The Valley

SUNDAY
August 24, 2003

City editor:
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trivalleyherald.com

BART station to break ground in 2004

■ Construction of adjoining West Dublin/Pleasanton apartments to start next summer.

By Brooke Bryant
STAFF WRITER

DUBLIN — The private pieces of the West Dublin/Pleasanton BART station puzzle are finally falling in place.

Work is scheduled to begin on the much-delayed station in fall 2004, according to project manager Ronnie Warner. Construction on the 210 adjoining apartments will get under way

even earlier, next summer.

The cities are planning to help finance the station with revenue from the development around the station, slated to include apartments, a 150-room hotel and space for office and commercial uses.

It was not quite what Dublin was looking for, but most council members embraced it this week as they gave the go-ahead to a study that will allow developers to amend the original plan.

Except for Councilman Tony Oravetz.

He voted against the study and said he wanted to see the project stick with

MASS TRANSIT

its original vision.

That vision was to build a large, full-service hotel with a restaurant and meeting rooms. The market has changed since those plans were conceived, Warner said, and now a small hotel with 90 fewer rooms and no restaurant is more feasible.

Instead, since the housing market has remained strong, developers will build an additional 50 apartment units. There also will be a restaurant, separate from the hotel.

But Oravetz argued that a luxury

hotel was the "linchpin" of the project.

"I'm not changing my vision," he said.

Other council members said they also preferred the larger hotel but were willing to compromise.

"A vision is only as good as you can make it come true," Mayor Janet Lockhart said. "If there aren't any hotels out there that are interested in doing that, then you can have the greatest vision in the world . . . What's really important for the Valley is getting that second BART station built."

BART plans to issue bonds to finance the station, and the cities will help pay them off with hotel, sales and property taxes from the surrounding area between San Ramon Road and Amador Plaza Road.

Warner said the apartments will take about a year to build, construction finishing in December 2005, and the station will take two years, to open in 2006. They will likely hold onto the parcel until the market bounces back, but they anticipate construction within two or three years, she said.

See BART, Local 2

Despite revisions, center to comply

► **BART**, from Local 1

If a large hotel does take the bait, there is still enough land to accommodate it, Warner said.

Meanwhile, the city has to be flexible,

council members said, and do what it takes to get the station built.

"We envisioned a Digital Dublin, but the dot-com went down the toilet, and we can't wait until it comes back again," Councilman George Zika pointed out.

WEST DUBLIN BART STOP RESURFACES**By: Sean Holstege****STAFF WRITER**

Long-held plans for a West Dublin BART Station fell victim, in a roundabout way, to the events of Sept. 11, 2001. But this week transit officials are saying work on the moribund station could start by the end of the year.

"There is a goal now to break ground by the end of the year," said BART Director Pete Snyder, who represents the Dublin area, after discussions with the developer trying to bring the delay-plagued station to life.

It would be welcome relief to Valley commuters who, when the economy roared in the late 1990s, had grown impatient with early-morning hunts for elusive parking spaces at the congested Dublin/Pleasanton Station.

The station serves about 12,000 riders a day and was crowded almost from the day it opened in 1997.

"The goal was to have it done by now, but the economy put the kibosh on everything," Snyder said.

BART Director Joel Keller said that the collapse of the hotel and travel industry in the aftermath of 9-11 put the brakes on construction of the station, which was to be bankrolled, in part, by development of a hotel on the Dublin side of the tracks.

But, he said, chosen developer Orix Real Estate Equities, is big enough to

pull off the project with the other components: apartments in Dublin, offices in Pleasanton and parking structures on both sides of the track.

"Orix are huge developers, and if they see the environment as right for them, then it looks promising," Keller said. "I do know that we're getting closer."

BART executives would not comment about plans for West Dublin Station, which is the topic of closed-door

discussions Thursday. That's when BART's planners and lawyers will brief the nine elected directors on the status of real estate negotiations. Details were not forthcoming Tuesday.

But as Keller pointed out, work on the station would be a major milestone in BART's five-decade history. It would be the first "in-fill" station built on an operating line between two existing stations. It would also be the first time BART relied on private dollars and

partners, an outcome of years of negotiations with both cities.

This is not the first time BART has been optimistic. In 2001, after certifying environmental work on the \$100 million station, BART expected work to begin within months.

Officials said the station would open by 2004 and serve 5,700 riders a day, but Chicago-based developer Jones Lang LaSalle later pulled out of the four-way deal and the project stalled.

Kathleen K Mayo
09/29/2003 02:07 PM

To: krussell@cctimes.com
cc: Mike Healy/Lma/Oak/Bart@BART
Subject: West Dublin/Pleasanton BART Station

Kiley,

The Environmental Impact Report for the WD/P station Project (dated November 2000) estimated about 5700 trips per day for that station in the year 2010. Current ridership at East Dublin/Pleasanton Station is running around 12,000 to 13,000. We do estimate that about 20% of the current trips from East D/P will divert to West D/P once it opens, but that expected growth will fill that up again at East, so that East is showing about 13,000 to 14,000 trips per day in 2010.

Kathy

West Dublin BART design is unveiled

■ Dublin and Pleasanton officials query planners about parking and the placement of pedestrian bridges from each city

By Kiley Russell
TIMES STAFF WRITER

PLEASANTON — The future West Dublin BART station will be built as an eye-catching "gateway" to the Tri-Valley for riders and drivers alike, according to the project's planners.

Developers of the long-delayed station presented their plans to leaders from both sides of the tracks Wednesday during a joint meeting of the Dublin and Pleasanton city councils.

"It's really a very inviting place," said Eli Naor, vice president of the firm that designed the station, Oakland-based VBN Architects. "We wanted this to be the welcoming mat to your communities."

The \$60 million station will be built in the center of Interstate 580 with platforms that hold 10 BART cars. Riders will get to the trains via two pedestrian bridges that will meet at the station and people will be able to walk from Dublin to Pleasanton and back without buying a BART ticket.

Those covered bridges will form a "symbolic gateway to the valley," Naor said.

Also, the station itself will be built with a "concourse galley" that will include welcome signs for both cities to greet BART passengers. The design is also intended to better protect people from the noise of passing traffic, the wind and rain that can sometimes torment riders at the Dublin-Pleasanton BART station.

The Dublin side of the transit village will support a 150-room hotel, a 210-unit apartment complex, a 7,500-square-foot retail and restaurant space and a five-story, 700-space parking garage on 10 acres near Golden Gate Drive.

A 170,000-square-foot office building and a four-story, 400-space garage will be built on seven acres in Pleasanton between Stoneridge Mall Drive and the freeway.

Most of the councils' questions focused on parking and the placement of the pedestrian bridges that connect to the station at different spots from each city.

Dublin officials chaffed at the idea that Pleasanton's bridge would be closer to the main concourse and Dublin's would be farther down the tracks.

"The staggered crossovers are not going to make it," said Dublin Councilman George Zika. "It's an image thing."

Naor said it might be possible to move both bridges and the concourse slightly so that passengers from each city enter and leave the area at roughly "equal" spots.

Pleasanton councilmembers seemed worried about the number of parking spaces and Councilwoman Kay Ayala said if they're not free, BART riders will gobble up the lots at the Stoneridge Mall, which are.

"I personally don't think there's enough parking there," added Pleasanton Councilman Steve Brozosky.

The meeting was to give the councils an early look at the station's plans. Revised drawings of the project should be coming to each city's planning commission in about a month, said Bob Russell, vice president of Orix Real Estate Equities, the lead developer.

The station will be partly paid for by issuing a revenue bond to be paid back from parking and ticket revenue and the cities' share of the property, sales and hotel taxes. Other money will come from Alameda County and Tri-Valley Transportation Council grants.

Russell said construction of the station could be finished as early as the end of 2006.

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