



STAFF REPORT

AGENDA ITEM NO: 10b

MEETING DATE: July 6, 2020

To: Honorable Mayor and City Council

Date: July 6, 2020

From: Syed Murtuza, Public Works Director – (650) 558-7230

Subject: Adoption of a Resolution Authorizing the City Manager to Execute an Amended Real Estate Agreement with Caltrain and Related Documents to Allow Relocation of Caltrain Paralleling Station 3 (PS-3) to City Property on the East Side of the Railway Tracks in the Industrial Zone

RECOMMENDATION

Staff recommends that the City Council adopt the attached resolution authorizing the City Manager to execute an Amended Real Estate Agreement with Caltrain, substantially in the form previously approved, along with related documents to facilitate the relocation of Paralleling Station 3 (PS-3) to City property on the east side of the railway tracks in the Industrial Zone.

BACKGROUND

In 2015, Caltrain certified the Final Environmental Impact Report for the Peninsula Corridor Electrification Project (PCEP), which proposes to electrify Caltrain from San Francisco to San Jose. As part of the PCEP, Caltrain proposed 10 paralleling stations along the corridor to power its electrified trains, with PS-3 located in Burlingame on the west side of the railway tracks, north of Broadway near the intersection of California Drive and Lincoln Avenue.

In August 2018, the City Council approved a Real Estate Agreement with Caltrain to facilitate the relocation of PS-3 to the east side of the tracks in order to avoid future conflicts with the footprint of the Broadway Grade Separation Project (BGSP) and to address residents' concerns about the original location. Caltrain estimated that relocating PS-3 in the future with the BGSP would cost approximately \$10 million to \$12 million (in 2018 dollars). Council agreed to allow a portion of PS-3 to be constructed on the Public Works Corporation Yard parking lot, thus enabling PS-3 to be relocated outside the future BGSP footprint to the east side of the railway tracks in the Industrial Zone.

Key terms of the approved 2018 Real Estate Agreement with Caltrain were as follows:

1. City of Burlingame will grant Caltrain approximately 40 feet by 100 feet (4,000 square foot area) for a temporary construction easement in the rear of the Public Works Corporation Yard parking lot for the purposes of construction access and staging for a period of one year.

2. Caltrain will lease from the City of Burlingame approximately 20 feet by 100 feet (2,000 square foot area) in the rear of the Public Works Corporation Yard parking lot adjacent to the Caltrain right-of-way for \$1 per year for a period of 55 years, and a renewal option for a 45-year term. This will allow Caltrain to construct the PS-3 partially on City property to avoid conflict with the future shoofly tracks associated with the planned Broadway Grade Separation Project. In the future, if PS-3 disappears or for any reason Caltrain's need for the City land no longer exists, then the land will revert back at no cost to the City.
3. City of Burlingame will grant Caltrain a maintenance access easement over and across the City's Public Works Corporation Yard parking lot. This will facilitate Caltrain's access for the purposes of maintenance and servicing of PS-3.
4. Caltrain will pay \$150,000 to the City of Burlingame to mitigate the costs associated with construction impacts, including the costs associated with mitigating the loss of parking for the duration of the PS-3 construction.

The Real Estate Agreement has not been executed since its approval in August 2018 due to recent anticipated modifications that have developed as a result of the design progression.

DISCUSSION

In April 2020, PCEP staff informed the City that their design build contractor has been unable to complete the PS-3 design within the space agreed to by Council in August 2018. The PCEP staff noted that as the PS-3 design was developed further, electrical clearance requirements increased the footprint needed for PS-3. Additionally, an update in the FEMA floodplain requirements that became effective in April 2019 have required the transformer to be elevated, which resulted in an increased footprint. Staff worked with the PCEP staff to revise preliminary design options to minimize impacts to the Public Works Corporation Yard. The revised design requires an additional 10-foot strip of land, plus approximately 500 square feet of land, for an additional total of approximately 1,500 square feet. This additional requirement is on top of the 20-foot strip of land that the City Council previously approved. It is estimated that this will increase the impact to the Public Works Corporation Yard from 10-12 lost spaces from the original agreement to 14-16 lost spaces with this new proposal. It is also estimated by PCEP staff that due to the changes, redesign costs of PS-3 will increase by \$250,000.

The PCEP staff proposes, in partnership with the City, to pursue funding for the additional redesign and for additional City Corporation Yard real estate costs from the San Mateo County Transportation Authority (SMCTA). This funding request will be contingent upon City Council approval of the additional 1,500 square feet within the Public Works Corporation Yard. The SMCTA funding request will include two items: (1) the PCEP estimated redesign costs of \$250,000 and (2) the proposed compensation for the additional real estate and parking impacts within the City Corporation Yard estimated at \$75,000, which will be proportionally consistent with the original land acquisition agreement.

The new amended agreement will remain consistent with the terms of the original Real Estate Agreement approved in August 2018, with the exception of changes to reflect the revised lease and maintenance access areas. Additionally, the amended agreement will provide a revised payment to the City for mitigating impacts to the parking lot. Amendments to the previously approved agreement will include the following key terms:

1. The City will grant approximately 5,025 square feet of temporary construction easement, which includes the area marked “Temporary Construction Easement” and “Lease of Property” in the attached drawing labelled *June 2020 Preferred PCEP PS-3 Layout*.
2. The new lease area and maintenance access area granted by the City to Caltrain as shown in the attachment labelled *June 2020 Preferred PCEP PS-3 Layout*.
3. The payment for the aforementioned easements will be increased from \$150,000 by approximately \$75,000 to \$225,000, and is intended to compensate the City for securing replacement parking for its vehicles displaced by the temporary construction easement and for mitigating permanent impacts to City operations.

Staff recommends that the Council authorize the City Manager to execute the Amended Real Estate Agreement and other related documents with the Caltrain JPB in substantially the form that was previously approved to facilitate the construction of PS-3 on City property.

FISCAL IMPACT

The proposal to relocate PS-3 on the east side of the railway tracks adjacent to the Public Works Corporation Yard property in its modified form would result in the loss of approximately 14 to 16 parking spaces for City equipment trucks and employees during and after the construction. Caltrain has agreed to compensate the City for costs associated with addressing parking impacts during the construction as indicated in the staff report.

Exhibits:

- Resolution
- June 2020 Preferred PCEP PS-3 Layout
- Letter from PCEP dated June 23, 2020
- Staff Report from August 20, 2018 City Council Meeting
- Attachments from August 20, 2018 Staff Report