

**COMPREHENSIVE AGREEMENT PERTAINING TO BART  
SYSTEM EXTENSION**

**February 28, 1990**

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**COMPREHENSIVE AGREEMENT PERTAINING TO BART  
SYSTEM EXTENSION**

This Agreement (hereinafter "Agreement") is made as of the \_\_\_\_\_ day of \_\_\_\_\_, 1990, by and between the SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT (hereinafter "BART") and the SAN MATEO COUNTY TRANSIT DISTRICT (hereinafter "SamTrans");

WHEREAS, the Parties to this Agreement are public agencies created by the laws of the State of California, and each party is empowered and has been duly authorized to enter into this Agreement; and

WHEREAS, the parties to this Agreement share the common purpose and objective of providing the means for the BART system to be extended in the East Bay and the West Bay; and

WHEREAS, specifically, the parties share the objective to implement BART's Phase I extension priorities, including the BART extensions in the vicinity of the San Francisco International Airport at the earliest practicable date; and

WHEREAS, toward that end the parties entered into Principles of Agreement pertaining to BART's system extensions dated as of the 6th day of June, 1988, attached hereto as Exhibit A, providing, inter alia, for the incorporation of the Principles of Agreement in a comprehensive agreement; and

WHEREAS, the parties now wish to specify with greater particularity, in a comprehensive agreement, the responsibilities of the parties for proceeding with necessary environmental work, funding, construction, and operation of the BART extension to the vicinity of San Francisco International Airport;

NOW, THEREFORE, the parties agree as follows:

I. ENVIRONMENTAL WORK

It is agreed and understood that the BART extension to the vicinity of the San Francisco International Airport (hereinafter "Project") is subject to the satisfactory completion of the applicable requirements of the California Environmental Quality Act (CEQA) and the National Environmental Protection Act (NEPA).

The Project has two segments: 1) construction of the Colma Station and related facilities near Colma (Colma Project); and 2) construction of additional tracks, and three further stations and related facilities terminating in a station in close proximity to the San Francisco International Airport (SFO Project).

A. Colma Project

At its sole cost and expense, SamTrans has conducted and prepared an Alternatives Analysis Study (AA) and Locally Preferred Alternative Report (LPA) which has been submitted to the Urban Mass Transportation Administration (UMTA) for concurrence, and a draft environmental impact statement (DEIS).

3 5/11/10ns

BART has been awarded an UMTA grant and is proceeding with preliminary engineering for the Colma Project. SamTrans has agreed to provide the local share for such grant.

BART and SamTrans will cooperate in an effort to prepare the Final Environmental Impact Statement (FEIS)/ Environmental Impact Report (EIR) as soon as feasible. BART will be responsible for providing to SamTrans information developed during preliminary engineering which may be requested from time to time by UMTA. SamTrans will be responsible for preparing the FEIS based on any such information and processing the FEIS/EIR to completion.

B. SFO Project

The Metropolitan Transportation Commission (MTC) has received an UMTA grant (80% federal share) for the preparation of an Alternative Analysis/Draft Environmental Impact Statement. SamTrans has agreed to provide the local share for such grant.

BART and SamTrans will cooperate with MTC to complete the AA/DEIS/DEIR as soon as feasible. In the event that the SFO Project is adopted as the LPA, BART in coordination with SamTrans will conduct the balance of the work necessary to prepare the FEIS/EIR. After certification of the EIR by BART, project approvals will be presented to the policy boards of both parties for action, and the SFO Project will not proceed until both parties approve the SFO Project. The funding obligations of the parties for such efforts will be in accordance with Section IV.

## II. REAL PROPERTY ACQUISITION AND OWNERSHIP

### A. Colma Project

1. The real property acquisitions required for the Colma Project will be determined during Preliminary Engineering. Colma Project property acquisition will not include the SamTrans Park and Ride facility west of the Daly City Yard.

2. BART will apply for an UMTA grant in the amount of not less than 75% federal share for Colma Project real property acquisition and relocation assistance when all of the following conditions have been met: (i) UMTA has approved the FEIS; (ii) all property to be acquired for the Colma Project has been identified; (iii) information concerning the status of title of such property, including easements and restrictions on use and any continuing obligations arising from ownership, has been obtained by SamTrans; and (iv) a Colma Project property acquisition and relocation assistance budget has been agreed upon by the parties.

BART will utilize the services of SamTrans in acquiring the property and providing relocation assistance and allow SamTrans to hold title to the acquired property, provided that it is permissible under the applicable grant and further provided that:

(a) Such actions are consistent with BART's obligations under any applicable UMTA or State of California grants, applicable rules, regulations and procedures;

(b) SamTrans agrees to faithfully comply with all the terms and conditions of any applicable UMTA and State of

California grants, applicable rules, regulations and procedures;

(c) SamTrans will furnish BART with a title report for any property to be acquired for the Colma Project prior to acquisition either by negotiation or court action, remove any exceptions in the title report that BART reasonably determines will interfere with BART use of the property for Project purposes, and grant BART a perpetual exclusive easement for the possession and use of such acquired Colma Project real property for the construction and operation of the BART system in the form attached hereto as Exhibit B;

(d) SamTrans will deliver possession of the real property in accordance with a schedule developed and agreed to by Project Liaison in accordance with Section III B;

(e) SamTrans will pay any and all taxes, fees, and assessments imposed on BART by the County of San Mateo or any other local tax authority having jurisdiction over the affected real property arising out of BART's possession or use of such real property; and

(f) SamTrans will not voluntarily create, or cause or permit to be created, any pledge, lien, charge or encumbrance on the Colma Project real property without the prior written consent of BART. It is understood that SamTrans may enter into transactions to finance its monetary obligations under this Agreement, which transactions will be solely the obligation of SamTrans. Consent to any such transactions creating a pledge, lien, charge or encumbrance on the Colma Project real property will not be withheld by BART, providing such consent is permitted



by law, does not violate any existing agreement to which BART may be a party, including without limitation any state or federal grants under which the real property has been or will be acquired, does not result in the assumption by BART of any obligation in connection therewith, and does not and will not in any way interfere with BART's right to possession and use of the real property acquired by SamTrans for the Colma Project and subsequent BART operations. SamTrans agrees to convey by quit claim its entire interest in such real property at such time as the property is no longer needed by SamTrans under such financing transactions; and

(g) SamTrans agrees to defend, indemnify and hold harmless BART, its officers, directors, employees and agents from and against any and all claims, loss, damage, charge or expense, whether direct or indirect arising out of Colma Project real property acquisition or relocation assistance activities, including without limitation, inverse condemnation claims and repayment of any grant funds required by the grant agency to be repaid, provided that SamTrans, at its election, may assume the defense or prosecution of any proceedings that give rise to, or which challenge, any such grant repayment requirements.

B. SFO Project

The parties agree that real property acquisition and relocation assistance activities for the SFO Project shall be undertaken by SamTrans under the same terms and conditions as are set forth in Section IIA 2 modified to apply to SFO Project property acquisition and relocation assistance, unless SamTrans

notifies BART before 30% of Preliminary Engineering is complete that SamTrans does not wish to undertake the SFO Project real property acquisition and relocation activities.

### III. PROJECT DESIGN, CONSTRUCTION AND PROCUREMENT

#### A. Project Management

For the purposes of this Section, Project design, construction and procurement shall mean all activities needed to satisfactorily complete the Project except for real property acquisition and relocation activities if conducted by SamTrans under Section IIA2 or IIB, environmental work undertaken and to be completed by SamTrans for the Colma Project and the environmental work funded by the UMTA/MTC grant referred to in Section IB above.

Subject to the conditions and restrictions contained in Section IIIB Project Liaison, BART will award and administer all third-party contracts for Project design, construction and procurement in accordance with any applicable statutes, regulations, grant conditions and BART's internal procedures.

The parties have jointly developed preliminary schedules for the design, construction and procurement of the Colma Project and for the design, construction and procurement of the SFO Project, which are included in BART Extensions - Phase I Preliminary Schedule Estimates and attached hereto as Exhibit C. It is understood that these schedules shall be refined pursuant to the Project Liaison process set forth in Section IIIB following completion of preliminary engineering for the Colma and SFO Projects. BART shall act diligently and use every effort to

complete all activities within the time frames specified in the schedules, as they may be amended from time to time.

B. Project Liaison

1. Appointment. The General Manager of BART and the General Manager of SamTrans will each designate one person to act as Project Liaison to oversee all aspects of the Project and to coordinate the activities of BART and SamTrans in the prosecution of the Project. Such designees (collectively referred to herein as Project Liaison) will be appointed as soon as feasible after the execution of this Agreement.

2. Duties. Project Liaison will monitor the Project and report to their respective General Managers on such matters as the Project budget, real property acquisition, schedule, design, construction and such other activities as the General Managers from time to time consider appropriate, including, but not limited to, design and construction claims and warranty claims. Any actions taken on the basis of recommendations of Project Liaison will be subject to any applicable statutes, regulations, and grant conditions.

3. Access. Project Liaison will have access to all books, records and accounts of the Project, to any and all documents in the possession of either party pertaining to the Project, and to the construction site, at all reasonable times.

4. Grant Documents. Project Liaison will be furnished the following documents for review and either comment or concurrence as provided below before submission to state or federal funding agencies:

(a) Review and Concurrence

(1) All environmental documents prepared to satisfy the requirements of CEQA and/or NEPA for the Project;

(2) All Project grant application budgets and budget amendments to be submitted in support of grant applications;

(3) Full funding agreements.

(b) Review and Comment

(1) All Project grant applications; and

(2) All Project schedules and schedule changes.

5. Competitively Bid Contracts. Project Liaison will be furnished copies for review and comment of (i) all Project construction contracts not less than 30 calendar days prior to the date of advertisement; (ii) a summary of bids received and the engineer's estimate within 5 working days of receipt of bids and (iii) proposed change orders that would increase the total contract price by more than 10%, or \$200,000, whichever is lesser, not less than 7 calendar days prior to execution.

6. Other Contracts. Project Liaison will be furnished with copies for review and comment of (i) Requests for Proposals for Project Consultant services estimated to entail an expenditure of \$50,000 or more not less than 10 calendar days prior to publication; (ii) any resulting agreements not less than 15 calendar days prior to execution; and (iii) any change orders to such agreements that would increase the cost of the agreements by more than 10%, or \$200,000, whichever is lesser, not less than 15 calendar days prior to execution.

7. Local Agency Agreements. Project Liaison will be furnished copies for review and comment of any agreements directly relating to the Project negotiated with local governmental agencies or owners of public utilities not less than 15 calendar days prior to execution.

8. Cash Flow Projections. BART will develop and the Project Liaison will review cash flow projections to facilitate the monitoring of Project expenditures and budgetary planning by both parties until completion of Project construction.

9. Project Management and Force Account Plans. BART will develop and the Project Liaison will review a Project Management Plan and Force Account Plan and justification in accordance with the requirements of UMTA Circular 5010.1A or any revision thereof in effect at such time as the Plans are presented to UMTA. The Force Account Plans will itemize force account activities and associated costs to be performed by grantee employees, and shall not exceed 10% of the total budget of the applicable grant.

10. Procedures. Project Liaison will meet at least monthly. Project Liaison will develop a format for periodic status reports summarizing project activities and such other procedures as may be necessary or convenient to expedite the exchange of information, it being the express intent of the parties that each party will be fully informed concerning the status of the Project and all activities pertaining thereto.

11. Issue Resolution. Project Liaison will act on behalf of their respective agencies in a spirit of cooperation to

accomplish the Project on schedule and within budget. Any comments on the documents provided for review under Section III B4 through III B7 above will be made in a timely manner so as not to adversely affect the Project schedule. It is understood that all such documents shall be provided sufficiently in advance of their anticipated effective dates to allow meaningful comment to be offered. If Project Liaison cannot resolve any issues related to such documents or the activities of the Project, the General Managers of the parties will meet to attempt to resolve such issues, and, if necessary, initiate actions to restructure or redesign the Project so as to accommodate the concerns of both parties. However, it is understood that the design and construction of the Project will be in accordance with BART engineering and safety standards and system requirements in use at the time construction commences.

C. Insurance and Indemnity in Connection with Design, Construction and Procurement.

BART shall provide public liability insurance for the Project in an amount and with such coverages and self-insured retentions and deductibles as may be agreed to by the parties, either with wrap-up insurance or through contractors employed on the Project. SamTrans and its directors, officers, agents and employees shall be named as additional insureds on all insurance policies relating to the design, construction and procurement of the Project and shall be accorded the same contractual protections with respect to liability and indemnity as are accorded to BART under all design, construction and procurement

agreements relating to the Project. SamTrans, at its discretion, reserves the right to tender to BART the defense of any claims asserted against SamTrans in connection with or arising out of the design, construction and procurement of the Project. In such event BART, to the extent permitted by law, shall have the duty to defend any and all such claims at no expense to SamTrans and to fully indemnify and hold harmless SamTrans and its directors, officers, agents and employees against any cost, expense or liability whatsoever resulting from the settlement, or entry of judgment upon, any and all such claims. BART shall honor the foregoing defense and indemnity obligations unless BART is ordered not to do so by a court of competent jurisdiction in an action or proceeding not instigated, brought or funded by BART.

#### IV. PAYMENT OF PROJECT COSTS

##### A. Definitions

For the purposes of this Agreement, the terms set out below shall mean:

1. Project Costs shall mean any and all cost incurred by BART and SamTrans or either of them from and after June 6, 1988 for any and all work needed for Project completion, including without limitation environmental work, property acquisition and relocation costs, engineering costs, insurance costs, construction costs, project management and legal and accounting support service costs; excluding, however, any and all costs incurred in negotiating this Agreement.

2. Eligible Project Costs shall mean any Project Costs eligible for federal participation under UMTA grants awarded for

the Project.

3. Ineligible Project Costs shall mean any Project Costs ineligible for federal participation under UMTA grants in accordance with UMTA regulations and procedures, and shall also mean Project Costs that are ineligible for federal participation because costs exceed the Project Budget in any applicable UMTA grants (overruns).

B. Payment of Eligible Project Costs

1. 75% Share. BART will pay 75% of Eligible Project Costs from funds provided by UMTA grants for the Project.

2. 25% Share. SamTrans will pay 25% of Eligible Project Costs (the local share) from SamTrans funds, payable as follows:

a. BART will prepare and submit a quarterly invoice to SamTrans not less than 30 days prior to the beginning of each calendar quarter. The invoice will be based upon reasonable estimates of Eligible Project Costs to be incurred by BART in excess of the federal share of such costs during the next quarter. The estimates will not exceed such cash flow projections for that quarter as may have been agreed upon from time to time by Project Liaison.

b. SamTrans shall pay the amount of such invoices, less the amount of any offset that may be due to SamTrans under Paragraph C below, within 30 days of receipt of the invoice but in no event shall payment be required more than 15 days prior to the beginning of each quarter.

c. In the event that BART has not expended the total



amount of any invoice for Eligible Project Costs within the quarter in which such expenditures were estimated to occur, any SamTrans payment due more than 30 days after the close of the quarter will be reduced by the amount equal to the difference between estimated and actual expenditures during that quarter.

C. Payment of Ineligible Project Costs.

1. Additional Grants. It is the intent of the parties that grant funds, except for the funds provided for the MTC New Rail Transit Starts and Extension Program in MTC Resolution No. 1876, and any other grant sources limited by law to allocation solely for BART East Bay Extension Projects, be sought and obtained to pay Project Ineligible Costs (Additional Grants). BART and SamTrans will use their best efforts to obtain such Additional Grants in an amount sufficient to pay all Ineligible Project Costs. In the event that SamTrans uses its own local sales tax to satisfy the Additional Grant minimum funding requirement set forth in Section IV C (5), Additional Grants received thereafter shall first be applied to reimburse SamTrans the amount advanced by SamTrans to satisfy the Additional Grant test and thereafter shall be applied to Ineligible Project Costs.

2. Reserves.

a. First Reserve. BART will establish a First Reserve equal to the BART share of all Net Ancillary Revenues as defined in Section VII C, as such Revenues are received by BART. Subject to Section IV C (5) (a), any Ineligible Project Costs in excess of Additional Grant moneys available at the time such Costs are due and payable will be paid from the First Reserve to the extent

of available funds.

b. Second Reserve. BART will establish a Second Reserve equal to all Daly City Station surcharges received by BART from time to time during the period from July 1, 1994 to and including June 30, 2004, (which surcharge shall be levied at a rate not less than the 52-cent surcharge in effect as of January 1, 1990) as such surcharges are received. Subject to Section IV C (5) (a), any Ineligible Project Costs in excess of Additional Grant funds and First Reserve funds available at the time such costs are due and payable will be paid from the Second Reserve.

3. Operating Cost Credit. If Additional Grants and the balance in the Reserve(s) are insufficient to pay Ineligible Project Costs at the time such costs are due and payable, SamTrans will advance to BART funds necessary to pay such Costs within 30 days of demand, and SamTrans will receive a credit equal to the advance, or 40% of the overhead cost component, whichever is less, against any operating cost payment then chargeable to SamTrans pursuant to Section VI. If less than 40% of the overhead cost component has been credited toward the operating cost payment in accordance with the foregoing in any one year, the unused portion of the credit shall not be available for future year operating cost adjustments. The amount of the SamTrans advance which shall be deemed to be satisfied by such credit shall be equal to one and one-third (1-1/3) times the amount of the credit, so that any reimbursement made by means of such credit shall be at an effective rate of 75% of the amount

advanced. Any balance remaining on the SamTrans advance shall be repaid with interest on a monthly basis from the same sources and in the same order of priority specified in Sections IV C(1), (2) and (3).

4. Recurrences of Ineligible Project Costs. The parties contemplate the likelihood of multiple occurrences of Ineligible Project Costs as a result of the Colma and SFO projects at indeterminate, periodic intervals. All such incurrences or recurrences of Ineligible Project Costs shall be paid for in the manner and sequence specified in Sections IV C(1), (2) and (3).

5. Limitation on Use of Second Reserve. On July 1, 2000, the parties will determine whether Additional Grants totalling \$20 Million or more have been obtained to pay Ineligible Project Costs as of that date.

a. If Additional Grants have not totalled \$20 Million, SamTrans shall be obligated to return to BART all sums previously paid toward Ineligible Project Costs from the Second Reserve, plus interest, and 25% of all sums previously paid toward Ineligible Project Costs from the First Reserve, plus interest, within 30 days of such determination. The amount returned by SamTrans to BART of all sums previously paid toward Ineligible Project Costs from the Second Reserve (excluding the interest component of such amount) shall be treated as a further SamTrans advance of Ineligible Project Costs which subsequently shall be repaid, plus interest from the date of repayment to BART, on a monthly basis in the following manner:

(1) First, from any Additional Grant funds obtained pursuant to Section IV C (1);

(2) Second, from the First Reserve as provided for in Section IV C(2)(a); provided, however, that such reimbursement shall be at the effective rate of 75% as determined in the same manner as calculation of operating costs credits described in Section IV C(3); and

(3) Third, by means of a credit against the operating cost payment as provided for in Section IV C(3).

b. If Additional Grants have totalled \$20 Million or more, any remaining SamTrans advances shall continue to be repaid from the same sources and in the same order of priority specified in Sections IV C(1), (2) and (3).

6. Interest. "Interest" for the purposes of this Section IV shall mean interest at the average rate of yield on the investments of the party to whom the obligation is payable during the period such obligation is outstanding in the case of BART obligations to SamTrans or, in the case of any payment made by SamTrans pursuant to Section IV C(5)(a), during the period between payment of Project Ineligible Costs from the Reserve(s) until the date of payment by SamTrans.

7. Termination of Reserve(s). When SamTrans has been fully reimbursed for all advances for Ineligible Project Costs under this Section IV(C), and it is reasonably anticipated by the parties that no further Ineligible Project Costs will be incurred, BART will no longer be obligated to maintain the Reserve(s) and any balance in the Reserve(s) will be used by BART

as it deems appropriate.

D. Letters of No Prejudice

From time to time, UMTA may issue a Letter of No Prejudice (LONP) allowing BART as grantee to incur Project costs that will be reimbursable from a future grant, should UMTA elect to make such grant. BART will inform SamTrans when and if such LONPs are received from UMTA. SamTrans may, at its sole discretion, direct BART to proceed with Project work, provided that SamTrans advances moneys to BART to pay the full costs of such work (including the federal share) incurred by BART prior to the execution by UMTA of any applicable grant. It is understood that a LONP does not obligate UMTA to issue any grant to which the LONP pertains and that BART will not reimburse SamTrans for any federal share moneys advance by SamTrans if such grant is not made by UMTA. At such time as the applicable grant is made, BART will promptly remit to SamTrans all federal share moneys so advanced, unless SamTrans elects, at its sole discretion, to credit such sums to any other obligations then due and owing to BART under this Agreement.

E. CTC Resolution 89-25

The California Transportation Commission has adopted Resolution 89-25 expressing an intention to provide funding for the SFO extension. It is expressly agreed and understood that any grants made pursuant to this Resolution (\$200 million inflated to a level to be determined by the CTC, currently estimated to be \$248 million) shall not reduce or modify the obligation of SamTrans to pay its 25% share of Eligible Project

Costs and its obligation to pay Ineligible Project Costs as provided in Section IV C. That portion of the SamTrans 25% share equalling the amount of the grants made pursuant to said Resolution for the SFO Extension will be used to fund other projects in BART's Phase I Extension program within the current BART District.

V. PAYMENT OF CAPITAL CONTRIBUTION TO BASIC SYSTEM

SamTrans will pay BART the amount of two hundred million dollars (\$200,000,000), a portion of which shall be adjusted for inflation, as a capital contribution to the BART system, payable as set out below.

A. First Installment

Upon execution of this Agreement, SamTrans will pay to BART the sum of ten million dollars (\$10,000,000) with interest accrued in the escrow account established pursuant to the Interim Agreement dated December 7, 1989 between the parties.

B. Second Installment

SamTrans will pay to BART the sum of ninety million dollars (\$90,000,000) within 45 days of notification by BART that construction has begun on the Colma Station. For purposes of this paragraph, construction shall be deemed to have begun upon the effective date of a Notice to Proceed issued pursuant to the award by BART of a contract to build the Colma Station or any substantial part of the Station structure and shall not mean the award of any consultant contracts solely for surveying, engineering, procurement or other preparatory work, even if such work is performed on the Station site.

This installment payment shall not be adjusted for inflation.

C. Further Installments

The remaining installments shall be adjusted for inflation and shall be calculated and payable as follows:

No later than the first of June in each year after the Colma Station is put in operation, BART will inform SamTrans of the dollar value of all contracts awarded by BART for design, procurement and construction directly related to the SFO Project from the date of execution of this Agreement, in the case of the first statement submitted, or during the prior twelve months in the case of the second and succeeding statements. The Colma Station will be deemed to be in operation when regularly scheduled service is commenced at the Station for use by fare paying passengers. The dollar value of contracts awarded during the period shall include any change orders issued to existing contracts during the relevant period.

Such dollar value will be divided by four and adjusted for inflation based upon the increase, if any, in the Engineering News Record construction cost index (CCI) for San Francisco from June 6, 1988 to the date of payment, provided that the date of payment is not later than December 31, 2000. The result shall be the payment then due and owing on July 1 of the year in which the statement is submitted, provided that the dollar value of the statement submitted in the payment year plus the aggregate dollar value of statements submitted in prior years does not exceed ninety million dollars (\$90,000,000) plus any adjustments for

inflation made in prior statements (Interim Ceiling). If payment of the full amount of any statement will exceed the Interim Ceiling, the payment then due and owing on July 1 will be that amount which, when added to all prior amounts paid under this Article C, will equal the Interim Ceiling.

D. Final Installment

The sum of ten million dollars (\$10,000,000) adjusted for inflation as provided above shall be due and payable 45 days after completion of construction of the SFO Project, if completion of SFO Project construction occurs before December 31, 2000. Completion of SFO Project construction for the purposes of this Article will mean completion of the SFO Project so as to permit commencement of service for use by fare-paying passengers immediately upon making said payment. If completion of construction of the SFO Project occurs after December 31, 2000, SamTrans shall pay BART the sum of ten million dollars (\$10,000,000) plus inflation adjustment to December 31, 2000 but not beyond.

VI. PAYMENT OF BART SYSTEM OPERATING COSTS  
FOR SFO EXTENSION SERVICES

A. Colma Station Operations

Beginning at such time as BART commences regularly scheduled service available for use by fare paying passengers at the Colma Station and subject to Section IV C, SamTrans will pay to BART the net operating cost for such services calculated in accordance with the formula (hereinafter the "Colma formula") set out in Exhibit D to this Agreement. Such interim service net operating cost payments are based on a marginal cost formula.



SamTrans' obligation under this paragraph will cease at such time as Article B of this Section becomes operative.

B. Operations South of Colma Station

Beginning at such time as BART commences regularly scheduled service available for use by fare paying passengers at the southernmost station of the SFO Project and subject to Section IV C, SamTrans will pay to BART the net operating cost for such service calculated in accordance with the formula (hereinafter, the "SFO formula") set out in Exhibit E to this Agreement. Such full service net operating cost payments are based on a fully allocated cost formula.

C. Periodic Revision

All costs used to calculate the SamTrans payment under Section VIA above have been set forth in Exhibit D. At the end of five years from the date of commencement of Colma service and every five years thereafter until service has commenced at the southernmost station of the SFO Extension, the parties agree to recalculate the marginal Colma operating costs as defined in the Colma formula using modeling principles set forth in Exhibit F. Such revision will not be made if service to the southernmost station of the SFO Extension is scheduled to commence 18 months or less after the end of any such five year period.

The cost model set forth in Exhibit E shall be used to determine the cost per service unit and the amount of overhead to be allocated under the SFO formula, which will be established at such time as service commences to the southernmost station of the SFO Project and shall be revised at the request of either party

not more often than once every five years.

D. Method of Payment

Not less than 30 days prior to the first day of each calendar quarter during which operating costs for BART service in San Mateo County south of the Daly City Station will be incurred, BART will submit an estimate to SamTrans of such allocated operating costs, which shall be determined in accordance with the applicable formula and based on projected service levels, less any estimated basic fare revenues. Subject to Section IV C, SamTrans will pay the amount of such estimate in three equal installments at or before the first day of each month of the calendar quarter to which those estimates apply. Basic fare revenues shall mean the fares paid by passengers using the stations on the SFO Extension for either entry or exit, as determined by BART's passenger revenue information collection system.

E. Periodic Reconciliation

Not more than 30 days after the close of each calendar quarter, BART will redetermine operating costs chargeable to SamTrans, based on the applicable formula and actual service provided, patronage and power costs, and determine actual revenues as compared with the estimates for the second preceding calendar quarter. BART will remit to SamTrans within 15 days of such determination any excess of estimated net operating cost paid by SamTrans for that calendar quarter over actual net operating cost chargeable to SamTrans as so determined. SamTrans will remit to BART within 15 days of such determination any excess of actual net operating cost chargeable to SamTrans as so

determine the net revenues as provided in Paragraph 4 below.

BART will continue any parking charges in effect at the time title to Project parking lot property is transferred to BART until and unless the parties mutually agree to a modification in such parking charges.

2. Concessions/Advertising. BART will be responsible for approving agreements, if any, with vendors of goods and services to the public occupying space in stations on the SFO Extension and from any franchises for advertising on SFO Extension property, establishing and collecting fees and determining the net revenues as provided in Section VII C4.

3. Joint Development. The parties will cooperate in an effort to generate revenues from joint development activities on the SFO Extension. A joint committee of BART and SamTrans representatives will be created to plan, implement and oversee all joint development activities.

4. Net Ancillary Revenues. Net ancillary revenues will be calculated by aggregating ancillary revenues from parking, concession/advertising and joint development on the SFO extension and deducting therefrom the incremental cost of such activities on the SFO Extension. The incremental cost of any such activities will be determined by agreement between the parties at such time as any such activities are initiated. Except as provided in Section IV C, net ancillary revenues will be shared equally between the parties and distributed on a monthly basis.

D. Annexation

SamTrans will request the San Mateo County Board of Supervisors to consider the feasibility and desirability of San Mateo County annexing to the BART District. If such annexation is judged to be feasible and desirable, SamTrans will urge the County to place an annexation measure on the ballot no later than June, 1992. SamTrans will cooperate with BART in negotiating an annexation agreement with the Board of Supervisors in accordance with Chapter 9 of the San Francisco Bay Area Rapid Transit District Act (Public Utilities Code Section 29500 et seq.). It is understood that in the event of a future annexation of San Mateo County to the BART District, all SamTrans Project cost payments made pursuant to Section IV and capital contribution payments made pursuant to Section V will be credited up or down to a full San Mateo County capital contribution to the BART system; provided, however, that unless the Project real property has been quitclaimed to BART pursuant to Section IIA (f) as of the effective date of annexation, the aforementioned annexation credit for real property acquisition Project costs made by SamTrans shall be deferred until such property is quitclaimed to BART.

The parties agree that the residents of San Mateo County should participate in future costs for system-wide projects on the BART system that are of benefit to the SFO line. The basis for this participation will be determined during the development of an annexation agreement with San Mateo County. If annexation does not occur by the start of operations

at the Colma Station, SamTrans and BART will negotiate an agreement for SamTrans participation in such future costs, it being understood that it is not a precondition to the start of operations at Colma Station that an agreement for SamTrans participation in future costs has been reached. In no event, however, will operations commence at the last station on the SFO Extension south of Colma Station until such an agreement has been entered into.

E. Indemnification/Defense of Claims

At such time as any part of the SFO Extension becomes operational, it is anticipated that certain claims may be presented from time to time by third parties in the course of operation and service. A factor has been included in the operating cost formulas in Exhibits D and E to cover such costs. Therefore, BART agrees to defend, indemnify and hold harmless SamTrans, its directors, officers, agents and employees from any and all suits, actions, claims, costs, or liability arising out of third-party claims arising out of the acts or omissions of BART, its directors, officers, agents or employees in the operation of the SFO Extension. BART further agrees to defend any and all such actions, suits or claims and pay all charges of attorneys and all other costs and expenses arising therefrom or incurred in connection therewith; and if any judgment be rendered against SamTrans or any of the other individuals enumerated above in any such action, BART shall, at its expense, satisfy and discharge the same. In no event shall BART be liable for the defense of SamTrans, its directors,

officers, agents and employees or for any defense costs or claims whether reduced to judgment or not which result from any intentional or negligent acts or omissions of SamTrans, its directors, officers, agents or employees.

13(c) Indemnification

SamTrans shall defend, indemnify and hold harmless BART, its directors, officers, agents and employees, from any and all claims, costs, suits, judgments and liability arising under Section 13(c) of the Urban Mass Transportation Act of 1964, as amended, as a result of the Project, insofar as those claims are presented by SamTrans employees or employees of SamTrans contractors providing public transportation services in San Mateo County at such time as the claims arise. With the exception of the foregoing, BART shall defend, indemnify, and hold harmless SamTrans, its directors, officers, agents and employees from any and all other claims, costs, suits, judgments and liability arising from Section 13(c) of the Urban Mass Transportation Act of 1964, as amended, as a result of the Project.

F. Provision of Personnel

BART shall furnish such qualified train operators and mechanical, supervisory, clerical and other personnel as may be necessary to provide the service called for by this Agreement in a safe and efficient manner. BART shall be solely responsible for payment of all such personnel and for any applicable employee benefits. BART shall faithfully comply with the terms of its agreements with any employee organizations representing BART employees concerning wages, benefits and terms and conditions of

employment. BART shall also comply with all applicable laws respecting employers' liability, workers' compensation, unemployment insurance and other forms of social security, and also with respect to withholding of income tax at its source from wages of employees. BART shall indemnify and hold harmless SamTrans from any and all liability, damages, claims, costs, and expenses of whatever nature arising from alleged violation of such laws, or agreements, or from any claims or subrogation provided for in such laws or agreements or otherwise.

G. Service Levels and Standards

It is understood that SamTrans shall have the right to prescribe in consultation with BART the level of service to each station south of the existing Daly City station to be provided by BART within the range of service levels that BART reasonably determines is compatible with existing system operation. BART shall provide service to each such station in accordance with the same standards which are applicable to the remainder of the BART system in all respects, including (without limitation) service quality, adherence to schedules and system maintenance. BART shall, at SamTrans' request designate a person to monitor service levels and standards with respect to the operation of the SFO Extension and to serve as a liaison to SamTrans in connection with any issues related thereto.

VIII. GENERAL PROVISIONS

A. Audit and Records

1. BART Obligations. BART will maintain full and complete accounting and supporting records showing actual time

devoted, other direct costs incurred, and revenue generated under this agreement in accordance with generally accepted accounting principles and practices and to a standard no less than BART uses for its own accounting.

BART will make available to SamTrans and its auditors, work papers and supporting source documents relevant to this Agreement at mutually agreed upon times for the purpose of auditing and verifying statements, invoices, or bills. SamTrans may, at its sole discretion and at its own cost and expense, request a special audit by an auditor to be chosen by SamTrans with BART's concurrence which shall not unreasonably be withheld. In the event the audit discloses that SamTrans has underpaid or overpaid during the applicable period under audit, a reconciliation payment will be made by SamTrans or BART, as the case may be, within 30 days after receipt of the audit report by BART and SamTrans, unless either party disagrees with the audit findings. Payment will be made on the basis of any uncontested audit findings.

2. SamTrans Obligations. SamTrans will maintain full and complete accounting and supporting records showing actual time devoted and other cost incurred under this agreement in accordance with generally accepted accounting principles and practices and to a standard no less than SamTrans uses for its own accounting. SamTrans will make available to BART and its auditors, work papers and supporting source documents relevant to this agreement at mutually agreed upon times for the purpose of auditing and verifying statements, invoices, or bills.



SamTrans will be responsible for additional audit costs incurred by BART to audit SamTrans' records, if required, relating to the federally required single audit required by the Single Audit Act of 1984, or any amendments thereto.

3. Retention of Records. Each party shall retain in tact all financial records and supporting documents for three years following any payments to which such records relate or such further times as may be required by any state or federal grant agreements under which any portion of the Project is funded.

B. Compliance With Laws

The parties shall comply with any and all laws, statutes, ordinances, rules, regulations or requirements of federal, state or local government, or any agency thereof, which relate to or in any manner affect the performance of this Agreement.

C. Amendment

No purported amendment of this agreement shall take effect unless made in writing and signed by an authorized representative of each party.

D. Waiver

No delay or failure of either party in enforcing against the other party any provision of this agreement, and no partial or single exercise by either party of any right hereunder, shall be deemed to be a waiver of, or in any way prejudice, any right of that party under this Agreement.

E. Force Majeur

Neither party shall be liable for any delay in meeting

or failing to meet its obligations under this Agreement due to any cause outside its reasonable control including, without limitation, strikes or lockouts, acts of God and of the public enemy, war, rise, malicious acts or damage, fire, acts of any governmental authority, provided that such delay or failure could not have been prevented or escaped from by foresight or prudence, by reasonable diligence and care, or by any action which under the circumstances should reasonably have been taken.

F. Parties In Interest

Nothing in this Agreement, whether expressed or implied, is intended to (1) confer any rights or remedies under or by reason of this agreement on any persons other than the parties to it in their respective successors and permitted assigns; (2) relieve or discharge the obligation or liability of any third party to a party to this agreement; nor (3) give any third persons any right of subrogation or action over and against any party to this agreement.

G. Notice

Any notice, request or instruction or other document deemed by either party to be necessary or desirable to be given to the other party shall be in writing and may be given by personal delivery to representatives of the parties at the address below or by mailing the same by registered or certified mail, postage prepaid, addressed as follows:

If to SamTrans: San Mateo County Transit District  
945 California Drive  
Burlingame, CA 94010  
Attn: General Manager

If to BART: San Francisco Bay Area Rapid  
Transit District  
800 Madison Street  
P. O. Box 12688  
Oakland, CA 94604-2688  
Attn: General Manager

The address to which mailings may be made may be changed from time to time by a notice mailed as described above. Any notice given by mail shall be deemed given the next business day after that on which it is deposited in the United States mail as provided above.

H. Assignment

Neither party shall assign, transfer or otherwise substitute its obligations under this Agreement without the written consent of the other party.

I. Successors

All of the terms, provisions and conditions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, permitted assigns and legal representatives.

J. Counterparts

This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but such counterparts together shall constitute one and the same instrument.

K. Exhibits

Each of the exhibits, identified as Exhibits A through F is attached hereto and incorporated herein by this reference.

L. Applicable Law

This Agreement shall be governed by, and construed and

enforced in accordance with, the laws of the State of California.

M. Effect on Prior Agreements; Partial Invalidity

The provisions of this Agreement are intended to carry out the Principles of Agreement pertaining to BART System Extensions entered into between the parties as of June 6, 1988 (Exhibit A), and it is not intended that any provisions of this agreement shall in any way abrogate, nullify, or supersede any provisions of that agreement. Accordingly, all provisions of this agreement shall be interpreted in a manner which is consistent with the Principles of Agreement, including, in particular (but without limitation), paragraph 6 thereof.

Except as provided above, all prior agreements that may have been negotiated between the parties pertaining to the SFO Extension are abrogated, nullified, and superseded.

In the event that a final determination is made by a court of competent jurisdiction that any portion of this Agreement is invalid, illegal or unenforceable, the parties agree that they shall negotiate in good faith and shall exert best efforts to amend the Agreement so as to replace the clause found to be invalid, illegal, or unenforceable with a substantial equivalent; provided, however, that this paragraph shall not apply to Section III C.

The parties may, from time to time during the progress of the work contemplated under this Agreement, determine that in light of the circumstances then existing, amending this agreement or entering into further agreements, has become desirable or necessary. Nothing contained in this Article is intended to

prevent the parties from entering into such further agreements.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by their duly authorized officers as of the day and year first above written.

SAN MATEO COUNTY TRANSIT DISTRICT

APPROVED AS TO FORM:

BY:

\_\_\_\_\_  
Chairman of the Board

\_\_\_\_\_  
Attorney for the District

\_\_\_\_\_  
Board Secretary

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT

BY:

\_\_\_\_\_  
President of the Board

\_\_\_\_\_  
District Secretary

APPROVED AS TO FORM:

\_\_\_\_\_  
General Counsel

EXHIBIT A

667129

PRINCIPLES OF AGREEMENT

PERTAINING TO BART SYSTEM EXTENSIONS

THESE PRINCIPLES OF AGREEMENT (hereinafter "Agreement") are made as of the 6th day of June, 1988, by and between the SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT (hereinafter "BART") and the SAN MATEO COUNTY TRANSIT DISTRICT (hereinafter "SamTrans").

WHEREAS, the parties to this Agreement are public agencies created by the laws of the State of California, and each party is empowered and has been duly authorized to enter into this Agreement, and

WHEREAS, the parties to this Agreement share the common purpose and objective of providing the means for the BART system to be extended in the East Bay and the West Bay; and

WHEREAS, specifically, the parties share the objective to implement BART's Phase I extension priorities, including the BART extension to the vicinity of the San Francisco International Airport (hereinafter "SFO") at the earliest practicable date; and

WHEREAS, toward that end, the parties desire to enunciate principles of agreement providing for:

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(1) the extension of BART to the vicinity of SFO;  
(2) the payment of a capital contribution for the existing system by SamTrans to be used by BART to assist in the financing of its various Phase I extension priorities within the current BART District,

(3) the BART Board policy of expansion which guarantees construction of additional stations on an equitable basis in the affected counties, and

(4) various related matters.

NOW, THEREFORE, the parties agree to the following statement of principles:

1. It is the intention of the parties to extend BART to the vicinity of the SFO.

2. SamTrans will pay BART \$200 million as a capital contribution to the system payable at the following times:

(a) \$10 million when the first federal design grant for the first station south of the existing Daly City Station is approved;

(b) \$90 million when construction begins on the first station south of the existing Daly City Station;

(c) The remaining \$100 million (except for the final \$10 million) will be paid in annual installments on July 1st, of each year following award(s) of contracts by BART for design, procurement and construction directly related to the SFO Extension beyond the first station to be constructed south of the Daly City Station; provided, however, that no payments

toward the remaining \$100 million will be made prior to completion of construction, and commencement of service to the first station to be constructed south of the Daly City Station.

Subject to the foregoing, the first installment will equal 1/4 of the total amount of the contracts awarded for design, procurement and construction of the SFO Extension beyond the first station to be constructed south of the existing Daly City Station during all previous years subsequent to the execution of this Agreement. Thereafter, each annual installment will equal 1/4 of the total amount of the contract(s) awarded for design, procurement and construction of the SFO Extension beyond the first station to be constructed south of the existing Daly City Station during the previous July 1 - June 30 fiscal year.

The final \$10 million will be paid upon completion of construction of the SFO Extension.

The \$100 million to be paid under this section will be inflated on an annual basis until paid or until December 31, 2000, whichever comes first. The adjustment for inflation will be based upon the Engineering News Record construction cost index (CCI) for San Francisco as of the date of execution of this Agreement.

It is acknowledged that the Agreement has been structured in a manner intended to demonstrate the commitment of SamTrans to have the BART system extended to the vicinity of SFO by, among other things, requiring that the initial SamTrans capital contribution for the first of four stations be



approximately fifty percent of the total capital contribution. As further evidence of its commitment to have the BART system extended to the vicinity of SFO, SamTrans agrees to undertake immediate steps aimed at acquiring the entirety of the right-of-way, for the SFO Extension in such a manner that it will be eligible as local share to subsequent state and federal grants.

3. Financing responsibilities for the property acquisition, design and construction of the four-station extension project to the vicinity of the SFO, and project management responsibilities, shall be allocated between the parties as follows:

(a) SamTrans will be responsible for funding twenty-five percent of the actual costs of property acquisition, design and construction of the SFO Extension from local sources, and

(b) BART will be responsible for funding seventy-five percent of the actual costs of property acquisition, design and construction of the SFO Extension from grant sources.

The seventy-five percent share of the costs will be sought by BART from federal grant sources. To the extent grant sources, including state grants, total more than seventy-five percent of the SFO Extension costs, the twenty-five percent SamTrans share will be used to finance other projects in BART's Phase I Extension Program within the current BART District.

(c) BART shall be responsible for grant applications and grant compliance, design, and construction of the SFO Extension project. A project budget will be established by BART in consultation with SamTrans for all grant applications pertaining to the SFO Extension project. Any changes in the budget requiring approval of the funding agency will be subject to SamTrans concurrence, which will not be unreasonably withheld. Awards of consultant and construction contracts will be made in consultation with SamTrans. Project Liaison, consisting of BART and SamTrans representatives, shall be established to monitor the design and construction program, including schedules, contracts, and budgets. The precise role and responsibilities will be determined by subsequent agreement between the parties.

4. It is agreed that SamTrans will pay the operating costs for the services to be provided to and from the BART stations south of the Daly City Station on a fully allocated cost basis in accordance with a formula to be negotiated and agreed to prior to the commencement of design pursuant to Paragraph 6. For the interim operations to and from the first station to be constructed south of the existing Daly City Station until completion of construction and commencement of service to and from the remainder of the stations on the SFO Extension, however, it is agreed that SamTrans will pay the operating costs for those services on an incremental cost basis in accordance with a formula to be negotiated and agreed to prior to the commencement of design pursuant to Paragraph 6.

BART shall establish the basic fare structure for transit service to the stations on the SFO Extension, which shall be consistent with the fare structure throughout the BART system. SamTrans may require BART to establish a fare surcharge (at a rate not less than the fifty-two cents surcharge currently applied by BART at the Daly City Station) at any of the stations on the SFO Extension except the station at SFO. All surcharge revenues (except Daly City surcharges) shall belong to SamTrans; all basic fare revenues shall be credited against the operating costs for the service to be provided to and from the BART station south of the Daly City Station.

5. SamTrans will request the San Mateo County Board of Supervisors to consider the feasibility and desirability of the County annexing to BART; if feasible and desirable the County will be urged to place an annexation measure on the ballot within four years.

It is understood that in the event of a future annexation, all SamTrans payments for the SFO Extension will be credited up or down to the full San Mateo County capital contribution to the BART system.

6. SamTrans and BART will work together to obtain grant funding for and to proceed with construction of BART's Phase I extensions at the earliest possible dates. The parties recognize and agree that multiple grants will be sought to finance BART's Phase I extensions. BART has commenced the design and construction process for the Dublin extension and will commence design on each of the following extensions as

state or federal funding becomes available for each such extension: West Pittsburg, Warm Springs, and the first station on the SFO Extension. Upon execution of this Agreement BART will also expeditiously prepare and issue requests for proposals for the design efforts. It is further agreed that as and when any extension component or station is ready to proceed to funding, design or construction, it will do so.

7. The foregoing Principles of Agreement shall be incorporated in a comprehensive agreement, and are binding upon and enforceable against each party. The comprehensive agreement also shall address various issues not embodied in these Principles of Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement by their respective duly authorized officers as of the day and year first above written.

SAN MATEO COUNTY TRANSIT DISTRICT

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT

By [Signature]

By Wilfred J. Harvey

By [Signature]

By Philip C. Conner

APPROVED AS TO FORM:

APPROVED AS TO FORM:

[Signature]

[Signature]

EXHIBIT B  
EASEMENT DEED

The SAN MATEO COUNTY TRANSIT DISTRICT, hereinafter designated "Grantor", in consideration of value paid, the adequacy and receipt of which are hereby acknowledged, hereby grants to the SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT, hereinafter designated "Grantee", its successors and assigns, a perpetual exclusive easement in gross and right-of-way for the purposes hereinafter described (the "Easement") on, above and under the real property belonging to grantor and described in Exhibit A and depicted on Exhibit B, attached hereto and incorporated by this reference (the "Servient Tenement").

The Easement is for the purposes of constructing, laying, operating, and using rapid transit facilities, including but not limited to tunnels, rails, structures, either subsurface, at grade or aerial, columns, footings, roadway, pedestrian walks and appurtenances thereto, within the Easement Area, described hereinbelow, and pursuant to and in accordance with that certain unrecorded Agreement dated \_\_\_\_\_, 1990, between Grantor and Grantee, as such facilities are necessary for providing mass transit services in connection with Grantee's operations as a rapid transit district. This Easement is also for incidental purposes of maintaining, altering, repairing, inspecting, and replacing such facilities in and upon the Easement Area and includes rights of necessary ingress and egress over and upon the Servient Tenement. Such rapid transit

facilities shall be installed within the strip of land described in Exhibit C attached hereto and made a part hereof by this reference (the "Easement Area").

Grantor, for itself, its successors and assigns, hereby covenants and agrees that:

(a) Grantor shall not use any real property now owned or controlled by it that is contiguous to the Easement Area that would materially interfere with, damage or endanger Grantee's public transportation facilities or construction, reconstruction, operation, maintenance, possession, replacement, enjoyment or use thereof.

(b) There shall be no use of any portion of the Easement Area by Grantor without the consent of Grantee, which consent shall not be unreasonably withheld or conditioned.

(c) Grantor understands and acknowledges that it is the present intention of the Grantee to construct, reconstruct, maintain, operate, use and replace public transportation facilities in the Easement Area, and that the consideration received by Grantor reflects any disadvantages or adverse conditions which may exist or which may hereafter arise by reason of the proximity of any real property owned by Grantor adjacent to Grantee's rapid transit facilities.

Grantee, for itself, its successors and assigns, hereby covenants and agrees that:

(a) Grantee acknowledges that the Servient Tenement is subject to easements of record that are prior in right and title to the within Easement Deed as are described in Exhibit D

attached hereto and made a part hereof, which Grantee has previously reviewed and approved, and that Grantee's rights hereunder are junior and subordinate to the rights of the holders of such easements, and Grantee thereby covenants that its uses of the Servient Tenement shall not interfere with the rights of the holders of such prior easements.

(b) Grantee shall not assign its rights or any of them arising hereunder except with the consent of Grantor first had in writing. Subject to the foregoing, the obligations arising hereunder shall be binding upon and shall inure to the benefit of the parties hereto, their respective successors and assigns whomsoever.

IN WITNESS WHEREOF, the parties hereto have executed this grant of easement and agreement as of the date first hereinabove written.

GRANTOR

SAN MATEO COUNTY TRANSIT DISTRICT

By \_\_\_\_\_

Its \_\_\_\_\_

By \_\_\_\_\_

Its \_\_\_\_\_

(CERTIFICATE OF ACCEPTANCE,  
GOVERNMENT CODE SECTION 27281)

This is to certify that the interest in real property conveyed by the foregoing deed or grant to the San Francisco Bay Area Rapid Transit District is hereby accepted by the undersigned on behalf of the San Francisco Bay Area Rapid Transit District pursuant to authority conferred by resolution of the Board of Directors of the San Francisco Bay Area Rapid Transit District entitled "In the Matter of Authorizing Acceptance of Deeds and Grants" bearing No. 291 adopted on October 24, 1963, and the Grantee consents to recordation thereof by its duly authorized officer.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

SAN FRANCISCO BAY AREA RAPID  
TRANSIT DISTRICT

By \_\_\_\_\_  
Its General Manager

By \_\_\_\_\_  
Its Real Estate Manager

(Notarial acknowledgements)





**EXHIBIT D**  
**COLMA SERVICE NET OPERATING COST FORMULA**

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**Colma Net Operating Cost =**

**Colma Total Operating Cost - Colma Net Basic Fare Revenue \***

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**Colma Total Operating Cost (TOC) =**

**Colma Marginal Operating Cost (MOC) + Colma Support Cost (CSC)**

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**Colma Marginal Operating Cost (MOC) components: \*\***

**Variable Costs per Car Mile:**

1. Traction Power (VTP)
2. Train Operators (VTO)
3. Other Operations & Maintenance (VOM)

**Fixed Costs:**

4. Station Power (FSP)
5. Other Operations & Maintenance (FOM)

**Where:**

**MOC = VTP + VTO + VOM + FSP + FOM**

**Colma Support Costs (CSC) components:**

**CSC = \$650,000 x the Cost Increase Factor  
for Fixed Overhead \*\*\***

- 
- \* See Attachment D1  
\*\* See Attachment D2 for definitions of (MOC) components  
\*\*\* See Attachment D2 for a listing of Cost Increase Factors

ATTACHMENT D1

COLMA NET BASIC FARE REVENUE

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Colma Net Basic Fare Revenue = Colma Extracted Fare Passenger Revenue -  
[Colma Discounts Taken + Loss of Daly City Station Revenues]

Where:

**COLMA EXTRACTED FARE PASSENGER REVENUE** = Basic fares paid by passengers using the Colma Station for entry and/or exit, as determined by BART's passenger revenue collection system

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**Colma Discounts Taken \*** = Colma Extracted Fare Passenger Revenue x the system-wide ratio of all discounts taken to all extracted fare passenger revenue (includes senior citizens, students and handicapped).

---

**Loss of Daly City Station Revenues =**

Loss of Daly City Station Patronage X Average Daly City Station fare per person

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Loss of Daly City Station Patronage shall be calculated as follows:

Loss of Daly City Station Patronage =

$\frac{\text{Future BART System Patronage}^{**}}{\text{BART Base System Patronage}}$	x	Daly City Station/ System Growth Factor
x Daly City Station Base Patronage	-	Future Daly City Patronage

Where:

**Future BART System Patronage** = The count of total BART system passenger trips for the future period. Ridership at Colma and any other extension stations will not be included.

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\* Either party may require this percentage to be substituted with a percentage based upon passenger counts performed for the Colma station after service begins.

\*\* Not including extensions

Future Daly City Station Patronage	= The count of total passenger trips beginning or ending at the Daly City Station for the future period.
BART Base System Patronage	= The count of total BART system passenger trips for the base period.
Daly City Station Base Patronage	= The count of total passenger trips beginning or ending at the Daly City Station for the base period.
Daly City Station/System Growth Factor	= The ratio of the passenger trips compound annual growth at the Daly City Station to the passenger trip compound annual growth for the entire BART system over the three year period 7/1/86 through 6/30/89.

- 
1. The Loss of Daly City Station Patronage shall be applied to the Average Daly City Station fare per person to determine the Loss of Revenues.
  2. The Loss of Daly City Station Patronage shall not be:
    - a. less than zero (i.e. negative patronage)
    - b. greater than the actual Colma patronage
  3. The Loss of Daly City Station Patronage shall be zero after the opening of the any subsequent SFO stations south of Colma.
  4. Either party may require the recalculation of Daly City Station Base Patronage and Daly City Station/System Growth Factor (for the 12 months preceding the opening of the Colma Station or such other period as the parties deem appropriate) by recalculating the Daly City Station and BART System Patronage for that period and adjusting for the known impact of the Daly City Park and Ride Program.
  5. In order to calculate the Loss of Daly City Station Patronage, the "one-time" services of a temporary clerk shall be utilized to establish the following:
    - a. Daly City Station Patronage by quarters for FY 1988/89 (The year before Daly City Park & Ride opens)
    - b. System Patronage by quarters for FY 1988/89The clerk shall also calculate and compare Daly City Station patronage versus system patronage over the past three years and based upon the comparison, calculate the Daly City Station to System Growth Factor (DC/S GF)
  6. A copy of the Colma Cost Allocation model is attached.

ATTACHMENT D2  
COLMA MARGINAL OPERATING COST  
FORMULA COMPONENTS

1. Variable Traction Power Cost (VTP) in Current Period Units

VTP = Colma Car Miles x District Traction Power Cost/Car Mile

Colma Car Miles = Car Count [Daly City-Colma/Colma-Daly City] x 1.2 miles

District Traction Power Cost/Car Mile =  $\frac{\text{Total District Traction Power Cost}}{\text{Total District Car Miles}}$

Sources of Data:

- Car Count - Performance Monitoring System
- Total District Power Cost - PG&E Invoices
- Total District Car Miles - Performance Monitoring System via Field Services Department

Example in FY 1986/87 budget dollars:

VTP = 552,798 car miles x \$0.43/car mile = \$237,703

2. Variable Train Operator (VTO)

VTO = (Cost/Train/Loop) x train loops through Colma

Where: Cost/Train/Loop = Train Operator Cost x Incremental train operator time spent providing a train loop through Colma

Train Operator Cost = [\$21.04/hour] x 1.14 \* x Wage Increase Factor for Train Operators

\* 1.14 is the Colma model ratio of variable line operations supervisory cost to variable train operator cost.

Incremental train operator time spent providing a train loop through Colma (to be calculated at commencement of operations) = The difference between:

- mean hours/train spent in revenue operations behind the Daly City Station after Colma service begins (Colma station service and turnback) and
- mean hours/train spent in revenue operations behind the Daly City Station before Colma service begins but after the full operation of the Daly City Turnback Facility (turnback only)

Example in FY1986/87 budget dollars:

TO cost = \$21.04/hour x 1.14 x 1.0 wage factor = \$23.9856/hour  
Cost/Train = \$23.9856 TO cost/hour x 0.34 hours incremental TO loop time/Colma = \$8.1551 cost/train  
VTO = \$8.1551 cost/train x 35,000 train loops (estimated) = \$285,428

3. Variable Other Operations and Maintenance (VOM)

VOM = \$0.64 \* x Colma Car Miles x Wage Increase Factor for Maintenance

Colma Car Miles = see Variable Traction Power Cost (VTP) detail above

Wage Increase Factor = see Fixed Other Operations and Maintenance Cost (FOM) detail below

Example in FY 1986/87 budget dollars:

\$0.64 x 552,798 car miles x 1.0 wage factor = \$353,791

\* See Colma Model, Marginal cost/car mile, for derivation

4. Fixed Station Power Cost (FSP) in Current Units

FSP = Actual Colma Billings

Source of Data: Station Power Cost - PG&E Invoices

5. Fixed Other Operations and Maintenance Cost (FOM)

FOM = \$1,350,000 X Wage Increase Factor for Maintenance

6. Cost Increase Factors

Wage Increase Factor for Train Operators =  $\frac{TW \text{ II (CP)}}{TW \text{ II (BP)}}$

Wage Increase Factor for Maintenance =  $\frac{MW \text{ III (CP)}}{MW \text{ III (BP)}}$

Cost Increase Factor for Fixed Overhead =  $\frac{CPI-W (CP)}{CPI-W (BP)}$

See Attachment D3 for detailed definitions of the Cost Increase components

**ATTACHMENT D3**  
**COLMA MARGINAL OPERATING COST**  
**DEFINITIONS**

**Definitions:**

(CP) = Current Period

(BP) = Base Period

TW II (BP) = Base hourly wage of the District's Transportation Worker II (Train Operator) position classification as of the 6/30/87 base period. Base period will be reset at any time costs are revised.

TW II (CP) = Base hourly wage of the District's Transportation Worker II (Train Operator) position classification as of the current period.

MW III (BP) = Base hourly wage of the District's Maintenance Worker III position classification (top pay step) as of the 6/30/87 base period. Base period will be reset at any time costs are revised.

MW III (CP) = Base hourly wage of the District's Maintenance Worker III position classification (top pay step) as of the current period.

CPI-W (BP) = San Francisco-Oakland Consumer Price Index for Urban Wage Earners and Clerical Workers as of the base period. Base period will be reset at any time costs are revised.

CPI-W (CP) = San Francisco-Oakland Consumer Price Index for Urban Wage Earners and Clerical Workers as of the current period.

Source: Wage Increase Factor-District's Collective Bargaining Agreements.

**EXHIBIT E**

**SFO SERVICE NET OPERATING COST FORMULA**

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**SFO Net Operating Cost =**

**SFO Total Operating Cost - SFO Net Basic Fare Revenue \***

---

**SFO Total Operating Cost (TOC) =**

**SFO Marginal Operating Cost (MOC) + SFO Fully-Allocated  
Overhead Cost (FAO)**

---

**SFO Marginal Operating Cost (MOC) components:\*\***

**Variable Costs per Car Mile:**

1. Traction Power (VTP)
2. Train Operators (VTO)
3. Other Operations & Maintenance (VOM)

**Fixed Costs:**

4. Station Power (FSP)
5. Other Operations & Maintenance (FOM)

**Where:**

**MOC = VTP + VTO + VOM + FSP + FOM**

**SFO Fully-Allocated Overhead Costs (FAO):**

**FAO = Systemwide Fixed Overhead x Fixed Overhead Allocation for SFO x  
the Cost Increase Factor for Support/Overhead**

**Where: Systemwide Support/Overhead is calculated by the SFO model**

- **Support/Overhead Allocation for SFO is calculated by adding:**

X •• **50% of the percentage of SFO extension station(s) to total extended  
system stations plus**

X •• **50% of the percentage of SFO extension track miles to total ex-  
tended system track miles**

- **See Attachment E2, Part 6, for a detailed definition of Cost Increase  
Factors**

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\* See Attachment E1 for definition of SFO Extension Net Basic Fare Revenue  
\*\* See Attachment E2 for detailed definition of (MOC) components



ATTACHMENT E1

SFO NET EXTENSION PASSENGER REVENUE

---

SFO Extension Net Basic Fare Revenue =

SFO Extension Extracted Fare Passenger Revenue - SFO Extension Discounts Taken

---

Where:

SFO Extension Extracted Fare Passenger Revenue = Base fares paid by passengers using the SFO Extension stations for entry or exit, as determined by BART's passenger revenue collection system.

SFO Extension Discounts Taken \* = SFO Extension Extracted Fare Passenger Revenue x the system-wide ratio of all discounts taken to all extracted fare passenger revenue

\* Either party may require this percentage to be substituted with a percentage based on passenger counts performed for the SFO extension stations alone after service begins.

**ATTACHMENT E2**  
**SFO MARGINAL OPERATING COST**  
**FORMULA COMPONENTS**

1. Variable Traction Power Cost (VTP) in Current Period Units

$$\text{VTP} = \text{SFO Car Miles} \times \text{District Traction Power Cost/Car Mile}$$

$$\text{SFO Car Miles} = \text{Car Count [Daly City-SFO/SFO-Daly City]} \times 14.2 \text{ miles (estimated)}$$

$$\text{District Traction Power Cost/Car Mile} = \frac{\text{Total District Traction Power Cost}}{\text{Total District Car Miles}}$$

Sources of Data:

- Car Count - Performance Monitoring System
- Total District Power Cost - PG&E Invoices
- Total District Car Miles - Performance Monitoring System via Field Services Department

Example in FY 1986/87 budget dollars:

$$\text{VTP} = 3,995,898 \text{ car miles} \times \$0.43/\text{car mile} = \$1,718,236$$

2. Variable Train/Loop Operator (VTO)

$$\text{VTO} = (\text{Cost/Train/Loop}) \times \text{SFO train loops}$$

Where: Cost/Train/Loop = Train Operator Cost x Incremental train operator time spent providing a train loop through the last station on the SFO Extension

$$\text{Train Operator Cost} = [\$21.04/\text{hour}] \times 1.24 \times \text{Wage Increase Factor for Train Operators}$$

\* 1.24 is the SFO model ratio of variable line operations supervisory cost to variable train operator cost

Incremental train operator time spent providing a train loop through the last station on the SFO Extension = the difference between:

- mean hours/train spent in revenue operations behind the Daly City Station after SFO Extension service begins (SFO Extension station(s) service and turnback) and
- mean hours/train spent in revenue operators behind the Daly City Station before Colma service begins but after the full operation of the Daly City Turnback Facility (turnback only)

Example in FY 1986/87 budget dollars:

$$\text{TO cost} = \$21.04/\text{hour} \times 1.24 \times 1.0 \text{ wage factor} = \$26.0896/\text{hour}$$

$$\text{Cost/train} = \$26.0896/\text{hour} \times 1.36 \text{ hours incremental TO loop time/Colma} = \$35.4819 \text{ cost/train}$$

$$\text{VTO} = \$35.4819 \text{ cost/train} \times 53,672 \text{ loops} = \$1,904,385$$

3. Variable Other Operations and Maintenance (VOM)

VOM = \$ 0.73 \* x SFO Car Miles x Wage Increase Factor for Maintenance

SFO Car Miles = see Variable Traction Power Cost (VTP) detail above

Wage Increase Factor: see Fixed Other Operations and Maintenance Cost (FOM) detail below

Example in FY 1986/87 model budget dollars:

$$(\$0.73/\text{car mile}) \times 3,995,898 \text{ car miles} \times 1.0 \text{ wage factor} = \$2,917,006$$

4. Fixed Station Power Cost (FSP) in Current Units

FSP = Actual SFO Billings

Source of Data: Station Power Cost - PG&E Invoices

5. Fixed Other Operations and Maintenance Cost (FOM)

FOM = \$5,400,000 \* x Wage Increase Factor for Maintenance

6. Cost Increase Factors

Wage Increase Factor for Train Operators =  $\frac{\text{TW II (CP)}}{\text{TW II (BP)}}$

Wage Increase Factor for Maintenance =  $\frac{\text{MW III (CP)}}{\text{MW III (BP)}}$

Cost Increase Factor for Support/Overhead =  $\frac{\text{CPI-W (CP)}}{\text{CPO-W (BP)}}$

See Attachment E3 for definitions of the Cost Increase Factor components

7. The methodology and a sample of the SFO Operating Cost Allocation Model can be found in Attachment F

\* Calculated using current projections FY 1986/87 budget. See Attachment F, page 9. Costs components will be recalculated prior to service start-up using the SFO model.

**ATTACHMENT E3**  
**SFO MARGINAL OPERATING COST**  
**DEFINITIONS**

**Definitions:**

(CP) = Current Period

(BP) = Base Period

TW II (BP) = Base hourly wage of the District's Transportation Worker II (Train Operator) position classification as of the 6/30/87 base period. Base period will be reset at any time costs are revised.

TW II (CP) = Base hourly wage of the District's Transportation Worker II (Train Operator) position classification as of the current period.

MW III (BP) = Base hourly wage of the District's Maintenance Worker III position classification (top pay step) as of the 6/30/87 base period. Base period will be reset at any time costs are revised.

MW III (CP) = Base hourly wage of the District's Maintenance Worker III position classification (top pay step) as of the current period.

CPI-W (BP) = San Francisco-Oakland Consumer Price Index for Urban Wage Earners and Clerical Workers as of the base period. Base period will be reset at any time costs are revised.

CPI-W (CP) = San Francisco-Oakland Consumer Price Index for Urban Wage Earners and Clerical Workers as of the current period.

Source: Wage Increase Factor-District's Collective Bargaining Agreements and BART District Exempt Personnel Policies.

EXHIBIT F  
COST ALLOCATION MODEL  
PRINCIPLES OF FORMULATION

PURPOSE:

The purpose of the Cost Allocation Model is to set forth basic principles for the calculation of net operating costs chargeable to SamTrans in connection with the provision by BART of scheduled service available for use by fare paying passengers at the southernmost station on the SFO line and (excluding step 5 below) for any recalculation of variable costs chargeable to SamTrans for service to other stations on the SFO Line (pursuant to Paragraph VI.C. of the Agreement).

METHODOLOGY:

STEP 1:

The following Variable Service Unit Parameters have been defined to allocate variable costs:

- o Passenger Miles
- o Station Count
- o Employee Count
- o Net Patronage (trips)
- o Car Miles
- o Train.Miles
- o Trains (or Train Loops)

These parameters measure the extent of both the current system service levels at BART and the marginal increases in providing service to the system extensions.

Establish the value of each parameter before and after service expansion.

Calculate the percent increases to both current and the total expanded system.

STEP 2:

Based on the budget for a chosen fiscal year (before and without Colma/SFO Service expansion costs), accumulate all operating expenses by cost center. Eliminate those operating expenses not involved in the administration and operation of revenue service to the Colma and SFO extensions:

- o Transfer Payments to other operators
- o Express Bus Service to the East Bay
- o Shuttle Bus Service to the East Bay
- o Any other operating expenses, not in existence at this time, which may fit this category

The remaining operating expenses, by cost center, comprise the basis for the Cost Allocation Model.

STEP 3:

At the cost center level, segregate all operating expenses into fixed overhead costs and variable costs to be input into the Cost Allocation Model:

- o Fixed Overhead Costs - Those operating costs that are generally not affected by incremental increases in service levels (e.g. the costs of the District Secretary Department).
  
- o Variable Costs - Those operating costs that are sensitive to incremental increases in service levels (e.g. electrical traction power and maintenance expenses).

STEP 4:

For each cost center, Variable Costs are assigned to one or more of the Variable Service Unit Parameters (e.g. Rolling Stock Maintenance variable costs at the Hayward Yard are driven by Car Miles; AFC maintenance variable costs are driven by Station Count), as shown in the attached model. Marginal Extension Cost is then the sum of the products of each cost center variable cost component times the percentage increase in its "driver" parameter(s).

STEP 5: (Does not apply to Colma)

Average the percentage of SFO extension stations to total extended system stations and the percentage of SFO extension track miles to total extended system track miles. Multiply this figure by the District total for Fixed/Overhead Expense. The product represents the Fixed/Overhead expense Allocation to Extension Operating Costs.

EXAMPLES:

Copies of sample Colma and SFO Extension Cost Allocation Models are attached. The SFO sample is intended to provide the framework for applying the above methodology to determine operating costs chargeable to SamTrans under the SFO formula and upon commencement of services to the southernmost station of the SFO Project and upon any periodic revision of the SFO formula.

The Colma sample is intended to provide a framework for applying the above methodology (excluding step 5) to determine variable operating costs chargeable to SamTrans under the Colma formula in the event that a redetermination of such costs is made pursuant to Paragraph VI.C of the Agreement.



SFO EXTENSION ANALYSIS  
 COST ALLOCATION METHOD -- 2 ROUTE SERVICE  
 SFX2R05.EPL  
 4/24/89

Exhibit F, Page 5

DEPT./COST CENTER	OVERHEAD COSTS	VARIABLE COSTS	TOTAL COSTS	SERVICE UNIT PARAMETER	SFO EXTENSION COST	ADDITIONAL STAFF
GENERAL MANAGER	\$970,572		\$970,572		\$0	0.0
LEGAL	\$1,329,089		\$1,329,089		\$0	0.0
FINANCE						
Administration	\$141,643		\$141,643			
Controllershship	\$1,618,097		\$1,618,097			
Insurance	\$929,105	\$3,508,500	\$4,437,605	58%Patrn/42%StatCt	\$367,325	0.0
Internal Audit	\$343,527		\$343,527			
Treasury	\$528,534	\$2,967,829	\$3,496,363	Patronage	\$282,919	6.2
Dept. Subtotal	\$3,560,906	\$6,476,329	\$10,037,235		\$650,245	6.2
DISTRICT SECRETARY	\$292,428		\$292,428			0.0
PLANNING & ANALYSIS						
Administration	\$145,918		\$145,918			
Management Svcs.	\$612,381		\$612,381			
Planning	\$214,099		\$214,099			
Joint Development			\$0			
Dept. Subtotal	\$972,398	\$0	\$972,398		\$0	0.0
PUBLIC AFFAIRS						
Public Information	\$1,145,375	\$52,500	\$1,197,875	Patronage	\$5,005	0.0
Passenger Services	\$328,806	\$397,155	\$725,961	Patronage	\$37,860	0.0
Dept. Subtotal	\$1,474,181	\$449,655	\$1,923,836		\$42,865	0.0
SAFETY						
Operation Safety	\$587,415		\$587,415			
Safety Programs	\$300,460		\$300,460			
Dept. Subtotal	\$887,875	\$0	\$887,875		\$0	0.0
EMPLOYEE RELATIONS						
Employee Relations	\$1,626,856	\$500,095	\$2,126,951	Employee Count	\$37,042	0.0
Aff. Act. Implntn.	\$739,732		\$739,732			
Training	\$1,249,198		\$1,249,198			
Dept. Subtotal	\$3,615,786	\$500,095	\$4,115,881		\$37,042	0.0
AFFIRMATIVE ACTION	\$468,913		\$468,913		\$0	0.0
BUDGET & CAP PRG CNT						
Administration	\$120,444		\$120,444			
Operating Budgets	\$293,975		\$293,975			
Capital Prog Cntrl	\$395,300		\$395,300			
Dept. Subtotal	\$809,719	\$0	\$809,719		\$0	0.0

<b>MATL MGMT &amp; JCURMT</b>						
Administration	\$122,929		\$122,929			
Purchasing	\$540,006		\$540,006			
Contract Mgmt.	\$329,381		\$329,381			
Inventory & Stores	\$2,263,128		\$2,263,128	Dept. Input Data	\$78,000	
Dept. Subtotal	\$3,255,444	\$0	\$3,255,444		\$78,000	0.0
<b>INFORMATION SYSTEMS</b>						
Administration	\$210,163		\$210,163			
Computer Operations	\$1,479,396		\$1,479,396			
Systems & Programng	\$1,056,440		\$1,056,440			
Dept. Subtotal	\$2,745,999	\$0	\$2,745,999		\$0	0.0
<b>ADMINISTRATIVE SRVCS</b>						
Administration	\$285,615		\$285,615			
Real Estate	\$374,837		\$374,837			
Telephone Center	\$514,577		\$514,577			
Office Services	\$344,719		\$344,719			
Common Expenses	\$2,443,218		\$2,443,218	Dept. Input Data	\$2,304	0.0
Dept. Subtotal	\$3,962,966	\$0	\$3,962,966		\$2,304	0.0
	\$13,103,235	\$7,426,079	\$20,529,314		\$730,151	6.2
<b>ADMINISTRATION Subtl</b>	\$24,346,276	\$7,426,079	\$31,772,355		\$810,455	6.2
<b>MAINTENANCE &amp; ENGRNG</b>						
Administration	\$193,606		\$193,606		\$0	0.0
<b>MAINTENANCE SUPPORT</b>						
Administration	\$84,374		\$84,374			
Wayside Maint Eng.	\$744,985		\$744,985			
Maintenance Contrl	\$1,755,921		\$1,755,921			
Quality Assurance	\$7,374	\$1,596,002	\$1,603,376	Car Miles	\$211,384	3.8
Reliability Eng	\$707,515		\$707,515			
Documentation	\$894,734		\$894,734			
Vehicle Maint Eng	\$650,051		\$650,051			
Dept. Subtotal	\$4,844,954	\$1,596,002	\$6,440,956		\$211,384	3.8
<b>COM/COMPONENT REPAIR</b>						
Administration	\$244,560		\$244,560			
AFC Maintenance	\$383,607	\$2,046,218	\$2,429,825	Station Count	\$240,732	3.8
Elect & Mech Rpair	\$279,907	\$2,736,307	\$3,016,214	Car Miles	\$362,413	4.0
Electronic Repair	\$345,765	\$2,029,031	\$2,374,796	25%:CM/Fat/SCt/TrM	\$225,589	5.0
Communications Mnt	\$357,809	\$1,457,153	\$1,814,962	33%:CMI/StCt/TrkMI	\$169,707	3.3
Dept. Subtotal	\$1,611,648	\$8,268,709	\$9,880,357		\$998,440	16.0
<b>ROLLING STOCK MAINT</b>						
Administration	\$497,055		\$497,055			
Hayward S & I	\$1,082,031	\$8,126,899	\$9,208,930	Car Miles	\$1,076,376	15.0
Richmond S & I	\$949,980	\$4,656,589	\$5,606,569	Car Miles	\$616,747	10.9
Concord S & I	\$1,058,223	\$3,947,600	\$5,005,823	Car Miles	\$522,844	9.5
Daly City S & I		\$0	\$0			
Dept. Subtotal	\$3,587,289	\$16,731,088	\$20,318,377		\$2,215,967	35.4
<b>POWER &amp; WAY MAINTNCE</b>						
Administration	\$1,095,129	\$210,624	\$1,305,753	50%:StatCt/TrckMI	\$22,847	0.0

Power & Mechanical	\$1,470,187	\$5,300,596	\$6,770,783	50%:StatCt/TrackMi	\$574,976	9.7
Dakland Shop Maint	\$1,827,273	\$980,500	\$2,807,773	Track Miles	\$97,364	0.0
Train Control & CM	\$2,585,255	\$2,512,837	\$5,068,092	50%:StatCt/TrackMi	\$272,577	5.9
Plant Facilities M	\$1,361,829	\$5,600,128	\$6,961,957	Station Count	\$658,839	13.3
Track & Structures	\$1,206,391	\$3,777,905	\$4,984,296	50%:StatCt/TrackMi	\$409,804	7.7
<b>Dept. Subtotal</b>	<b>\$9,516,064</b>	<b>\$18,382,590</b>	<b>\$27,898,654</b>		<b>\$2,036,408</b>	<b>36.5</b>
<b>ENGINEERING &amp; CONST</b>						
Administration	\$659,088		\$659,088			
New Vehicle Eng	-\$93,875		-\$93,875			
Elec/Mech Eng	\$623,149		\$623,149			
Train Control Eng	\$379,818		\$379,818			
Elec/Comm Eng	\$682,562		\$682,562			
Computer Eng	\$202,485		\$202,485			
Civil/Struct Eng	\$570,116		\$570,116			
Construction Eng	\$392,289		\$392,289			
<b>Dept. Subtotal</b>	<b>\$3,415,632</b>	<b>\$0</b>	<b>\$3,415,632</b>		<b>\$0</b>	<b>0.0</b>
<b>MAINT &amp; ENG TOTAL</b>	<b>\$23,169,193</b>	<b>\$44,978,389</b>	<b>\$68,147,582</b>		<b>\$5,462,199</b>	<b>91.7</b>
<b>FIELD SERVICES</b>						
Administration	\$149,154		\$149,154		\$0	0.0
Support & Analysis	\$1,507,275	\$17,110,529	\$18,617,804	74%CarMI / 24%StatCt	\$2,195,092	0.0
<b>TRAIN OPERATIONS</b>						
Administration	\$259,454		\$259,454			
Central Ops Control	\$1,174,598	\$854,887	\$2,029,485	Trains	\$113,985	1.8
Line Ops Control	\$116,046	\$1,922,492	\$2,038,538	Trains	\$256,332	4.1
Train Operators	\$18,210	\$11,505,653	\$11,523,863	Trains	\$1,534,087	32.5
<b>Dept. Subtotal</b>	<b>\$1,568,308</b>	<b>\$14,283,032</b>	<b>\$15,851,340</b>		<b>\$1,904,404</b>	<b>38.5</b>
<b>STATION OPERATIONS</b>						
Administration	\$126,636	\$1,885,898	\$2,012,534	Station Count	\$221,870	3.6
Station Agents		\$8,603,092	\$8,603,092	Station Count	\$1,012,128	21.8
<b>Dept. Subtotal</b>	<b>\$126,636</b>	<b>\$10,488,990</b>	<b>\$10,615,626</b>		<b>\$1,233,999</b>	<b>25.4</b>
<b>POLICE SERVICES</b>						
Administration	\$814,820	\$125,944	\$940,764	50%:StatCt/Patron	\$13,412	0.0
Field Operations	\$665,912	\$5,787,319	\$6,453,231	50%:StatCt/Patron	\$616,279	13.0
Support Services	\$74,070	\$1,662,865	\$1,736,935	50%:StatCt/Patron	\$177,075	3.7
<b>Dept. Subtotal</b>	<b>\$1,554,802</b>	<b>\$7,576,128</b>	<b>\$9,130,930</b>		<b>\$806,766</b>	<b>16.7</b>
<b>FIELD SERVICES S/T</b>	<b>\$4,906,175</b>	<b>\$49,458,679</b>	<b>\$54,364,854</b>		<b>\$6,140,261</b>	<b>80.6</b>
<b>OPERATIONS Subtotal</b>	<b>\$28,075,368</b>	<b>\$94,437,068</b>	<b>\$122,512,436</b>		<b>\$11,602,460</b>	<b>172.3</b>

DISTRICT TOTAL	\$52,421,644	\$101,063,147	\$154,284,791	MARGINAL COST	\$12,412,915	178.5
50% OF STATION COUNT INCREASE + 50% OF TRACK MILES INCR =			9.780% OVERHEAD BURDEN		\$5,126,678	
				TOTAL COST	\$17,539,593	

VARIABLE SERVICE UNIT PARAMETERS	SFO EXTENSION VALUE	DISTRICT VALUE	SFO EXTENSION PARAMETER AS A % OF CURRENT DIST	DISTRICT PLUS EXTENSION TOTAL	SFO EXTENSION PARAMETER AS A % OF EXTENDED DIST
Station Count	4	34	11.76471%	38	10.52632%
Employee Count	178.5	2,410	7.40694%	2,588.5	6.89614%
Net Patronage(Trips)	5,760,000	60,422,540	9.53287%	66,182,540	8.70320%
Car Miles	3,995,898	30,170,000	13.24461%	34,165,898	11.69557%
Track Miles	14.200	143	9.93007%	157.200	9.03308%
Trains	6	45	13.33333%	51	11.76471%

SFO MODEL  
MARGINAL COST / CAR MILE

CC#	COST CENTER	MC CAR MILES	MC PATRONAGE	MC STATION COUNT	MC TRACK MILES	CC TOTAL MARGINAL COST
613	QUALITY ASSURANCE	211,384				211,384
622	ELCT. & RPR. SHOP	362,413				362,413
623	ELECTRONIC REPAIR	67,185	48,356	59,677	50,371	225,589
624	C & CR	64,332		57,143	48,232	169,707
D63A	RS & S	2,215,967				2,215,967
S/T	DISTRICT	2,921,281	48,356	116,820	98,603	3,185,060
	CAR MILES	3,995,898				
COST / CAR MILE =		2,921,281 / 3,995,898 = \$ 0.73 / CAR MILE				

\*\*\*\*\*  
FIXED OPERATIONS & MAINTENANCE COST:

TOTAL MARGINAL COST	12,412,915
LESS CAR MILES MC	(2,921,281)
LESS T.O. MC	(1,904,404)
LESS POWER MC	(2,195,092)
F.O.M. COST	5,392,138

COLMA STATION COST ANALYSIS  
 COST ALLOCATION METHOD  
 COLMAC10.EPL  
 4/24/89

DEPT./COST CENTER	OVERHEAD COSTS	VARIABLE COSTS	TOTAL COSTS	ALLOCATION PARAMETER	COLMA STATION VARIABLE COST	ADDITIONAL STAFF
GENERAL MANAGER	\$970,572		\$970,572		\$0	0.0
LEGAL	\$1,329,089		\$1,329,089		\$0	0.0
<b>FINANCE</b>						
Administration	\$141,643		\$141,643			
Controllership	\$1,618,097		\$1,618,097			
Insurance	\$1,826,650	\$2,610,955	\$4,437,605	78%Patron/22%Statn	\$133,363	0.0
Internal Audit	\$343,527		\$343,527			
Treasury	\$1,587,575	\$1,908,788	\$3,496,363	Patronage	\$109,177	2.1
Dept. Subtotal	\$5,517,492	\$4,519,743	\$10,037,235		\$242,540	2.1
DISTRICT SECRETARY	\$292,428		\$292,428			0.0
<b>PLANNING &amp; ANALYSIS</b>						
Administration	\$145,918		\$145,918			
Management Svcs.	\$612,381		\$612,381			
Planning	\$214,099		\$214,099			
Joint Development			\$0			
Dept. Subtotal	\$972,398	\$0	\$972,398		\$0	0.0
<b>PUBLIC AFFAIRS</b>						
Public Information	\$1,145,375	\$52,500	\$1,197,875	Patronage	\$3,003	0.0
Passenger Services	\$328,806	\$397,155	\$725,961	Patronage	\$22,716	0.0
Dept. Subtotal	\$1,474,181	\$449,655	\$1,923,836		\$25,719	0.0
<b>SAFETY</b>						
Operation Safety	\$587,415		\$587,415			
Safety Programs	\$300,460		\$300,460			
Dept. Subtotal	\$887,875	\$0	\$887,875		\$0	0.0
<b>EMPLOYEE RELATIONS</b>						
Employee Relations	\$1,626,856	\$500,095	\$2,126,951	Employee Count	\$7,085	0.0
Aff. Act. Impntn.	\$739,732		\$739,732			
Training	\$1,249,198		\$1,249,198			
Dept. Subtotal	\$3,615,786	\$500,095	\$4,115,881		\$7,085	0.0
AFFIRMATIVE ACTION	\$468,913		\$468,913		\$0	0.0
<b>BUDGET &amp; CAP PRG CNT</b>						
Administration	\$120,444		\$120,444			
Operating Budgets	\$293,975		\$293,975			
Capital Prog Cntrl	\$395,300		\$395,300			
Dept. Subtotal	\$809,719	\$0	\$809,719		\$0	0.0

Administration	\$122,929		\$122,929			
Purchasing	\$540,006		\$540,006			
Contract Mgmt.	\$329,381		\$329,381			
Inventory & Stores	\$2,263,128		\$2,263,128			
Dept. Subtotal	\$3,255,444	\$0	\$3,255,444	\$0	0.0	
<b>INFORMATION SYSTEMS</b>						
Administration	\$210,163		\$210,163			
Computer Operation	\$1,479,396		\$1,479,396			
Systems & Programng	\$1,056,440		\$1,056,440			
Dept. Subtotal	\$2,745,999	\$0	\$2,745,999	\$0	0.0	
<b>ADMINISTRATIVE SRVCS</b>						
Administration	\$285,615		\$285,615			
Real Estate	\$374,837		\$374,837			
Telephone Center	\$514,577		\$514,577			
Office Services	\$344,719		\$344,719			
Common Expenses	\$2,443,218		\$2,443,218			
Dept. Subtotal	\$3,962,966	\$0	\$3,962,966	\$2,304	0.0	
	\$15,059,821	\$5,469,493	\$20,529,314	\$275,344	2.1	
ADMINISTRATION Subtl	\$26,302,862	\$5,469,493	\$31,772,355	\$277,648	2.1	
<b>MAINTENANCE &amp; ENGRNG</b>						
Administration	\$193,606		\$193,606	\$0	0.0	
<b>MAINTENANCE SUPPORT</b>						
Administration	\$84,374		\$84,374			
Wayside Maint Eng.	\$744,985		\$744,985			
Maintenance Contrl	\$1,755,921		\$1,755,921			
Quality Assurance	\$1,603,376		\$1,603,376			
Reliability Eng	\$707,515		\$707,515			
Documentation	\$894,734		\$894,734			
Vehicle Maint Eng	\$650,051		\$650,051			
Dept. Subtotal	\$6,440,956	\$0	\$6,440,956	\$0	0.0	
<b>COM/COMPONENT REPAIR</b>						
Administration	\$244,560		\$244,560			
AFC Maintenance	\$383,607	\$2,046,218	\$2,429,825	Station Count	\$60,183	0.9
Elect & Mech Repair	\$279,907	\$2,736,307	\$3,016,214	Car Miles	\$50,137	0.5
Electronic Repair	\$345,765	\$2,029,031	\$2,374,796	25%:CM/Pt/SC/TM	\$58,903	1.3
Communications Mnt	\$357,809	\$1,457,153	\$1,814,962	33%:CMi/StCt/TrkMI	\$28,620	0.5
Dept. Subtotal	\$1,611,648	\$8,268,709	\$9,880,357		\$197,843	3.3
<b>ROLLING STOCK MAINT</b>						
Administration	\$497,055		\$497,055			
Hayward S & I	\$1,502,606	\$7,706,324	\$9,208,930	Car Miles	\$141,201	1.9
Richmond S & I	\$1,296,659	\$4,309,910	\$5,606,569	Car Miles	\$78,969	1.3
Concord S & I	\$1,483,490	\$3,522,333	\$5,005,823	Car Miles	\$64,539	1.1
Dept. Subtotal	\$4,779,810	\$15,538,567	\$20,318,377		\$284,710	4.3
<b>POWER &amp; WAY MAINTNCE</b>						
Administration	\$1,095,129	\$210,624	\$1,305,753	50%:StatCnt/TrkMI	\$4,276	0.0

Oakland Shop Maint	\$1,827,273	\$980,500	\$2,807,773	Track Miles	\$10,971	0.0
Train Control & CM	\$2,555,255	\$2,512,837	\$5,068,092	50%:StatCnt/TrkMi	\$51,011	1.1
Plant Facilities M	\$1,361,829	\$5,600,128	\$6,961,957	Station Count	\$164,710	3.3
Track & Structures	\$1,206,391	\$3,777,905	\$4,984,296	50%:StatCnt/TrkMi	\$76,693	1.4
<b>Dept. Subtotal</b>	<b>\$9,516,064</b>	<b>\$18,382,590</b>	<b>\$27,898,654</b>		<b>\$415,264</b>	<b>7.7</b>
<b>ENGINEERING &amp; CONST</b>						
Administration	\$659,088		\$659,088			
New Vehicle Eng	-\$93,875		-\$93,875			
Elec/Mech Eng	\$623,149		\$623,149			
Train Control Eng	\$379,818		\$379,818			
Elec/Comm Eng	\$682,562		\$682,562			
Computer Eng	\$202,485		\$202,485			
Civil/Struct Eng	\$570,116		\$570,116			
Construction Eng	\$392,289		\$392,289			
<b>Dept. Subtotal</b>	<b>\$3,415,632</b>	<b>\$0</b>	<b>\$3,415,632</b>		<b>\$0</b>	<b>0.0</b>
<b>MAINT &amp; ENG TOTAL</b>	<b>\$23,937,716</b>	<b>\$42,189,866</b>	<b>\$68,147,582</b>		<b>\$897,816</b>	<b>15.3</b>
<b>FIELD SERVICES</b>						
Administration	\$149,154		\$149,154		\$0	0.0
Support & Analysis	\$1,507,275	\$17,110,529	\$18,617,804	74%CarMi/26%StatCt	\$363,216	0.0
<b>TRAIN OPERATIONS</b>						
Administration	\$259,454		\$259,454			
Central Ops Control	\$2,029,485		\$2,029,485			
Line Ops Control	\$414,487	\$1,624,051	\$2,038,538	Trains	\$35,305	0.6
Train Operators	\$18,210	\$11,505,653	\$11,523,863	Trains	\$250,123	5.3
<b>Dept. Subtotal</b>	<b>\$2,721,636</b>	<b>\$13,129,704</b>	<b>\$15,851,340</b>		<b>\$285,428</b>	<b>5.9</b>
<b>STATION OPERATIONS</b>						
Administration	\$526,036	\$1,486,498	\$2,012,534	Station Count	\$43,721	0.7
Station Agents		\$8,603,092	\$8,603,092	Station Count	\$253,032	5.4
<b>Dept. Subtotal</b>	<b>\$526,036</b>	<b>\$10,089,590</b>	<b>\$10,615,626</b>		<b>\$296,753</b>	<b>6.2</b>
<b>POLICE SERVICES</b>						
Administration	\$814,820	\$125,944	\$940,764	Station Count	\$3,704	0.0
Field Operations	\$665,912	\$5,787,319	\$6,453,231	Station Count	\$170,215	3.6
Support Services	\$74,070	\$1,662,865	\$1,736,935	Station Count	\$48,908	1.0
<b>Dept. Subtotal</b>	<b>\$1,554,802</b>	<b>\$7,576,128</b>	<b>\$9,130,930</b>		<b>\$222,827</b>	<b>4.6</b>
<b>FIELD SERVICES S/T</b>	<b>\$6,458,903</b>	<b>\$47,905,951</b>	<b>\$54,364,854</b>		<b>\$1,168,224</b>	<b>16.7</b>
<b>OPERATIONS Subtotal</b>	<b>\$32,416,619</b>	<b>\$90,095,817</b>	<b>\$122,512,436</b>		<b>\$2,066,040</b>	<b>32.0</b>
<b>DISTRICT TOTAL</b>	<b>\$58,719,481</b>	<b>\$95,565,310</b>	<b>\$154,284,791</b>	<b>MARGINAL COST</b>	<b>\$2,343,687</b>	<b>34.1</b>
<b>OVERHEAD TO VARIABLE COST RATIO:</b>						
				<b>SUPPORT COST</b>	<b>\$650,000</b>	
				<b>TOTAL COST</b>	<b>\$2,993,687</b>	



VARIABLE SERVICE UNIT PARAMETERS	COLMA VALUE	DISTRICT VALUE	COLMA EXTENSION PARAMETER AS A % OF CURRENT DIST	DISTRICT PLUS EXTENSION TOTAL	SFO EXTENSION PARAMETER AS A % OF EXTENDED DIST
Passenger Miles	42,076,800	774,617,000	5.43195%	816,693,800	5.15209%
Station Count	1	34	2.94118%	35	2.85714%
Employee Count	34.1	2,410	1.41663%	2,444.1	1.39684%
Net Patronage(Trips)	3,456,000	60,422,540	5.71972%	63,878,540	5.41027%
Car Miles	552,798	30,170,000	1.83228%	30,722,798	1.79931%
Track Miles	1.600	143	1.11888%	145	1.10650%
Trains	1	45	2.22222%	46	2.17391%

COLMA MODEL  
MARGINAL COST / CAR MILE

CC#	COST CENTER	MC CAR MILES	MC PATRONAGE	MC STATION COUNT	MC TRACK MILES	CC TOTAL MARGINAL COST
622	ELCT. & RPR. SHOP	50,137				50,137
623	ELECTRONIC REPAIR	9,294	29,014	14,919	5,676	58,903
624	C & CR	8,900		14,286	5,434	28,620
D63A	RS & S	284,710				284,710
S/T	DISTRICT	353,041	29,014	29,205	11,110	422,370
	CAR MILES	552,798				
COST / CAR MILE =		353,041 / 552,798 = \$ 0.64 / CAR MILE				

FIXED OPERATIONS & MAINTENANCE COST:

TOTAL MARGINAL COST	2,343,687
LESS CAR MILES MC	(353,041)
LESS T.O. MC	(285,428)
LESS POWER MC	(363,216)
F.O.M. COST	1,342,002