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Transbay project receives \$171 million federal loan

BY JOHN COTÉ, CHRONICLE STAFF WRITER

SAN FRANCISCO—The U.S. Department of Transportation today announced it has approved a \$171 million loan to help construction of a new Transbay Terminal in San Francisco, a project lawmakers say will create 48,000 jobs.

The loan accounts for about 14 percent of the construction costs for the first phase of a multi-story new terminal envisioned to link high-speed rail, commuter trains and regional bus service in downtown San Francisco at First and Mission streets.

"It's a very crucial element," said Adam Alberti, a spokesman for the Transbay Joint Powers Authority, the Bay Area agency in charge of building a new terminal. "This loan allows us to maintain our schedule and deliver this project."

Construction on the new terminal, dubbed the Transbay Transit Center, is scheduled to begin this spring and be completed by 2015. Extending the Caltrain tracks to the new terminal is to be finished a year later, with high-speed rail connecting San Francisco with southern California by 2020.

The main piece of funding is still in flux though - \$400 million in federal stimulus dollars the agency has applied for to help build the underground high-speed rail station. The Federal Railroad Administration is expected to make a decision soon on which states will receive the highly competitive stimulus-fund grants for high-speed rail.

"This doesn't supplant the need for the federal stimulus funding," Alberti said. While Mayor Gavin Newsom hailed the loan as "a very important milestone," he also noted the significance of the federal stimulus grants.

"With this funding today and positive news later this winter on our stimulus money request, we can begin actual construction on this critical project and begin create thousands of jobs," Newsom said.

Potentially complicating that bid is a disagreement between the Transbay Joint Powers Authority and the state agency that will build the high-speed rail lines over whether that agency can consider alternative options to the Transbay Transit Center.

Ballot measures, years of planning and millions of dollars in prep work have all put the



This interior view of Transbay Terminal shows how high speed rail would operate in a large transit oriented station.

station at the current Transbay Terminal site, a shuttered bus station.

The California High-Speed Rail Authority maintains the Transbay Terminal site has always been its preferred location for the new station, but officials there say state environmental laws require that they consider alternatives.

Those alternatives are: ending the high-speed line at a revamped terminal at the Caltrain station at Fourth and King streets, splitting high-speed rail traffic between the Transbay Terminal and the Fourth and King station, and locating the station on Beale Street perpendicular to the proposed Transbay Transit Center and a block and a half from its planned 1,000-foot iconic tower.

Deputy Attorney General Christine Sproul, in a Dec. 28 letter to the High-Speed Rail Authority, said "the Transbay Terminal must be part of the high speed rail system" after voters approved a statewide \$10 billion bond measure that names it as the northern terminus.

But that measure leaves wiggle room because it "does not define the Transbay Terminal," Sproul wrote.

The terminal could include "alternative configurations," like some aspects of the Beale Street option, but those "cannot supplant the Transbay Terminal as a San Francisco terminus," she wrote.

The loan announced today will finance ramps to the Bay Bridge, a bus storage facility and de-

sign of an underground transit facility, federal officials said. It allows the Transbay Joint Powers Authority to immediately access funds that will be paid back from money the project would generate later on, such as revenue from leases in the terminal and passenger surcharges, Alberti said.

Sen. Dianne Feinstein, D - Calif., who has pushed for more use of such federal loans, said the \$171 million will prove "a significant economic boost" by quickly creating jobs and kick-starting local commerce.

The project is expected to immediately generate 8,000 jobs, Feinstein's office said.

"This downtown rail station will bring us one step closer to a high-speed rail system for California, which has been a long-term priority for me," Feinstein said in a statement. "In addition to creating jobs, high-speed rail will spur commerce while reducing greenhouse gases and reliance on foreign oil. So the Transbay Transit Center is exactly the kind of public works project California needs."

By last week, the temporary terminal looked complete, save for some rerouting of traffic. Construction crews were awaiting the arrival of a pole bearing an original Art Deco sculpture of the Greyhound mascot. It could symbolize the idea that San Francisco is ready to sprint into the future.

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