



September 1, 2020

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Marilou R. Ayupan, PE
Interim Public Works Director
Public Works Department
34009 Alvarado-Niles Road
Union City, CA 94587

Subject: Transfer of the Option 2 East-West Connector Project and
Change to the Quarry Lakes Parkway Project

Dear Ms. Ayupan:

We have reviewed the information provided for the transfer of the Option 2 East-West Connector Project (EWC) to the City of Union City and the project change to the Quarry Lakes Parkway Project (QLP). We have also considered what would be needed to allocate Alameda CTC administered funding for the QLP in the event the change is approved by the Commission. Our review comments and follow up questions are included below.

Much of our understanding is based on the information provided at our meeting on July 15, 2020 and subsequent correspondence and documents provided by the City's project team. In general, the matter at hand is the follow up to the direction received from our Commission at their March 2018 meeting related to the City of Union City becoming the project sponsor and implementing agency for the EWC as described in Amendment No. 2 to the 1986 Measure B Expenditure Plan approved in 2006. We realize the City has renamed the project to the QLP, but in our system the project for which the 1986 Measure B funding is set aside remains the EWC until our Commission approves your requested change.

Completing the EWC-to-QLP transition involves satisfying the requirements set forth by our Commission at their March 2018 meeting when they approved the transfer of the EWC project to the City, and with the requirements of Project Funding Agreement (PFA) No. A18-0046 between the Alameda CTC and the City of Union City. The PFA made \$2.5M of 1986 MB funding available for the City to complete the transfer of project responsibilities. It was not anticipated that the project scope would change significantly from the EWC as described in the Expenditure Plan Amendment and the PFA at the time of the transfer in 2018.

We have reviewed the proposed scope of the QLP project provided in July and find the scope of the QLP similar to the EWC. The reference to Option 2 in the Expenditure Plan Amendment is a reference to the project described in the Memorandum of Understanding (MOU) between the Alameda CTC (ACTA at the time), Caltrans, Union City and Fremont.

The QLP project being consistent with the Expenditure Plan means that another amendment to the Expenditure Plan will not be required before any allocations of the 1986 Measure B funding can be approved by the Commission. We look forward to working with you to confirm that the QLP project scope is consistent with the Expenditure Plan to be used for future programming and allocation purposes.

The matter of whether the scope of the QLP is the same as the EWC also has CEQA implications. We have reviewed the opinions provided by the City regarding the CEQA approval for the EWC being sufficient for the QLP and we concur.

The presentation at the July meeting included a reference to a request for \$69 million. It is not clear which of the sources with funding currently set aside for the project are included in the \$69 million amount. Currently, there are 1986 MB, CMA TIP, and local funds identified for the project. The \$40 million of the Dumbarton Corridor Area Transportation Improvements commitment from the 2014 Measure BB Capital Program (TEP No. 21) is available for allocation at the discretion of Union City in accordance with the Alameda CTC Comprehensive Investment Plan (CIP). It is not specifically identified for the EWC/QLP, but the project would be eligible for a CIP allocation.

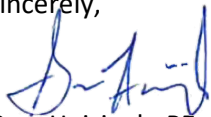
Allocations of Alameda CTC administered funds are approved in accordance with the requirements set forth in the CIP. Allocations are approved by the Commission based on requests by project sponsors. In general, the information required to support an allocation request is a breakdown of the project scope, cost, funding, and schedule by project phase. If a project is broken into segments, the breakdown by phase is required for all segments to provide a picture of the complete project. Requests for allocation amounts in excess of the proportional share (based on total project costs) for the fund source being requested, or for projects with a significant funding shortfall, must include an arrangement to share the risks associated with the scenario that the complete project is not fully implemented (See Section 8 and Policy 1 in Appendix E of the 2020 CIP Update).

We would be happy to discuss the requirements associated with requests for allocations, but the first step is to complete the transfer of the project to Union City and secure approval for the change to the QLP.

Thank you for the information provided to date. We look forward to working with you and your project team to move the project forward.

If you have any questions about this letter, or need additional information, please contact Vivek Bhat, Director of Programming and Project Controls at VBhat@alamedactc.org or (510) 208-7430.

Sincerely,



Gary Huisingsh, PE

Deputy Executive Director of Projects

cc: Vivek Bhat, Alameda CTC