



U.S. Department of Transportation
Federal Transit Administration

REGION IX
Arizona, California,
Guam, Hawaii, Nevada,
Northern Mariana Islands,
and American Samoa.

20 Mission Street
Suite 2210
San Francisco, CA 94105-1839
415-744-3133
415-744-2726 (fax)

Handwritten: 1/17/02

SEP 12 2000

Mr Michael T. Bums
General Manager
San Francisco Public Transportation Department
401 Van Ness Avenue, Room 362
San Francisco, California 94102

Re: Request for a Letter of No Prejudice for the Third Street Light Rail Project

Dear Mr. Bums:

The Federal Transit Administration (FTA) has reviewed your letter of May 8, 2000, requesting a Letter of No Prejudice (LONP) for the San Francisco Municipal Railway's (MUNI) Third Street Light Rail Project. Specifically, your request seeks permission to spend local funds in the amount of \$368,000,000 on all Phase I project implementation activities, from final design through construction, to assure the eligibility of these funds as credit toward the local match of potential federal funding for Phase II of the project, the Central Subway segment. Unfortunately, FTA is unable to issue a LONP on Phase I for either liquidation or credit toward Phase II of the project.

Since Phase I and Phase II have had distinct and separate paths toward development, FTA does not consider Phase I and Phase II as a single project for grant purposes. However, FTA expects to look favorably upon MUNI's investment in Phase I of the Third Street Light Rail Project and other locally funded system improvements when the Central Subway project is rated and considered for a possible full funding grant agreement. When FTA considers the Central Subway project, MUNI's Phase I investments will be a factor in FTA's potential level of participation in the Central Subway project.

Please note, FTA would consider a request for a LONP for Phase I of the Third Street Light Rail Project only. This request should not anticipate reimbursement for the local match by a future project or phase. The request should only consider preserving the option of receiving federal funds at a later date for Phase I of the Third Street Light Rail Project.

If you have questions, please call me at (415) 744-3133.

Sincerely,

Handwritten signature of Leslie T. Rogers
Leslie T. Rogers
Regional Administrator

cc: Larry Dahms, MTC



San Francisco

401 Van Ness Ave

Phone: 4:

OPTIONAL FORM 99 (7-90)

FAX TRANSMITTAL

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To	SEAN LIBBERTON	From	RAY SUKYS
Dept./Agency	TPL	Phone #	415 744-3115
Fax #	366-2478	Fax #	
NSN 7540-01-317-7368 443-2478		5098-101 GENERAL SERVICES ADMINISTRATION	

Mr. Leslie Rogers
 Regional Administrator
 Federal Transit Administration-Region IX
 201 Mission Street, Suite 2210
 San Francisco, CA 94105

DRAFT

Dear Mr. Rogers:

I am writing to request your support and approval for a Letter of No Prejudice (LONP) for the San Francisco Municipal Railway's Third Street Light Rail Project. The LONP would cover local funds slated for use for Phase I of this project, the Initial Operating Segment. We would like to start spending local project funds for Phase I as soon as possible, but it is important that the Federal eligibility of all project expenses is not jeopardized by this action. Specifically, we are seeking permission to spend local funds (\$315,000,000) on Phase I final design and construction without jeopardizing the eligibility of those funds for credit toward our local match for Federal funds for Phase II of the project, the new Central Subway segment, if Federal funds become available.

We believe that the public would be well served by this LONP. It will allow Muni to proceed with, and ultimately complete, work on this project in a timely fashion. Muni is aggressively working toward the acceleration of Phase II.

Background

The Third Street Light Rail Project, in total, will add 7.1 miles of new track to Muni's current light rail system, linking the southeast sector of San Francisco to downtown San Francisco and Chinatown. Third Street Light Rail will also run through new and expanding development areas in San Francisco, as well as low-income redevelopment areas. Underground subway stations will be located at Moscone Convention Center, Market Street, Union Square and Chinatown.

The Third Street corridor is a very transit dependent corridor in San Francisco. Total transit ridership in the corridor for 1997 was 66,000 and is projected to more than double to over 140,000 daily passengers by 2015 (including new trips

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attracted from the automobile mode). The project promises to increase service reliability in the corridor by removing transit vehicles from street traffic, thereby reducing street congestion while improving transit travel times. Further passenger benefits will include improved transit connections, greater service access and more comfortable light rail vehicles. The two phases of the project will also support ongoing neighborhood revitalization efforts along the Third Street corridor.

Project Status

Phase I of the two planned phases of this project has completed its environmental review and received a Record of Decision. Muni has requested authorization to proceed with final design for Phase I, which we expect to receive soon. Phase II of the project has FEIS approval, with a Record of Decision pending.

Project Cost and Source of Funds

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The total cost of Phase I is currently estimated at \$462,000,000, which is being funded primarily through local sources. Over \$350,000,000 of the total costs for Phase I will come from local sources, with the balance from state and Federal sources. The total cost of Phase II is currently estimated at approximately \$500,000,000.

Both phases of this project will comply with all applicable FTA requirements.

Thank you for your assistance. If you need any additional information, please do not hesitate to call me at (415) 554-4129 or Walt Streeter at (415) 923-2563.

Sincerely,

Michael T. Burns
General Manager

cc: Walt Streeter, San Francisco Municipal Railway
Vince Harris, San Francisco Municipal Railway
Gail Stein, San Francisco Municipal Railway
Carmen Clark, San Francisco County Transportation Authority

MTB/gs