

**NEW AMTRAK
FACILITY
AT UNION STATION**

LOS ANGELES, CALIFORNIA

MAY 26, 1994

TABLE OF CONTENTS

	<u>PAGE</u>
I. THE NEED FOR A NEW AMTRAK FACILITY AT UNION STATION	1 - 4
II. SITE DESCRIPTION	5
III. PROJECT DESCRIPTION	6 - 10
IV. CAPITAL BUDGET	11
V. CATELLUS PROPOSAL BASED ON 100% PRIVATE FINANCING	12 - 13
VI. GRANT APPROACH AND IMPACTS	14
VII. COMPARISON OF AMTRAK'S OLD AND NEW FACILITIES	15 - 16
VIII. NEXT STEPS	17

APPENDICES

- A Site Plan**
- B Building Stacking Diagram**
- C Floor Layouts**
- D Square Footage Requirements**
- E Capital Budget**

I. THE NEED FOR A NEW AMTRAK FACILITY AT UNION STATION

A. Introduction

For nearly 25 years, Amtrak has been operating at Union Station, managing its business out of existing historic facilities or out of reclaimed and renovated space. Recently, Union Station has emerged as a regional rail hub. The Metro Rail Red Line subway and Metrolink commuter rail operations have caused substantial site modifications both on the property and on Amtrak's operation. As Metro Rail and Metrolink services expand, and as future systems are added which could include: light rail service from Pasadena; a downtown connector; and high speed rail service, these impacts will grow in significance.

The original 1930's design of Union Station never anticipated the extraordinary multi-modal operating levels that the facility might one day achieve. Unlike most terminal stations which configure the trainyard, midway concourses and head house in a linear fashion, Los Angeles Union Station was turned 90 degrees away from the trainyard to front the Civic Center and City's birthplace at the original El Pueblo settlement near Olvera Street. In addition, the trainyard was elevated above street level thereby necessitating a split level operation. The combination of long travel distances for train passengers from the platforms to service facilities inside Union Station, together with the split level operations contribute greatly to the inefficiencies of the current facility. Furthermore, as a result of consolidation and relocation of Amtrak facilities caused by the recent Metro Rail Red Line construction, Amtrak's facilities have been located in the back portions of Union Station, into areas which lack the architectural character of the major historic spaces at Union Station.

Significant problems have been caused by Amtrak's growing dependency on passenger carts to shuttle passengers to and from the platforms. These carts compete for space with pedestrians, who become constrained in the increasingly busy areas of the passenger tunnel and concourses within the terminal. In turn this has caused costly damage to many of the historic features of the building, and has even resulted in personal injuries, including the tragic death of a small child last year. As passenger traffic increases, so does the likelihood of greater risk of injury and property damage caused by the carts.

The above conditions, coupled with Amtrak's stated goal of improved customer service has led us to conclude that for the long term, Amtrak's business is better served by relocating to a new facility on the eastern side of the trainyard. This facility would be extremely efficient for Amtrak due to its adjacency to the tracks, producing a more traditional linear alignment and its location adjacent to the new Gateway Intermodal Transit Center ("Gateway"). The largest federal, state and locally funded intermodal facility in the western United States, Gateway will be an

example of efficient bus and rail connections of which Amtrak can take advantage. The operational efficiencies and increased customer demand from this site location can greatly enhance Amtrak's bottom line.

By relocating adjacent to the Gateway Center, Amtrak will also be making a commitment to the west coast, particularly Los Angeles, which is consistent with the growth of the regional transportation network newly re-instituted in the southland. The decision to invest in Los Angeles is crucial to future west coast operations and fits into company goals. Having reviewed the basic tenets of the proposed Amtrak Investment Act of 1994, the following list of benefits to Amtrak is consistent with your three-part program to improve your business, which states:

" ... to invest significantly in Amtrak's capital plant; to ensure a close working relationship between Amtrak and the Federal Rail Administration; to emphasize quality customer service through new employee and management initiatives..."

B. Benefits to Amtrak

The development of a new Amtrak facility at Union Station achieves the following:

1. Places the Amtrak facilities and customers at the trainyard level immediately adjacent to Amtrak platforms for **greatly enhanced customer service** access as well as **improved Amtrak operating efficiency**.
2. **Provides the template for further consolidation** for existing on-site and off-site Amtrak facilities and the most efficient use of space within a built-to-suit facility designed around Amtrak's specific program requirements.
3. **Accommodates new facilities** aimed at increasing passenger service such as a First Class lounge, a passenger waiting area and retail facilities as well as a meeting/conference center, commissary and improved vehicular loading areas.
4. **Provides readily available expansion space** to serve the needs of Amtrak's growing operations in a dynamic marketplace whose population will continue to become more transit dependent as air quality, mobility and congestion relief legislation is enforced.

5. Places Amtrak in the heart of the new \$310 million Gateway Intermodal Transportation Center with **improved direct access** from the Metro Red Line and Pasadena Blue Line, Metrolink commuter trains, regional bus network, freeway system and arterial roadways. Also allows Amtrak an opportunity to share certain facilities within the Gateway project for bus connection operations, public parking, taxi and van shuttle loading areas, and greatly improved curbside auto loading and unloading areas.
6. Improves Amtrak's image in Los Angeles with **prominent identity** from the freeway and greatly improved vehicular access.
7. **Amtrak's passengers will enjoy all of the same common area access rights** currently available at Union Station which include the main historic concourses, arcades, patios and walkways.
8. Provides improved facilities for Amtrak employees thereby **improving moral and productivity**.
9. Strategically positions Amtrak for **future commuter contract operations** and as the likely candidate to operate the state-wide high speed rail program currently under study.
10. Increases Amtrak's ability to **service trains in a more timely fashion through direct service aisles for baggage and service cart access to trains** thereby increasing Amtrak's ability to meet on time performance objectives.

C. Overview of New Amtrak Facility Proposal

Catellus has retained design consultants to undertake an Amtrak administrative and operating area space study. West coast Amtrak officials provided tours of their areas, offered input into current space needs, and operating and administrative inefficiencies. The results of this study indicate that Amtrak's operational space needs can be made significantly more efficient at the new facility. A consolidation of currently off-site areas into the proposed new facility in combination with better design and location of existing Union Station facilities was the general consensus. In addition, the new facility incorporates expansion space for administrative facilities to accommodate Amtrak's growth and increased role as the western regional headquarters. The building is designed such that Amtrak can take additional space on an as needed basis.

Major offsite facilities to be incorporated into the Union Station site are the mini-commissary operation and training conference facilities. Currently, commissary operations are all located offsite in an outdated facility. Reduced labor and time inefficiencies in providing necessary supplies for both short and long haul trains are achievable. A mini-commissary adjacent to the tracks on-site eliminates the inefficiencies of remote service facilities particularly for through train service. Amtrak employee training and management meetings are also currently held offsite, often in hotel facilities at high expense and time loss. A modest conference center and meeting facility is provided in the mezzanine level of the new building which provides excellent ambience for training and executive meetings for Amtrak and potentially to other building occupants on a user fee basis.

Other areas not currently provided off-site nor on-site were requested by Amtrak and have been included in the new facility. A first class passenger lounge will provide the private waiting area desired by these patrons comparable to airport facilities and major Amtrak stations in the eastern United States. Retail space at the plaza level will be added to serve your passengers conveniently. These spaces should be economically viable and act as a profit center for Amtrak. Subterranean employee designated parking will also be provided in the design to enhance employee morale. Abundant and conveniently located public parking is available at the Gateway Center (approximately 2000 public stalls).

The current on-site administrative areas including administrative offices, crew base, police and the health facility will be greatly enhanced. These areas will all be provided on first and second floor levels. Highly flexible bay depths, excellent access to light and air, efficient circulation between floors and operating divisions, and in many cases, direct views of train and bus operations will be provided.

New centralized waiting areas and ticketing facilities are provided on the plaza level which will be comparable in size with existing areas, but more efficiently planned and more exclusive to Amtrak's operations. These areas are physically improved with excellent access and circulation to trains and other modes of transportation.

While clearly a physical and economic benefit to Amtrak, we have not yet quantified the savings to Amtrak from the operating efficiencies of the new facility. This consolidated single level facility immediately adjacent to the trainyard and Gateway provides a significant operating and economic long term benefit for Amtrak.

II. SITE CHARACTERISTICS

Catellus proposes that Amtrak relocate its entire operation, which would include administrative facilities and terminal operations, as well as other offsite uses to the eastern side of the trainyard to the site designated as "A-13" (see attached plan). This location would place Amtrak at the trainyard level in the hub of the premier west coast regional transportation system. A site plan is provided in Appendix A.

The site boundaries are Parcel A-14 and the existing passenger tunnel and Eastern Portal to the Metro Red Line to the north, the Gateway Plaza to the east, Parcel A-12 to the south and Parcels A-11 and A-10 to the west (the eastern edge of Platform #4). The large parcel is approximately 89,150 land square feet (2.05 acres). The building would be placed directly adjacent to the entrance to Gateway and the adjacent Campanile tower, and above a portion of the MetroRail station box at the eastern portion of the Union Station property.

III. PROJECT DESCRIPTION

A. Introduction

The proposed facility will be a mid-rise, class A institutional quality office building including nine levels and a mezzanine. Amtrak is envisioned to occupy approximately 122,150 gross square feet (comprised of the first four levels and the mezzanine) of the 243,150 gross square foot facility, including Amtrak's control of the 9,950 gross square feet of exterior retail space available on the Plaza. Appendices B to D provide a stacking diagram of the proposed facility, floor-by-floor envisioned layouts, and square footage requirements by floor.

The building is proposed as the new Amtrak facility and will carry that identity on its exterior through distinctive architectural design and signage. A strong service oriented identity will be presented to Amtrak passengers, meeters and greeters, its employees and the general public through both the exterior and interior design.

The new Amtrak facility is designed to suit Amtrak's specific program needs and will relate architecturally to Union Station and the Gateway Center. Given the special design features and enhanced landscape, hardscape and public art amenities, Gateway promotes a new level of excitement, service and fun to the rediscovery of rail travel. Acting as a gateway to the city, the new Amtrak building becomes a point of departure and arrival with an experience that is representative of Los Angeles including an expanse of plazas, open air concourses and a light filled track area. The building is also a strong image for Amtrak itself located adjacent the entry to the Gateway Plaza looking toward downtown, with high visibility from the freeway and surrounding areas. There will be a sense of energy throughout the day and night with a focus on graceful uplighting and security.

The project is comprised of three parts: Rail Passenger Services, Associated Support Services, and Amtrak Administrative Personnel and Associated Functions. The following paragraphs describe the quality level of each area. A site diagram and stacking diagram are included in the appendix for better understanding.

B. Rail Passenger Services

As with all transportation facilities, passenger circulation is a prime concern. The proposed project divides the circulation required into three separate areas: one each for Departing Passengers, Arriving Passengers and Service.

Departing Passenger Services

The *Departing Passenger* arrives at the Gateway via private passenger cars, taxis, bus or rail transit. Taxi and bus waiting areas are conveniently located on the western edge of the plaza. Public parking is available in the adjacent garage beneath the plaza. The unloading zone along the east face of the new Amtrak facility is dedicated to rail traffic and protected from the

elements by an enclosing arcade. Ticketing is available immediately inside the building. The ticketing lobby is seen as being finished in durable, lightly colored materials - such as marble or granite tile flooring, laminate wall panels and drywall ceilings with areas of acoustically absorptive surfaces. Throughout the Plaza Level, there will be a great deal of emphasis on natural light including high volume spaces in the public areas.

Conveniently located on the mezzanine above and accessed by a dedicated elevator is the First Class Lounge and conference facilities with views to the highly active tracks and public concourses. This lounge is finished with a quality level equivalent to the Custom Class Lounges in Chicago and Washington D.C. Departing passengers then travel through the building to the open concourse beyond and to the Amtrak platforms. **All circulation is on a single level and represents the shortest possible distance from the Gateway Plaza arrival point.**

Arriving Passenger Services

The *Arriving Passenger* travels down the platform to the open concourse mentioned above. At this point signage directs all arriving passengers to the baggage claim area, the Gateway Plaza, local ground transportation and, by accessing a convenient escalator down one level, to the Union Station Metro Red Line station. The baggage claim area is conveniently located near the building exit to Gateway Plaza and utilizes the existing carousel concept for distribution. **All circulation is on a single level and represents the shortest possible distance from the track and platform arrival point.**

C. Associated Support Service

Service is designed to avoid conflict with passenger traffic and to provide the most efficient layout and location of functions possible. Train servicing will continue to be performed at the Eighth Street facility; however, a greater portion of interim servicing for continuing or "through" train service will take place at Union Station. Baggage handling and some commissary functions will be located on the lower level, separated from passenger areas, with separate access to the service way located between the tracks. Uniting the mini-commissary functions within this new building provides several advantages to Amtrak, such as:

- 1) Greater flexibility and control of inventory;
- 2) Less risk of running out of stock, given the 10 day lead times;
- 3) The ability to turn a short haul train more quickly;
- 4) Less carting and attendant potential for damage and contamination of food stock.
- 5) Reduced liability of mixing train services with passenger traffic on platforms and concourses.

Across from the Custom Class Lounge, also on the mezzanine level, will be meeting and training rooms for Amtrak's Human Resources and Development group. Other services including the crew base facilities, health facility and police will be on level 2. This level also provides Amtrak administrative offices and offers access to natural light and views as well as short distances to the public transit spaces. This is a dramatic improvement to the current space which provides little to no natural daylight to the work spaces. Amtrak employees will respond positively to this improvement and will not be forced to leave the building for a glimpse of daylight. Level two facilities are designed to accommodate the frequent in and out traffic associated with the crew offices, the police substation and the health and shower facilities. The inclusion of the meeting room spaces in the new building alleviates the need to lease off-site space, as is now the case with the Human Resources and Development offices. In addition, Amtrak will save by not renting hotel meeting suites, which can be a considerable cost. This consolidation will also save valuable time and become a far more efficient method for training, while enhancing employee-supervisor interaction.

D. Amtrak Administrative Personnel and Associated Functions

The Amtrak building is designed as an efficient structure based on market standards for lease depths, quality of materials and a prestigious location. The architecture of the building is efficiently designed to accommodate more people in less area. The simple shape of the exterior does not impose a rigorous architecture on the interior spaces. The interior design is completely flexible and will be dictated by Amtrak's needs. An open office plan is suggested. Amtrak's spaces will be based on Class A market standards with the aim to maintain its appearance over the life of the lease. The project will be built with the appropriate cost controls and value engineering measures, as well as being designed to minimize long term life cycle costs as the structure ages. This insures that Amtrak will have the ability to control its long term cost of occupancy.

E. Retail Spaces

Within the context of the Union Station master plan, the retail spaces in the Amtrak Regional Headquarters Building will be in prime locations on the plaza/track level. With over 9,950 square feet of retail at the base of the building on the plaza/track level, Amtrak will have the option of taking an active role, as a retail provider or sublessor, or in a passive role as an adjacent tenant. In either case, Amtrak customers will be provided an array of retail services such as food, books, magazines, newspapers, travel related goods, health and beauty aids, and banking and financial services (ATM's etc.).

Should Amtrak decide to take an entrepreneurial approach to the retail spaces, we feel confident that given the vast amount of foot traffic projected both within the Amtrak facility and in Gateway Center, retail represents a considerable income producing opportunity. Current base rental rates at Union Station for this type of space are approximately \$2.00 triple net, with tenants paying for all tenant

improvements, including equipment. Percentage rents above gross revenue levels are also being achieved.

F. Parking Provisions

Employee subterranean parking of 115 parking spaces will be provided and located in facilities immediately below the new facility. Direct elevator access from the garage to the plaza level of the office building is incorporated in the design. Access to the garage is from Vignes Street and the new frontage road along the freeway.

Public parking facilities will have direct access from Caesar Chávez (formerly Macy Street) and Vignes Streets and immediate access to the Santa Ana Freeway via the Alameda Street and Vignes Street interchanges. Public parking of approximately 2,000 stalls is presently being built in conjunction with the Gateway project adjacent to the Amtrak site. Parking stalls for handicapped will be at the most convenient locations practicable and shall meet or exceed the L.A. Handicapped Accessibility Code for major office buildings.

G. Non-Amtrak Occupied Space

The balance of the building, 121,000 gross square feet on the five upper levels, will be leased to other public and private sector office users. Catellus has already commenced preliminary discussions with four large tenants (two governmental agencies and two private engineering consulting firms) who have expressed interest in being a part of this project. Because of the nature of Amtrak's business and the attendant need to provide Amtrak a high level of identity, Amtrak need not be concerned about the dilution of its presence by another tenant. We envision that this structure will always be known as the Amtrak Building.

H. Conclusion

The proposed Amtrak facility will set the tone for Amtrak well into the next century. This building will provide Amtrak with a strong corporate image from the exterior, excellent circulation systems and high quality interior spaces, setting the tone for a superior customer service approach to business, and efficient and productive administrative areas for Amtrak employees. The location of your building adjacent to Gateway will also boost Amtrak's identity and visibility.

The building itself will be constructed as a Class A mid-rise, designed to be cost efficient through the construction period as well as the life cycle of the structure. Due to the depressed nature of the commercial real estate development market, construction materials and labor rates have remained relatively constant for the last eighteen months and the projections are that this condition could remain for the foreseeable future. To Amtrak this translates into an opportunity to achieve highest value at the most competitive price, as the timing for this project is excellent.

IV. CAPITAL BUDGET

A. Summary

Appendix E provides a detailed description of the proposed facility (capital budgets for both the total building and Amtrak's portion are provided). Hard costs, tenant improvements, soft costs, land costs and private funding impacts are broken out. In this analysis, it is assumed that Amtrak would control the retail spaces receiving the tenant rentals and profit potential (percentage rent) from these facilities.

Total Amtrak space capital expenses before financing total \$21.9 million or \$179 per gross square foot. Total Amtrak expenses after construction financing and fees (based on current rates) are \$23.8 million or \$195 per gross square foot. This budget was then utilized as the basis for the Catellus proposal to Amtrak using private financing.

V. CATELLUS PROPOSAL BASED ON 100% PRIVATE FINANCING

The following is an outline of principal points upon which Catellus (Lessor) would enter into negotiations with Amtrak (Lessee), for a lease of office space for Lessee's new building. This proposal is based upon 100% private construction and permanent financing. Capital and operating grants would decrease base rental rates proportionally.

A. Lease Term and Occupancy:

This lease shall be for twenty (20) years with term extension option(s) available. Lessor proposes to develop Amtrak's new facility as the prime anchor tenant of a 243,150 gross square foot building, including the exterior retail that would be completed and ready for occupancy by the first quarter of 1998.

B. Demised Premises:

Based upon our preliminary programming, which involved interviews and site tours of Amtrak's current operations, we estimate a total requirement of approximately 122,150 gross square feet (including the retail component), which includes the basement, plaza level, mezzanine and levels 2 and 3 of the building. Areas for existing on-site operations, regional off-site operations and future headquarters expansion space are provided.

This space, combined with levels 4 through 8 equate to a mid-rise structure measuring approximately 243,150 gross square feet (including retail space of 9,950 gross square feet). Amtrak's pro rata share of this building including retail would be 50%.

C. Initial Base Rent:

The base rent is \$2.00 per rentable square foot per month on a triple net basis, assuming occupancy in January 1998. This rent will cover construction costs and private financing debt service at current levels and development return.

D. Escalation Clause:

Lessor proposes a CPI escalation per year with a minimum 3.5% increase and maximum 6.5% increase.

E. Utilities

All such utility costs would be metered separately and billed directly to the tenant along with other operating expenses on a direct usage basis. This would also be the case for any dedicated service lines for computers, special HVAC and humidifying equipment.

F. Operating Expenses:

Building operating expenses will include Amtrak's pro rata share of building maintenance, security, taxes, and general common area expenses associated with the new facility, estimated to be \$9.00 per gross square foot (1994 dollars). This would include Amtrak's cost of maintaining its public areas, such as the ticket counter, waiting areas, baggage, and passenger concourses.

G. Tenant Improvements:

Lessor proposes an allowance of \$35.00 per rentable square foot for Tenant Improvements. Lessee would be entitled to credits should the initial building standard improvement allowance not be used in its entirety or if substitutions requested by Lessee result in lower costs. Alternatively, should Amtrak elect to pay cash for its tenant improvements a reduction in the initial base rent could be achieved.

H. Parking Rent:

Rent for subterranean employee parking will be \$100 per stall per month for approximately 115 stalls, escalating with CPI annually (minimum 3.5%, maximum 6.5%). New air quality regulations may restrict Amtrak's ability to offer parking on a reduced rate to its employees. Parking income will offset Amtrak's operating expenses. Similar to current employee parking arrangements, Amtrak employees will pay the parking operator directly. Thus, this line item is not an Amtrak cost.

I. Private Financing Parameters:

This proposal is based upon current financing rates of approximately 9.0% for permanent financing and 7.75% for construction financing.

VI. GRANT APPROACH AND IMPACTS

With regard to financing of the proposed facility, Catellus would like to prepare a joint legislative strategy with Amtrak (and the Federal Railroad Administration) for securing Congressional support for funding of the project. We believe that there is the potential of developing a broad public/private (i.e. Office of the Mayor, Caltrans, LA Area Chamber of Commerce, etc.) constituency for the project, which could be of assistance in the Congressional process. Based on Catellus' experience with the MTA in successfully securing state and federal funding for the Gateway Intermodal project, we are optimistic that there would be receptivity in Congress to the Amtrak facility as a complementary addition to Gateway Plaza. For example, we would be prepared to work closely with Senator Dianne Feinstein, a member of the Senate Appropriations Committee to secure an Appropriations earmark for the project. In recent years, we have worked directly with her staff on Union Station and Gateway issues. We also believe that the project could be well positioned in the legislative process for consideration during Congressional reauthorization of ISTEA.

Based on our current knowledge, we believe that the public portion of the Amtrak facilities could be 100% financed through ISTEA and/or specially earmarked Amtrak appropriations. These public spaces would include the majority of the plaza level uses including waiting areas, ticketing, pedestrian areas and bus/taxi/and automobile zones. We estimate these spaces to equate to approximately 25,000 square feet or 20% of Amtrak's space including retail and will cost \$5 to \$6 million to develop. Thus, a 20% reduction in Amtrak's total rent could be achieved.

Much more substantial rent savings are possible for the remaining Amtrak exclusive areas. With the proper approach, most if not all of the total capital cost for the Amtrak facility could be funded through a variety of grant sources resulting in complete Amtrak ownership. This approach, while requiring a significant lobbying effort to garner broad based political support, would obviously eliminate all annual base rental expenses. We look forward to working with you on these grant/appropriation approaches at the appropriate time.

VII. COMPARISON OF AMTRAK'S OLD AND NEW FACILITIES

A. Introduction

The new facility will eliminate the current inefficiencies of Amtrak's Union Station operations.

The following list highlights reasons for the major savings:

- 1). Defined public areas immediately adjacent to transit facilities;
- 2). Exclusive Amtrak control of public and private areas;
- 3). Energy efficient building systems;
- 4). Time and labor savings from consolidated operations; and
- 5). Decreased insurance claims due to passenger proximity to concourses.

Catellus has not made assumptions regarding Amtrak's general operating and administrative expenses at Union Station, and thus can not specifically quantify the savings involved. These potential savings are substantial as a result of a smaller and more efficient on-site work force.

A direct comparison of the operating costs from the new facility to the operating costs of the existing space at Union Station does not account for the above mentioned general and administrative ("G&A") savings to Amtrak in labor, capital equipment, and insurance savings. There are also potential increased revenues due to:

- 1). a location adjacent to the new Gateway Intermodal Center, and
- 2). increased passenger ridership "repeat customers" stemming from satisfaction with the efficiencies and amenities of the new Amtrak facility.

The latter will especially be true of passengers utilizing the San Diego to Los Angeles line. The combination of "G&A" savings and profits from increased ridership could easily surpass increased rental expenses for the new facility.

Amtrak currently leases approximately 87,000 square feet of building area and approximately 880,000 square feet of exclusive site and trainyard areas. Together, these define the Amtrak facilities at Union Station but do not include any of the common areas. The base rent for these facilities is calculated on a square foot basis for the building areas and exclusive site areas, and by a train utilization formula for the trainyard. The 1994 total budgeted base rent at Union Station is approximately \$720,000 annually. The base rent increases annually by CPI and the trainyard portion is also adjusted according to increased train utilization. There are market adjustments periodically which provide for significant increases in the exclusive building area rent.

If sufficient public and private grant financing is not available, Catellus is also willing to offset the future facility usage charges for the trainyard area. These were budgeted at \$424,000 in 1994.

Please note that Amtrak's exclusive building and site area rents ("base rent-other") will be increasing to 35% of market rent in 2001, 55% of market rent in 2006, and 75% of market rent in 2011. These increases result in Amtrak's base rent virtually doubling from 1994 budgeted levels of \$290,000 at every increase year.

B. Conclusion

Amtrak's existing rental expense equates to an effective rent of approximately \$.86 per rentable square foot per month (all rent for exclusive building and site and nonexclusive trainyard applied to building area only). The total estimated rent for 1994 for exclusive building and site and nonexclusive trainyard is \$720,000. Our designers have indicated that the Amtrak exclusive building area is only 80% efficient therefore: $87,000 \text{ gsf} \times .80\% = 69,600 \text{ rsf}$.

$$\$720,000 / 69,600 \text{ rsf} = \$10.34 / \text{rsf} / 12 = \$.86 / \text{rsf} / \text{mo}$$

This calculation does not factor the significant rent bumps that are provided for in the existing lease for years 2001, 2006, 2011, nor does it account for increased use fees for the trainyard.

The result of this analysis reveals that the new Amtrak facility base rent of \$2.00 per square foot per month is about 2.3 times the cost of existing space. This, however, does not take into account the significant operating savings, increased income potential and long term value of a new facility. As part of the next steps involved in the analysis of the proposed Amtrak facility, a detailed study of these relationships should be undertaken.

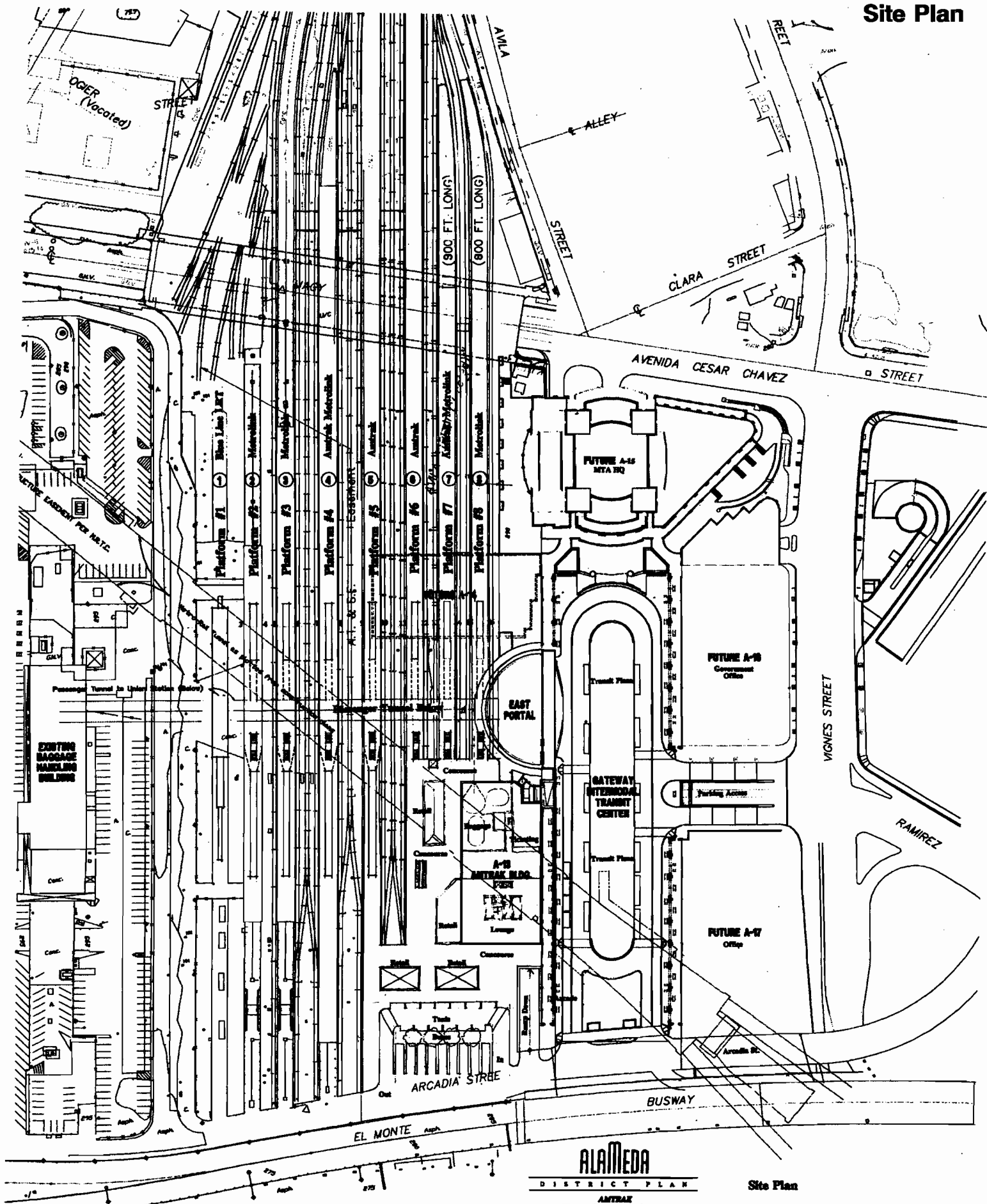
VIII. NEXT STEPS

The programming effort Catellus undertook provided some insights into the schematic design of the building. The attached cost estimate is based upon this work; however, much more needs to be done. We need further direction from Amtrak regarding the functional design issues, particularly as relates to the interior public serving spaces and Amtrak support facilities.

As a next step we request your commitment to this project in two areas. First, the continued participation by key Amtrak management in both Washington D.C. and Los Angeles will be needed. Second, a more refined design effort will be required to precisely respond to the issues of project cost, project financing and operational costs. With Amtrak's cooperation, this step will include a detailed analysis of the proposed new facility on Amtrak's general and administrative costs; and passenger revenues.

For this next step, we request Amtrak's financial support. The cost to move this project forward to a decision point will be approximately \$100,000, and we ask that Amtrak participate on a 50/50 basis, or up to \$50,000. Timing for this work would take us to October, 1994. With your consent, we would then begin to plan for your relocation, review project financing options, solidify discussions with other building tenants and obtain your commitment for occupancy by early 1998.

APPENDIX A Site Plan

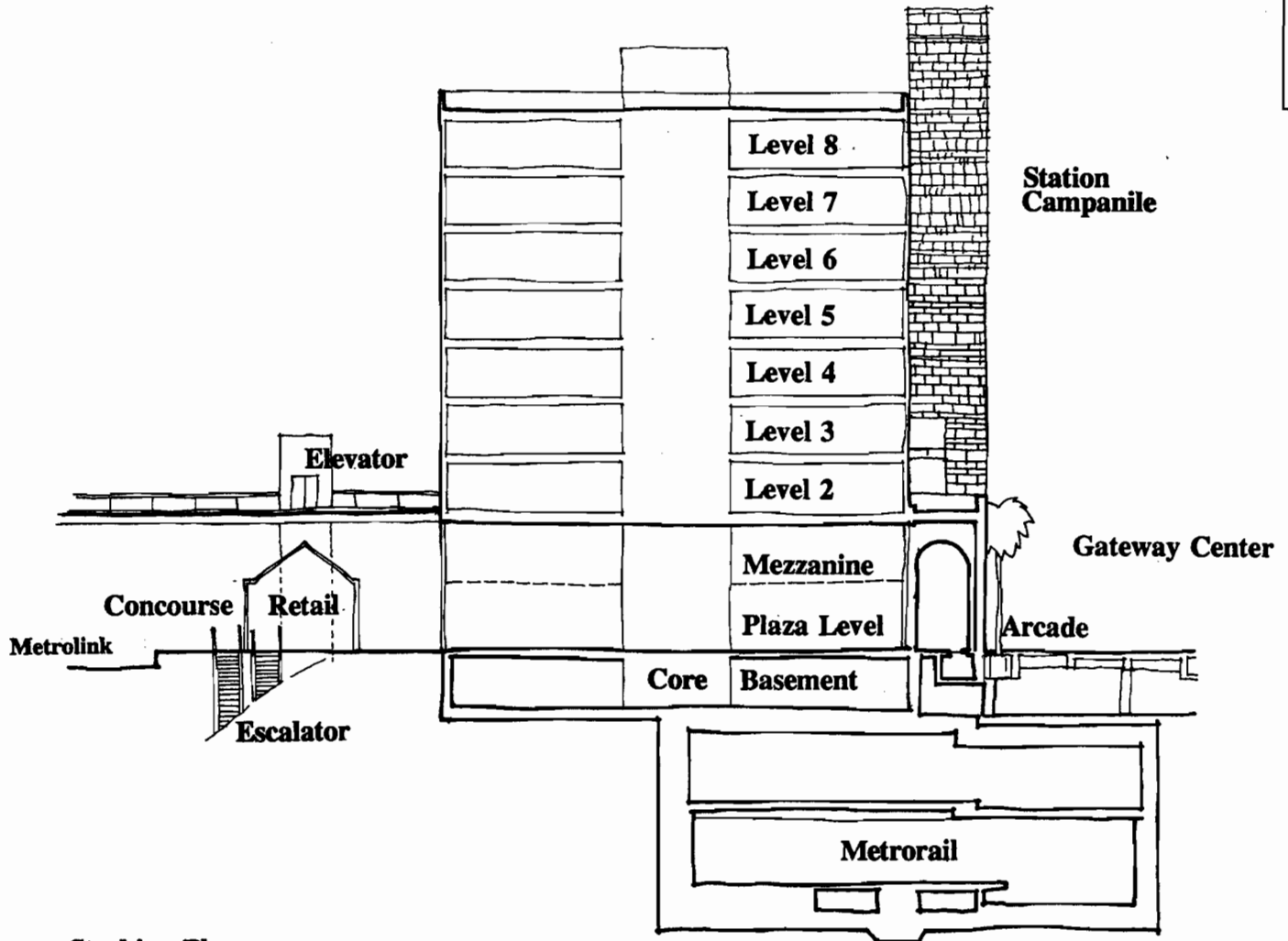


ALAMEDA
DISTRICT PLAN

Site Plan

AMTRAK
Western Regional Headquarters
Credit Management Department
Customer Service Division
San Francisco, California
May 1994

**APPENDIX B
Building Stacking Diagram**



Stacking Plan:

Plaza Level	34,150 SF
Basement Level	24,200
Mezzanine Level	15,400
Level 2	24,200
Level 3	24,200
Level 4	24,200
Level 5	24,200
Level 6	24,200
Level 7	24,200
Level 8	24,200
Total Building	243,150 SF

Available Retail	9,950 SF
Proposed Amtrak	112,200 SF
Proposed Leasable	121,000 SF
Total Building	243,150 SF

50

100

200

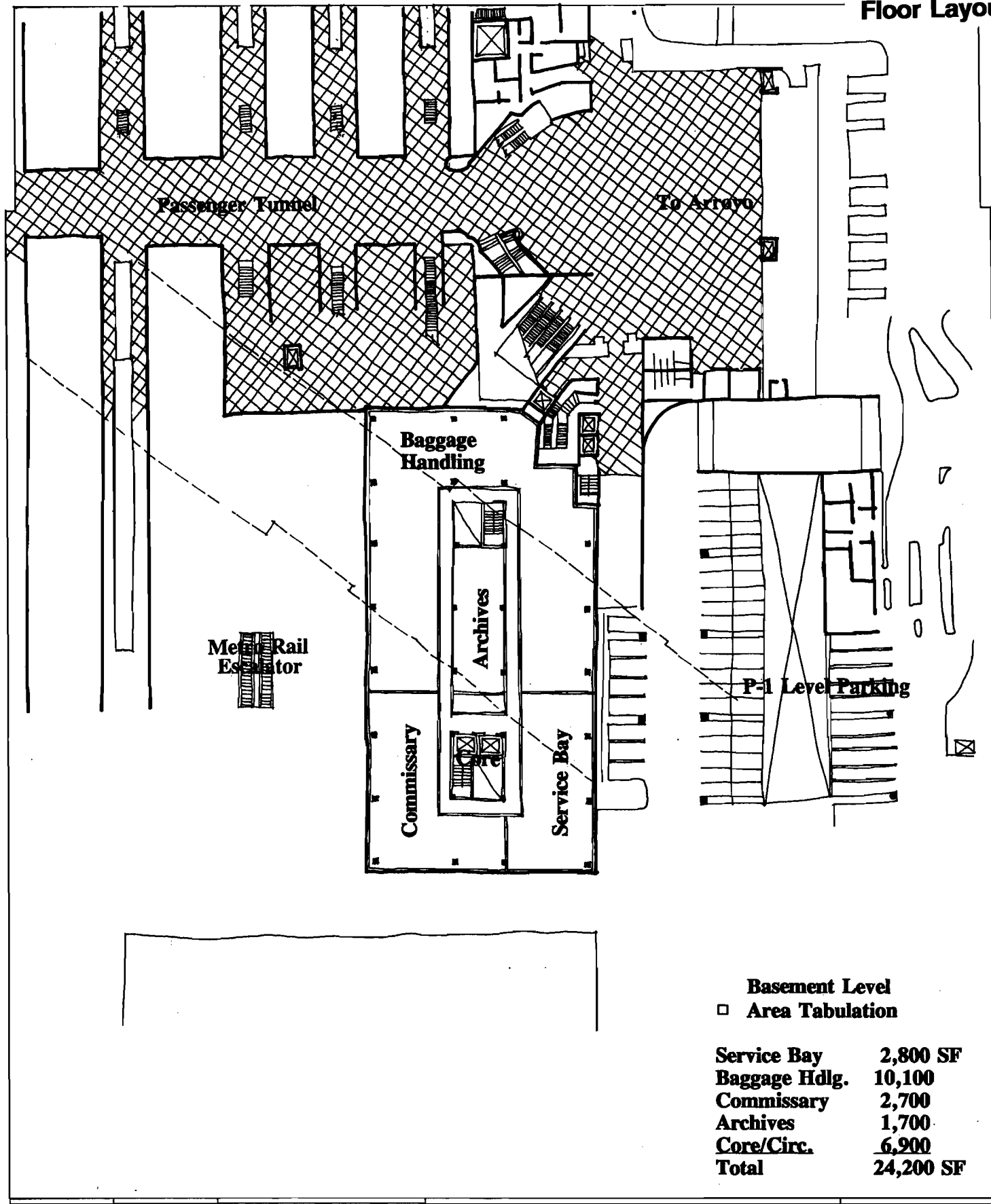
ALAMEDA

D I S T R I C T P L A N

AMTRAK
Western Regional Headquarters

Cadman Development Corporation
Castro-Bianco Placement
Khorokhanta Eckstut Architects, Inc.

May 1994



Basement Level
 □ Area Tabulation

Service Bay	2,800 SF
Baggage Hdlg.	10,100
Commissary	2,700
Archives	1,700
Core/Circ.	6,900
Total	24,200 SF



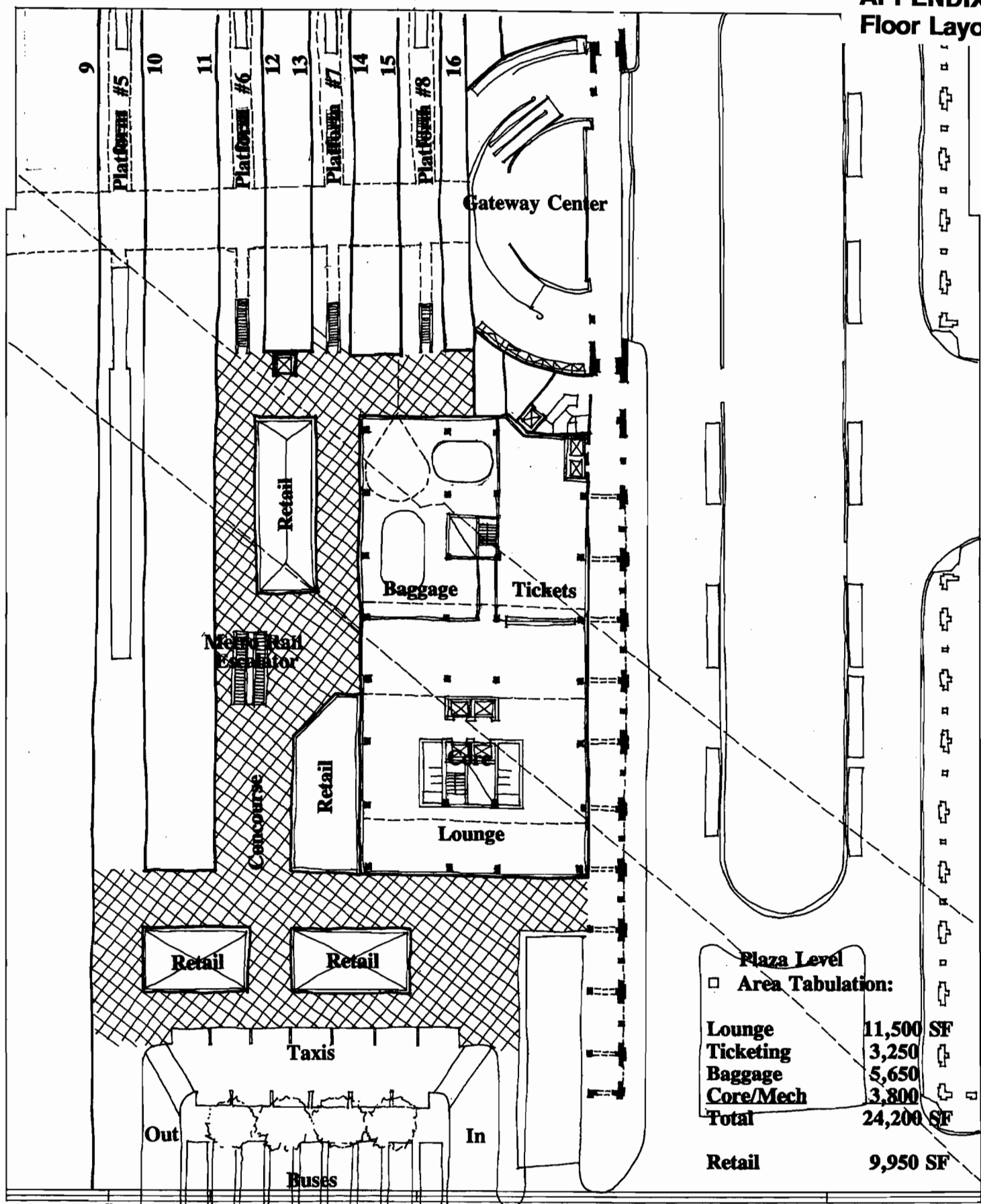
ALAMEDA

DISTRICT PLAN

AMTRAK
 Western Regional Headquarters

Catellus Development Corporation
 Castro-Albino Placemart
 Ehrenkrantz Eckstut Architects, Inc.

May 1994



Plaza Level
 Area Tabulation:

Lounge	11,500 SF
Ticketing	3,250 SF
Baggage	5,650 SF
Core/Mech	3,800 SF
Total	24,200 SF
Retail	9,950 SF



North

Arcadia St.

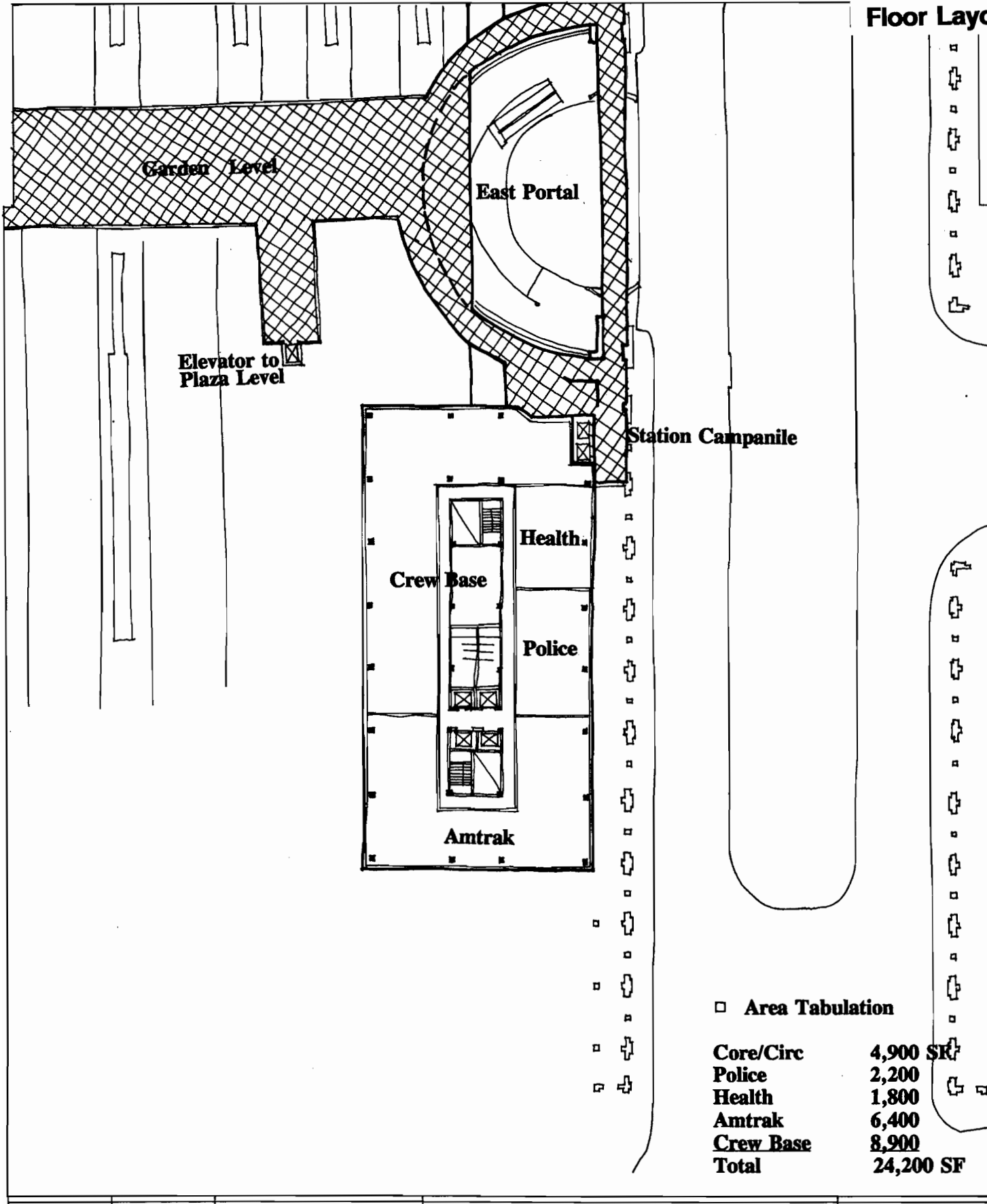
ALAMEDA

DISTRICT PLAN

AMTRAK
 Western Regional Headquarters

Castellus Development Corporation
 Castro-Blanco Pichoneri
 Ehrenkrantz Eckstut Architects, Inc.

May 1994



□ Area Tabulation

Core/Circ	4,900 SF
Police	2,200
Health	1,800
Amtrak	6,400
Crew Base	8,900
Total	24,200 SF



ALAMEDA

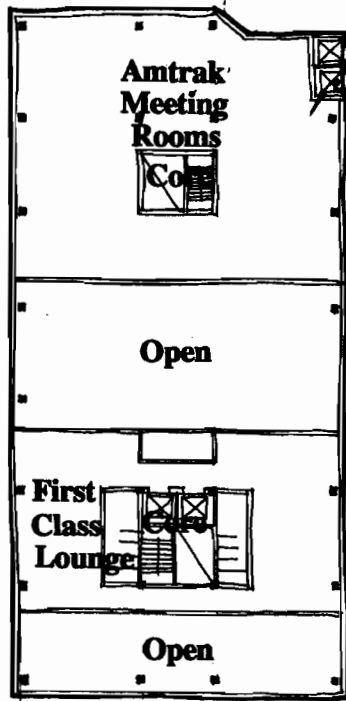
D I S T R I C T P L A N

AMTRAK
Western Regional Headquarters

Catell Development Corporation
Castro-Alonso Planners
Ehrenkrantz Eckstut Architects, Inc.

May 1994

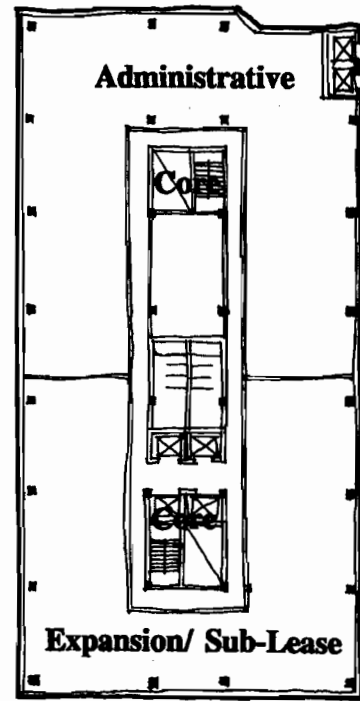
Mezzanine



□ Area Tabulation

Lounge	4,000 SF
Amtrak Mtg Rm	8,400
Core	3,000
Total	15,400 SF

Level 3



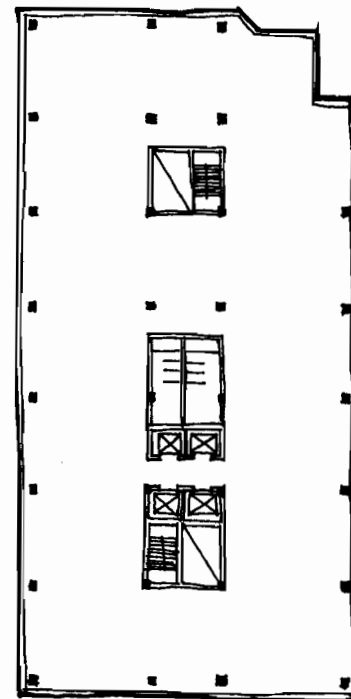
□ Area Tabulation

Core/Circ	5,000 SF
Expansion	8,500
Administrative	10,700
Total	24,200 SF

Level 4 (typical)

□ Area Tabulation

Core/Circ	5,000 SF
Leasable Space	19,200
Total:	24,200 SF



North

50 100 200 400 FT

ALAMEDA

D I S T R I C T P L A N

AMTRAK
Western Regional Headquarters

Calvin Development Corporation
Castro-Blanco Planners
Shrenkowitz Eckstut Architects, Inc.

May 1994

APPENDIX D

**NEW AMTRAK FACILITY
BUILDING PROGRAM - AMTRAK EXCLUSIVE AREAS**

B Basement Level

Core, General, Lobby & Circulation	6,900
Baggage Handling	10,000
Commissary	2,900
Archives	1,700
Service Bay	<u>2,700</u>
	24,200

1 Plaza Level

Core, General, Lobby & Circulation	3,800
Ticketing	3,250
Waiting	11,500
Baggage	5,650
Exterior Retail	<u>9,950</u>
Total Plaza with Actual	35,150

M Mezzanine

Core General, Circulation	3,000
First Class Lounge	4,000
Meeting/Conference Center	<u>8,400</u>
	15,400

2 Level Two

Core, General, Lobby & Circulation	4,900
Crew Base	8,900
Police	2,200
Health	1,800
Administrative Offices	<u>6,400</u>
	24,200

3 Level Three

Core, General, Lobby & Circulation	5,000
Administrative Office	14,700
Expansion/Sublease	<u>8,500</u>
	24,200

Amtrak Building Square Feet	112,200
Amtrak Exterior Retail Square Feet	<u>9,950</u>
Total Amtrak Square Feet	122,150

**AMTRAK PROPOSAL AT UNION STATION
 OCCUPANCY COST PROJECTION
 FILENAME: AMSUM.WK3
 DATE: JUNE 7, 1994**

TOTAL OCCUPANCY COST ANALYSIS PER RENTABLE SF

YEAR	<u>1998</u>	<u>2001</u>	<u>2006</u>	<u>2011</u>
EXISTING FACILITY	\$23.2	\$27.0	\$36.5	\$48.6
NEW FACILITY – WITH 25% GRANTS AND PERCENTAGE RENT	\$23.7	\$25.5	\$30.1	\$35.6
NEW FACILITY – ALL PRIVATE FINANCING / NO GRANTS / NO PERCENTAGE RENT	\$33.3	\$36.8	\$43.5	\$51.4

TOTAL OCCUPANCY COST ANALYSIS IN DOLLARS (MILLIONS)

YEAR	<u>1998</u>	<u>2001</u>	<u>2006</u>	<u>2011</u>
EXISTING FACILITY	\$1.6	\$1.9	\$2.5	\$3.4
NEW FACILITY – WITH 25% GRANTS AND PERCENTAGE RENT	\$2.3	\$2.6	\$3.0	\$3.5
NEW FACILITY – ALL PRIVATE FINANCING / NO GRANTS / NO PERCENTAGE RENT	\$3.3	\$3.7	\$4.3	\$5.1

MAJOR ASSUMPTIONS

EXISTING FACILITY

EFFICIENCY	80.00%
MARKET VALUE BASE RENT / RSF – 1994 \$	\$1.25
FMV ADJUSTMENTS IN 2001 (35%), 2006 (55%), AND 2011 (75%)	

NEW FACILITY – WITH 25% GRANTS AND PERCENTAGE RENT

EFFICIENCY	90.00%
MARKET BASE RENT / RSF – 1994 \$	\$1.50
RETAIL BASE RENT INCOME/ RSF – 1994 \$	\$2.00
TOTAL CAPITAL GRANTS & CASH (25% OF CAPITAL COSTS AT CONST.)	\$5,500,000
PARKING REV. (12.5% OF EXIST. CDC, '94 ANNUAL \$)	\$112,500
RETAIL PERCENTAGE RENT ('94 ANNUAL \$)	\$50,000

NEW FACILITY – ALL PRIVATE FINANCING / NO GRANTS / NO PERCENTAGE RENT

EFFICIENCY	90.00%
MARKET BASE RENT EXPENSE / RSF – 1994 \$	\$2.00
RETAIL BASE RENT INCOME/ RSF – 1994 \$	\$2.00
TOTAL CAPITAL GRANTS & CASH (25%, AT CONST. CONTRIB.)	\$0
PARKING REV. (12.5% OF EXIST. CDC, '94 ANNUAL \$)	\$0
RETAIL PERCENTAGE RENT ('94 \$)	\$0

****NOTE: THIS PROJECTION DOES NOT ACCOUNT FOR OPERATIONAL EFFICIENCY SAVINGS (LABOR, INSUR., ETC.) OF AMTRAK'S GENERAL & ADMINISTRATIVE ACCOUNTS**

AMTRAK NET EXPENSES COMPARISON @ UNION STATION (1994 – 2011)

FILENAME: AMFUTR6B.WK3

DATE: MAY 31, 1994

EXISTING FACILITY WITHOUT NEW FACILITY

YEAR PERIOD	1994 1	1998 5	2001 8	2006 13	2011 18
INCOME					
RETAIL	0	0	0	0	0
PARKING INCOME REIMBURSEMENT (MONTHLIES)	<u>55,440</u>	<u>127,237</u>	<u>141,070</u>	<u>167,547</u>	<u>198,994</u>
TOTAL INCOME	<u>55,440</u>	<u>127,237</u>	<u>141,070</u>	<u>167,547</u>	<u>198,994</u>
TOTAL INCOME PER AMTRAK BLDG. RSF (80% EFFICIENCY)	<u>\$0.80</u>	<u>\$1.84</u>	<u>\$2.04</u>	<u>\$2.42</u>	<u>\$2.87</u>
EXPENSES					
RENT EXPENSES:					
BASE RENT – FACILITY USAGE (TRAIN REVENUE)	424,130	486,699	539,612	640,890	761,176
BASE RENT – OTHER (EXCLUSIVE BLDG. & SITE AREAS)	289,765	332,512	462,534	863,258	1,398,108
PARKING RENT – MONTHLIES (STAFF COST)	55,440	127,237	141,070	167,547	198,994
RENT – OFFSITE FACILITIES (MEETING ROOMS, ETC.)	150,000	172,128	190,842	226,660	269,201
TOTAL RENT EXPENSES:	<u>919,335</u>	<u>1,118,577</u>	<u>1,334,058</u>	<u>1,898,355</u>	<u>2,627,479</u>
OPERATING EXPENSES:					
EXCLUSIVE AREA – OPERATING EXPENSES	441,610	506,758	561,852	667,304	792,547
EXCLUSIVE AREA – PROPERTY TAXES	<u>102,000</u>	<u>110,408</u>	<u>117,166</u>	<u>129,361</u>	<u>142,825</u>
TOTAL OPERATING EXPENSES	<u>543,610</u>	<u>617,166</u>	<u>679,018</u>	<u>796,664</u>	<u>935,372</u>
TOTAL EXPENSES	<u>1,462,945</u>	<u>1,735,743</u>	<u>2,013,076</u>	<u>2,695,019</u>	<u>3,562,851</u>
TOTAL EXPENSES PER AMTRAK BLDG. RSF	<u>\$21.13</u>	<u>\$25.07</u>	<u>\$29.07</u>	<u>\$38.92</u>	<u>\$51.45</u>
NET EXPENSES BEFORE FINANCING:	<u>1,407,505</u>	<u>1,608,506</u>	<u>1,872,006</u>	<u>2,527,472</u>	<u>3,363,857</u>
TOTAL EXPENSES PER AMTRAK BLDG. RSF	<u>\$20.33</u>	<u>\$23.23</u>	<u>\$27.03</u>	<u>\$36.50</u>	<u>\$48.58</u>

ASSUMPTIONS – EXISTING SPACE:

	1994					
BASE RENT – OTHER (CONTRACT) / SF/ MTH	\$0.28	\$0.28	\$0.32	\$0.35	\$0.42	\$0.50
MARKET RENT / SF / MTH	\$1.25	\$1.25	\$1.43	\$1.59	\$1.89	\$2.24
ADJUSTED FAIR MARKET RENT VALUE (FMRV) /SF/ MTH	N/A	N/A	N/A	\$0.56	\$1.04	\$1.88
PARKING RENT/STALL – CONTRACT THROUGH 1995	\$33.00	\$33.00	\$37.87	\$41.99	\$49.87	\$59.22
PARKING RENT/STALL – MARKET 1996 THROUGH 2015	\$66.00	\$66.00	\$75.74	\$83.97	\$99.73	\$118.45
PARKING STALLS – MONTHLY	140					
CPI ASSUMPTION	3.50%					
FMRV ADJUSTMENT % – 2001	35.00%					
FMRV ADJUSTMENT % – 2006	55.00%					
FMRV ADJUSTMENT % – 2011	75.00%					
EXCLUSIVE BLDG. AREA GSF	86,559					
EXCLUSIVE BLDG. AREA RSF	69,247					
PROPERTY TAX INCREASE %	2.00%					

NOTE: BASE RENT PER SF INCLUDES RENT FOR SITE AREA OF 14,264 SF

**NEW FACILITY – PUBLIC & PRIVATE SPACE – CDC OWN LAND, AMTRAK BUILDING LEASE
BEST CASE SCENARIO**

YEAR PERIOD	1994 1	1998 5	2001 8	2006 13	2011 18
INCOME					
RETAIL BASE RENT	0	274,028	303,820	360,843	428,569
RETAIL PERCENTAGE RENT	0	0	63,614	75,553	89,734
EMPLOYEE PARKING REIMBURSEMENT	0	158,358	175,575	208,527	247,665
MTA STRUCTURE PARKING – PERCENTAGE INCOME	0	129,096	143,131	169,995	201,901
OPERATING GRANTS	0	0	0	0	0
TOTAL INCOME	0	561,483	686,140	814,919	967,869
TOTAL INCOME/RSF (WITHOUT RETAIL)	0	\$5.62	\$6.86	\$8.15	\$9.88
EXPENSES					
RENT EXPENSES:					
BASE RENT – NEW BUILDING (WITH GRANT &/OR CASH CAPITAL)	0	1,650,850	1,830,326	2,173,854	2,581,856
BASE RENT – OTHER NEW BUILDING (REA OR OTHER EXTENSION)	0	0	0	0	0
PARKING EXPENSES – NEW BUILDING MONTHLIES	0	158,358	175,575	208,527	247,665
TOTAL RENT EXPENSES:	0	1,809,208	2,005,901	2,382,381	2,829,521
OPERATING EXPENSES:					
NEW BUILDING – OPERATING EXPENSES	0	908,301	1,007,050	1,196,059	1,420,543
NEW BUILDING – PROPERTY TAXES	0	214,195	227,305	250,963	277,084
EXISTING BLDG. EXCLUSIVE AREA – OPERATING EXPENSES	0	0	0	0	0
EXISTING BLDG. EXCLUSIVE AREA – PROPERTY TAXES	0	0	0	0	0
TOTAL OPERATING EXPENSES	0	1,122,496	1,234,355	1,447,023	1,697,627
TOTAL EXPENSES	0	2,931,704	3,240,256	3,829,404	4,527,148
TOTAL EXPENSES/RSF (WITHOUT RETAIL)	0	\$29.32	\$32.41	\$38.30	\$45.28
NET EXPENSES BEFORE FINANCING	0	2,370,221	2,554,116	3,014,484	3,559,280
TOTAL EXPENSES PER AMTRAK BLDG. RSF (80% EFFICIENCY)	0.00	23.71	25.54	30.15	35.60

ASSUMPTIONS – NEW FACILITY:	1994				
OFFICE MARKET BASE RENT / SF / MTH	\$1.50	\$1.50	\$1.72	\$1.91	\$2.27
OFFICE MARKET DECREASE – FROM CAPITAL GRANTS	\$0.50	\$0.50	\$0.57	\$0.64	\$0.76
RETAIL MARKET BASE RENT/ SF / MTH	\$2.00	\$2.00	\$2.30	\$2.54	\$3.02
OPERATING EXPENSES/SF/MTH	\$0.60	\$0.60	\$0.69	\$0.76	\$0.91
PROPERTY TAXES /SF/ MTH	\$0.15	\$0.15	\$0.16	\$0.17	\$0.19
LEASE EXPENSES PER PARKING STALL/MONTH	\$100.00	\$100.00	\$114.75	\$127.23	\$151.11
RETAIL PERCENTAGE RENT – YEAR 2 (94 \$)	\$50,000	\$50,000	\$57,376	\$63,614	\$75,553
PARKING INCOME TOTAL VIA CURRENT U.S. INCOME (94 \$)	\$750,000	\$750,000	\$860,642	\$954,209	\$1,133,301
PARKING PERCENTAGE RENT – AMTRAK VIA MTA GARAGE	15.00%	112500			
MARKET RENT ANNUAL INCREASE : 1994 – 1996	3.50%				
MARKET RENT ANNUAL INCREASE : 1997 – 2015	3.50%				
CPI ASSUMPTION ANNUAL INCREASE	3.50%				
PROPERTY TAX ANNUAL INCREASE	2.00%				
TOTAL BUILDING GSF (WITHOUT EXTERIOR RETAIL)	233,200				
TOTAL AMTRAK GSF (WITHOUT RETAIL)	112,200				
RETAIL GSF – EXTERIOR	9,950				
RETAIL RSF	9,950				
TOTAL AMTRAK RSF (W/ RETAIL)	109,935				
TOTAL AMTRAK PUBLIC SPACE GSF ESTIMATE	0				
NUMBER OF PARKING STALLS (1/1000)	115				

YEAR PERIOD	1994 1	1998 5	2001 8	2006 13	2011 18
SUMMARY – BEFORE FINANCING					
NET EXPENSES EXISTING FACILITY	1,462,945	1,735,743	2,013,076	2,695,019	3,562,851
NET EXPENSES WITH NEW FACILITY	N/A	2,370,221	2,554,116	3,014,484	3,559,280
NET INCREASE FROM NEW FACILITY	N/A	634,478	541,040	319,465	(3,571)
NET INCREASE FROM NEW FACILITY / RSF	N/A	\$0.48	(\$1.49)	(\$6.35)	(\$12.98)

**NEW FACILITY – PUBLIC & PRIVATE SPACE – CDC OWN LAND, AMTRAK BUILDING LEASE
WORST CASE SCENARIO**

YEAR PERIOD	1994 1	1998 5	2001 8	2006 13	2011 18
INCOME					
RETAIL BASE RENT	0	274,028	303,820	360,843	428,569
RETAIL PERCENTAGE RENT	0	0	0	0	0
EMPLOYEE PARKING REIMBURSEMENT	0	158,358	175,575	208,527	247,665
MTA STRUCTURE PARKING – PERCENTAGE INCOME	0	0	0	0	0
OPERATING GRANTS	0	0	0	0	0
TOTAL INCOME	0	432,387	479,395	569,371	676,234
TOTAL INCOME/RSF (WITHOUT RETAIL)	0	\$4.32	\$4.78	\$5.69	\$8.76
EXPENSES					
RENT EXPENSES:					
BASE RENT – NEW BUILDING (WITH GRANT &/OR CASH CAPITAL)	0	2,476,274	2,745,490	3,260,780	3,872,784
BASE RENT – OTHER NEW BUILDING (REA OR OTHER EXTENSION)	0	0	0	0	0
PARKING EXPENSES – NEW BUILDING MONTHLIES	0	158,358	175,575	208,527	247,665
TOTAL RENT EXPENSES:	0	2,634,632	2,921,064	3,469,308	4,120,449
OPERATING EXPENSES:					
NEW BUILDING – OPERATING EXPENSES	0	908,301	1,007,050	1,196,059	1,420,543
NEW BUILDING – PROPERTY TAXES	0	214,195	227,305	250,963	277,084
EXISTING BLDG. EXCLUSIVE AREA – OPERATING EXPENSES	0	0	0	0	0
EXISTING BLDG. EXCLUSIVE AREA – PROPERTY TAXES	0	0	0	0	0
TOTAL OPERATING EXPENSES	0	1,122,496	1,234,355	1,447,023	1,697,627
TOTAL EXPENSES	0	3,757,129	4,155,419	4,916,331	5,818,077
TOTAL EXPENSES/RSF (WITHOUT RETAIL)	0	\$37.58	\$41.56	\$49.17	\$58.19
NET EXPENSES BEFORE FINANCING	0	3,324,742	3,676,024	4,346,960	5,141,843
TOTAL EXPENSES PER AMTRAK BLDG. RSF (80% EFFICIENCY)	0.00	33.25	36.77	43.48	51.43

ASSUMPTIONS – NEW FACILITY:	1994	1998	2001	2006	2011
OFFICE MARKET BASE RENT / SF / MTH	\$2.00	\$2.30	\$2.54	\$3.02	\$3.59
OFFICE MARKET DECREASE – FROM CAPITAL GRANTS	\$0.00	\$0.50	\$0.57	\$0.76	\$0.90
RETAIL MARKET BASE RENT/ SF / MTH	\$2.00	\$2.00	\$2.30	\$3.02	\$3.59
OPERATING EXPENSES/SF/MTH	\$0.60	\$0.60	\$0.69	\$0.76	\$1.08
PROPERTY TAXES /SF/ MTH	\$0.15	\$0.15	\$0.16	\$0.17	\$0.21
LEASE EXPENSES PER PARKING STALL/MONTH	\$100.00	\$100.00	\$114.75	\$127.23	\$179.47
RETAIL PERCENTAGE RENT – YEAR 2 (94 \$)	\$0	\$0	\$0	\$0	\$0
PARKING INCOME TOTAL VIA CURRENT U.S. INCOME (94 \$)	\$0	\$0	\$0	\$0	\$0
PARKING PERCENTAGE RENT – AMTRAK VIA MTA GARAGE	0.00%	0	0	0	0
MARKET RENT ANNUAL INCREASE : 1994 – 1996	3.50%				
MARKET RENT ANNUAL INCREASE : 1997 – 2015	3.50%				
CPI ASSUMPTION ANNUAL INCREASE	3.50%				
PROPERTY TAX ANNUAL INCREASE	2.00%				
TOTAL BUILDING GSF (WITHOUT EXTERIOR RETAIL)	233,200				
TOTAL AMTRAK GSF (WITHOUT RETAIL)	112,200				
RETAIL GSF – EXTERIOR	9,950				
RETAIL RSF	9,950				
TOTAL AMTRAK RSF (W/ RETAIL)	109,935				
TOTAL AMTRAK PUBLIC SPACE GSF ESTIMATE	0				
NUMBER OF PARKING STALLS (1/1000)	115				

YEAR PERIOD	1994 1	1998 5	2001 8	2006 13	2011 18
SUMMARY – BEFORE FINANCING					
NET EXPENSES EXISTING FACILITY	1,462,945	1,735,743	2,013,076	2,695,019	3,562,851
NET EXPENSES WITH NEW FACILITY	N/A	3,324,742	3,676,024	4,346,960	5,141,843
NET INCREASE FROM NEW FACILITY	N/A	1,588,999	1,662,948	1,651,941	1,578,992
NET INCREASE FROM NEW FACILITY / RSF	N/A	\$10.02	\$9.73	\$6.98	\$2.85

**AMTRAK RENT COMPARABLE GOVERNMENT OFFICE:
TERMINAL ANNEX/U.S. POSTAL OFFICE SPACE**

- \$22.10 gross, full service for usable area (85% of gross area)
- Blended rate of 3 government tenants
- Expenses are \$6.92 without taxes, \$9.32 with taxes
- Tenant Improvement Allowance is \$32.24 (all over standard will increase rent)
- 3 comps in area used by appraiser ("were generous")
 - 1) Little Tokyo office*
 - 2) Chinatown office*
 - 3) Civic Center Office*

* Indicate \$19 gross today, bumping to \$21 gross in 1995

- GSA appraisal (will look into sending over rent comps, if permissible)

- So,
$$\begin{array}{r} \$22.10 \\ - 9.32 \\ \hline \$12.78 \end{array}$$
 NNN equivalent with taxes

- Or,
$$\begin{array}{r} \$22.10 \\ - 6.92 \\ \hline \$15.08 \end{array}$$
 NN equivalent without taxes

- Info via Claire on June 3, 1994

APPENDIX E - CAPITAL BUDGET
 UNION STATION / CATELLUS PROPOSAL
 NEW AMTRAK FACILITY AT UNION STATION
 (MAY 26, 1994)

SQUARE FOOTAGE ASSUMPTIONS :

AREAS	GROSS	RENTABLE
	SQ. FT.	SQ. FT.
AMTRAK PUBLIC AREAS	25,000	22,500
AMTRAK PRIVATE AREAS	87,200	78,480
SPECULATIVE OFFICE	121,000	108,900
TOTAL BLDG. SQ. FT.	233,200	209,880
EXTERIOR AMTRAK RETAIL SPACE	9,950	9,950
TOTAL SF W/ RETAIL	243,150	219,830
AMTRAK TOTAL SF W/ RETAIL	122,150	110,930
AMTRAK % OF BUILDING W/ RETAIL	50%	
AMTRAK # OF LEVELS (W/ MEZZANINE)	5	
BUILDING # OF LEVELS (W/ MEZZANINE)	9	
BUILDING EFFICIENCY	90.00%	
LAND AREA PARCEL A-13 ESTIMATE	89,150	

PROJECT COSTS:

HARD COSTS	TOTAL	TOTAL	AMTRAK	AMTRAK	ESTIMATE METHODOLOGY
	AMOUNT	\$/GSF	AMOUNT	\$/GSF	
OFF-SITE IMPROVEMENTS	2,000,000	\$8.23	1,004,730	\$8.23	PER GSF VIA INFRA. STUDY ESTIMATE
ON SITE IMPROVEMENTS	900,000	\$3.70	452,128	\$3.70	PER GSF EST. BASED ON PRELIM. ANALYSIS
CORE & SHELL	15,069,722	\$61.98	7,570,498	\$61.98	PER GSF EST. BASED ON PRELIM. ANALYSIS
PARKING (SUBTARRANEAN)	2,875,000	\$11.82	2,875,000	\$23.54	ESTIMATE @ \$25,000/STALL, AMTRAK ONLY
TOTAL HARD COSTS	20,844,722	\$85.73	11,902,356	\$97.44	
TENANT IMPROVEMENTS					
TOTAL TENANT IMPROVEMENTS	6,801,300	\$29.17	3,534,300	\$31.50	AMTRAK @\$35/RSF, SPEC. @\$30/RSF, RETAIL \$0/RSF
SOFT COSTS					
	TOTAL	% OF	AMTRAK	% OF	ESTIMATE METHODOLOGY
	AMOUNT	HARD	AMOUNT	HARD	
ARCHITECT	833,789	4.00%	476,094	4.00%	4.0% OF HARD COSTS
ENGINEER	416,894	2.00%	238,047	2.00%	2.0% OF HARD COSTS
PERMITS & FEES	816,200	3.92%	466,051	3.92%	\$3.50 / GSF
MITIGATION FEES	1,049,400	5.03%	599,208	5.03%	\$4.50 / GSF
SURVEY, TESTING & INSPECTION	208,447	1.00%	119,024	1.00%	1.0% OF HARD COSTS
ENVIRONMENTAL DOCUMENTATION	350,000	1.68%	199,960	1.68%	LUMP SUM ESTIMATE
TITLE & RISK INSURANCE	208,447	1.00%	119,024	1.00%	1.0% OF HARD COSTS
REAL ESTATE TAXES	208,447	1.00%	119,024	1.00%	1.0% OF HARD COSTS
CLOSING COSTS AND LEGAL	208,447	1.00%	119,024	1.00%	1.0% OF HARD COSTS
LEASING COMMISSIONS	784,080	3.76%	0	0.00%	NO AMTRAK COMMISSION
CONSTRUCTION MGMT. FEE	537,024	2.58%	306,641	2.58%	1.5% OF HARD & SOFT COSTS
DEVELOPMENT FEE	805,535	3.86%	459,961	3.86%	2.0% OF HARD & SOFT COSTS
CONTINGENCY	833,789	4.00%	476,094	4.00%	4.0% OF HARD COSTS
TOTAL SOFT COSTS	7,260,500	34.83%	3,698,151	31.07%	
PARCEL A-13 LAND COSTS	5,495,750		2,773,250		\$25/RSF
TOTAL PROJECT COSTS BEFORE FINANCING					
TOTAL	40,402,272		21,908,057		
TOTAL PER GSF	166.16		179.35		
FINANCING COSTS (PRIVATE)					
TOTAL CONST. FINANCING COSTS	3,393,191		1,883,476		BASED ON PRIVATE CONSTRUCTION LOAN
TOTAL CONST. FINANCING COSTS / SF	13.96		15.42		AT CURRENT RATES
TOTAL PROJECT COSTS AFTER FINANCING					
TOTAL	43,795,463		23,791,532		
TOTAL PER GSF	180.12		194.77		

June 7, 1994

MEMORANDUM

TO: Mr. Steven Hess
Catellus Development Corporation

FROM: Norman Emerson
Emerson & Associates

SUBJECT: **Potential Federal Legislative Vehicles to Provide Funding
for a New Amtrak Facility at Union Station**

In response to your request I have prepared the attached matrix of potential federal legislative vehicles to provide funding for a new Amtrak facility at Union Station. While I believe that each of these potential legislative vehicles has the potential of producing funding for a new facility, it may be necessary to pursue an incremental strategy. What this could involve is the incorporation of legislative language in one of the specific bills, in 1995, and request a specific funding earmark for the new facility the next year. The initial language could for example direct Amtrak to "substantially enhance passenger services for the Pacific Coast area of the country, by constructing a new facility at Union Station in Los Angeles, CA."

We should communicate to Amtrak that we are in position to assist them in the development and implementation of a legislative strategy to secure funding for the new facility. It is likely the Amtrak Congressional Relations staff will want to take the lead.

Please let me know if need me to provide any more detailed information for the meeting on Thursday.

Attachment

cc. Mr. Ted Tanner
Mr. Miles Huber
Mr. Rob Vogel

**Potential Federal Legislative Vehicle
to Provide Funding
for a
New Amtrak Facility
at Union Station**

Potential Legislation	Timing	Key Contacts	Comments
<i>Department of Transportation Appropriations Bill—House</i>	Annual	Rep. Julian Dixon Rep. Estaban Torres Subcommittee Staff: Del Davis	Potential project earmark for funding
<i>Department of Transportation Appropriations Bill—Senate</i>	Annual	Sen. Feinstein Subcommittee Staff: Pat McCann	Potential project earmark for funding
<i>Amtrak Investment Act Reauthorization—House</i>	1995	Rep Schenk Rep. Moorhead Subcommittee Staff: Skipp Endres	Potential project earmark for funding
<i>Amtrak Investment Act Reauthorization—Senate</i>	1995	Unknown	Potential project earmark for funding
<i>NHS Designation Act of 1994 HR 4385—House</i>	Adopted by the House May 25, 1994	Rep. Norman Mineta Rep. Walter Tucker Committee Staff: Suzanne Sullivan Subcommittee Staff: Roger Slagle	Project authorization during conference if considered by Senate
<i>NHS Designation Act of 1994 HR 4385—Senate</i>	1995	Senator Boxer Subcommittee Staff: Jo-Ellen Darcy	Project authorization
<i>National Transportation System HR 4035—House</i>	1995/96	Same as NHS legislation	Project authorization

FRA

Jolene Molitoris
Sally Cooper

Support project

Progress on Station Projects

WIDE VARIETY OF SPEED AS CITIES MAKE THEIR OWN PACE

Oakland

At press time, the existing Oakland station was still open after the previously announced closure date of May 1 came and went. Visible evidence of construction can now be seen at the new Oakland site, which should be ready early in 1995. One reason Oakland 16th Street is still open is that SP has yet to complete necessary trackwork at Emeryville. The City of Emeryville completed the station last August, but SP is far behind in completing its share of the bargain. Ultimately, there will be five tracks at Emeryville: two main line tracks, two yard tracks, and one station track. The question is only when.

Roseville

The Roseville station was dedicated on March 5, but remained padlocked due to unwillingness of Amtrak or Caltrans to pay for a station agent. The City of Roseville is reportedly negotiating with Greyhound, which sees the market in Roseville, even if Amtrak and Caltrans don't recognize it.

Del Mar/Solana Beach

The 22nd Agricultural District in Del Mar received approval from the California Transportation Commission for \$490,000 in state transit capital improvements funds to build an events-only platform immediately

has been identified, and Caltrans and city funding is to be made available. Since last fall, Caltrans has been studying the option of improving Riverbank versus moving to Modesto. The Riverbank Amtrak station will be dropped once Modesto is built.

Los Angeles Union Station

Amtrak President Thomas Downs is not pleased with a proposal by Catellus Corporation to move Amtrak out of the main station building at Los Angeles Union Station. Catellus, the owner, seems oblivious to the success of Washington Union Station, where rail passengers make a major contribution to retail sales. Amtrak passengers would still use the track platform area, but might access Amtrak facilities via a rear entrance to the basement of a proposed high-rise office tower, lessening interaction with proposed retail shops. Down's awareness of the issue is substantial and hopefully will lead to better planning.

Sacramento

Sacramento is now Amtrak's third busiest station in California, after Los Angeles and San Diego. Even so, California Transportation Commission member Jerome Lipp criticized the Caltrans proposal to spend \$1.3 million in 1994-95 on basic improvements, such as modern restrooms, because he had heard the station

existing Amtrak facility, even though Caltrans and the City of Fresno recommended restoring the historic Santa Fe passenger depot. At the urging of Commission Chair Octavia Diener, Fresno County is to sponsor the project, although some identified state funding may revert long before construction could begin.

Bakersfield

Here, Caltrans design work for a new station just west of the Santa Fe depot is well underway. However, the City of Bakersfield has again changed its mind and now wants the station built closer to the convention center, less than one mile east. That plan was abandoned a few years ago when the city lost interest. Assemblyman Jim Costa is favoring the city's position, but there are some concerns that Bakersfield could end up with nothing if Caltrans' program is halted and the other site costs too much. TRAC suggests a compromise: complete the bus transfer station as planned by Caltrans and add a convention center platform.

Capitol Agreement?

Caltrans and Southern Pacific have reached an agreement for \$66.9 M in capital improvements to a segment of the Capitol Corridor. No contracts have been signed yet, but the details