

BART, GM and Bechtel: Protecting Property Values in the San Francisco Financial District

By John Gibler

The Bay Area Rapid Transit system, or BART, has always lived a double life, split between its sleek public presentation and its unadvertised purpose. The ad campaigns and lobby efforts supporting the \$792 million bond measure of 1962 to finance the system, presented BART as a cure for traffic congestion and air pollution. The engineering reports at the time, however, plainly discussed the need for a rapid transit system not to ease traffic jams, but to protect and enhance downtown San Francisco property values and direct urban development.

BART's schizophrenia is no accident. The system was created by and for the San Francisco Bay Area's urban elite class—engineering firms, oil companies, and banks that all profited enormously from BART's unusual design. And neither the schizophrenia nor the profiteering are matters of history: BART continues to absorb about 80 percent of the Bay Area's mass transit budget, and its recent San Francisco Airport extension and the proposed San Jose extension follow upon the same split between public perception and private intent. To this day, BART remains a transit system that subsidizes land speculators and the mishaps of

engineering firms, reinforces the regional dominance of the automobile, and displaces most of the economic and environmental burdens onto low-income communities of color.

BART was the product of the Bay Area Council (BAC), initially a state-funded program to guide post-war development in the area. BAC formed a private, nonprofit organization in 1945, after its first year, and secured annual \$10,000 donations from members, such as Bechtel Corporation, Bank of America, Standard Oil of California, Pacific Gas and Electric, Southern Pacific, U.S. Steel, and American Trust Company.

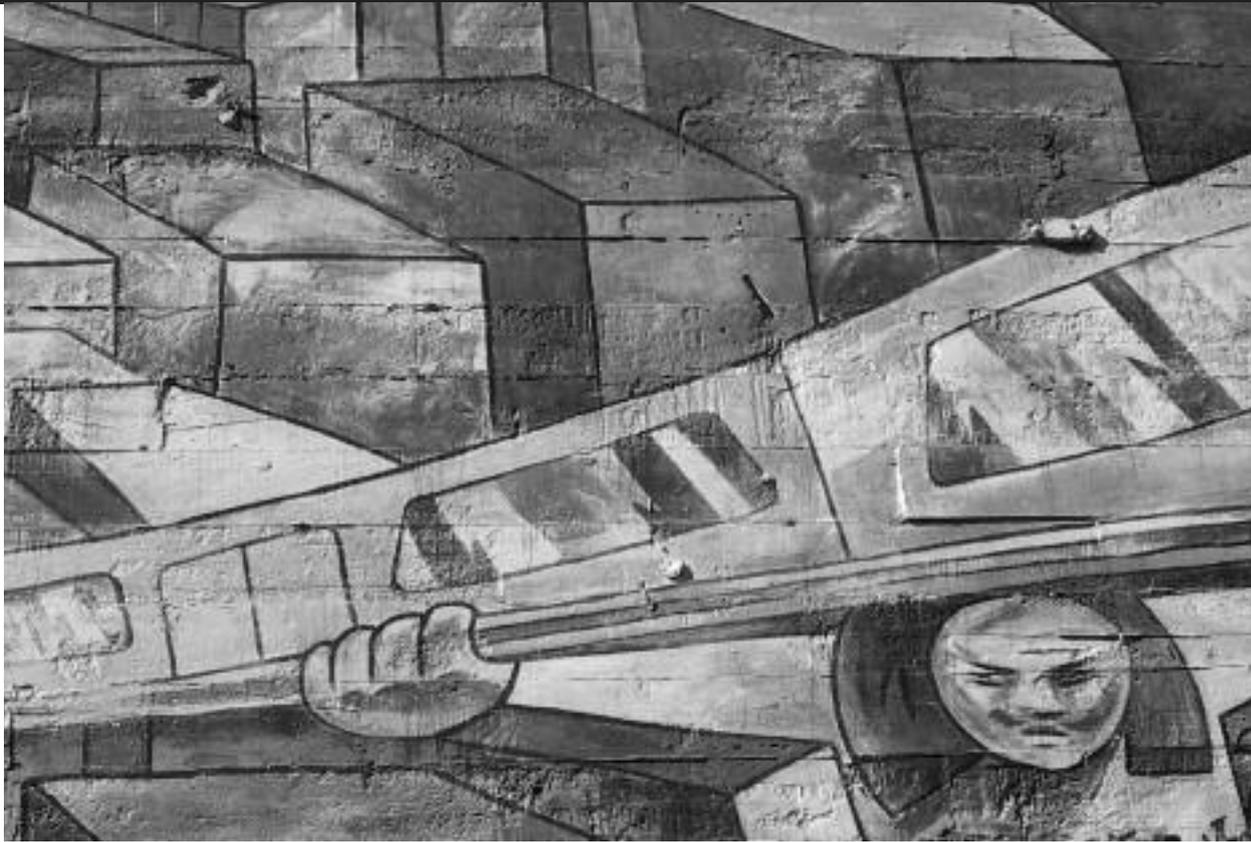
The Disappearance of the Trolleys

In the 1930s, General Motors (GM)—then the largest manufacturer of automobiles in the world—began to purchase electric transit systems in major US cities, destroy them and replace them with bus lines. GM formed subsidiaries with other companies with strong incentives for eliminating electric transit, like Greyhound, Firestone Tire and Rubber Company, and Standard Oil of California. By the end of the 1940s, GM had bought and scrapped over 100 electric transit systems in 45 cities and put gas-burning GM buses on the streets in their place. By 1955 almost 90 percent of the electric streetcar lines in the United States had been uprooted and eliminated.

GM and its partners were indicted in 1949 on charges of conspiracy to gain control of public transportation systems to

destroy competition to their oil, auto, and rubber products and conspiracy to monopolize the sale of those same products. In 1951, the United States Court of Appeals, Senate District, acquitted GM and its partners of the first conspiracy charge and convicted them on the second. The court fined GM \$5,000 and GM's treasurer, who was a principal actor in one of the subsidiary holding companies, the total sum of one U.S. dollar.

GM and its partners' actions set the stage for a century of transportation policies designed to establish and protect the hegemony of the automobile, and its reliance on oil. From the design of rail mass transit systems to freeway construction, engineering firms, auto manufacturers, and oil companies have used their position to inflate their profits while reinforcing the dominance of the automobile as the nation's principle form of transit.



Origins

In 1951, seven years before light rail lines would be removed from the Bay Bridge, BAC formed a committee to study the creation of a rapid transit system for the nine counties of the Bay Area, helping convince the state legislature to create the San Francisco Bay Area Rapid Transit Commission that same year. The BAC guided the rapid transit plan through various research and planning stages, the creation of the San Francisco Bay Area Transit District in 1957, and the 1962 bond campaign that narrowly passed, only after a successful lobby effort to count the vote over the three county area, rather than county by county, and to reduce the necessary overall vote from 66 2/3 percent to 60 percent.

Aiding in BAC's BART campaign, San Francisco's Key System of electric streetcars was purchased by the GM-controlled National City Lines in 1946. (See sidebar.) Its conversion to bus lines culminated in 1958, when the rail lines were removed from the Bay Bridge.

Throughout the campaign, BART advocates sold the project to voters as a much-needed relief program for traffic congestion and air pollution. Bechtel led the BAC Board of Trustees at the time and contributed \$5 million to a Stanford research team and later \$15,000 to the BART campaign. Bechtel joined with Parsons, Brinckerhoff, Hall, and Macdonald, the New York engineering firm brought in by BAC to conduct initial studies, and Tudor Engineering of San Francisco, to capture the

design and construction contract in a no-bid process.

Bechtel and BAC sought a publicly funded rapid transit project to provide commuter access from the suburbs into downtown San Francisco and Oakland. Such a rail line would vastly increase the property values in the downtowns, spurring the construction of high-rise office buildings in downtown San Francisco and pushing suburban growth out in the East Bay.

The locations of BART stations, combined with the inflexibility of the system, favor driving to BART, outward urban growth, and above all else, protect the property values of downtown San Francisco real estate. The predominantly African American neighborhoods in San Francisco and Oakland were either cut out or cut in half. Bayview Hunters Point, San Francisco's largest African American neighborhood, is perhaps the neighborhood with the least access to BART in the entire city.

Community groups in West Oakland and Richmond both advocated during BART's early years for a transit system that would aid in making their neighborhoods into self-sufficient communities. They called for job development within their neighborhoods rather than a transit system to take them to suburban jobs. BART proposed doing the opposite, while in the process, ripping up streets in West Oakland, forcing residents to move, and building its Richmond line on an elevated earthen mound that local critics called the Richmond "wall."

BART officials denigrated West Oakland, describing

Photo: Mural at the 24th Street BART station by Michael Rios, Anthony Machado, and Richard Montez, depicts a BART train heading from downtown and supported on the shoulders of six men. 1975. Photo © 2005 John Gibler.

it as a slum, “both to mitigate BART’s negative impacts on the community, and to argue that Blacks would benefit from better links to suburban jobs, stores, and schools,” writes Joseph A. Rodriguez in his study on BART and West Oakland community groups. “Blacks, on the other hand, argued they had chosen to live in West Oakland and that BART did serious harm to the community, and that they did not want to move or be forced to commute to suburban jobs.”

One West Oakland resident at the time said that the promise of access to suburban jobs was empty. “If we have jobs at all, they are right here.”

Building in Profits

Of the many ways that Bechtel and its partners devised to overcharge taxpayers, the most ingenious, and egregious, is only four inches long. BART’s tracks were designed and built with a width of 5 feet. The global standard for rail track width is 4 feet, 8 inches. BART stands alone in the distance between its tracks—a fact that costs Bay Area residents untold millions of dollars.

“That was the biggest mistake,” says Allan Miller, Executive Director of the Train Rider’s Association of California. “I mean, it wasn’t even a mistake. It was done purposefully, just to raise everyone’s profits. Every time you order anything for BART, you have to not only get different parts, you have to actually build the machines to build those parts. Every machine that builds the parts has to be made from scratch. That’s an incredible expense, and they’ve plagued us forever. There is no way out of it.”

Another problem with the 5-foot width of BART’s tracks is that it is not compatible with any other rail system. This makes it impossible for BART to link with Caltrain or the San Francisco Municipal Railway. It also makes it impossible for BART to use the tracks of abandoned freight lines. This is one of the reasons BART will cost about \$200 million dollars a mile to extend to San Jose, whereas Caltrain could extend along old freight lines for about \$2 million dollars.

BART was initially planned to survive on fares, but already ran a \$40 million deficit in 1974. That year, the

state legislature temporarily extended the one-half cent sales tax passed to finance BART’s construction. In 1977, the legislature made the sales tax permanent. By the late 1970s, taxpayers were paying two-thirds of BART’s costs through regressive taxation, meaning that low-income Bay Area residents were paying a disproportionate share for a system that primarily served more affluent suburban commuters.

BART not only caters to the more wealthy suburbanites, it subsidizes their driving by providing “free” parking. Free only means that the individual driver does not have to pay to park his or her car; the cost is spread out over the entire system and hence, disproportionately over low-income area residents. BART has a total of 46,000 parking spaces. The cost to operate and maintain these parking spaces is about one dollar per day per parking spot, or \$16,790,000 a year. This is an amazing subsidy for drivers, lowering the overall costs of moving further out and driving to BART.

Transportation justice activists, such as Public Advocates have denounced the subsidies to BART as part of a pattern of racial discrimination against African Americans and Latinos. (See story on page 20.) They are suing for more equitable funding, but the essential inequity of our current transportation system is built right into the infrastructure of our streets, highways, rails, and bridges by the business-first builders like Bechtel.

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John Gibler is a freelance writer on environmental and social justice issues in California, and a former policy analyst at Public Citizen.

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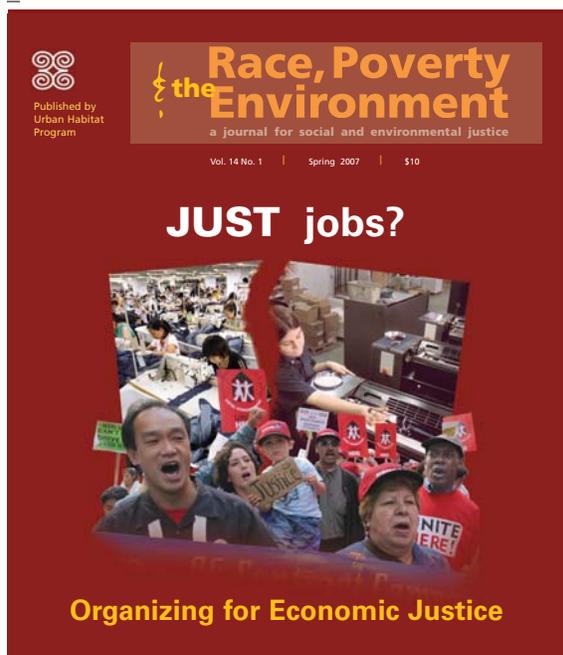
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