



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Jim Ortbal
Kim Walesh
Margaret McCahan

SUBJECT: SAN JOSE DIRIDON PARTERSHIP
AND INTEGRATED STATION PLAN

DATE: May 11, 2018

Approved

D. D. S. y L

Date

5/11/18

COUNCIL DISTRICT: 3, 6

RECOMMENDATION

- a) Adopt a resolution authorizing the City Manager to negotiate and execute the Cooperative Agreement between the City of San José, the Santa Clara Valley Transportation Authority (VTA), Caltrain, and the California High-Speed Rail Authority (“Partner Agencies”).
- b) Adopt a resolution authorizing the City Manager to negotiate and execute the Funding Agreement between the City of San José and the VTA, in an amount not to exceed \$750,000, as the City’s share of an agreement between the VTA and Arcadis/Bentham Crowell for planning and design services to develop the Diridon Integrated Station Concept Plan.
- c) Adopt the following 2017-2018 Appropriation Ordinance amendments in the General Purpose Parking Fund:
 - 1) Decrease the Unrestricted Ending Funding Balance in the amount of \$250,000;
 - 2) Increase the Transfer to the Construction Excise Tax Fund in the amount of \$250,000.
- d) Adopt the following 2017-2018 Funding Source Resolution and Appropriation Ordinance amendments in the Construction Excise Tax Fund:
 - 1) Increase the estimated revenue for Transfers and Reimbursements in the amount of \$250,000; and
 - 2) Increase the San José Regional Transportation Hub appropriation in the amount of \$250,000.

OUTCOME

As a result of these actions, the City Council is approving a framework for ensuring effective collaboration and cooperation between and among the Partner Agencies, and the initiation of work on the Diridon Integrated Station Concept Plan (Plan). The City further agrees to authorize VTA to act as the contracting authority for this effort.

May 11, 2018

Subject: San Jose Diridon Partnership and Integrated Station Plan

Page 2

Through this action, the City will commit to funding its share of developing the Concept Plan in an amount not to exceed \$750,000 through the Funding Agreement. As the project moves forward to future phases of work (e.g. final master plan/preliminary engineering and final design), it is anticipated that the City's partnership contribution amount will increase, in a manner that is commensurate with the City's roles and responsibilities, to fund our share of those phases of work. This will require City Council approval of an amended Funding Agreement.

BACKGROUND

San Jose Diridon Station is the primary transit hub of the South Bay. The station is a historic depot with transit service provided by Amtrak, Capitol Corridor Joint Powers Authority, Altamont Commuter Express (ACE), Caltrain, and VTA light rail and bus service. Later in the next decade, the introduction of Bay Area Rapid Transit (BART) and California High Speed Rail (CAHSR), along with expanded Caltrain, ACE, and Capitol Corridor and Amtrak services, will transform Diridon into one of the busiest and most interconnected facilities in North America.

In 2016-17, the City of San José participated in an initial VTA-led Station Facilities Transportation Master Plan. This initial study was framed with some initial physical, financial and operating assumptions that created the potential to limit the full integration of the various modes of transportation.

In the summer of 2017, City, VTA/County and Bay Area leaders participated in a study tour of European multimodal rail stations and adjacent urban districts. This tour, funded by the Knight Foundation and organized by SPUR, highlighted the need to think boldly, comprehensively, and long-term about the future of the station, urban redevelopment, and the multiple transportation and development projects that will intersect at the station and in the surrounding area. The insights gained in Europe reinforced lessons learned from domestic models such as Denver's Union Station. This included the importance of maximizing public value, as well as the critical need to take an integrated approach to all aspects of station planning. In addition to the station building itself, the need for an integrated approach relates to the rail and other transportation infrastructure serving the station, private development surrounding the station, and the relationship of the station with surrounding neighborhoods. Also in the summer of 2017, Google announced its interest in advancing a significant urban development within the Station area that would be effectively integrated with a Downtown environment and effectively use a robust multi-modal transportation system. This opportunity increases the likelihood of high density employment and mixed-use development being integrated with the station itself, leading to high transit ridership and use of active transportation modes to access the station.

Through these activities and regular dialogue, the Partner Agencies concluded that a new integrated planning effort would be necessary to deliver a new world-class intermodal Station, one that would function as a fundamental pillar of a more rational, seamless and user-friendly Bay Area regional transit system and the heart of a great new transit-oriented urban district.

ANALYSIS

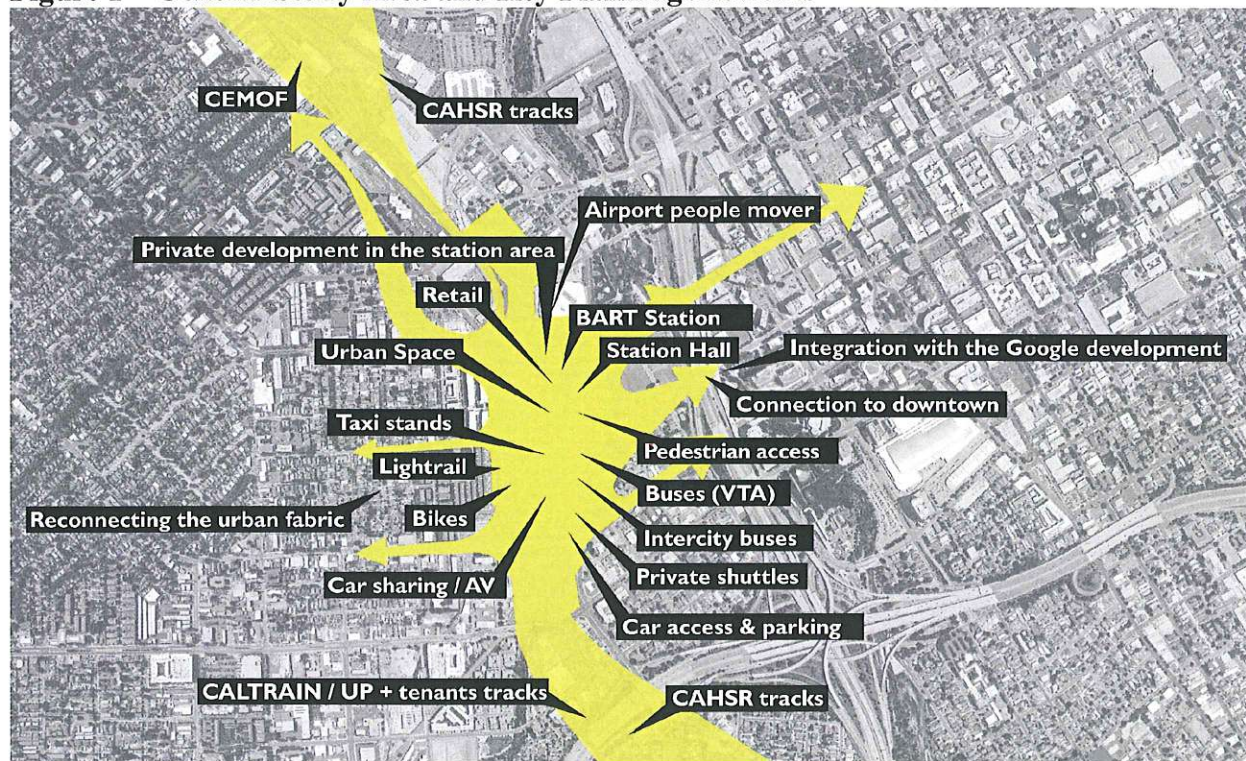
San Jose Diridon Integrated Station Concept Plan

The Partner Agencies agree that a unified vision and cohesive strategy for investments at the Station and station area will generate more value, than if the Partner Agencies planned and pursued their own transit and development opportunities individually. The Integrated Station Concept Plan is the first step in a multi-year process to fully redesign and significantly enlarge an integrated Diridon Station, and plan the relationship of the area to the Station, in anticipation of a tenfold increase in passenger volumes by the end of next decade. The Plan will:

- A. Identify the facility needs for all current and planned transportation services at the station.
- B. Develop a conceptual preferred spatial alternative for the station, one that specifies the configuration of transit modes at the station and an approximate physical envelope for the station building.
- C. Set forth an organizational model that will detail how the Partner Agencies and other key stakeholders will work together to implement the Integrated Station Concept Plan.
- D. Provide strategies for construction phasing, funding, environmental clearance, and strategies for effective operation of the future Station.

Figure 1 below frames the general study area and key elements of the current planning effort.

Figure 1 – General Study Area and Key Planning Elements



May 11, 2018

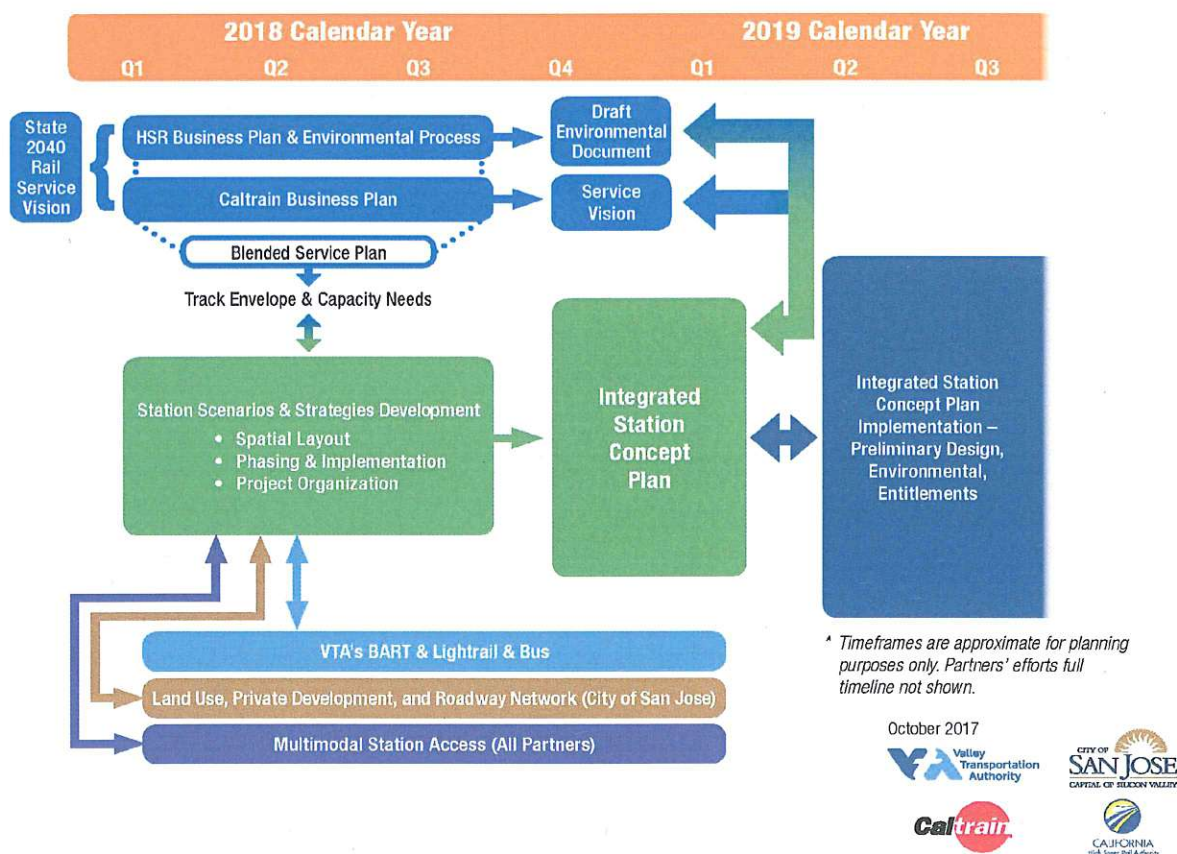
Subject: San Jose Diridon Partnership and Integrated Station Plan

Page 4

Figure 2 below shows the regional planning context in which the Integrated Station Concept Plan will be developed, illustrating how the various agencies and efforts working in the region will provide input to and interact with the development of the Plan. Each transit operator will provide its operating and design standards and requirements. Additionally, High Speed Rail and Caltrain will provide information on the Caltrain Corridor's future capacity needs in light of the 2040 State Rail Plan. VTA will provide information on the BART to Silicon Valley Phase II project, light rail, and bus operations. The City will provide plans and information on local land use, private development, the roadway network, as well as trail and pedestrian facilities.

All Partners will be involved in planning multimodal access to the Station and area, and to how to effectively connect to and enhance surrounding neighborhoods. All of these inputs will feed into the formulation of the Concept Plan, which is shown in Figure 2 below in the green boxes. The Final Plan will lead into future phases of implementation such as preliminary engineering, environmental clearance, Station design, and construction.

Figure 2: Relationship of Concept Plan to Regional and Statewide Plans and Projects



* Timeframes are approximate for planning purposes only. Partners' efforts full timeline not shown.

Cooperative and Funding Agreements

In order to facilitate preparation of the Plan, the Partner Agencies have prepared two agreements, and City staff is requesting City Council authority for the City Manager to negotiate and execute the agreements on behalf of the City. The first, a Cooperative Agreement, outlines the guiding principles of the Plan, roles and responsibilities, and general funding requirements for the Diridon Station Partnership and development of the Integrated Station Concept Plan. The second is a Funding Agreement that details the specifics of how the City will fund its share of the Plan. The initial Cooperative Agreement is expected to be in place for up to two years. For subsequent phases of work, an amendment to the proposed agreement or a new agreement will be required.

Each agency will be responsible for funding 25% of the Concept Plan. It is important to note that the Partner Agencies are pursuing grants and other funding sources individually and collectively to defray their direct costs, which is expected to result in each Agency covering less than 25% of total costs. In fact, the City has submitted two grant applications (to MTC and the State respectively) to fund portions of the Concept Plan, and the associated community outreach for the Plan, and other work occurring in the Station area.

Each agency will also be responsible for providing information related to Plan development (design standards, operational requirements, etc.), and will commit to being an active participant in meetings, concept development, document review, and public outreach and engagement. The project organization is expected to be guided by two committees:

1. Steering Committee – comprised of the City Manager/GMs/CEOs of the Partners
2. Working Committee – consisting of representatives from the Partner Agencies who are responsible for the day-to-day activities relating to the Concept Plan (e.g. directors, technical experts, etc.). Additional working committees will be formed based upon particular topic needs. All work products will be reviewed and finalized with the Partner Agencies to ensure consistency with the vision for the Station.

The Partners have developed the following Guiding Principles to ensure effective collaboration and pursuit of outcomes that are greater than the individual agencies could achieve in isolation:

- Follow the communication and organizational models and decision making process that will be agreed upon in the Plan process.
- Treat Diridon Station area as an “urban project,” the focal point of an important station-focused city-building effort, rather than simply as the location where individual transit capital projects overlap.
- Plan and design transit and station infrastructure for future capacity needs.
- Delineate the spatial needs of the station to support the rail and transit operations, while focusing on the experience of the transit and station user.
- Focus on the interaction and cohesiveness between and among transit systems, public space, and private development.

- Emphasize regional interconnectivity to expand and enhance the service provided to customers and its ability to relieve regional traffic congestion.
- Be respectful of the fact that each agency has its own projects, policies, procedures, constraints, opportunities, funding availability and sources, and schedules.
- Develop an integrated community engagement strategy for all agencies on work related directly to the station.
- Commit to the Concept Plan through final construction stage, once a plan is established.

The recommended consultant team (Arcadis/Bentham Crowell) has significant experience designing and managing complex, multi-agency transit and urban design projects. The Consultant will strategize and execute overall plan formulation and development, and lead meetings and workshops to ensure that constraints and conflicts are properly handled and resolved between the Partner Agencies, as well as facilitating decision-making at key milestones to ensure progress. The Consultant will also coordinate with additional project stakeholders, participate in City Council and Partner Agency Board meetings as needed, and participate in public outreach efforts with the Partner Agencies.

Consultant Selection

VTA, as the contracting agency for the Plan, released a Request for Proposals (RFP) in December 2017 for the Concept Plan that represents the initial phase of a multi-phased program that will guide the development of the Station through the implementation of these major transportation improvements as well as other public/private sector initiatives. Through the evaluation process, which included qualification review, proposal review, and interviews in January 2018, the partner Agencies identified the Arcadis/Bentham Crowell (ABC) team and proposal as best suited to complete the Plan. The intended selection was based on the ABC team's unmatched track record in delivering first-rate intermodal stations that work efficiently as transportation facilities and as urban destinations in their own right, as well as their ability to deliver stations cost-effectively and on schedule. The Partner Agencies also received proposals from VIA/AREP Groupe and Fosters & Partners. ABC participated in a scoping development effort in March and April 2018 to obtain consensus from the Partner Agencies on the Scope of Work and associated budget. The VTA is expected to consider award of the agreement with ABC at their June 2018 Board meeting, and needs commitments through the Cooperative and Funding Agreements prior to the actual award. Intensive work on the Concept Plan is scheduled to begin in September 2018 and continue for a total of 18 months.

EVALUATION AND FOLLOW-UP

The Partner Agencies will an update on the Concept Plan development to the City's Transportation and Environment Committee (T&E) and/or City Council at a key milestone in its development. As part of the multi-Agency approval of Integrated Station Concept Plan, the City Council will consider the Plan in 2019.

May 11, 2018

Subject: San Jose Diridon Partnership and Integrated Station Plan

Page 7

PUBLIC OUTREACH

The Diridon Station Area Advisory Group will receive periodic updates on the Concept Plan. The Diridon Joint Policy Advisory Board will receive similar updates on the Concept Plan as the T&E Committee and/or City Council. This memorandum will be posted on the City's Council Agenda website for the May 22, 2018 Council Meeting.

COORDINATION

The City Attorney's Office has reviewed this memo.

COMMISSION RECOMMENDATION/INPUT

This item does not have any input from a board or commission.

COST SUMMARY/IMPLICATIONS

Through the current action, the City will commit to spending an amount not to exceed \$750,000 in City funds for the completion of the Plan through the Funding Agreement. The anticipated cost of Phase I (Spatial Layout, Organizational Approach, Phasing) is \$3.4 million to be shared equally by the four Agencies, less any grant and other funding contributions. The Phase II component will bring the total cost to \$5.9 million, plus an additional \$600,000 in contingency. Any remaining funds from Phase I will be carried over for Phase II work.

The 2017-2018 Mid-Year Budget Review transferred \$500,000 from the General Purpose Parking Fund to the Traffic Capital Program for this purpose. This action appropriates an additional \$250,000 for Plan Development. As the project moves forward to future phases of work, it is anticipated that the City's contribution will increase. This will require City Council approval of an amended Funding Agreement.

May 11, 2018

Subject: San Jose Diridon Partnership and Integrated Station Plan

Page 8

BUDGET REFERENCE

The table below identifies the funds and appropriations to support the Partnership and Funding Agreements.

Fund #	Appn #	Appn Name	Current Total Appn	Budget Action	Amt for Contract	2017-2018 Adopted Capital Budget Page	Last Budget Action (Date, Ord. No.)
533	8999	Ending Fund Balance	\$13,814,546	(\$250,000)	NA	p. 897	02/13/2018 Ord. No. 30070
533	A096	Transfer to the Construction Excise Tax Fund	\$500,000	\$250,000	NA	N/A	02/13/2018 Ord. No. 30070
465	406S	San José Regional Transportation Hub	\$500,000	\$250,000	\$750,000	N/A	02/13/2018 Ord. No. 30070
465	R003	Transfers and Reimbursements	\$500,259	\$250,000	NA	p. 927	02/13/2018 Ord. No. 78505

CEQA

This project qualifies for a Statutory Exemption under CEQA Guidelines 15262 (Feasibility and Planning Studies). After City Council approval of the Cooperative Agreement and Funding Agreement referenced above, the City will file a Notice of Exemption (NOE).

/s/
JIM ORTBAL
Director of Transportation

/s/
KIM WALESH
Deputy City Manager
Director of Economic Development


MARGARET MCCAHAN
Budget Director

I hereby certify that there will be available for appropriation in the Construction Excise Tax Fund in the Fiscal Year 2017-2018 moneys in excess of those heretofore appropriated therefrom, said excess being at least \$250,000.


MARGARET MCCAHAN
Budget Director

For questions, please contact Eric Eidlin, Station and Access Planning Manager in the Department of Transportation, at (408) 795-1638.