



# Memorandum

**TO:** TRANSPORTATION AND  
ENVIRONMENT COMMITTEE

**FROM:** John Ristow

**SUBJECT: BART SILICON VALLEY PHASE 2  
STATUS REPORT**

**DATE:** 4/15/24

Approved

Date

4/22/24

## **RECOMMENDATION**

Accept the status report on the BART Silicon Valley Phase 2 Project.

## **BACKGROUND**

The Transportation and Environment (T&E) Committee's work plan includes reviewing annual reports on regional transportation projects. Staff previously provided a written update on the BART Silicon Valley Phase II Project ("BSV" or "Project") to this Committee on February 5, 2024.

## **ANALYSIS**

The Valley Transportation Authority's (VTA) BSV Project will extend BART regional rail service six miles from the Berryessa/North San José Station into downtown San José and terminate in Santa Clara. It will include three below-ground stations in San José, 28<sup>th</sup> St/Little Portugal, Downtown, and Diridon Station, and one at-grade station in Santa Clara adjacent to the Santa Clara Caltrain Station. Most of the alignment in San José will be underground in a single-bore tunnel containing side-by-side tracks.

### **Oversight Committee**

In October 2023, the VTA Board of Directors (BOD) established a VTA BSV II Oversight Committee to provide oversight and guidance on the project's delivery, given its size and complexity. The Committee consists of five BOD members and one Alternate BOD member; it meets on the second Thursday of each month. The VTA BSV Project Team ("Project Team") provides detailed updates to the Committee while continuing to bring regular updates to the BOD and obtain required approvals from it.

### Project Cost and Timeline

In the January 2024 Oversight Committee meeting, VTA's Auditor General presented its report on an initial assessment of the Project to date and made recommendations focusing on transparency and timely communication protocols.

In March, the VTA BSV Project Team ("Project Team") presented the results of the Federal Transit Administration (FTA) Risk Assessment workshop conducted in January to the Oversight Committee. Due to industry-wide escalation rate adjustments, the Project cost estimate was revised from \$12.24B to \$12.7B. The Revenue Start Date, the date by which the Project is projected to start passenger service, was revised from October 2036 to May 2037.

In March, VTA announced that they would conduct an updated comparison of the single-bore versus twin-bore approach to the Project, including cost, disruption, and other factors in response to public concerns about the increasing Project cost. The analysis is intended for informational purposes; VTA clearly states that the Project is advancing with the single-bore tunnel. A target completion date for the analysis is to be determined.

### Construction

In March, VTA provided an initial limited Notice to Proceed to its Tunnel and Trackwork contractor, Kiewit Shea Traylor (KST), which will start Early Works construction at the Newhall Yard/West Portal in May 2024 to prepare the site for the tunnel launch and related facilities. VTA is in coordination with City staff to obtain permits and other requirements before the start of construction. City staff will expect VTA to conduct sufficient outreach to nearby residents and businesses before construction, including PayPal Park. VTA drafted the PayPal Park Events Management Plan in June 2023 outlining how the Project would adjust truck hauling volumes and routes during PayPal Park events; the Plan is being updated to reflect the latest events calendar. Heavy construction is anticipated to begin in 2026.

In April, the BOD approved a \$491 million contract with Bechtel Infrastructure Corporation to provide Construction Management Services for the Project for ten years ending in 2034. Bechtel will provide overall construction management for all construction packages, with initial work focusing on Contract Package 2, Tunnel and Trackwork, one of four construction packages for the Project and the first one that VTA has awarded. Bechtel will bill costs to the Project as they are incurred. Annual reporting on the contract performance, including how expenditures align with milestones, would be provided by the Project Team through the Oversight Committee.

### Business Resource Program

In March, the Project Team presented the Business Resource Program to the Oversight Committee and the BOD; the Business Resource Program intends to support small businesses during the Project construction. The BOD authorized up to \$3M per year in local funding for the implementation of the Small Business Resource Program, including direct financial assistance grants during significant construction of the Project; BOD and Committee Member Mahan recommended the Project be flexible in its cap of \$10k per qualified business per year in case more money was warranted to keep an impacted business afloat.

### Federal Funding Grant Agreement (FFGA)

On March 29, 2024, VTA submitted a Request for Entry into New Starts Engineering to FTA. The Request reflects a Project cost estimate of \$12.7B; the Revenue Start Date deadline in the application is February 2039, which is inflated by 25% beyond the baseline estimate of May 2037 per FTA policy. VTA plans to submit its FFGA request to FTA in June and anticipates receiving the FFGA by November.

### 28<sup>th</sup> St/Little Portugal Station Design

In late 2023, VTA shared a change to the 28<sup>th</sup> St/Little Portugal Station design with City staff. Back-of-house facilities (BOH) were moved from underground in the station plaza area to above-ground, north of the station headhouse. The BOH would be a 2-story building with a roughly 20,000 square-foot footprint. Stringent seismic requirements to develop on top of BART facilities make such development cost-prohibitive; as a result, the above-ground BOH would not be designed to support Transit Oriented Development (TOD) above it. The changes to the BOH were made to simplify equipment access and maintenance, and reduce operating costs. The design reserved space for TOD in between the BOH and 28<sup>th</sup> St to facilitate street-level activation. In February, the Project Team brought a design update to the 28<sup>th</sup> St/Little Portugal BART Station Community Working Group and the Oversight Committee meetings. Public and Oversight Committee feedback expressed concern with the at-grade BOH detracting from the community's vision for a vibrant plaza activated by ground-floor retail in the buildings surrounding the station headhouse. In April, VTA scheduled meetings with community representatives, city staff, and the Project Team to find ways to respond to these concerns.

The City and VTA have been coordinating closely on the VTA-led Development Design Framework (DDF) for the 28<sup>th</sup> St/Little Portugal Station site and the City-led Five Wounds Urban Village Plan Update. The Five Wounds Urban Village Plan Update is an "umbrella plan" that consolidates and updates four approved urban village plans for the neighborhoods adjacent to the future 28th Street/Little Portugal BART Station. VTA will submit its DDF to the BOD for approval in Fall 2024. The City plans to bring the Five Wounds Urban Village Plan Update to City Council for approval in early 2025.

### Diridon Station Design

In late 2023, VTA shared a change to the Diridon Station design with City staff. BOH was moved from underground to above-ground, south of the station headhouse. The design reserved space along the east edge of the BOH for ground-floor retail fronting Montgomery Street. Additional modifications made at the Diridon Station, at the request of the City, include the elimination of the east emergency egress facility, which would have provided a dog-house style emergency exit within the Santa Clara Street sidewalk at the corner of Santa Clara St and Barak Obama Blvd; and the redesign of the station entrance building from circular to rectangular to better fit in with the future urban environment.

In February, the Project Team brought this design update to the Downtown and Diridon BART Station Community Working Group and the Oversight Committee meetings. City staff expressed concern that the above-ground BOH would detract from a vibrant, activated public space around

the station headhouse, either with TOD or an open plaza south of the station headhouse. BOD and Committee Member Torres expressed concern that the change would not help encourage high-density, mixed-use development around the station block.

#### Downtown San José Station Design

In late 2023, VTA shared with City staff that the Downtown San José Station main entrance would not be designed to support any TOD or public amenity on top of it; they said that TOD could be increased on the rest of the block to make up for any loss in TOD above the headhouse. This change was a result of station refinement modifications made in 2022, which increased the diameter of the station shaft in order to reduce the number of escalator switchbacks; the tradeoff was that the larger diameter made it infeasible to incorporate the structural support required to facilitate development above the station headhouse. City staff emphasized the need for the one-story station headhouse to be designed carefully to complement our downtown Santa Clara St streetscape.

Additionally, in late 2023 the project eliminated the secondary station entrance – previously planned for the north side of Santa Clara Street between 1<sup>st</sup> and 2<sup>nd</sup> Streets, following stakeholder concerns that it would provide limited utility. As a result of this elimination, various systems facilities were relocated to the primary station entrance building and to the east vent and emergency egress facility located at the northwest corner of Santa Clara St and 3<sup>rd</sup> St.

The Project continues to facilitate a connection to a future secondary entrance on the south side of Santa Clara St by including a knock-out panel and mezzanine extension in its design.

#### COORDINATION

This report has been coordinated with the Department of Public Works, Office of the City Attorney, Budget Office, and the VTA BSV Phase II team.

/s/  
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Director of Transportation

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