



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Hans F. Larsen

SUBJECT: MOU SUPPORTING
CALTRAIN ELECTRIFICATION

DATE: May 29, 2012

Approved

Date

6/6/12

COUNCIL DISTRICT: 3, 6

RECOMMENDATION

Adopt a resolution authorizing the City Manager to negotiate and execute a Memorandum of Understanding (MOU) with the California High Speed Rail Authority and other Bay Area transportation agencies to support electrification and improvement of the Caltrain system between San Francisco and San José as an early investment of the High Speed Train (HST) project.

OUTCOME

The recommended action serves to demonstrate broad based Bay Area political support for early investment of California High Speed Train funding for Caltrain Electrification.

BACKGROUND

Proposition 1A, approved by California voters in November 2008, provides \$9.95 billion to plan, build, and maintain an 800-mile statewide high-speed rail system.

In 2011, the CHSRA proposed a business plan that focused on the development of a fully separated HST service between San Francisco and Los Angeles at a cost of \$98 billion and with initial construction beginning only in the Central Valley. In response to controversy over the significant cost and limited near-term benefits of the project the CHSRA has proposed a revised business plan that reduces the cost to \$ 68.4 billion and "blends" HST service with existing commuter rail lines in the Bay Area (Caltrain) and Los Angeles basin (Metrolink). Also, CHSRA has proposed early investments for the Caltrain system that accommodate a "blended" future HST service that includes full electrification of the Caltrain Peninsula Corridor and Advanced Train Control Systems.

An MOU has been prepared between major Bay Area transit agencies and cities to identify the scope and funding opportunities for the Caltrain Improvement project.

ANALYSIS

The attached MOU (Attachment A) was crafted by the primary funding, planning and regional agencies along the Peninsula Corridor, which include the Metropolitan Transportation Commission (MTC), Santa Clara Valley Transportation Authority (VTA), San Francisco County Transportation Authority (SFCTA), San Mateo County Transportation Authority (SAMCTA), City of San José, City and County of San Francisco, the Transbay Joint Powers Authority, and CHSRA. The purpose of the MOU is to demonstrate support for a statewide high speed rail system that utilizes a blended system and operational model on the Peninsula Corridor from San Francisco to San José. The MOU sets forth a framework for the parties to collaborate and cooperate in the funding and implementation of a blended system and does not mandate the partners to fund or approve any construction. Any future project(s) along the Peninsula corridor will be analyzed under CEQA and NEPA as appropriate.

The MOU identifies near term investments for the improvement of Caltrain as follows:

- Electrification Project between the 4th and King Street Station in San Francisco and the Tamien Caltrain Station in San José.
- The addition of new vehicles (rolling stock).
- Implementation of the Advanced Train Control System project to safely and properly manage a future blended system and the operation of a more complex and congested rail corridor.

The proposed funding plan (Attachment B) includes \$1.5 billion in local, regional, state, and federal funds to pay for the electrification and advanced train control elements of the blended system. Nearly half of the proposed funding for these projects is projected to come from statewide high speed rail sources (\$600 million), and high speed rail connectivity funds (\$100 million) that are statutorily directed to local transit agencies. The remaining non-state matching funds include a mix of local sales taxes, Proposition 1B transit bond funds, Federal Transit Administration (FTA) funds, bridge tolls, and Air District funds. The MOU preserves the ability to substitute other matching fund sources that might become available in the future.

It is important to note that the MOU recognizes the need to identify corridor improvements that will accommodate future HST service in a blended configuration. At the same time the MOU does not address any future environmental clearance or alignment issues related to the California High Speed Rail project.

Other Planning Efforts

The MOU also commits the parties to describe, identify, and work to fully fund the Downtown extension to the Transbay Transit Center, new high-speed stations at Diridon Station and

Millbrae BART/Caltrain Station, and a Core Capacity project of needed upgrades to stations, tunnels, bridges, potential passing tracks, and other track modifications and rail crossing improvements.

The MOU does not affect any of the other planning efforts around Diridon. These planning efforts include the completion and adoption of the Diridon Station Area Plan which anticipates environmental clearance of the land uses surrounding the Diridon Station area in summer of 2013 as well as the release of the CHSRA Draft Environment Impact Statement /Environmental Impact Report (DEIS/EIR) which is currently expected to be released in June 2013. The MOU also does not impact any options or alternatives related to the HSR alignment issues at Diridon and possible additional study requests the City could propose.

EVALUATION AND FOLLOW-UP

The current schedule for the statewide HST project is undetermined. Assuming eventual legislative approval of Proposition 1A bond funds for the development of HST service in California, the environmental review process for both the San Francisco to San José as well as the San José to Merced project segments will proceed on a timeline and approval schedule separate from the Caltrain Modernization projects contained in this MOU.

PUBLIC OUTREACH/INTEREST

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

While the recommended action does not meet any of the above criteria, this memorandum will be posted on the City's website for the Council agenda.

COORDINATION

Preparation of this memorandum has been coordinated with the City Attorney's Office. Department of Transportation staff will present this recommendation and discussion of the MOU

HONORABLE MAYOR AND CITY COUNCIL
May 29, 2012
Subject: MOU Supporting Caltrain Electrification
Page 4 of 4

to the VTA's Diridon Policy Advisory Board on June 15, 2012, for their consideration and comment.

FISCAL/POLICY ALIGNMENT

Facilitating the electrification of Caltrain supports the City's Envision 2040 goals to enhance public transit infrastructure and services.

COST SUMMARY/IMPLICATIONS

The recommended action has no direct cost implications for the City. The MOU proposes a \$1.5 billion funding strategy for the electrification and improvement of Caltrain that uses, \$0.7 billion from CHSRA Proposition 1A bond funds and \$0.8 billion in various other Bay Area regional funding sources from local transportation agencies including the Santa Clara Valley Transportation Authority, San Mateo Transit Authority, San Francisco Municipal Transit Authority and the Metropolitan Transportation Commission.

CEQA

Not a Project, File No. PP10-066(g) Memorandum of Understanding.

/s/
HANS F. LARSEN
Director of Transportation

For questions, please contact Ben Tripousis, Manager of Regional Transportation Planning and Policy at (408) 975-3717.

Attachments

Date: March 28, 2012
W.I.: 1512
Referred by: Commission

Attachment A
Resolution No. 4056
Page 1 of 5

MEMORANDUM OF UNDERSTANDING

HIGH SPEED RAIL EARLY INVESTMENT STRATEGY FOR A BLENDED SYSTEM IN THE SAN FRANCISCO TO SAN JOSE SEGMENT KNOWN AS THE PENINSULA CORRIDOR OF THE STATEWIDE HIGH-SPEED RAIL SYSTEM

BY AND AMONG THE FOLLOWING PARTIES (PARTIES)

CALIFORNIA HIGH SPEED RAIL AUTHORITY (AUTHORITY)
METROPOLITAN TRANSPORTATION COMMISSION (MTC)
PENINSULA CORRIDOR JOINT POWERS BOARD (JPB)
SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY (SFCTA)
SAN MATEO COUNTY TRANSPORTATION AUTHORITY (SMCTA)
SANTA CLARA VALLEY TRANSPORTATION AUTHORITY (VTA)
CITY OF SAN JOSE
CITY AND COUNTY OF SAN FRANCISCO
TRANSBAY JOINT POWERS AUTHORITY (TJPA)

Recitals

Whereas, the California High-Speed Rail AUTHORITY (AUTHORITY) is responsible for planning, building and maintaining an 800-mile statewide high-speed rail system and improved mobility through the development of safe, clean, reliable rail technology; and

Whereas, the AUTHORITY, in partnership with the Federal Railroad Administration is advancing a California High-Speed Train (HST) network that links the major metropolitan areas of the State of California utilizing corridors into and through Southern, Central and Northern California; and

Whereas, the AUTHORITY has responsibility for planning, construction and operation of high-speed passenger train service in California and is exclusively charged with accepting grants, fees and allocations from the state, from political subdivisions of the state and from the federal government, foreign governments, and private sources; and

Whereas, the AUTHORITY's 2012 Business Plan proposes to incrementally develop the HST system utilizing a blended system approach that will coordinate the development and operations of HST with existing passenger rail systems that improves, enhances and expands the integration of high-speed and regional/local passenger rail systems; and

Whereas, this blended approach requires a series of incremental investments in the Peninsula corridor to prepare for integrated service and operations and the AUTHORITY recognizes the need for a collaborative effort with regional and local agencies to identify

Date: March 28, 2012
W.I.: 1512
Referred by: Commission

Attachment A
Resolution No. 4056
Page 2 of 5

early investment projects along existing rail corridors that improves service, improves safety and efficiency, and creates linkages between HST and local passenger rail service; and

Whereas, a blended system will remain substantially within the existing Caltrain right-of-way and will accommodate future high-speed rail and modernized Caltrain service along the Peninsula corridor by primarily utilizing the existing track configuration on the Peninsula; and

Whereas, this MOU is specific to project investments that upgrade existing rail service and prepare for a future high-speed train project that is limited to infrastructure necessary to support a blended system, which will primarily be a two-track system shared by both Caltrain and high-speed rail and will be designed to continue to support existing passenger and freight rail tenants; and

Whereas, local transportation improvement projects are required to be included in a Regional Transportation Plan (Plan), and the Metropolitan Transportation Commission, working closely with local agencies is charged with developing the Plan every four years to provide guidance for transportation investments within the Bay Area and with development of regional transportation strategies to address the needs of the San Francisco Bay Area; and

Whereas, on December 19, 2001, MTC adopted the Regional Transit Expansion Program of Projects (Resolution 3434) which includes the Transbay Transit Center Phase 2 Downtown Extension and Caltrain Electrification projects as regional priorities for transit expansion; and

Whereas, the Sustainable Communities and Climate Protection Act of 2008 (SB 375, Steinberg, Statutes of 2008) requires the Plan to include a Sustainable Communities Strategy (SCS), showing evidence of integrated planning, goals that establish and strengthen the crucial linkages between the economy, land use development and the regional transportation system to improve access to jobs, education, healthcare, and other amenities in ways that improve the overall quality of life in the Bay Area and the blended system on the Peninsula corridor in the California High-Speed Rail program are consistent with achieving SB 375 goals to reduce greenhouse gas emissions; and

Whereas, all Parties are involved in the planning, funding, construction and/or operation of heavy and light rail transit, buses, and/or commuter train services in the Peninsula corridor and are considering intermodal service integration, including linkages to the proposed HST service; and

Date: March 28, 2012
W.I.: 1512
Referred by: Commission

Attachment A
Resolution No. 4056
Page 3 of 5

Whereas, it is the intent and purpose of this MOU to strengthen the working relationship between the PARTIES to facilitate the development and implementation of passenger rail improvements that will improve local passenger rail service and operations while preparing designated HST corridors for eventual HST operation to achieve region wide systems integration of rail service in Northern California; and

Whereas, local transportation improvement projects are required to be environmentally evaluated according to CEQA and NEPA regulations and where necessary, existing environmental approval covering incremental improvements to the Peninsula corridor will be updated to reflect evolving local and regional conditions and concerns; and

Whereas, incremental improvements and the blended system project will be planned, designed and constructed in a way that supports local land use and Transit Oriented Development policies along the Peninsula corridor; and

Now, THEREFORE, it is mutually understood and agreed to by the PARTIES as follows:

To jointly support and pursue the implementation of a statewide high speed rail system that utilizes a blended system and operational model on the Peninsula corridor and that has it's northern terminus at the Transbay Transit Center in San Francisco as specified in law, and it's southern limit at Mile Post 51.4 at the Tamien Station in San Jose. The blended system will support and benefit operation of both Caltrain and future high speed train service.

To jointly recognize a defined set of Inter-related Program of Projects that are consistent with the AUTHORITY's phased implementation plan, are consistent with a blended system operation of the corridor and achieve objectives that include but are not limited to system capacity and connectivity for Caltrain, HST and freight, public safety, operational efficiency, effectiveness and connectivity.

To generally describe, identify and work to fully fund an Inter-related Program of Projects known as the Corridor Electrification Infrastructure Project, Advanced Signal System (also known as Positive Train Control), the Downtown Extension to the Transbay Transit Center, which is the Proposition 1A designated northern terminus of high-speed rail, new high-speed stations at San Jose Diridon Station and a Millbrae BART/Caltrain Station with a connection to San Francisco International Airport, and a Core Capacity project of needed upgrades to stations, tunnels, bridges, potential passing tracks and other track modifications and rail crossing improvements including improvements and selected grade separations required to accommodate the mixed traffic capacity requirements of high-speed rail service and commuter services.

Date: March 28, 2012
W.I.: 1512
Referred by: Commission

Attachment A
Resolution No. 4056
Page 4 of 5

To recognize that of the set of Inter-related Program of Projects, the most substantial and tangible early-investment benefits will be realized when two essential projects are identified for an Initial Investment Strategy to secure, at the earliest possible date, the benefits of the blended system for the traveling public and an Initial Investment Strategy is needed to provide the groundwork upon which future construction can more readily progress.

To recognize that the two Inter-related projects for Initial Investment Strategy are the Corridor Electrification Infrastructure Project that includes the needed rolling stock to operate revenue service; and the Advanced Signal System project and to adopt as part of this MOU, the funding plans needed to move as expeditiously as possible toward construction of these two essential projects.

To work toward the implementation of the Initial Investment Strategy to the maximum extent feasible and that the PARTIES shall endeavor to incorporate the Electrification Infrastructure and Advanced Signal System projects into their respective plans and that the AUTHORITY shall reflect this MOU in its Business Plan by December 31, 2012.

That the aforementioned projects will need to be environmentally analyzed and cleared according to CEQA and NEPA guidelines as appropriate, including updating and recirculation of the Caltrain Electrification EA/FEIR completed in 2009.

That the AUTHORITY will endeavor in good faith to secure approval and release of \$ 600 million of Proposition 1A funds and \$106 million of Proposition 1A "connectivity" funds consistent with the funding plans contained in this MOU as required to complete at the earliest possible date, the Corridor Electrification Infrastructure and Advanced Signal System projects.

That the AUTHORITY will endeavor in good faith to secure approval of Proposition 1A "connectivity" funds for Bay Area project sponsors consistent with and in accordance with the schedule and project expenditure plan approved and as amended by the California Transportation Commission.

That the AUTHORITY will work with funding partners to assist in seeking and releasing the funds necessary to implement the Electrification Infrastructure Project and Advanced Signal System project. Local agencies may provide local funds, real property, or in-kind resources as matching funds where matching funds are required to qualify for grant funds. PARTIES agree to work together to identify the appropriate amounts and types of local resources that may be used to support the completion of the Electrification Infrastructure Project and the Advanced Signal System Project.

Date: March 28, 2012
W.I.: 1512
Referred by: Commission

Attachment A
Resolution No. 4056
Page 5 of 5

That the AUTHORITY and appropriate PARTIES will coordinate to obtain funding using a mutually agreed-upon strategy. In the event that funding for the program is constrained by statute, recession of existing law, change in funding requirements or eligibility, reduction in funding level or availability, the AUTHORITY and the PARTIES shall takes steps notify each other as needed in a timely manner.

FUNDING PLAN

Program Costs and Proposed Funding for Peninsula Corridor Projects: Electrification and Advance Signal System

Program Costs <i>(in \$ millions, year of expenditure)</i>	
Advance Signal System / Positive Train Control (PTC)	\$231
Electrification and Electric Multiple Units (EMUs)	\$1,225
Total	\$1,456

Program Funding <i>(in \$ millions)</i>	
Source	Amount
JPB Contributions	\$180
JPB Local - Currently Available	\$11
Caltrain PTC	\$4
Subtotal Local	\$195
Prop 1A Connectivity	\$106
Prop 1A High Speed Rail Authority	\$600
Prop 1B Caltrain	\$24
Subtotal State	\$730
Federal RR Admin. for PTC	\$17
Federal Transit Admin prior/current obligations	\$43
Federal Transit Admin future obligations	\$440
Subtotal Federal	\$500
MTC Bridge Tolls	\$11
BAAQMD Carl Moyer	\$20
Subtotal Regional	\$31
Total	\$1,456

See Next Page for Notes.

Funding Plan Notes:

1. Caltrain Joint Powers Board (JPB) Local Contribution is \$60 million from San Mateo sales tax, \$60 million from VTA sales tax, and \$60 million from San Francisco (\$23 million from sales tax, \$37 million from Regional Transportation Improvement Program (RTIP)/local/other). Each agency's contribution, including Proposition 1A Connectivity funds as outlined in Note 2, is contingent upon the \$60 million each from the other two JPB partners.
2. Prop 1A Connectivity is \$42 million from Caltrain, \$26 million from VTA, and \$38 million from BART (2nd priority for BART after receipt of \$150 million for railcars).
3. Prop 1B Caltrain is \$20 million Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA), \$4 million State-Local Partnership Program (SLPP).
4. FTA Prior/Current Obligations is \$16 million for electrification in prior years, \$27 million for EMUs in FY12.
5. FTA Future Obligations is \$315 million for electric multiple units (EMUs), \$125 million from fixed guideway caps. Funds will be programmed in accordance with MTC Transit Capital Priorities process between approximately FY2012-2013 and FY2022-2023.
6. Bridge Tolls is from Regional Measure 1 (RMI) West Bay Rail Reserve.
7. Bay Area Air Quality Management District (BAAQMD) funds to be confirmed.
8. Assumes that all local sources, Prop 1B PTMISEA, all federal sources, and bridge tolls can be used as match to Prop 1A funds, totaling \$726 million in matching funds for \$706 million in Prop 1A funds.
9. Other potential future funding sources could be substituted if secured, including federal Transportation Investment Generating Economic Recovery (TIGER) funds (such as current Caltrain application for \$44 million), State Interregional Transportation Improvement Program (ITIP) funds, and private financing.