

Downtown Extension Project Expert Panel

DRAFT Recommendations Update

Agenda Item 11

June 25, 2019

Introduction

The SFCTA convened a multidisciplinary expert panel to **review and evaluate both current and alternative options** for:

- **Governance and oversight**
- **Funding/finance**
- **Project delivery**

to enable successful management and delivery of the Downtown Extension (DTX) – or “Rail Program”

Expert panelists

Ignacio Barandiaran

Arup, Principal

Francisco Fernandez

SENER, Project Manager

John Porcari

WSP, President, US Advisory Services

Geoff Yarema

Nossaman, Partner

Lou Thompson

Thompson Consulting

Karen Trapenberg Frick

Associate Professor of City and Regional Planning, UC Berkeley

Howard Permut

Permut Consulting

Jose Luis Moscovich

IDS, Managing Director

Alvaro Relano

SENER, Project Manager

John Fisher

WSP, Northern CA District Manager

Key Stakeholders Involved

TJPA



SFCTA



Caltrain JPB



CHSRA



SF Mayor's Office



MTC/BATA



AC Transit



SFMTA



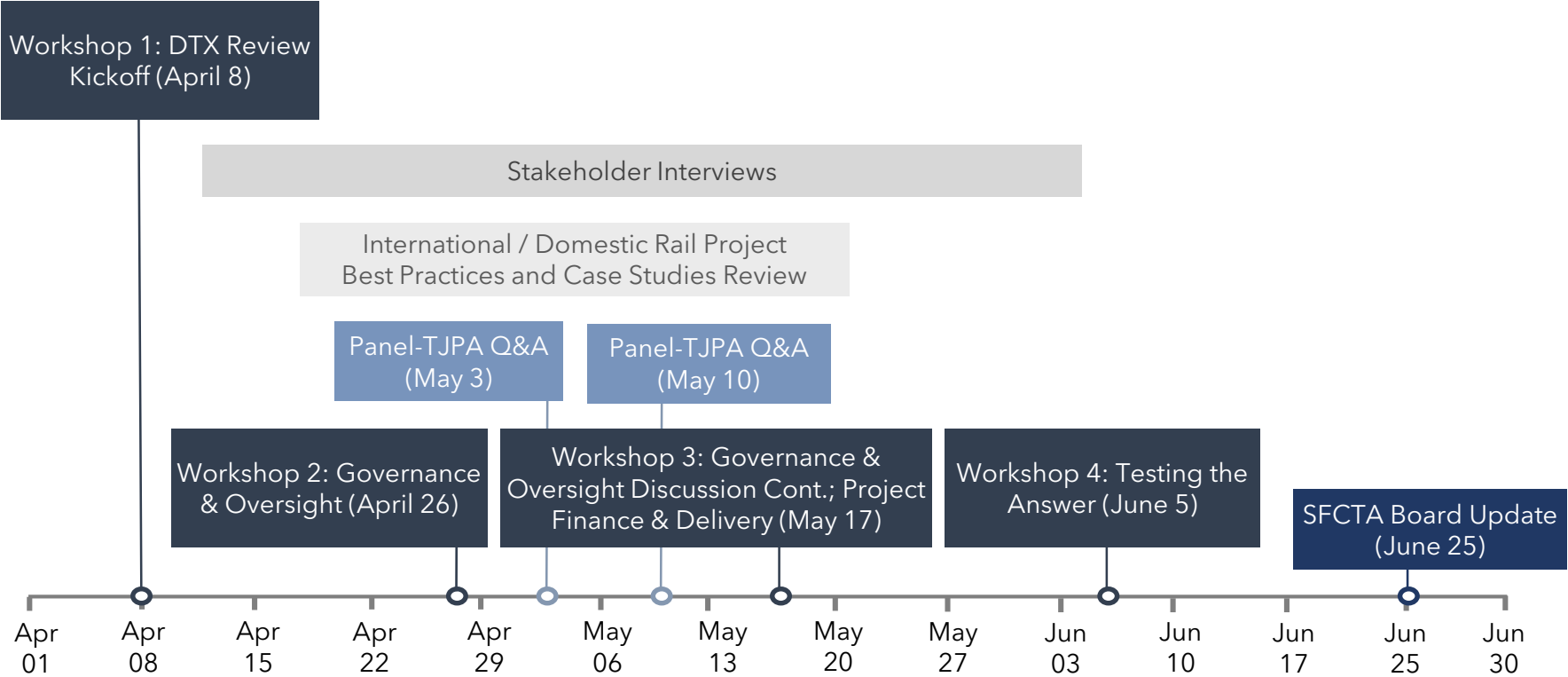
SPUR



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Methodology and Schedule



Introduction: Panel Recommendations

The expert panel saw its role as focusing on technical and policy issues and sought to be independent and objective in its approach.

Key Finding:

The DTX Rail Program offers critical mobility value to the Bay Area-Gilroy-Sacramento mega-region, state and country, and it should continue to be actively and aggressively pursued, albeit with important refinements and with an emphasis on:

- **Transparency**
- **Accountability**
- **Ensuring rail service is realized at Salesforce Transit Center (STC) as soon as possible**

Initial Recommendations - Rail Program Re-positioning (1/2)

- **Re-position the Rail Program** such that it is developed and delivered by a highly collaborative inter-agency team and viewed as a “project of REGIONAL and NATIONAL significance”
- **Re-define Program value proposition** as critical connectivity link for current and future developing megaregional and state rail services - Caltrain, Muni, BART, CAHSR - and serve as planning platform for future connections like a new Transbay Rail crossing, Diridon intermodal station and new Dumbarton rail service
- **Re-name the Program and the series of complementary projects** that include 4th/King, Pennsylvania Avenue and possible new Caltrain yard to reflect this regional priority and its new positioning

Initial Recommendations - Rail Program Re-positioning (2/2)

- **Secure long-term, durable support** of key local, regional, state, and federal elected officials and stakeholders
- **Engage the public directly** to build program support and advance social equity, environmental, economic development and other regional goals
- **Identify and empower** internal and external program champions to drive progress
- Agree on project scope with Caltrain, CHSRA and other possible rail operators

Initial Recommendations - Rail Program Funding

- **Strengthen the program's strong claim** on revenues from existing and emerging sources
- **Re-evaluate and strengthen existing funding plan** to:
 - Separate high confidence level from low confidence level revenue sources
 - Establish an affordability limit for the initial operating phase
 - Seek new grant opportunities to support development
- **Establish a credible long-term financial plan, with stakeholder input**, to secure the amount and timing of capital and operating funding needed to deliver each element of the program, accommodating capacity and operational needs over time

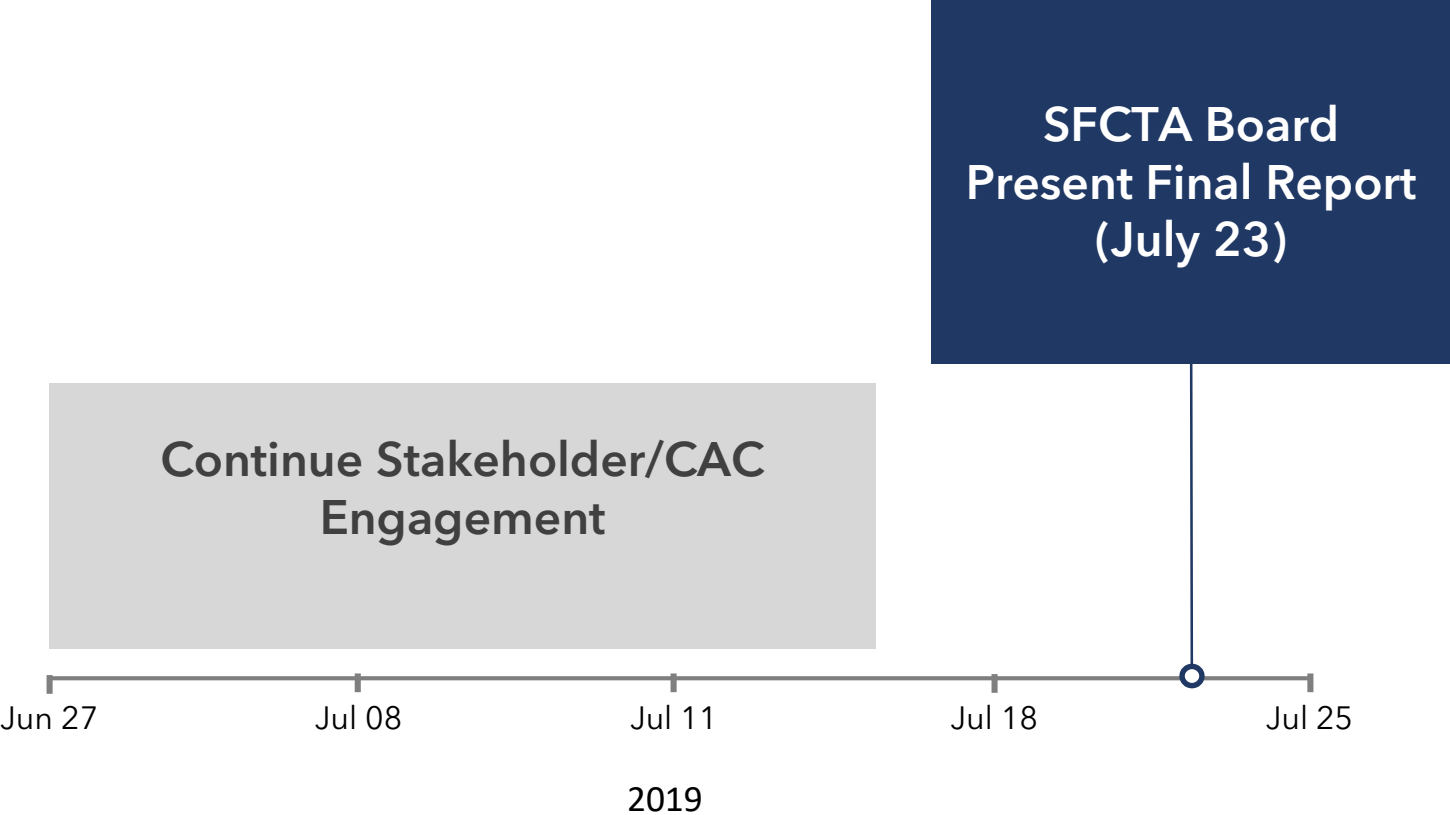
Initial Recommendations - Rail Program Governance and Oversight

- **Reviewed governance and oversight** best practices, models and lessons learned from similar mega-project experience and program case studies
- **Identified key criteria for organizational success**, including board and executive team roles and responsibility; leadership and engagement; continuity of key positions; reporting and transparency; staffing levels/mix and capacity; organizational culture; funding/financing, delivery expertise, risk management and rail operations expertise
- **Still evaluating, with stakeholder input**, various models against these criteria and intend to provide findings and recommendations at the July 23rd Board meeting

Initial Recommendations - Rail Program Project Delivery

- **Conduct a structured market sounding program** to gain direct input on technical, financial, operational interface and risk drivers from the private sector
- **Perform a robust delivery options analysis** considering Design-Bid-Build (DBB), Design-Build (DB), Design-Build-Maintain (DBM) and Design-Build-Finance-Maintain (DBFM) to determine which combination optimizes “value for money”
- **Scope preliminary engineering** to align with selected project delivery method and revised available funding to mitigate cost/schedule risk and support an initial operating phase
- **Finalize and incorporate comprehensive agreements** with Caltrain and CHSRA, on issues such as project scope, operations specifications, capacity requirements, and amount and timing of capital and O&M funding

Next Steps



Questions?
