

# Downtown Extension Project Expert Panel

## Final Report Summary of Recommendations

SFCTA Board Meeting  
October 8, 2019

# Key Stakeholders Involved

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TJPA



SFCTA



Caltrain JPB



CHSRA



SF Mayor's Office



MTC/BATA



AC Transit



SFMTA



SPUR



CCSF



## Expert panelists

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**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

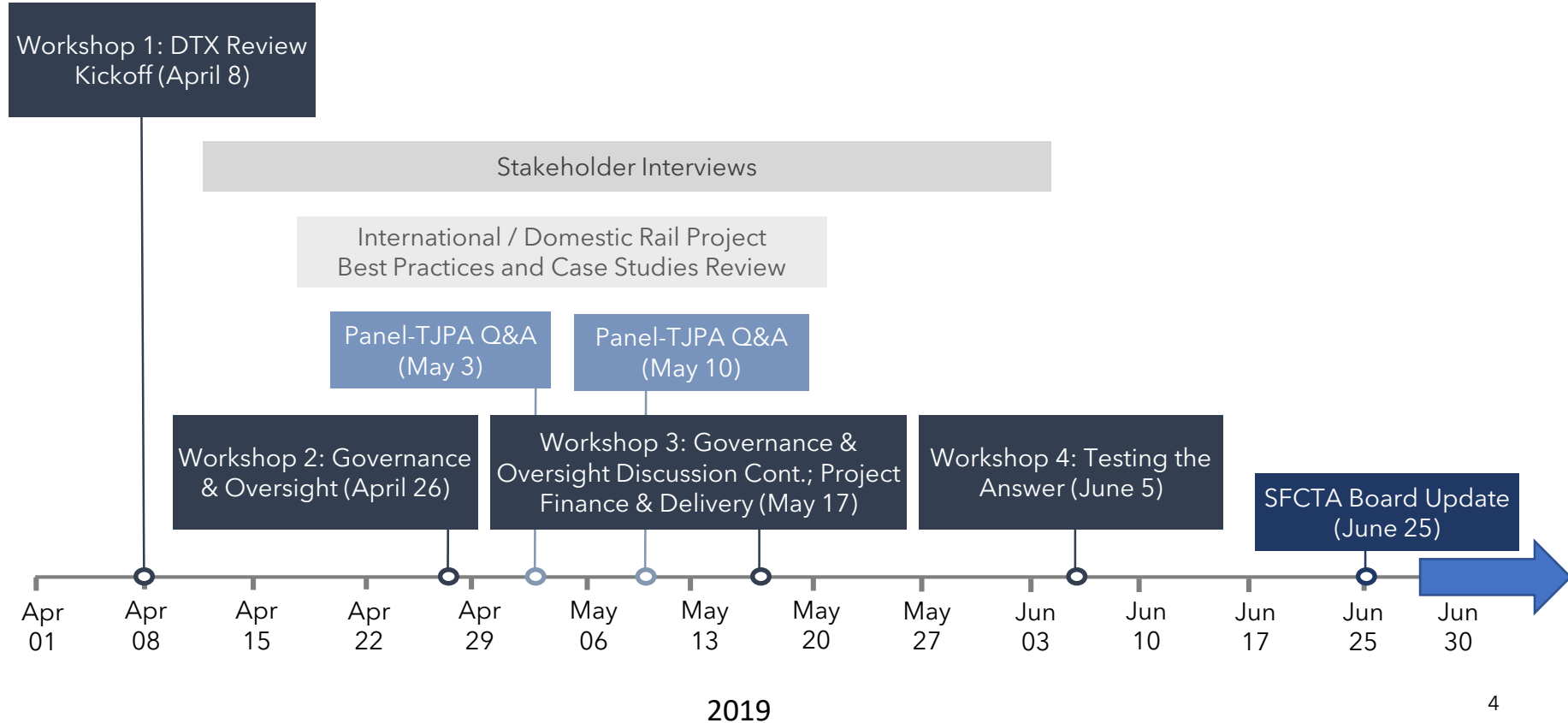
**Alvaro Relano**

SENER, Project Manager

**John Fisher**

WSP, Northern CA District  
Manager

# Methodology and Schedule



# Final Recommendations

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The Expert Panel's final recommendations are focused around five key areas:

1. Program Positioning
2. Governance, Management and Oversight
3. Funding and Financing
4. Program Definition and Phasing
5. Program Development and Delivery

All elements of the Panel's recommendations, key findings and methodology are described in more detail in the Final Report. In addition the Panel has developed a recommended 2-year workplan to advance these recommendations.

# Rail Program Re-positioning (1/2)

## Recommendations

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- **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 4<sup>th</sup>/King, Pennsylvania Avenue and possible new Caltrain yard to reflect this regional priority and its new positioning

# Rail Program Re-positioning (2/2)

## Recommendations

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- **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

# Governance, Management and Oversight

## Recommendations (1/5)

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Refocus the responsibilities of the TJPA's management team, as currently constituted or in a refined form, on:

- **Closing out the Salesforce Transit Center design and construction contracts and any outstanding claims**
- **Resolving potential third-party liabilities associated with the Salesforce Transit Center and related facilities**
- **Operating and managing the **STC** and related facilities**



# Governance, Management and Oversight

## Recommendations (2/5)

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Subject to direction on policy and legal issues, enter into a memorandum of understanding (MOU) among the TJPA, Caltrain, MTC, CHSRA, and SFCTA pursuant to which:

- Day-to-day responsibility and staffing of DTX program and program level decision-making authority would be transferred to an **Integrated Program Team (IPT)**
- Transfer would become effective **no later than end of calendar year 2019**, with an appropriate IPT management structure and brief based on rail megaproject development and delivery best practices
- **The IPT would be composed of staff seconded from or recruited by MTC, SFCTA, TJPA, CHSRA, and Caltrain, with proven leadership, organizational acumen, and relevant experience** in delivering tasks in the transitional 2-Year Work Plan, with additional support as needed

# Governance, Management and Oversight

## Recommendations (3/5)

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The IPT actions would be subject to an **organizational matrix specifying approvals the IPT would** need for decisions and reporting to the TJPA Board through:

- An **Executive Steering Committee** (ESC) comprised of the Executive Directors of IPT member agencies, with the ability to appoint a **technical advisory committee (TAC) or group of deputy directors** reporting to the ESC to advance decisions / provide oversight of project funding and delivery
- An **IPT program director** reporting to the ESC with management responsibility of all activities contemplated in the 2-Year Work Plan

# Governance, Management and Oversight

## Recommendations (4/5)

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- **Explicit requirement of concurrence by MTC, SFCTA, Caltrain, and CHSRA** on at least the following key items, without which the TIPA could not act and funding contributions could not flow into the project:
  - **Recruitment and selection of an IPT program director** with demonstrated experience planning and delivering urban rail megaprojects
  - **Scoping of the study** to produce the definition of an initial phase and final phase of the Rail Program, its optimal delivery methodology, and a clarification of the relationship to the larger regional rail context
  - **Approval of the study** once finalized
  - **Development of the funding and financing plan within affordability limits** to ensure delivery of the initial rail access to the STC at the earliest possible time, ensuring access for high-speed rail service when needed
  - **Resolution of design criteria across operators**
  - **Determination of operation and maintenance responsibilities**
  - **Selection of a Lead Agency and Project Manager for the delivery phase after the 2-Year Work Plan is complete**, with demonstrated experience in planning and delivering urban rail megaprojects including tunnel structures

# Governance, Management and Oversight

## Recommendations (5/5)

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The IPT would:

- **Execute the two-year workplan**, which outlines the activities necessary to reposition the Rail Program and advance it to either:
  - Procurement (if delivery model is DB, DBM or DBFM)
  - Prepare for final design (if Design-Bid-Build)
- **Establish the final management structure for project delivery**

**The IPT would be structured to operate with transparency**, to ensure better decision-making at all levels and **to build public confidence in the program.**

# Funding and Financing Recommendations

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- **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
- Provide **clear direction to Congressional Delegation** on program benefits and eligible sources of federal funds/financing support for the program

# Program Definition and Phasing

## Recommendations

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- **Establish an Initial Operating Phase** that will achieve Caltrain rail service to the STC (and accommodate CHSR) by a date certain (2028) set by stakeholders, and within a budget supported by higher confidence level revenues
- This initial phase would be **consistent with NEPA/CEQA approvals** and maintain eligibility with FTA and other federal funding programs and incorporate a new risk adjusted cost estimate
- Conduct a **new systems capacity and operations analysis** for Caltrain and CAHSR to help inform capital/operational needs and timing of these investments with a goal of developing funding and operational agreements with both operators as soon as feasible
- Initiate **planning process with other related adjacent projects**, including potential long term service connections with a second Transbay crossing

# Program Development and Delivery Recommendations

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- **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

# 2-Year Workplan

Re-define the program, identify the governing entity, and select delivery method.

Task	Description	2019		2020				2021	
		Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
	<i>Decision: path forward informed by expert panel recommendations</i>	◆							
(0) Establish ITP, Transition Plans, and Stakeholder Engagement Plan	Workshop(s) based on expert panel recommendations, allocate roles/responsibilities, and development of agreements and inter-agency staffing plan								
	<i>Decision: adopt plans and agreements for transitional governance, IPT staffing, and stakeholder engagement plan</i>		◆						
	On-going Rail Program management and stakeholder engagement								
(1) Re-Definition of a Fundable and Deliverable Rail Program	Develop Project Definition, Funding Plan, and Phasing Plan for the Rail Program's components, coordinated with related projects (eg, PAX, Rail Yards, 22 <sup>nd</sup> St. Station)								
	<i>Decision: select project definition, phasing, and funding</i>				◆				
	On-going development of technical and funding studies								
(2) Final Institutional Arrangement	For the final institutional arrangement: define responsibilities, governance and oversight plan, agreements, performance management plan, KPI's, and staffing plan								
	<i>Decision: adopt plans and agreements for final institutional arrangement for project delivery, including organizational structure and staffing</i>						◆		
	Transition and implementation of final institutional arrangement and organization, as applicable								
(3) Selection of Project Delivery Option	Delivery options analysis incl. market sounding, risk workshops, business case, procurement framework, and operator agreements								
	<i>Decision: select delivery option for the Rail Program's initial operating phase</i>							◆	
(4) Start of Procurement	Start procurement tasks as applicable based on selected project delivery method and led by final institutional arrangement								◆



# Thank You

# Questions?

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