

Diridon TOD and Business Case Update

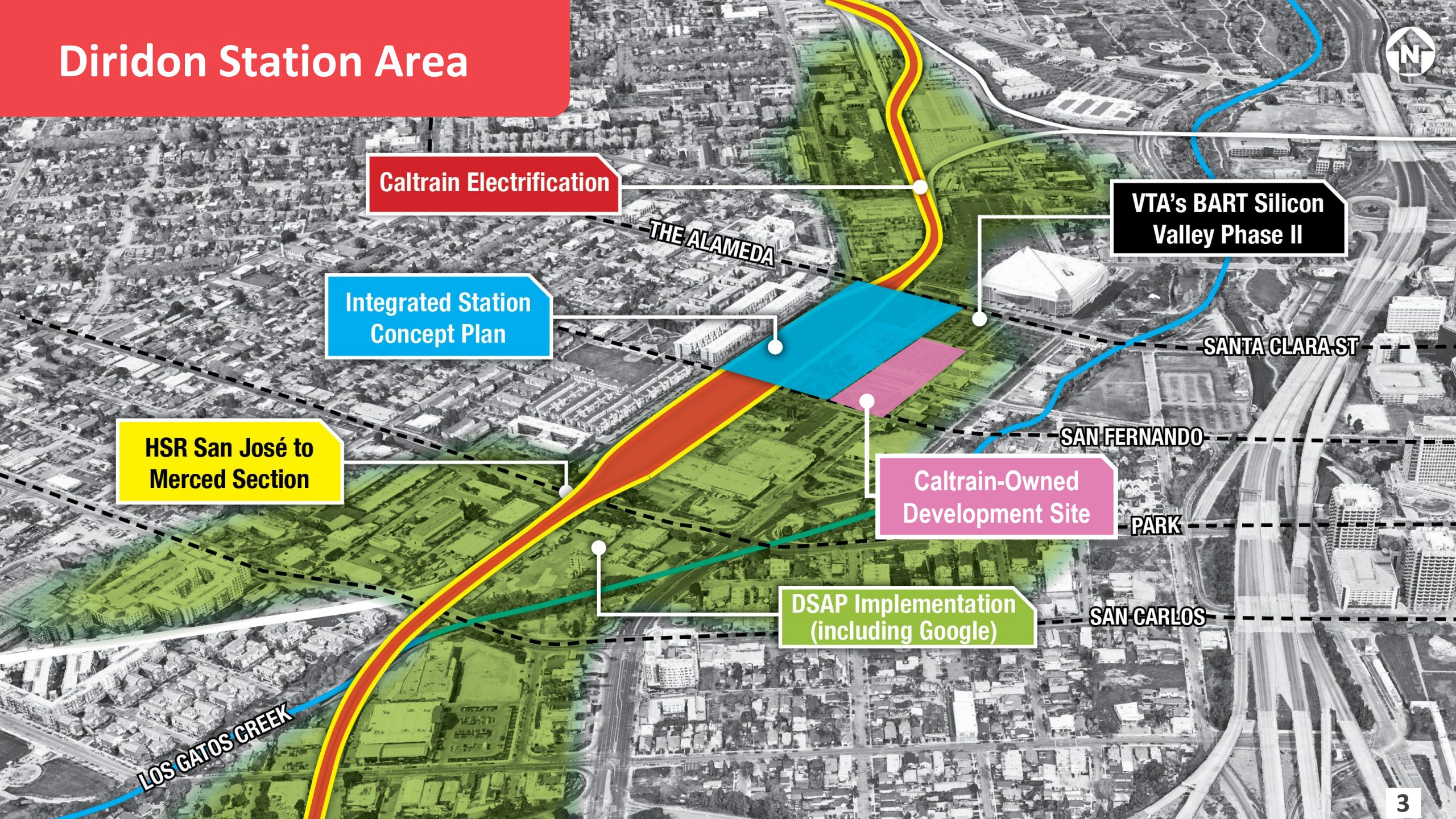
Advocacy and Major Projects Committee
March 29, 2023



Presentation Overview

- This presentation provides an informational update on the status of two ongoing efforts at San Jose Diridon Station:
 - Diridon Plaza Transit-Oriented Development (TOD)
 - San Jose Diridon Station Business Case
- These independent but coordinated efforts are progressing on separate timelines

Diridon Station Area



Caltrain Electrification

VTA's BART Silicon Valley Phase II

Integrated Station Concept Plan

HSR San José to Merced Section

Caltrain-Owned Development Site

DSAP Implementation (including Google)

LOS GATOS CREEK

THE ALAMEDA

SANTA CLARA ST

SAN FERNANDO

PARK

SAN CARLOS

Diridon Plaza TOD



Overview

Site: 3.1-acres, currently used for Caltrain parking

Proposed Project: 1.1 million square feet of commercial space and a public plaza

Development Process:

- The JPB is securing project entitlements from the City in advance of engaging a developer partner
 - At a later date, the JPB will use a competitive Request for Proposals (RFP) process to select a developer
 - Timing of the RFP will be determined based on market conditions
 - The developer will enter into a long-term ground lease with the JPB and deliver, own and maintain the project
- **Key Benefits:**
- Ongoing revenue stream to support Caltrain operations
 - Increased ridership
 - \$12 million project contribution toward affordable housing

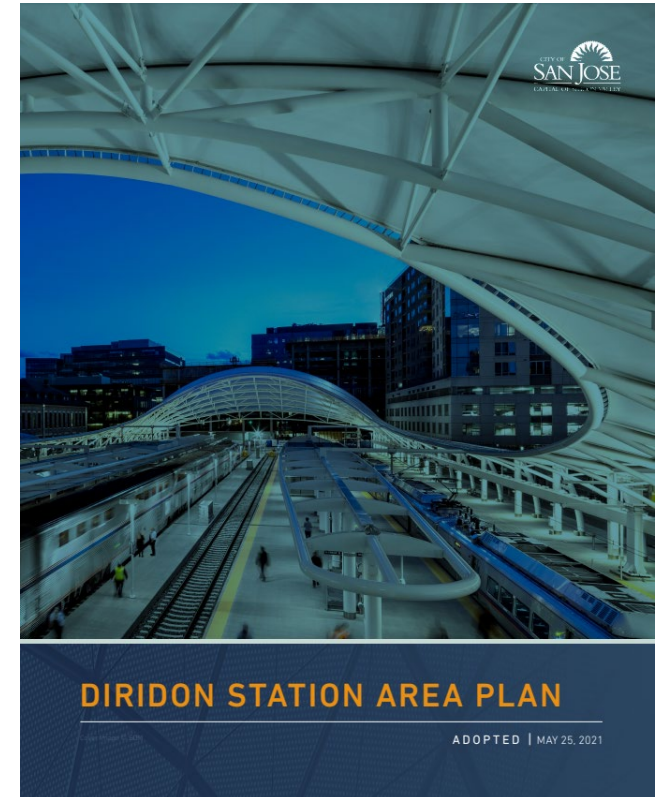


Guiding Policies

- The planned TOD is consistent with the **Caltrain Rail Corridor Use Policy** and the **Caltrain TOD Policy**
- The TOD Policy expresses JPB's goals and strategic objectives for TOD projects
- The Diridon Plaza TOD will further TOD policy goals by:
 - Contributing to ridership
 - Generating a long-term revenue stream
 - Being consistent with local planning efforts and community input
 - Incorporating high-quality design standards that facilitate station access and support environmental sustainability
 - Providing over \$12M in linkage fees to fund affordable housing
 - Requiring high labor standards for construction

Diridon Station Area Plan (DSAP)

- **May 2021:** San Jose approved the amended DSAP along with Google's Downtown West Development
 - Significantly increases allowable heights and densities
 - Incorporates equity considerations and an Affordable Housing Implementation Plan
- Caltrain parcels continue to be designated "Employment/Commercial"
 - Same as 2011 General Plan, 2014 DSAP



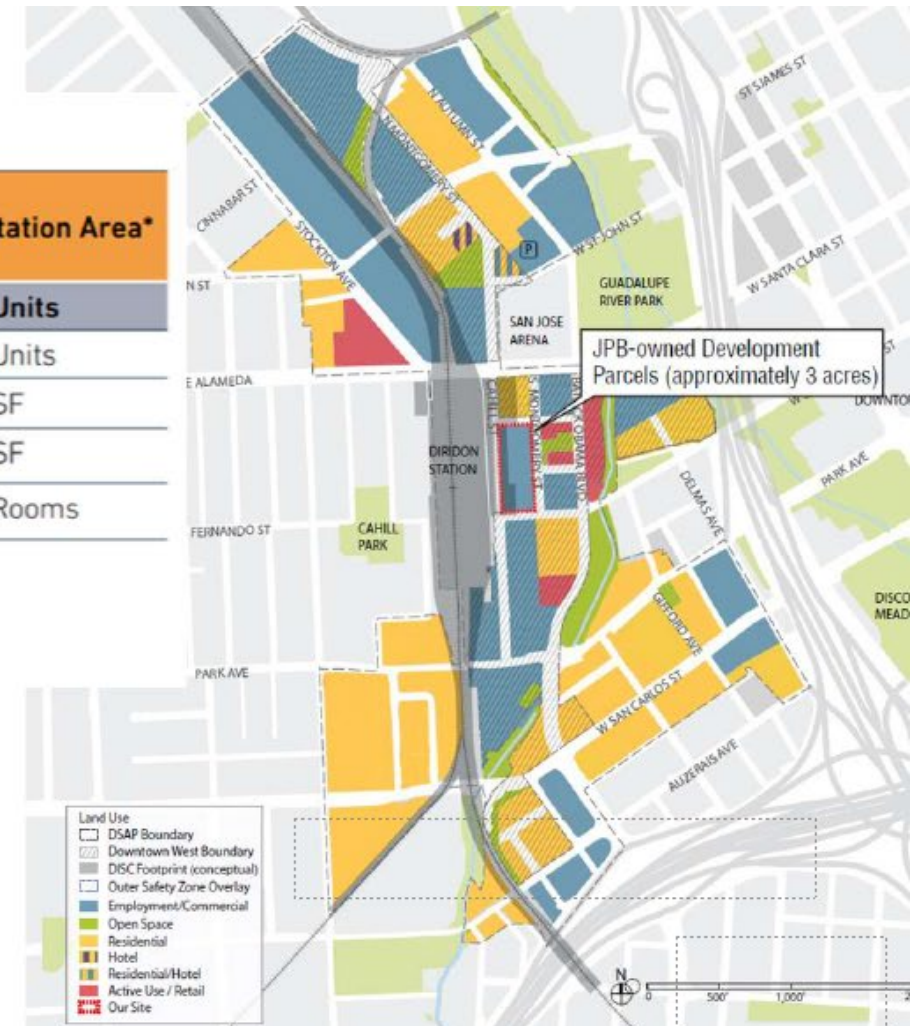
Diridon Station Area Plan Development Caps

Table 2-3-1: Diridon Station Area Illustrative Build-Out Scenario Program

Land Use	Google's Downtown West Mixed Use Plan (DTW)		Diridon Station Area Outside DTW		Complete Diridon Station Area*	
	Total	Unit	Total	Units	Total	Units
Residential	Up to 5,900	Units	Up to 7,000	Units	Up to 12,900	Units
Office	Up to 7,300,000	SF	Up to 6,400,000	SF	Up to 13,700,000	SF
Active Use/Retail	Up to 500,000	SF	Up to 536,000	SF	Up to 1,036,000	SF
Hotel	Up to 300	Rooms	–	–	Up to 300	Rooms

*The estimated illustrative build-out outside of Google's Downtown West Mixed Use Plan is based on identified potential development sites.

Google's Downtown West Mixed-Use Plan also contemplates other uses, such as Limited-term Corporate Accommodations, event center(s), Central Utilities, Plant(s), and logistics/warehouse



Affordable Housing Payment

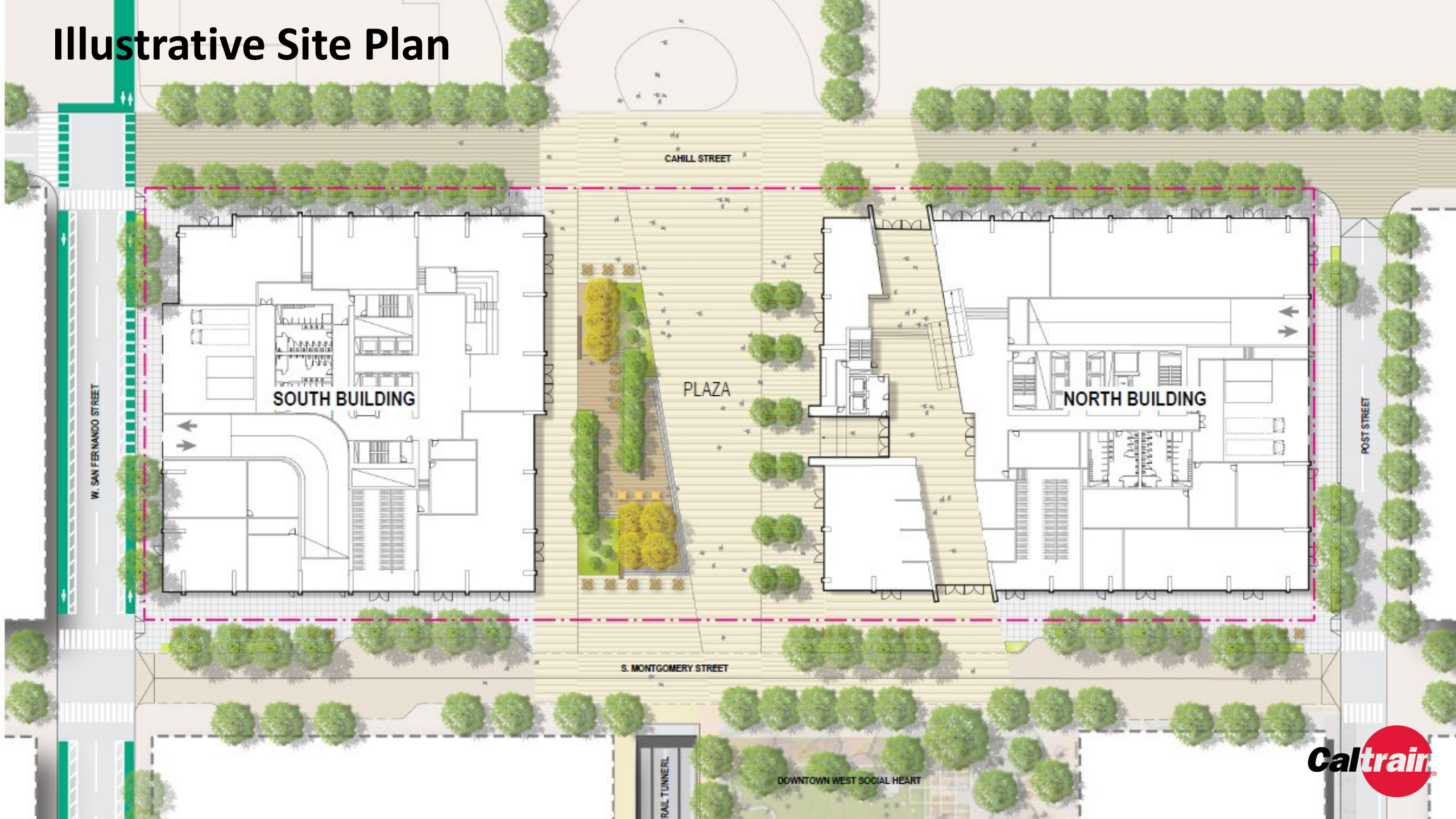
- The project is subject to the City's commercial linkage fee
- Estimated fee = \$12 million
- Fees will be available to subsidize affordable housing in the immediate area

Key Project Details

- **Development Size:** 1.1 million square feet of commercial space with ground floor active uses
- **Open Space:** Approx. 1 acre including plaza + publicly accessible areas
- **Height:** 16 stories (north building) & 15 stories (south building)
- **Parking:**
 - 4 levels of underground parking (792 spaces)
 - Part of DSAP Parking Management District
 - 336 indoor bike spaces



Illustrative Site Plan



CAHILL STREET

SOUTH BUILDING

PLAZA

NORTH BUILDING

S. MONTGOMERY STREET

W. SAN FERNANDO STREET

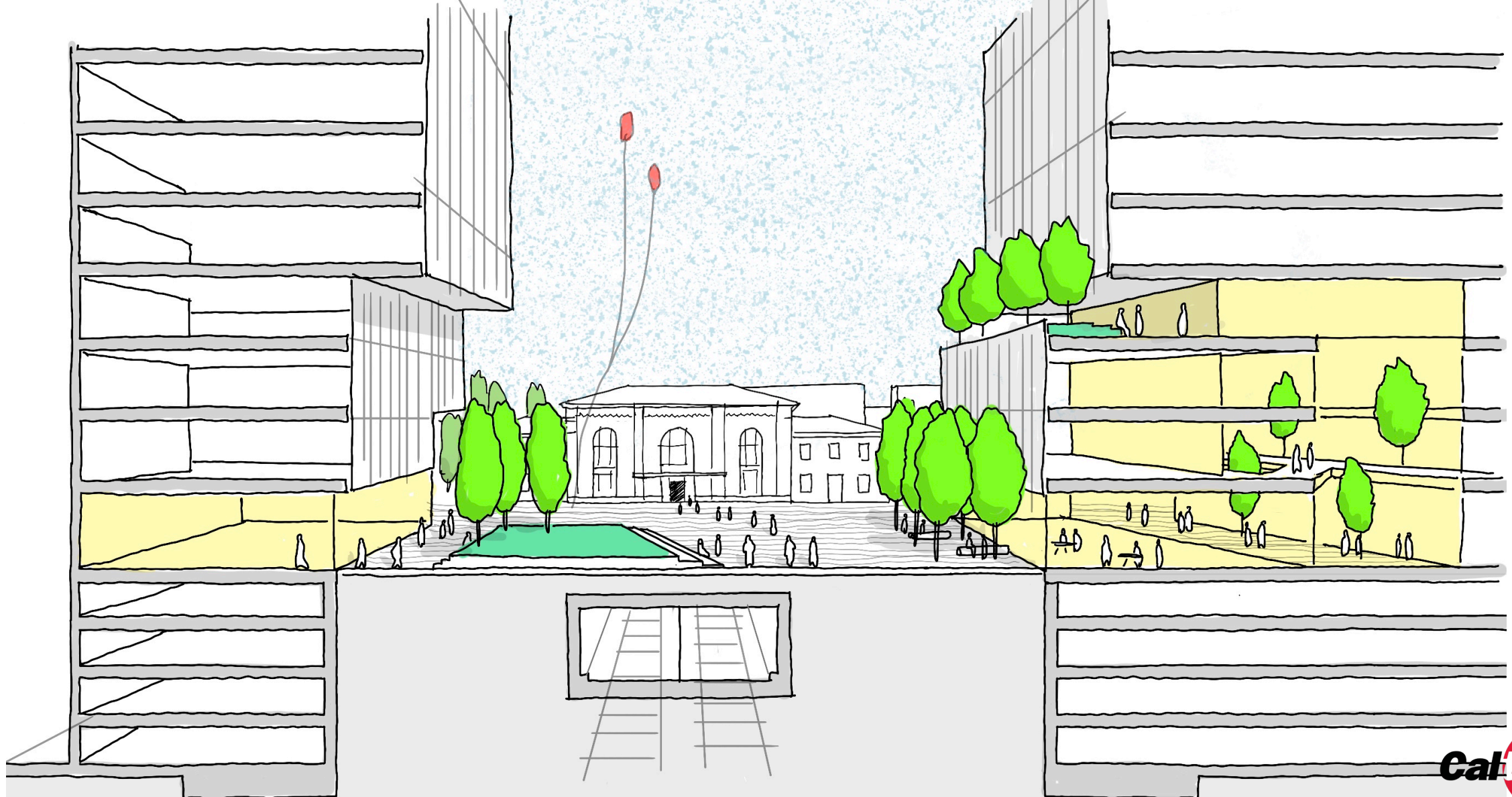
POST STREET

RAIL TUNNEL

DOWNTOWN WEST SOCIAL HEART



Public Realm Concept





DIRIDON
PLAZA





Los Angeles	09:15
San Jose	09:45
San Francisco	10:15
Oakland	10:45
Sacramento	11:15
Portland	11:45
Seattle	12:15
Los Angeles	12:45
San Jose	13:15
San Francisco	13:45
Oakland	14:15
Sacramento	14:45

CAFFEE





City of San Jose Entitlement Process

October 2021

- Preliminary review application submitted to the City

July 2022

- Formal planning application submitted

September 2022

- City comments received

March 2023

- Submit revised planning application

Late Summer/ Early Fall 2023 (anticipated)

- City approval hearing

Community Outreach and Feedback



**Ongoing
Community Outreach
During the Entitlement
Process
(Fall 2022 – Summer 2023)**



**1:1 Meetings With Local
Stakeholders**

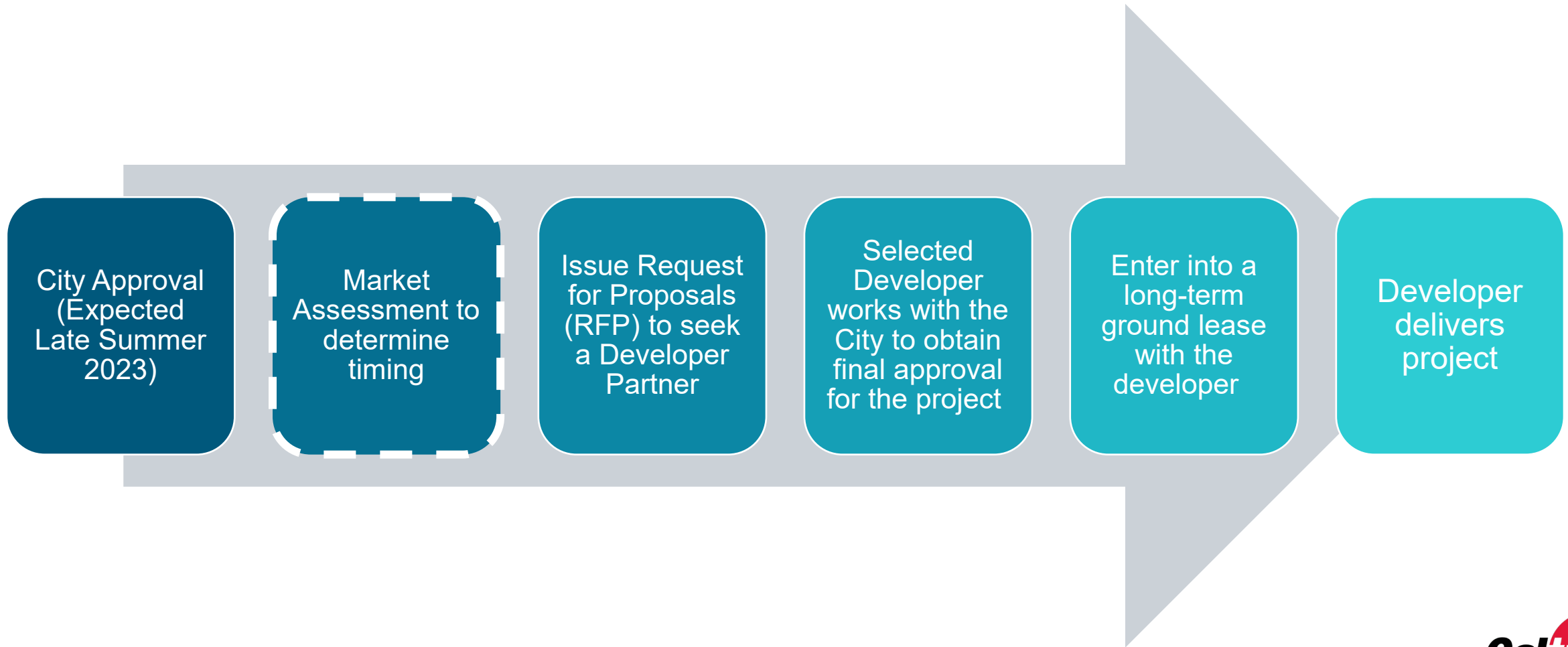


Catalyze SV Presentation



Community Meetings

Diridon TOD Real Estate Process





Questions and Comments



March 29, 2023

Diridon Business Case



METROPOLITAN
TRANSPORTATION
COMMISSION

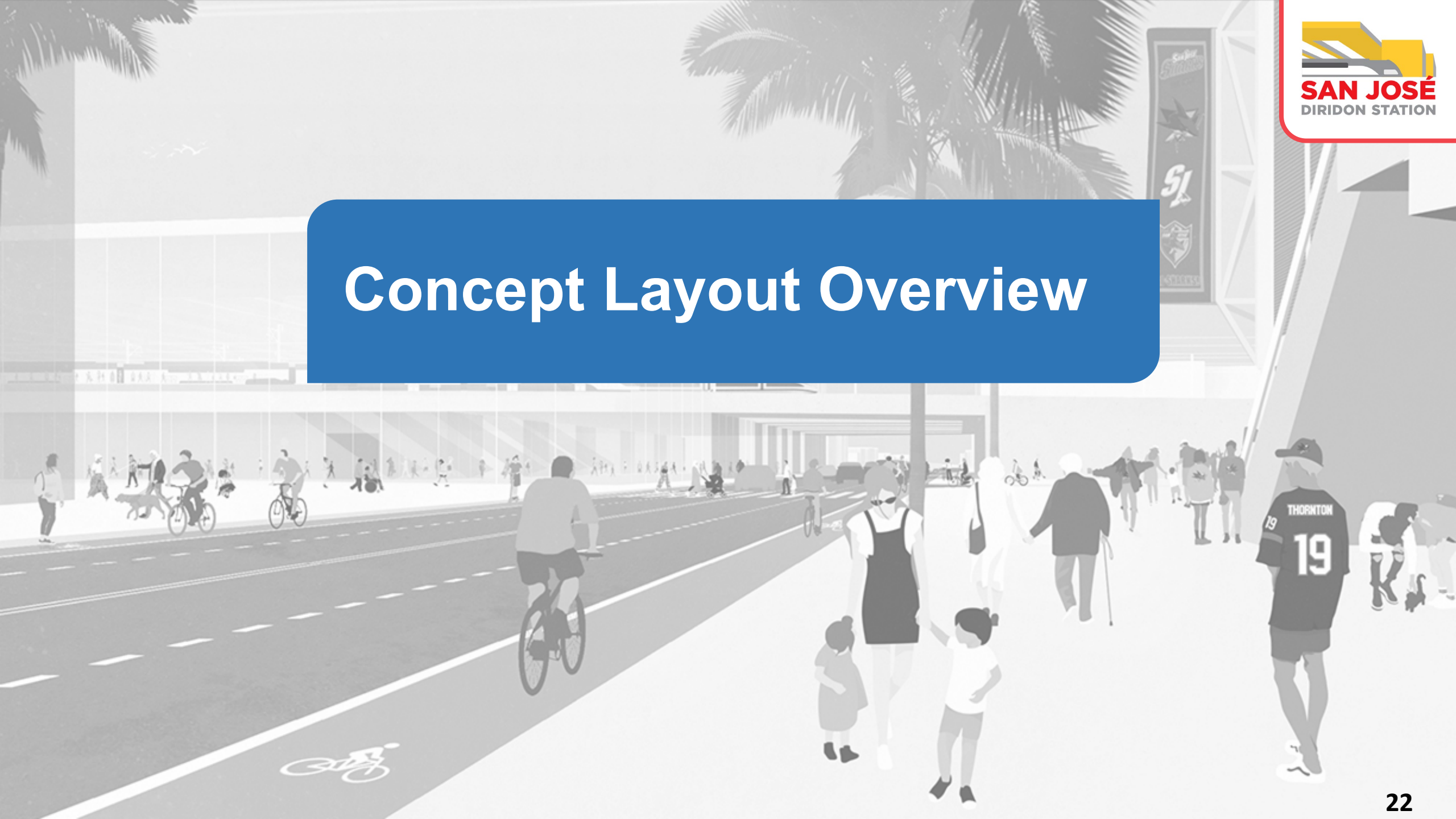


Diridon Station Business Case

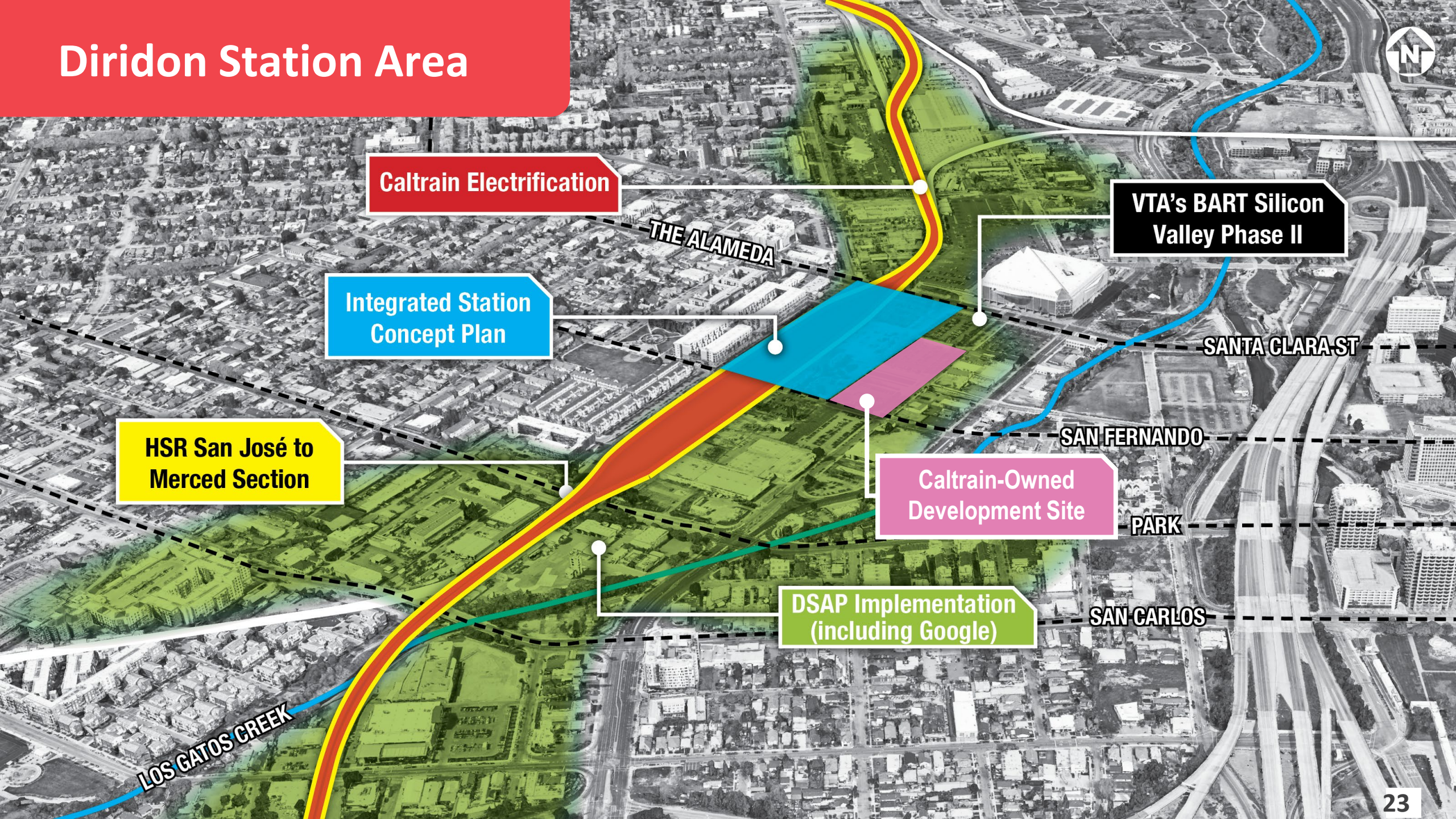


- Background: The Concept Layout
 - Why a Business Case?
 - Scope and timeline of the Business Case
 - Governance Analysis
-
- A vertical blue line with four circular markers at the top, extending downwards to an arrowhead pointing down.

Concept Layout Overview



Diridon Station Area



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SAN CARLOS

LOS GATOS CREEK

Cooperative Agreement (2018 – Current)



Work as a cohesive group



Shared vision for a fresh, bold look



Co-create an integrated project (i.e., tracks, station, development)



Partner resources & commitments
(funding, grants, etc.)

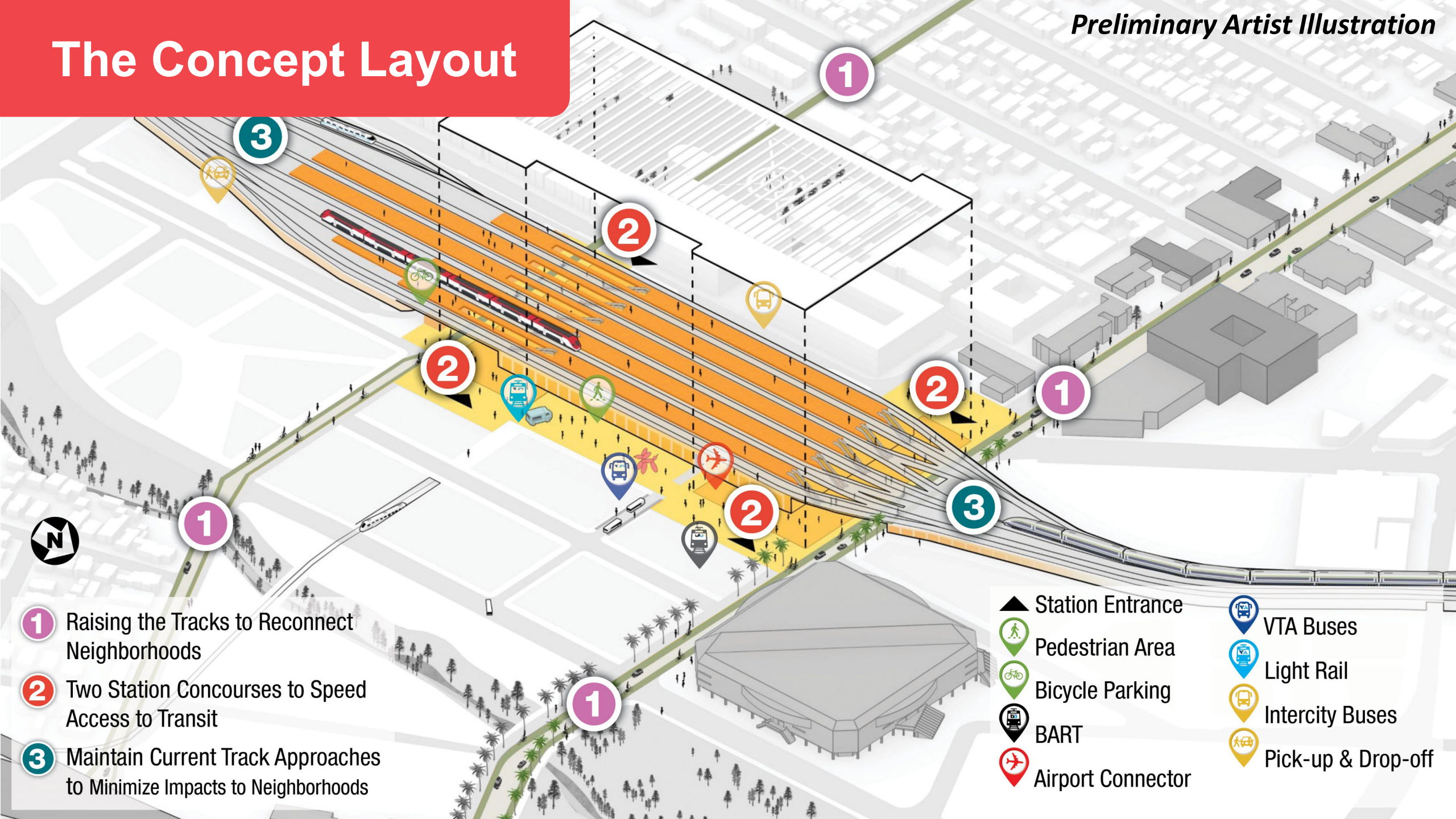


“You won’t get everything you want, but you will get more than you expected!”



The Concept Layout

Preliminary Artist Illustration



- 1 Raising the Tracks to Reconnect Neighborhoods
- 2 Two Station Concourses to Speed Access to Transit
- 3 Maintain Current Track Approaches to Minimize Impacts to Neighborhoods

- ▲ Station Entrance
- Pedestrian Area
- Bicycle Parking
- BART
- Airport Connector
- VTA Buses
- Light Rail
- Intercity Buses
- Pick-up & Drop-off



CEMOF

DISC Concept Plan



and Interdependent Program of Projects (PoP)

Caltrain Electrification

HSR San José to Merced Section

THE ALAMEDA

SANTA CLARA ST

SAN FERNANDO

Guadalupe River

PARK

SAN CARLOS



Historic Depot

PG&E Substation



DSAP Implementation (including Google)

Diridon Station Area

LEGEND:

- Light Rail Transit (LRT) Alignment
- BART Silicon Valley (BSV) Alignment and Station

Post-Concept Layout Conceptual Design

DISC Conceptual Planning-Level Transit Boundary



LEGEND:

- DISC Conceptual Transit Boundary 2021
- Downtown West (DTW) Blocks
- Caltrain-Owned Development Site

Outstanding Questions to Resolve

Including, but not limited to:



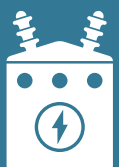
Potential CEMOF relocation

Dependent on a new site and an electrified corridor south of Tamien Station



Historic Depot

If it can move or not, and how it would be addressed in either case



Potential PG&E substation relocation



Potential LRT reconfiguration

Why a Business Case?



Three questions to answer:



Funding

- What program is most financially feasible?
- Is the program set-up to secure funding?



Project Definition

- What are the risks of the Concept Layout and other options?
- How can we manage risk?
- What project is advanced to the environmental process?



Governance

- Who will implement the program over time
- How would that organization fit into existing governmental structures?



The Business Case **will**:

- Confirm **feasibility**
- Identify ***trade-offs and impacts of options*** per the project's goals and objectives
- Identify **value or benefit** of options
- Enable **informed decision-making** with evidence and data
- Allow for **iteration** to refine the inputs/options
- Inform which **collection of components** should move toward a more detailed analysis
- Recommend **preferred alternatives** and a **governance structure**



The Business Case **will not**:

- Make decisions for either Caltrain or the Partners

Scope and Timeline of the Business Case



Phase 1 – Funded Scope; Complete at end of 18 mo.



Tasks will not be sequential, but will generally fall in these time frames

Phase 2 – Unfunded; Complete at end of 24 mo.



Governance Analysis

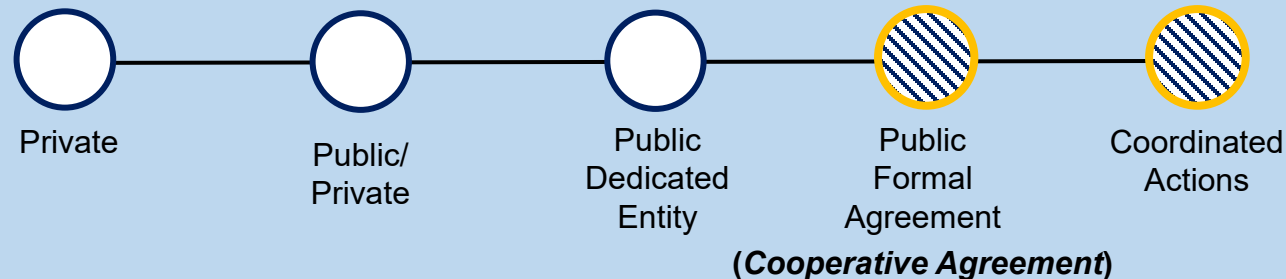


Evolution of Governance Structures



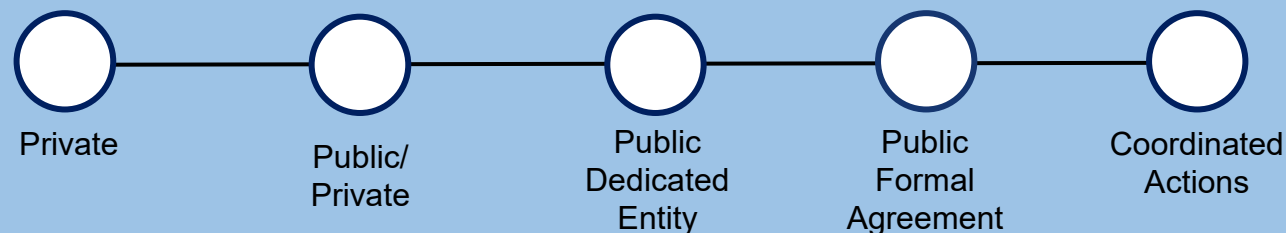
Planning/Pre-development

Contingent Project Design/Delivery
DISC Program Design
CEQA/NEPA Lead



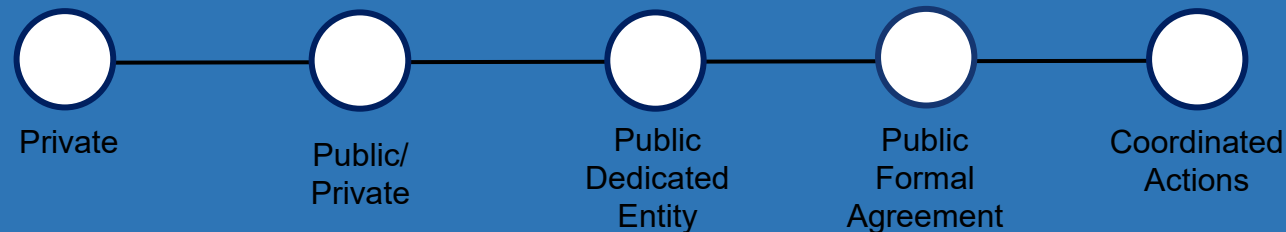
Development/Delivery

Funding/Financing
Contingent Project Delivery
DISC Program Delivery



Operations & Maintenance

Rail Operations
Station Operations
Earned Income (Retail/TOD/Advertising)



How will we assess a Governance Structure?

Work Streams

Assets and Capacities



Program of Projects
(incl. Concept Layout)



Decision-Making
Structure



Potential for Future
Contributions

Approach to the Governance Work

Spring 2023

- Identify spectrum of governance structures (entities and decision-making frameworks)
- Eliminate unlikely governance structures
- Identify areas of discord and of potential alignment

Summer 2023

- Align project/schedule and capacities, assets, and expertise needed to deliver to identify potential governance structures
- Review and collect feedback with agencies

Fall
2023

- Identify pros/cons of potential governance structures
- Propose decision-making framework

QUESTIONS & COMMENTS

For more information, visit: www.diridonsj.org/disc

