

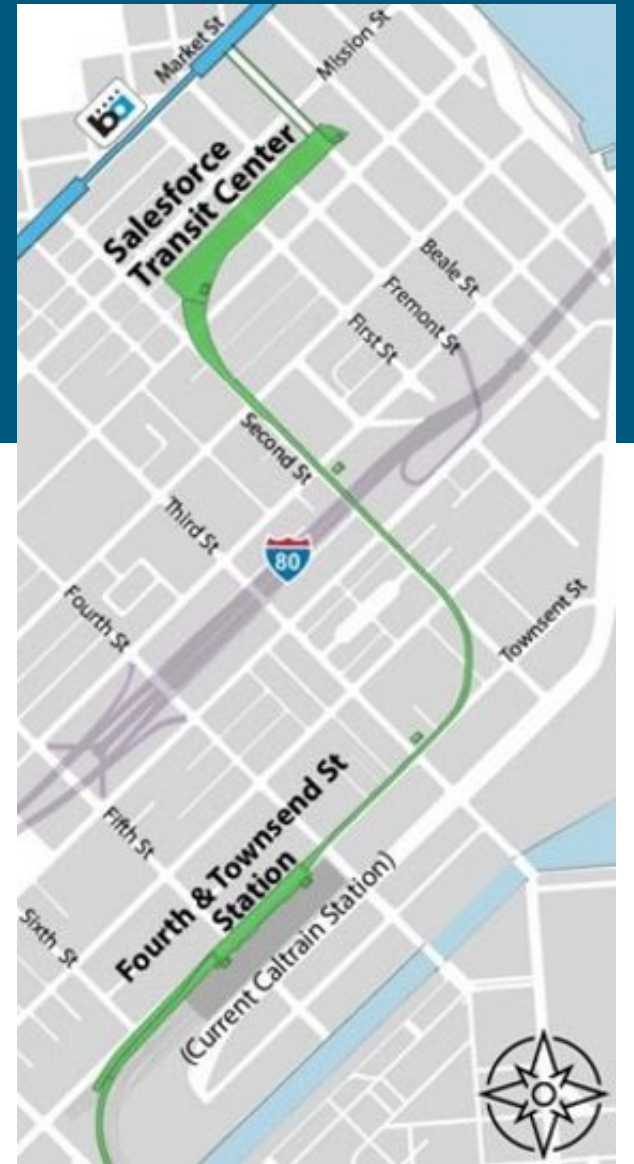
Downtown Extension (DTX) Update

MARCH 29, 2023



Project Overview

- The Transbay Joint Powers Authority (TJPA) is seeking funding for the DTX project from the FTA New Starts program, which could fund up to 50% of total project capital cost
- Caltrain and TJPA are developing a Master Cooperative Agreement (MCA) to formalize their respective roles in project delivery, operation and maintenance.



Today's Discussion

- Caltrain staff regularly engaging the AMP Committee and the Board to provide project updates and receive guidance on the terms of the MCA
 - Caltrain staff aims to bring MCA to Board by August 2023 for review and approval
- Caltrain staff are working collaboratively with TJPA to negotiate a few major items in the MCA
- Purpose of today's presentation is to share Caltrain's proposed position on the items and provide an opportunity for the Committee to comment.

MCA Principles

Adopted at Caltrain Board meeting on February 2nd, 2023

1. Project must be cost-neutral to Caltrain.
 - a) Capital Costs – Any capital contributions Caltrain makes beyond those committed to project development (PCEP, real property, \$3M, reimbursed staff time and resources) must be offset through committed third-party funding sources (e.g., grants).
 - b) Maintaining State of Good Repair – DTX cannot detract from Caltrain's ability to maintain its assets in a State of Good Repair.
 - c) Operating Costs – Caltrain's DTX operating contributions cannot detract from Caltrain's ability to operate the rest of the system. Any contribution of incremental operating revenue (e.g., fare revenue, special fare zone, facility revenues) must be directly attributable to DTX and any operating costs in excess of incremental operating revenue must be backstopped by non-Caltrain source(s) in case revenue projections are not met.
2. Project design, operations, and funding must be compatible with and connected to Caltrain's existing and planned rail system and must be consistent with Caltrain's 2040 service vision.
3. Safety and customer experience must be the primary focus of all planning, design, construction, and operations and maintenance decisions.

Major items: Cost Neutrality

Item	Caltrain's Position
<p>Operations Funding. Neither Caltrain nor TJPA has a revenue source to fund the operations, maintenance, or capital renewal of DTX.</p>	<p>Per the Board's cost neutrality principle, necessary funds for operations, maintenance, and capital renewal must come from a source other than Caltrain (see below regarding farebox revenue).</p>
<p>Disposition of asset ownership/ responsibility. TJPA and Caltrain are discussing the ownership, maintenance, and capital renewal responsibilities of assets such as the tunnel, station facilities, etc.</p>	<ul style="list-style-type: none">• Board's position on cost neutrality applies here• Prior to accepting any system assets, Caltrain must ensure they integrate with existing Caltrain system.• Caltrain is finalizing its position on asset disposition
<p>Attribution of farebox revenue to DTX. TJPA and Caltrain are discussing how to calculate and attribute the incremental fare revenue due to DTX service.</p>	<p>All fare revenues attributed to the DTX service should be applied to Caltrain's incremental operating costs for DTX.</p>

Major items: Project Definition

Item	Caltrain's Position
<p>EMUs. There are insufficient EMUs to run six trains per hour to Salesforce Transit Center</p>	<p>Four additional EMUs train sets are required for six trains per hour service</p> <ul style="list-style-type: none">• One non-replacement EMU set is required and should be included in DTX project definition/budget• Caltrain is currently seeking grant funds to replace three diesel sets with EMU sets
<p>Level-Boarding EMU Retrofit. The EMUs will need to be retrofitted for level boarding at 4th and Townsend and STC.</p>	<p>Caltrain is finalizing the cost estimate for the level boarding retrofit; these costs should be included in the project budget.</p>
<p>Maintenance vehicles. The project does not include any special equipment/vehicles for maintenance in the tunnel</p>	<p>Including the maintenance of way vehicles in the DTX project is necessary to maintain the rail infrastructure in the tunnel. Caltrain is finalizing a cost estimate for these vehicles; these costs should be included in the project budget.</p>

Major items: Enabling Work

Issue	Caltrain's position
<p>Property rights and enabling work in Caltrain's right-of-way. Caltrain and TJPA are discussing rights of access to and use of the 4th and King railyard in addition to the approach for mitigation of impacts on Caltrain operations, assets, and future development opportunity</p>	<p>Caltrain requires:</p> <ul style="list-style-type: none">• Right to direct early works design.• Right to define when/if it is acceptable to move forward with early works based on operational, construction impacts and funding certainty.• Right to lead design beyond 30% and construct any work directly related to Caltrain's operating railroad.• Credit for in-kind contribution of the value of the easement, including any lay down area.• Limit impacts to development opportunity.

Major items: Process for Design and Construction

Item	Caltrain's position
<p>Role in design and construction. There is currently no agreement between TJPA and Caltrain clearly defining roles and responsibilities related to design and construction</p>	<p>Caltrain requires:</p> <ul style="list-style-type: none">• Dedicated Caltrain staff time, reimbursed by TJPA, to provide an approver/oversight role when DTX project has potential impacts to operations, maintenance, Caltrain assets, safety, security, and/or customer experience.• Review and approval of design at 30%, 65% and final design/issue for bid as part of DTX's integrated project delivery team• Use of applicable Caltrain and industry standards

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