



August 30, 2023

Advocacy and Major Projects Committee Business Case Update



METROPOLITAN
TRANSPORTATION
COMMISSION



Agenda



1 Business Case Update

2 Governance Analysis Update

Business Case Update

Overview

Schedule

Vision and Goals

Business Case Update

Overview

Schedule

Vision and Goals

Business Case – What it does and doesn't do

The Business Case will:

- Define the program of projects
- Confirm feasibility
- Identify options per the project's goals and objectives
- Identify value or benefit of options
- Enable informed decision-making with evidence and data
- Recommend preferred alternatives and a governance structure

The Business Case will not:

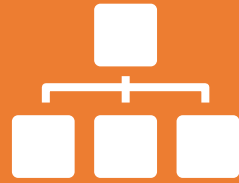
- Make decisions for the Partners

Questions to Answer



Strategic

What is the reason for doing something?



Economic

What are the economic costs and benefits?



Financial

What is the likelihood of receiving funding?



Deliverability & Operations

What is required to deliver and operate the project?

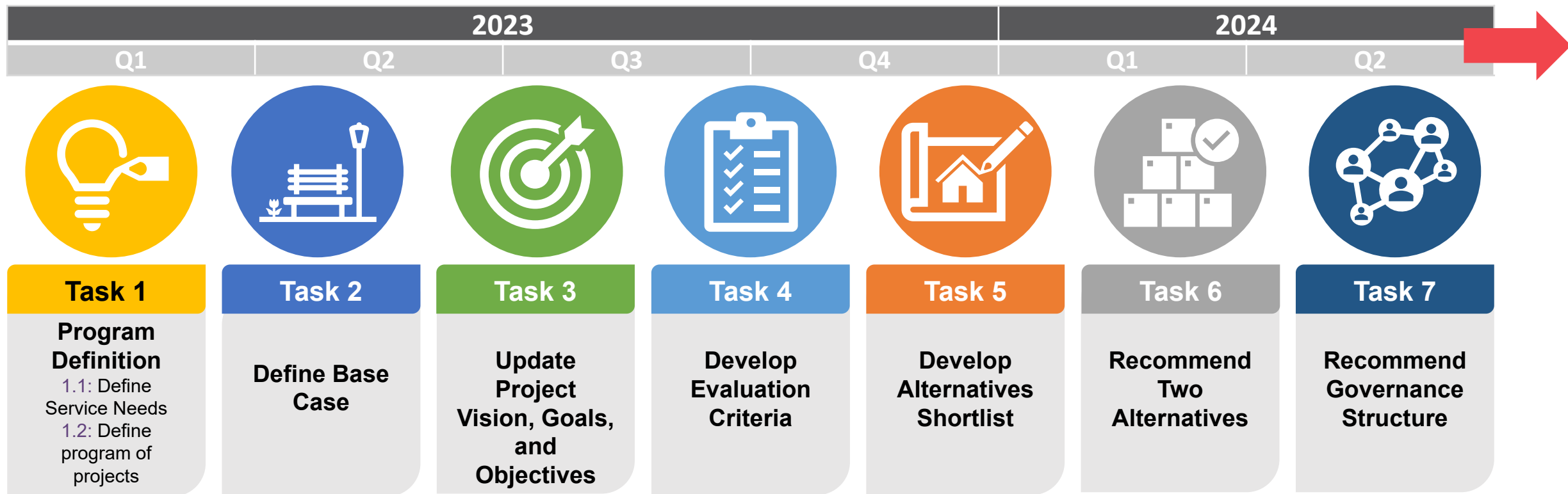
Business Case Update

Overview

Schedule

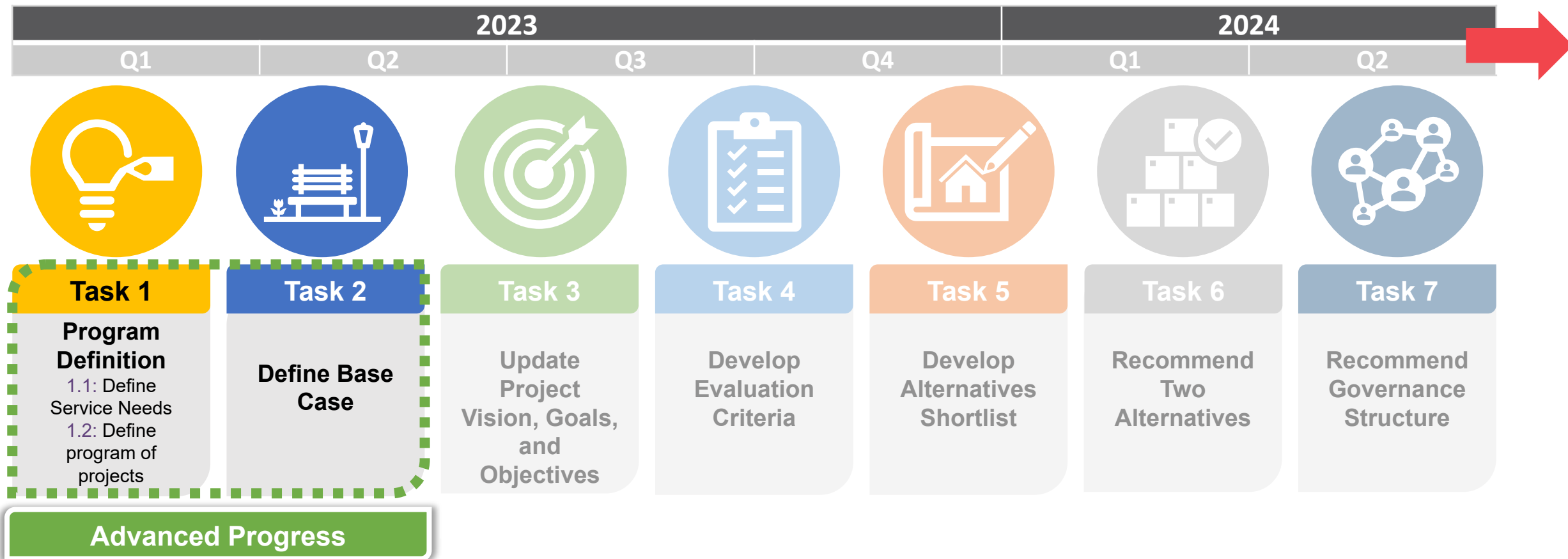
Vision and Goals

Business Case Schedule



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

Business Case Schedule



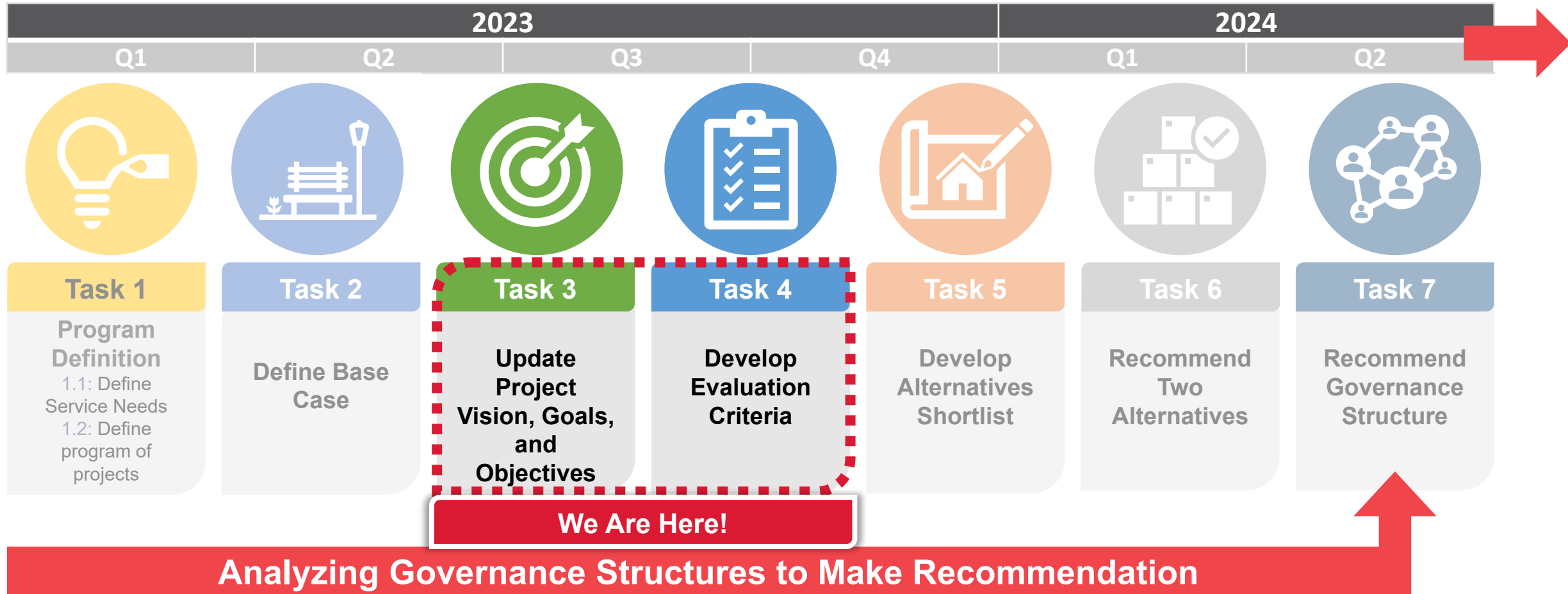
Tasks will not be sequential, but will generally fall in these time frames

Business Case Schedule



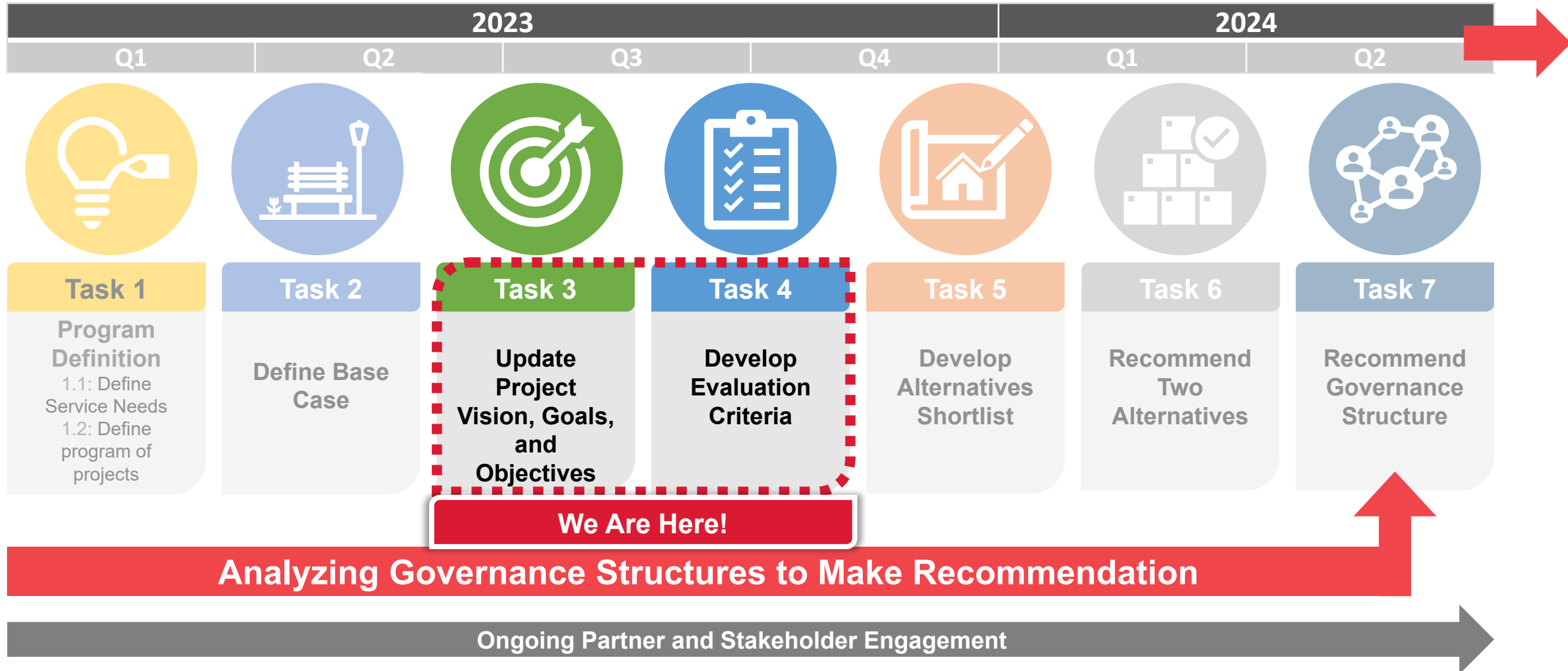
Tasks will not be sequential, but will generally fall in these time frames

Business Case Schedule



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

Business Case Schedule



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

Business Case Update

Overview

Schedule

Vision and Goals

Partner-Approved Vision Statement



*Diridon Station will be one of the nation's leading transportation hubs, bringing together Caltrain, Capitol Corridor, ACE, Amtrak, BART, California High-Speed Rail, VTA light rail, and local and regional bus services. Diridon Station will make San José one of the most easily accessible places in the state - **safely and seamlessly integrating transit with active modes of travel** and improving the efficiency and capacity of rail operations.*

*Acting as a gateway to Downtown San José and surrounding neighborhoods, Diridon Station will **connect people, businesses, and communities**, providing easy access to other regional and statewide population and employment centers. Through a thoughtful and considered approach to phasing, the redevelopment process will seek to maintain efficient operations and a positive passenger experience.*

*Diridon Station will **promote economic prosperity and social equity locally and regionally**. This project will produce a future-proof, adaptive, and innovative station that is a vibrant destination and complements other economic and social development initiatives.*

Business Case Goals



Focus

Goal

The passenger experience

1

A **connected, multi-modal, and passenger-friendly** station

Transit operators and operations

2

Facilitating **safe, integrated, and reliable** transit operations

The station building

3

A **sustainable, future-proof, and resilient** station

Partners and key stakeholders

4

Achieving **strategic aims** and **optimizing benefits** for Partners and key stakeholders

The surrounding community

5

An anchor for **economic** and **community development**

Governance Analysis Update

Process

Goals / Objectives

Capacities Needed and Partner Agency Capacity

Potential Entity Types

Summary and Next Steps

Governance Analysis Update

Process

Goals / Objectives

Capacities Needed and Partner Agency Capacity

Potential Entity Types

Summary and Next Steps

We Are Here!



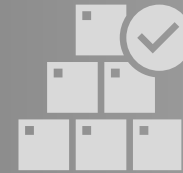
**Define
Goals**



**Review
Existing
Conditions**



**Compare
Existing
Conditions
to Project
Needs**



**Develop
Alternatives**



**Iterate on
Solutions**

Governance Analysis Update

Process

Goals / Objectives

Capacities Needed and Partner Agency Capacity

Potential Entity Types

Summary and Next Steps

Governance Goals

- 1 **Achieve defined Vision** for integrated program.
- 2 Deliver business case program **on time and budget**.
- 3 Strengthen ability to deliver program with **collaboration, accountability** and the appropriate **resources**.
- 4 Maintain public & elected officials' **confidence**.
- 5 Define roles & responsibilities for **operation and maintenance** needs, in line with business case program.
- 6 Maintain **continuity of transit operations** through construction.

Governance Objectives



Increase funding with expertise to enable critical path planning, approvals and delivery of program of projects.

Establish clear focus by lead entity to deliver benefits, minimize risk, and manage program funding through delivery & operations.



Optimize timeline towards environmental approval, construction and operations of program of projects.

Provide formalized coordination and communication to timely deliver an integrated program of projects.



Enhance decision-making framework to ensure fairness and provide partners with a voice, consistent with their interests and authorities.

Evolve governance as necessary to align decision-making frameworks with project needs through delivery and operations.



Governance Analysis Update

Process

Goals / Objectives

Capacities Needed and Partner Agency Capacity

Potential Entity Types

Summary and Next Steps

Capacities Necessary

(Authorities, People, Funding)



Planning/ Environmental

CEQA/NEPA

Preliminary engineering
and design

Coordinate
related projects

Develop funding and
financing strategy

Early property
acquisition

Capacities Necessary

(Authorities, People, Funding)

Planning/ Environmental

CEQA/NEPA

Preliminary engineering
and design

Coordinate
related projects

Develop funding and
financing strategy

Early property
acquisition



Pre-Development

Property acquisition

Design refinement and
detailed engineering

Zoning and
land use authority

Secure financing tools

Pursue state and
federal funding

Establish new
funding sources

Capacities Necessary

(Authorities, People, Funding)



Planning/ Environmental

CEQA/NEPA

Preliminary engineering
and design

Coordinate
related projects

Develop funding and
financing strategy

Early property
acquisition



Pre-Development

Property acquisition

Design refinement and
detailed engineering

Zoning and
land use authority

Secure financing tools

Pursue state and
federal funding

Establish new
funding sources



Development & Delivery

Procure construction
packages

Station delivery

Multimodal
infrastructure delivery

Define operational
funding sources

Execute partnerships for
station operations

Capacities Necessary

(Authorities, People, Funding)



Planning/ Environmental

CEQA/NEPA

Preliminary engineering
and design

Coordinate
related projects

Develop funding and
financing strategy

Early property
acquisition

Pre-Development

Property acquisition

Design refinement and
detailed engineering

Zoning and
land use authority

Secure financing tools

Pursue state and
federal funding

Establish new
funding sources

Development & Delivery

Procure construction
packages

Station delivery

Multimodal
infrastructure delivery

Define operational
funding sources

Execute partnerships for
station operations

Operations & Maintenance*

Station environment
operations & possible
programming

Capital maintenance
& renewal

Realize operational
funding stack

Farebox revenue share

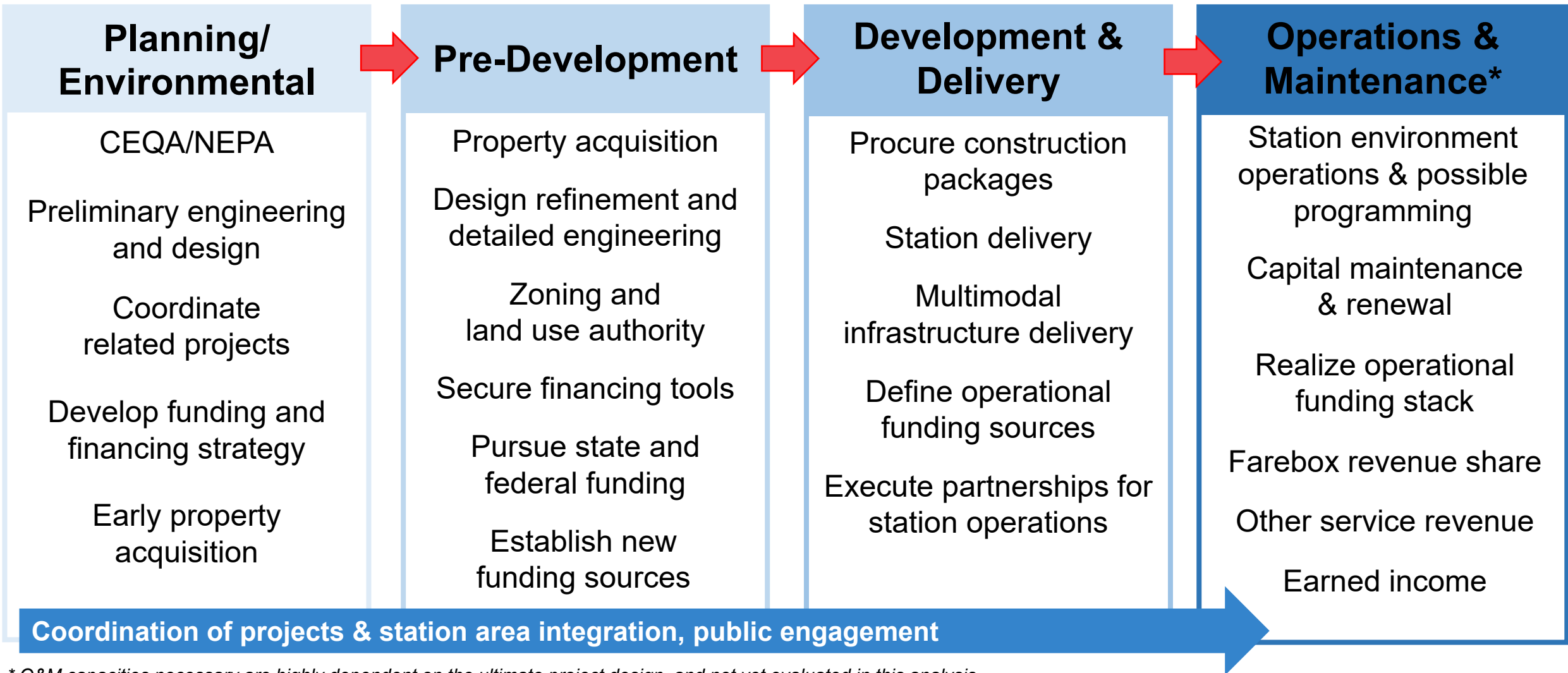
Other service revenue

Earned income

* O&M capacities necessary are highly dependent on the ultimate project design, and not yet evaluated in this analysis.

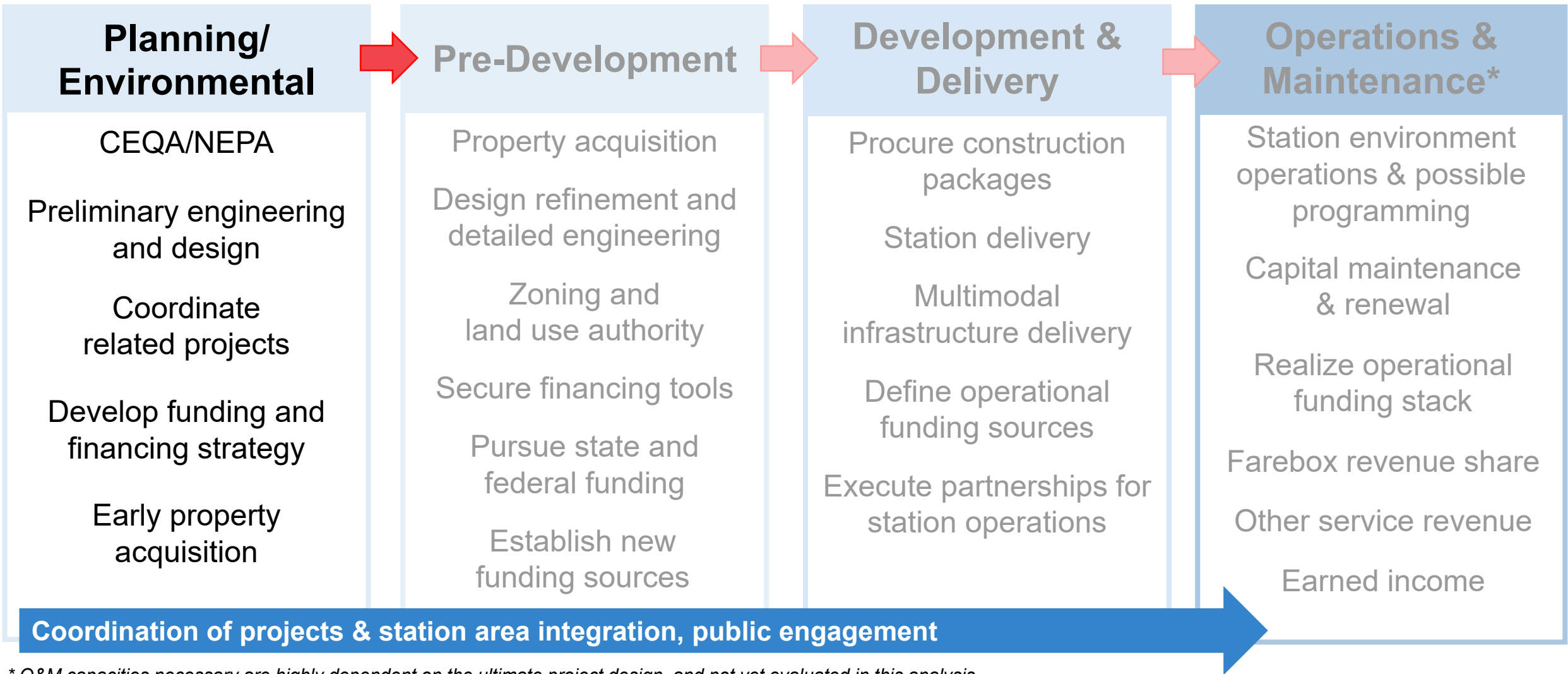
Capacities Necessary

(Authorities, People, Funding)

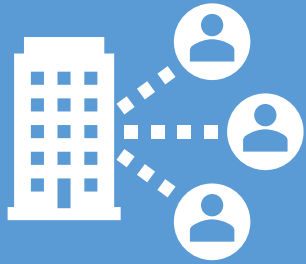


* O&M capacities necessary are highly dependent on the ultimate project design, and not yet evaluated in this analysis.

Immediate Priority: Advancing Planning/Environmental

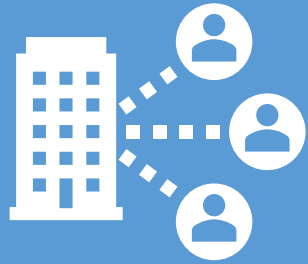


* O&M capacities necessary are highly dependent on the ultimate project design, and not yet evaluated in this analysis.



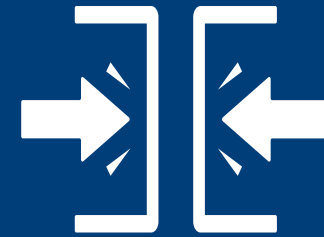
Partner Agencies

Have legal **authority**, **capacity**, and the **experience** necessary for core planning tasks.



Partner Agencies

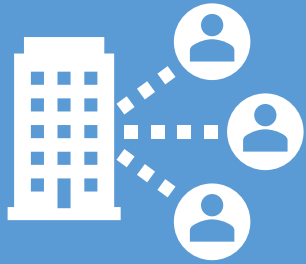
Have legal **authority**, **capacity**, and the **experience** necessary for core planning tasks.



Major Challenges

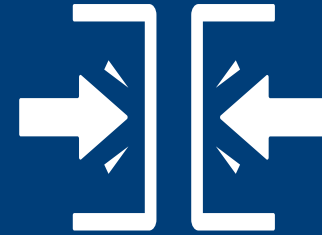


No lead agency accountable for program advancement



Partner Agencies

Have legal **authority**, **capacity**, and the **experience** necessary for core planning tasks.



Major Challenges

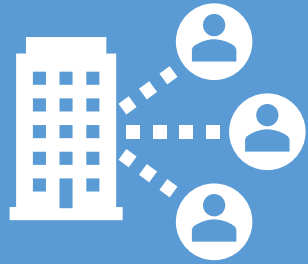


No lead agency accountable for program advancement



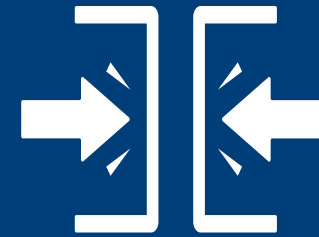
Additional funding to increase **staff capacity** needed

Partner Agency Summary



Partner Agencies

Have legal **authority**, **capacity**, and the **experience** necessary for core planning tasks.



Major Challenges



No lead agency accountable for program advancement



Additional funding to increase **staff capacity** needed



Stable, sustainable **funding source(s)** needed

Governance Analysis Update

Process

Goals / Objectives

Capacities Needed and Partner Agency Capacity

Potential Entity Types

Summary and Next Steps

Potential Entity Types

- Research identified **four additional entity** types historically used and potentially suitable to support the program.
- An existing agency **OR** one of these entity types could move the program forward.



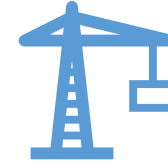
Joint Powers
Authority



State-
Chartered
Entity



Transit District/
Transportation
Commission



Development
Corporation



Existing
Agency

New Governance Entities

Potential Entity Types



Joint Powers
Authority

Streamlined oversight

Increase formal
collaboration



State-Chartered
Entity

Streamlined functions

No new authority or



Transit District/
Transportation
Commission

Streamlined oversight

May have additional



Development
Corporation

Streamlined oversight

May be more nimble

- Do not create new resources
- Could help *insulate Partners from risk* during construction/delivery
- May *streamline oversight, funding, procurement, and execution* of project delivery and operational partnerships

legislation

Does not ensure
coordination

Does not create new
resources

Governance Analysis Update

Process

Goals / Objectives

Capacities Needed and Partner Agency Capacity

Potential Entity Types

Summary and Next Steps

Initial Conclusions

1

Existing agencies have **authority and experience** for planning-related tasks

2

Funding is a significant constraint

3

There is no **single agency** accountable for program advancement

4

The current **decision-making structure** is not sufficiently robust

5

Establishing a new entity requires **time and resources**, and does not create new funding sources

Current Partner Agency Approach

Initial Planning / Environmental

Select Lead
Partner Agency
and Define Roles

Design and
Analyze New
Entity Feasibility

Current Partner Agency Approach

Initial Planning / Environmental

Select Lead
Partner Agency
and Define Roles



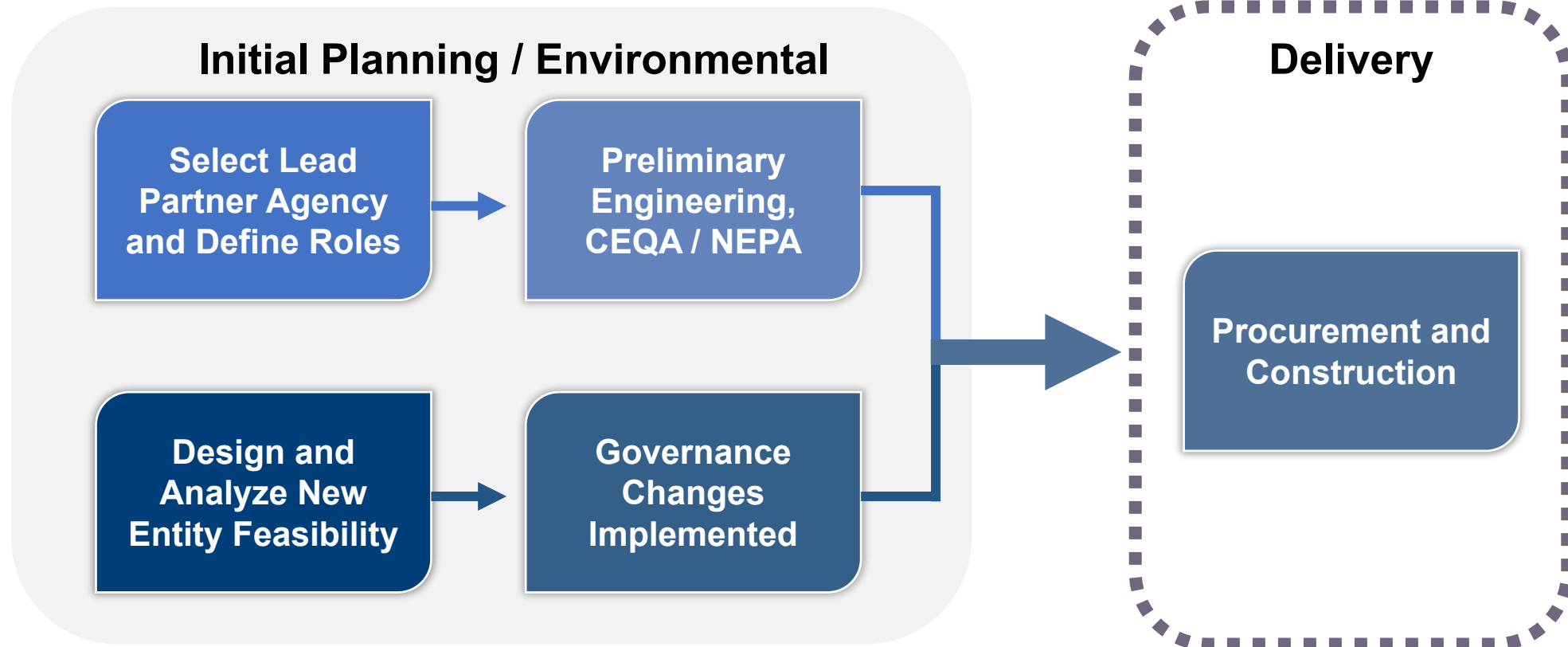
Preliminary
Engineering,
CEQA / NEPA

Design and
Analyze New
Entity Feasibility

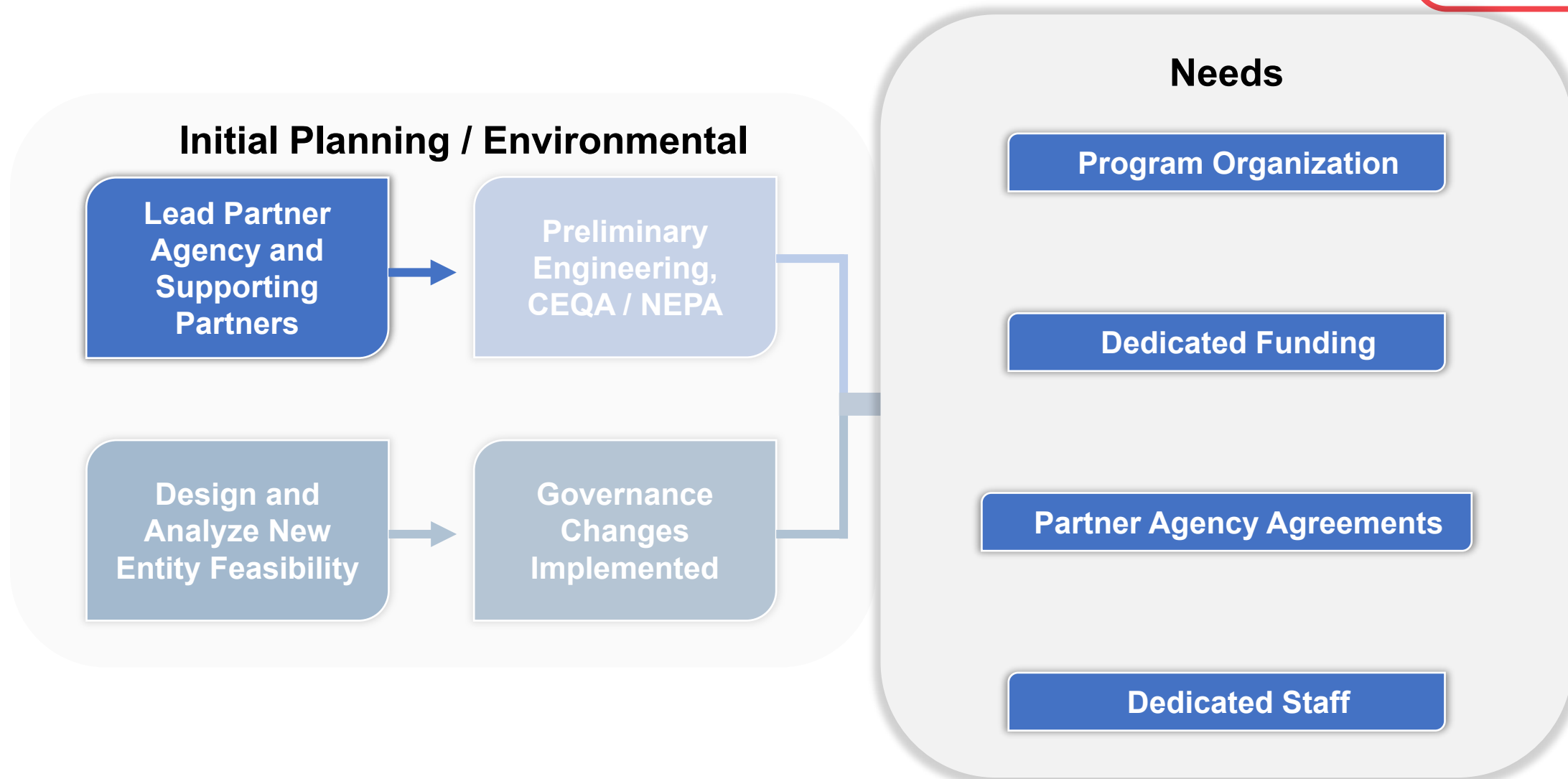


Governance
Changes
Implemented

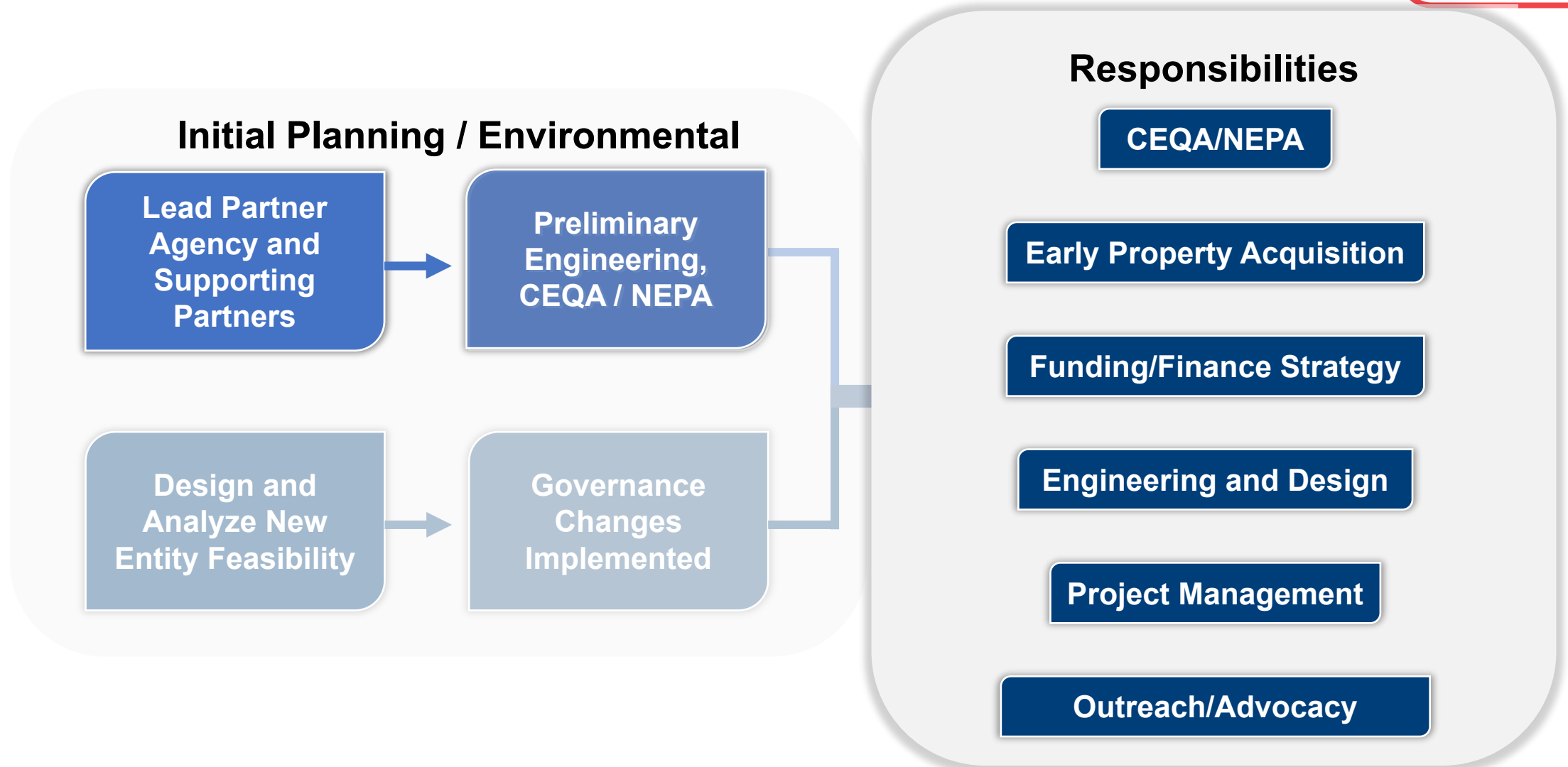
Current Partner Agency Approach



Current Partner Agency Approach



Current Partner Agency Approach





Ongoing Analysis

- Dedicated Staff Structures
- Contractual, Oversight, and Decision-Making Frameworks
- Governance Trajectories



September 26

General Manager
Meeting



November

JPAB Meeting
AMP Committee

Thank You

