

# Caltrain and TJPA Interim Agreement Amendment

AMP COMMITTEE

NOVEMBER 20, 2024



# Agenda

- Proposed Action
- SF Projects Overview
- Recent Project Updates
  - Overall Project Update
  - Funding Shortfalls
  - Formation of Joint Ad Hoc Committee
  - Agreement Updates
- Interim Agreement Amendment
- Recommendation and Next Steps



# Proposed Action

## Staff recommends that the Board:

- Execute an Amended and Restated Interim Agreement between the Transbay Joint Powers Authority ("TJPA") and Caltrain to support advancement of the San Francisco Downtown Rail Extension Project ("DTX" or "The Portal"), to remain in effect until the parties complete their negotiation of, and adopt, a Master Cooperative Agreement.
- Amend the Caltrain Fiscal Year 2025 Capital Budget to authorize the receipt of \$3,939,106 from TJPA as reimbursement for the costs of undertaking the scope of work described in the Amended and Restated Interim Agreement.



**Potential Link21 Alignment**

- SF Railyards at 4th & King Caltrain Station
- DTX / Downtown Extension Tunnel (pre-construction)
- PAX / Pennsylvania Ave. Extension Tunnel (under study)
- Existing Caltrain Line
- X Existing Railroad Crossings

0 0.25 0.5 Miles

Financial District

Salesforce Transit Center

SoMa

Union Square

Central SoMa

San Francisco Railyards

Mission Bay

Dogpatch

Tenderloin

Western SoMa

Showplace Square

Central Waterfront

Ferry Building

Piers 30-32

China Basin

Pier 50

Central Basin

AT&T Park

Mission Rock

Chase Center

UCSF

UCSF Medical Center

Pier 70

Potrero Power Station

Pier 80

Existing Caltrain 22nd Street Station

STEUART ST

SPEAR ST

MAIN ST

1ST ST

2ND ST

3RD ST

4TH ST

5TH ST

6TH ST

7TH ST

08TH ST

EMBARCADERO

KING ST

3RD ST

16TH ST

ILLINOIS ST

MARIPOSA ST

20TH ST

Pier 70

22ND ST

24TH ST

3RD ST

MARKET ST

MISSION ST

POWELL ST

MUNI / BART

KEARNY ST

STOCKTON ST

Central Subway

GEARY ST

80

280

STREET X-ING

STREET X-ING

CALTRAIN TUNNEL

PENNSYLVANIA AVENUE EXTENSION (PAX) TUNNEL

DOWNTOWN EXTENSION (DTX) TUNNEL

Central Subway

DTX 4th & Townsend Station

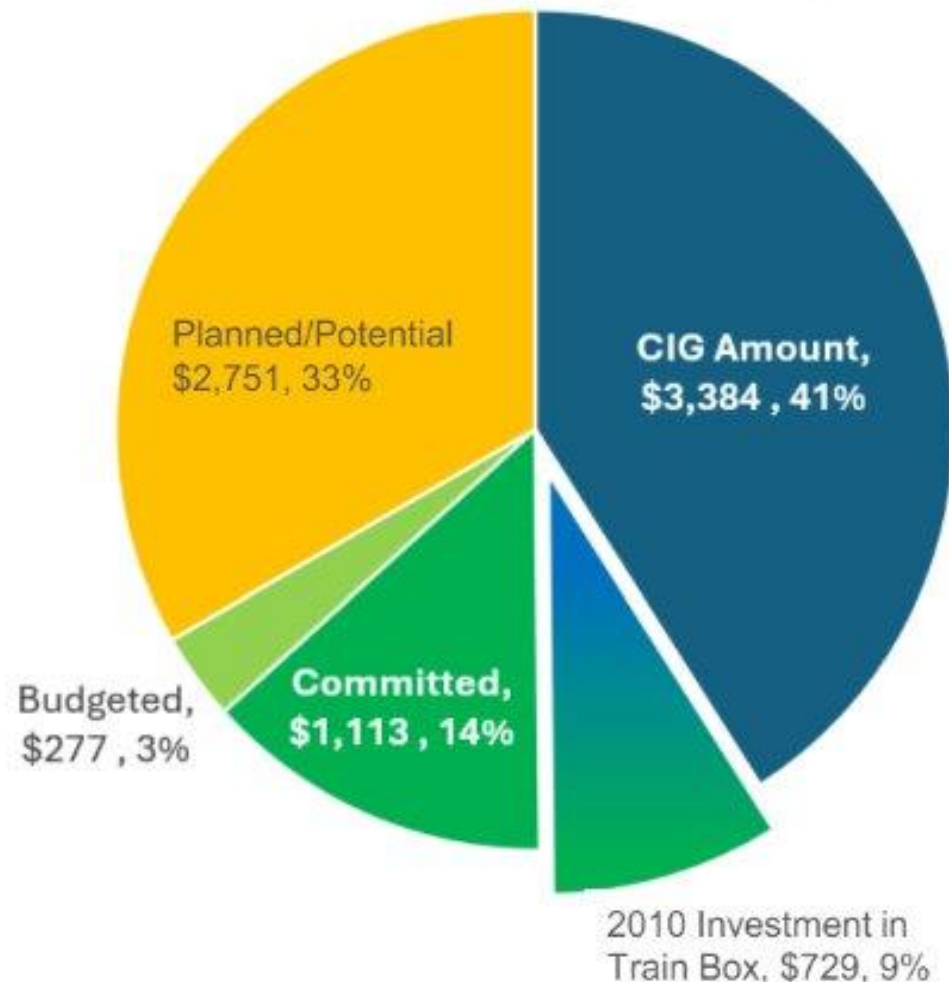


# Overall Project Update

- The Portal was granted entry into engineering by Federal Transit Administration (FTA) in May 2024.
- Capital Investment Grant (CIG) funding of ~\$3.4 billion (41% of Project cost) to be provided by FTA upon approval of a Full-Funding Grant Agreement (FFGA).
- Approval pre-conditioned on:
  - A revised Financial Plan
  - Approved Master Cooperative Agreement (MCA) between TJPA and Caltrain
- Project anticipates requesting an FFGA in Q4 2026, with approval and receipt of funds by July 2027.

# Capital Funding Gap

DTX/The Portal Full Funding



- The Portal retains a \$2.7 billion gap (33% of Project cost) in non-CIG funding.
- Remaining funding must be provided via a local match.
- TJPA holds responsibility for identification of funding sources to fill the capital funding gap.

# Operations & Maintenance (O&M) Funding Gap

- Caltrain's 2024 Strategic Financial Plan (SFP) projects an annual operating deficit of \$92M/year by 2033 without the Portal.
- The Portal is expected to have its own O&M funding gap (\$24 million/year between 2033 and 2042).
- Neither Caltrain nor TJPA have sufficient revenue from existing sources to cover Portal O&M.
- TJPA and Caltrain have agreed to jointly advocate for dedicated long-term stable revenue sources for O&M.

# Joint Ad Hoc Committee

- Discussion remains ongoing between TJPA and Caltrain regarding approach to closing the O&M Funding Gap.
- A Joint Ad Hoc Committee, with board members from TJPA and JPB was formed in May 2024.
  - Created primarily for inter-agency coordination on high-priority issues integral to both 4<sup>th</sup> and King Yard (4KY) and the MCA.
  - Committee directed creation of a staff-level working group to identify options for filling the O&M funding gap.
  - Aiming for finalized O&M funding plan by September 2026.
  - Review of potential backstop funding sources, confirmation of cost/revenue forecasts by working group planned for early 2025.



# Agreement Updates – MCA

- Completion of the MCA has been postponed to Q4 2026.
  - Retains alignment between agreement between parties and application for an FFGA.
  - Allows Parties further time to determine solution to O&M Funding Gap.
  - In the interim, discussions around filling capital and O&M funding gaps will continue.

# Interim Agreement Amendment

- In September 2023, Caltrain and TJPA approved an Interim Agreement to govern TJPA and Caltrain's cooperation in advancing the DTX Project until the MCA is executed. The Interim Agreement will expire on December 13, 2024.
- The Amended and Restated Interim Agreement includes a staffing plan to implement the joint workplan.
- The Amended and Restated Interim Agreement includes the scope of 4KY
- A reimbursement mechanism prior to the MCA
- Define Decision Making Process through Integrated Program Delivery Team Framework

# Interim Agreement Amendment

## The scope of the Amended and Restated Interim Agreement:

- Project Delivery Roles: role of the Integrated Project Delivery Team (“IPDT”) and Joint decision-making process within the IPDT
- Portal Procurement Package Review and Contractor Selection
- 4th and King Yard Project (4KY Project): a reimbursement mechanism and concurrence on delivery approaches related to the 4KY Project.
- Review and conduct studies to support design, procurement, environmental and grant documents
- Complete work to support FTA deliverables, Governance Framework Development, and Caltrain and TJPA Board items
- Development of MCA and O&M Funding Strategy

# Interim Agreement Amendment Budget

TJPA will reimburse Caltrain for actual Caltrain staff and consultant costs for the DTX/4KY Project during the term of the Amended and Restated Interim Agreement:

- FY25 Budget Amendment is \$3,919,306
- FY25 Budget includes Caltrain \$1.5 million Contribution
- Caltrain's in-kind contribution associated with attending ESC, EWG, IPMT, IMT Meetings including travel time.

IA Amendment Nov'24 to Jun'25	IA Amendment FY26 (Jul'25 to Jun'26)	IA Amendment FY27 (Jul'26 to Jun'27)	IA Amendment FY28 (Jul'27 to Jun'28)
\$3,939,106	\$7,174,392	\$ 7,999,025	\$ 8,350,147

# Recommendation and Next Steps

- Staff recommends that the Board:
  - Execute an Amended and Restated Interim Agreement between the TJPA and Caltrain to support advancement of the DTX, to remain in effect until the parties complete their negotiation of, and adopt, a Master Cooperative Agreement.
  - Amend the Caltrain Fiscal Year 2025 Capital Budget to authorize the receipt of \$3,939,106 from TJPA as reimbursement for the costs of undertaking the scope of work described in the Amended and Restated Interim Agreement.
- Next Steps
  - Agreement of a successor 6-Party MOU – Approved by IPMT on November 12, 2024. Will be presented to the AMP in December 2024.
  - Updates to Master Schedule, Portal Funding Plan – expected November 2024.

FOR MORE INFORMATION

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