

# Caltrain Governance

JPB Special Meeting #3  
on Governance

June 25, 2021



# **Welcome to Special Meeting #3**

# Special Meeting #3 Agenda

- **Review Meeting #3 Objectives and Governance Process Roadmap**
- **Staff Presentations**
  - Approach to Regional and Non-Self Directed Relationships
  - Active and Emerging Discussions
  - Strategic Issues

~ Break ~

- **Discussion**
- **Next Steps**

# **Special Meeting #3**

## **Objectives and**

## **Process Roadmap**

# JPB Governance 2021 Roadmap

## Phase 1

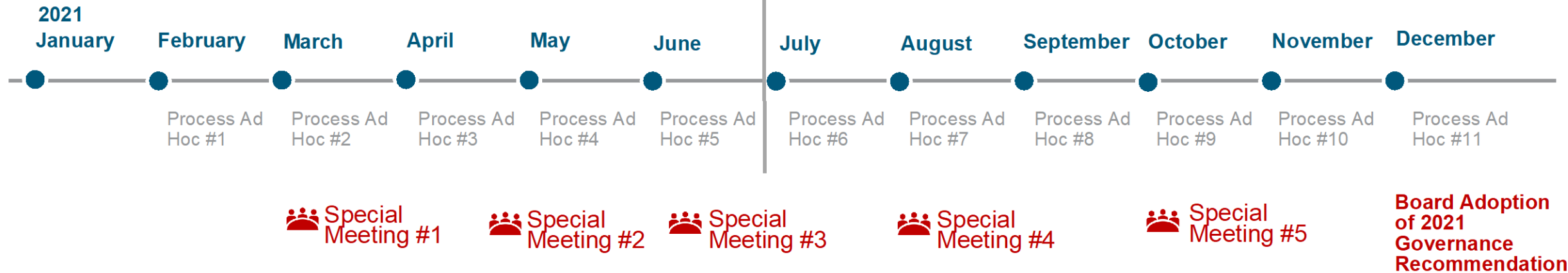
### Goals:

- Exploration and education about the JPB's range of structural governance paths.
- Selection of governance options and key issues to focus on in Phase 2.

## Phase 2

### Goals:

- Discussion of selected option(s) and financial and legal analysis towards developing the 2021 governance recommendation.
- Adoption of governance recommendation at December 2021 JPB meeting.



# JPB Governance 2021 Roadmap

## Phase 1

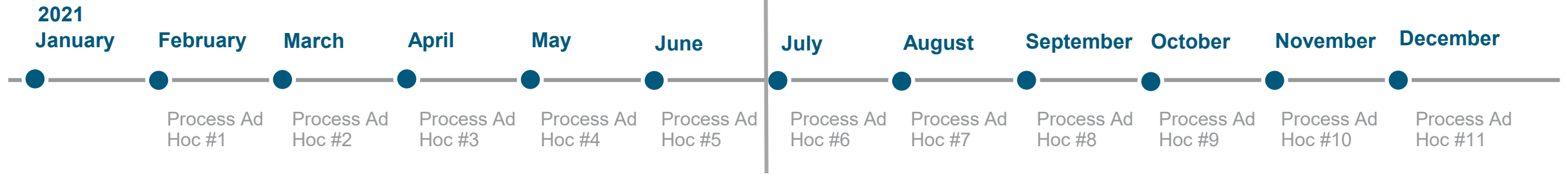
### Goals:

- Exploration and education about the JPB's range of structural governance paths.
- Selection of governance options and key issues to focus on in Phase 2.

## Phase 2

### Goals:

- Discussion of selected option(s) and financial and legal analysis towards developing the 2021 governance recommendation.
- Adoption of governance recommendation at December 2021 JPB meeting.



 Special Meeting #1

 Special Meeting #2

 Special Meeting #3

 Special Meeting #4

 Special Meeting #5

**Board Adoption of 2021 Governance Recommendation**

<p><b>#1 Outcomes:</b></p> <ul style="list-style-type: none"> <li>• Motion to accept 2021 gov. roadmap</li> <li>• Motion to accept 2021 gov process objectives</li> <li>• Discussion of interview themes and structural paths</li> </ul>	<p><b>#2 Outcomes:</b></p> <ul style="list-style-type: none"> <li>• Discussion of three self-directed governance options</li> <li>• Discussion of evaluation process</li> </ul>	<p><b>#3 Theme:</b> Regional (non-self directed) Options</p>	<p><b>#4 Theme:</b> Summary of evaluation of governance options</p>	<p><b>#5 Theme:</b> Refinement and recommendations concerning governance options</p>
--	---	--	---	--

# Governance Evaluation Status for Self-Directed Options

<b>Evaluation Task</b>	<b>Key Questions</b>	<b>Status</b>
<b>GM and Board Member Interviews and Analysis</b>	<ul style="list-style-type: none"> <li>• To what extent does each option provide for an effective and efficient delivery of Caltrain services?</li> <li>• To what extent is each option's governance model fair and accountable to the public(s) that it serves?</li> <li>• What are the practical resource and transition considerations for each governance model?</li> </ul>	Interviews scheduled with Board Members and GMs between June 15 <sup>th</sup> – June 25 <sup>th</sup>
<b>Financial Analysis</b>	<ul style="list-style-type: none"> <li>• What are the estimated annual costs and the estimated one-time costs for each self-directed option?</li> </ul>	Finalized scope of work. Coordinating with the Caltrain Finance team and a consultant to begin the financial analysis.
<b>Legal Analysis</b>	<ul style="list-style-type: none"> <li>• What legal actions would be need to be taken to fully enact and make permanent each self-directed option?</li> </ul>	Finalizing scope of work. Coordinating with Olsen/Remcho to begin the legal analysis.

# Objectives for Special Meeting #3

## Understand

- Caltrain's existing "regional" and non-self-directed relationships.
- Status of current discussions related to regional governance and projects.
- Areas of strategic importance for Caltrain relative to regional options.

## Discuss

- Board Member questions and observations regarding regional and non-self-directed relationships.
- Relation of today's discussion to self-directed governance options and 2021 governance recommendation.
- Caltrain's participation in regional discussions related to non-self-directed options.



# **Approach to Regional and Non-Self-Directed Relationships**

# Review: Three Structural Governance Paths

TODAY'S FOCUS



## A. Modify Current Structure

Maintain Caltrain's current governance structure with modifications.



## B. Create New Structure

Reorganize Caltrain with new management and employment structure.



## C. Pursue Regional (non-self-directed) Options

Modify Caltrain's governance to align with regional outcomes.

### What is it?

#### Within Paths A & B, Three Options Are Being Evaluated:

- **Option 1:** Refinement of Shared Services Model/ED Relationship
- **Option 2:** New Shared Services Model/ED Relationship
- **Option 3:** Independent Agency

**Note: Governance paths are not mutually exclusive and may be phased over time.**

# What are “Non-Self-Directed” Governance Options?

- Refers to governance structures that cannot be solely determined by the JPB and its member agencies.
- Could include “comprehensive” governance options (e.g., full mergers with other agencies).
- Could also include specific-purpose governance structures that are focused on individual projects or particular issues and functions (e.g., a construction authority or a specific governance arrangement around an individual project).

# Examples of New Regional and Non-Self-Directed Governance Options

Option	Description of “End State”
C1	Caltrain becomes part of a regional rail transit agency
C2	Caltrain merges with BART
C3	Caltrain merges with other regional rail providers
C4	Caltrain coordinates with a Regional Network Manager
C5	Caltrain consolidates with High Speed Rail
C6	Caltrain participates with a regional construction authority
C7	Caltrain participates with a grade separation district

# Where Are We Starting?

- We are not starting from a blank slate. Caltrain is already enmeshed in a complicated network of formal external governance structures and relationships.
- Any discussion about new or modified regional governance is also, inherently, a discussion about how some or all of these existing relationships could change.



# Caltrain's Existing External Relationships

Caltrain has existing, formal external relationships with other public entities, which can broadly be grouped into four categories.

The details of these relationships are complicated. Some involve fully articulated governance structures; some are dictated through statute; and others are based in specific agreements or policies.

These relationships are also complex because of the intricacy and geographically-specific nature of the overall landscape of government institutions in the Bay Area.

- **Operator Relationships**  
Caltrain's relationships with local transit operators, regional transit services and intercity rail operators.
- **Local Jurisdiction Relationships**  
Caltrain's relationships with cities, counties, and county-scale entities like congestion management agencies (CMAs) and transportation authorities (TAs).
- **Regional and State Relationships**  
Caltrain's relationships with MTC and State entities such as Caltrans, CalSTA and CHSRA.
- **Complex Project Relationships**  
Caltrain's complex project relationships involve multiple external entities in coordinated efforts that are focused on specific, large plans and projects.

# Operator Relationships

## Transit Operations

Ongoing scheduling and coordination interfaces with county and regional transit operators.

- *Example: Coordinating transit schedules with BART at Millbrae*
- *Example: Bus bridge support on capital projects*

## Trackage Rights

Agreements with rail operators that use the Caltrain corridor.

- *Example: Capitol Corridor use of Caltrain ROW between Santa Clara and Diridon.*

## Fare Agreements and Inter-Agency Transfers

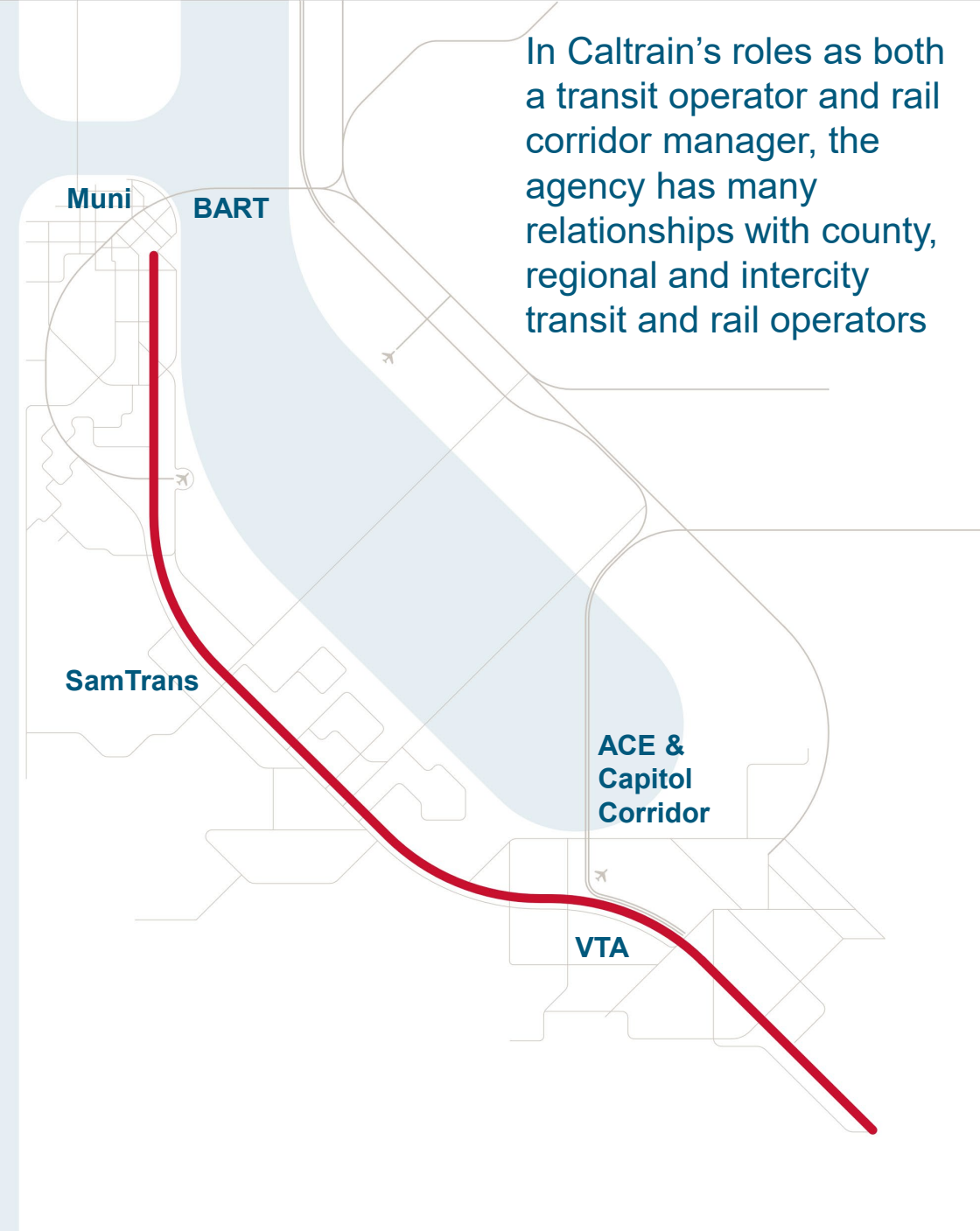
Agreements with other transit operators around fares and transfers.

- *Example: Monthly pass transfer agreement between VTA and Caltrain*

## Station Management

Agreements with other transit operators around the management and use of shared stations.

- *Example: Caltrain and BART MOU governing maintenance of Millbrae Intermodal Station*



# Local Jurisdiction Relations

## Local Transportation

Planning and coordination of local transportation, including first / last mile connections and circulation / bicycle and pedestrian facilities.

- *Example: Circulation and access improvements at 4<sup>th</sup> & King*

## Land Use and Station Area Development

Coordination with cities on station area plans and developments.

- *Example: Hayward Park transit-oriented development project*

## Corridor Maintenance and Construction Activities

Work with local jurisdictions related to corridor maintenance and capital project delivery.

- *Example: Outreach and agreements with cities related to PCEP construction*

## Planning

Planning of programs and capital projects with cities, counties, or CMAs and TAs.

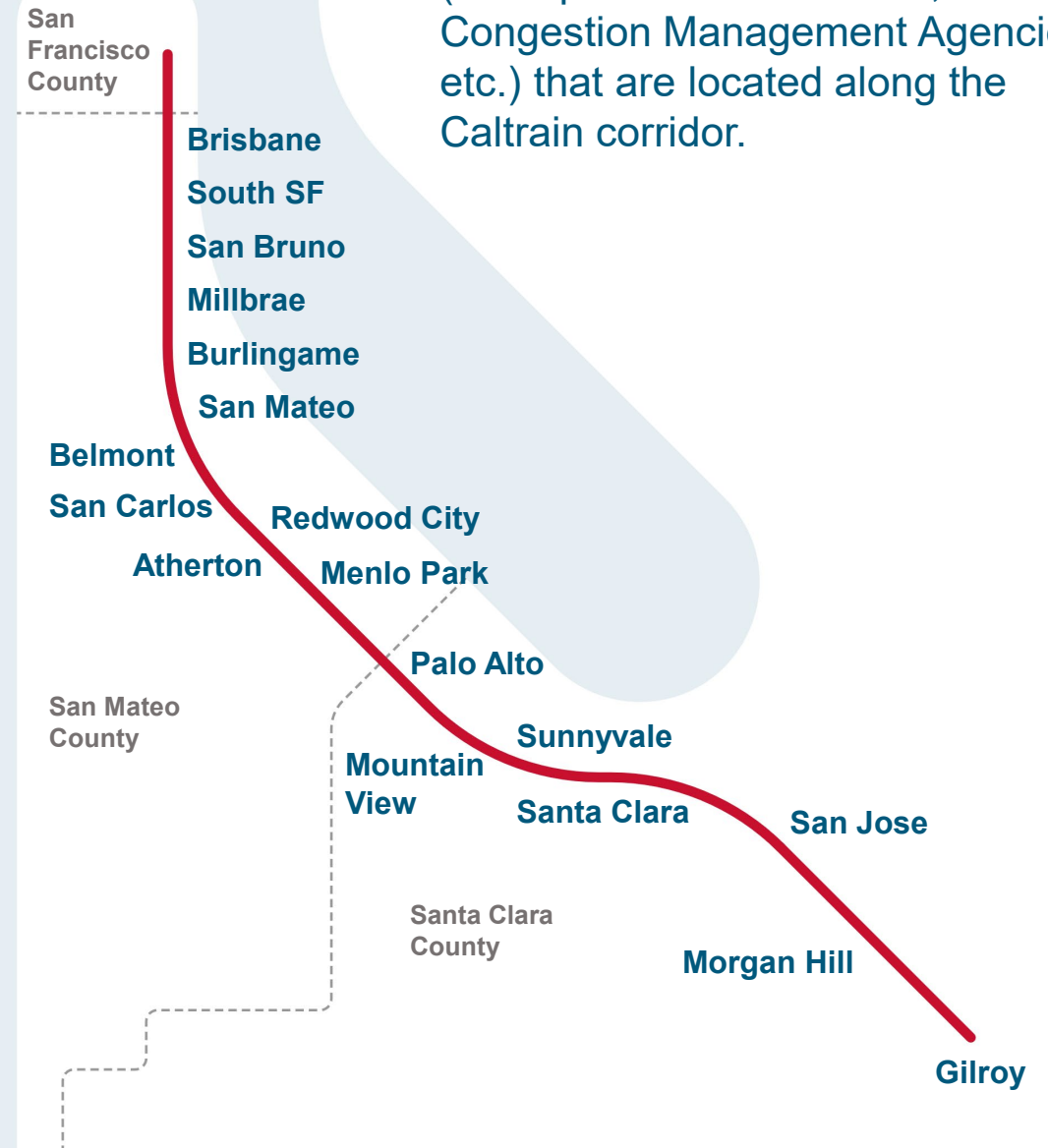
- *Example: Southeast Stations Plan with San Francisco Planning Department*

## Funding

Funding of specific programs and projects

- *Example: Measure A funding of Atherton Station removal, Measure B funding of Gilroy service expansion*

Caltrain has various relationships with local cities, counties, and county-derived entities (Transportation Authorities, Congestion Management Agencies, etc.) that are located along the Caltrain corridor.





# Regional and State Relationships

## State Rail Network Planning and Projects

Involvement in rail network planning and projects led by entities at the State level including CalSTA, Caltrans, and CHSRA.

- *Example: Development of California State Rail Plan*

## Regional Transportation Planning and Funding

Ongoing interfaces with MTC or other entities at the regional level to plan for transportation improvements in the Bay Area and to distribute funding.

- *Examples: Plan Bay Area, distribution of Federal Relief Funds*

## Transit Operations and Customer Experience

Work with the State, MTC and/or regional groups of operators to coordinate services and systems at the regional level.

- *Examples: Regional and local transit operator service coordination efforts (regional operations planning staff group);*

Partnerships on fare payment systems across the region.

- *Examples: Existing Clipper system; forthcoming Clipper 2.0 system; Cal-ITP program improvements*

Participation in regional fare programs and studies.

- *Examples: Clipper START program; Regional Fare Coordination/Integration Study*

Coordination to improve customer information and wayfinding.

- *Example: MTC Regional Transit Mapping and Wayfinding Project*



Caltrain's relationships with regional and State entities generally involve projects and processes that directly intersect with or govern Caltrain.

In these relationships, Caltrain is typically – but not always – one of numerous parties involved in the project or process, which is led by a regional or State entity.

# Complex Project Relationships

## San Francisco Terminal Projects

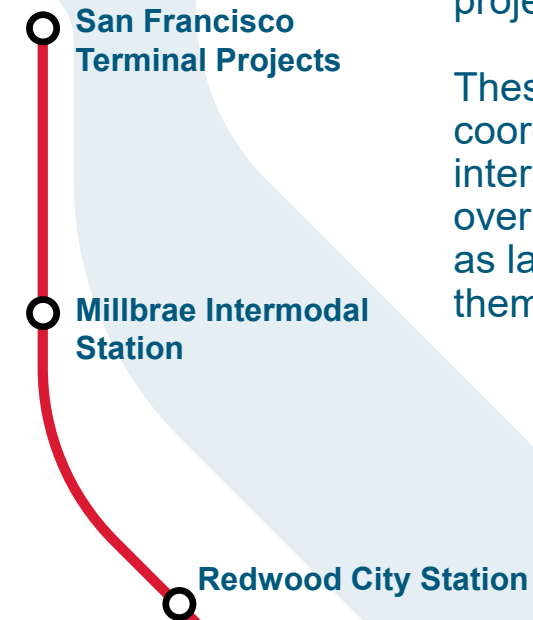
- Projects: Downtown Extension (DTX), Railyard Development, Pennsylvania Avenue Extension, HSR
- Public Entities: Caltrain, CCSF Planning and OED, SFCTA, TJPA, MTC, CHSRA
- Joint governance / relationship structures: Joint Powers Authority, public Executive Steering Committee, various MOUs

## Millbrae Intermodal Station

- Projects: Station access improvements, future HSR expansion, multiple transit-oriented developments
- Public Entities: Caltrain, BART, SamTrans, City of Millbrae, CHSRA, SFO
- Joint governance / relationship structures: various MOUs

## Redwood City Station

- Projects: Grade separations, Caltrain station expansion and improvement, Dumbarton rail, transit-oriented developments
- Public entities: Caltrain, SamTrans, San Mateo County TA, City of Redwood City
- Joint governance / relationship structures: various MOUs



Caltrain is involved in many multi-party governance structures and relationships focused on large, complex, projects and processes.

These can involve coordination around the intersection of multiple overlapping projects as well as large joint projects unto themselves.

# Complex Project Relationships

## San Jose Terminal Projects

- Projects: Diridon Integrated Station Concept Plan, BART to SV, transit-oriented developments, HSR, grade separations, corridor capacity and service planning
- Public entities: Caltrain, VTA, City of San Jose, HSR, MTC, BART, ACE, CCJPA, Caltrans
- Joint governance / relationship structures: various MOUs and agreements, public Station Area Advisory Board and Stakeholder Groups

## Gilroy Station

- Projects: Transit-oriented development, future HSR expansion, passenger service to Salinas
- Public entities: Caltrain, VTA, City of Gilroy, Transportation Agency of Monterey County, Caltrans
- Joint governance / relationship structures: Not formalized

Caltrain is involved in many multi-party governance structures and relationships focused on large, complex, projects and processes.

These can involve coordination around the intersection of multiple overlapping projects as well as large joint projects unto themselves.



San Jose Terminal Projects

Gilroy Station

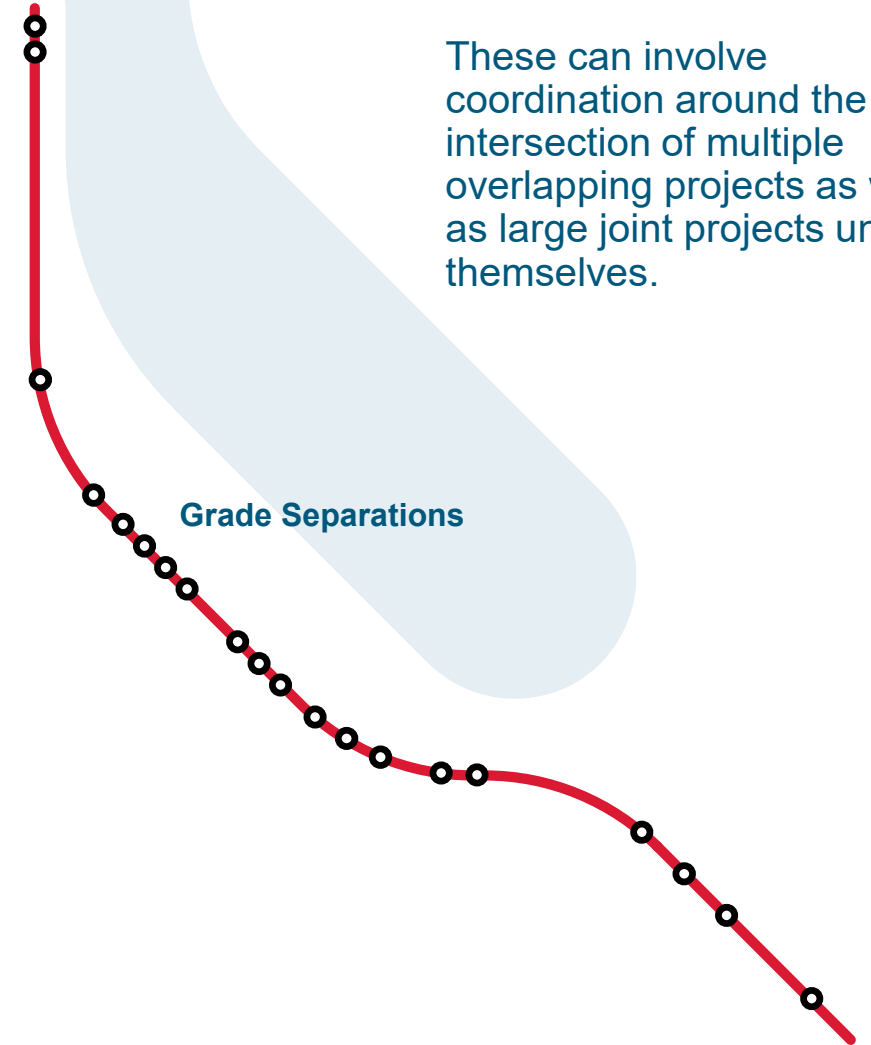
# Complex Project Relationships

## Grade Separations

- Grade separations are complex projects with multiple instances advancing in parallel throughout the Caltrain corridor.
- Usually grade separations involve at least three parties: Caltrain, the affected one or more cities, and a county funding authority. Depending on the location of the project, there may be substantive involvement from additional agencies and parties.
- Grade separation projects are generally governed through a series of MOUs and agreements that evolve over the life of the project.

Caltrain is involved in many multi-party governance structures and relationships focused on large, complex, projects and processes.

These can involve coordination around the intersection of multiple overlapping projects as well as large joint projects unto themselves.



# **Active and Emerging Initiatives and Discussions**

# Active and Emerging Initiatives Discussions

## 1. Regional Initiatives

- Blue Ribbon Transit Recovery Task Force
- Network Manager Business Case
- Regional Fare Coordination and Integration Task Force
- MTC Regional Rail Partnership Grant

## 2. Link 21

## 3. Other Discussions

- “Seamless and Resilient Bay Area Transit Act” – AB 629 introduced in State Legislature by Assemblymember Chiu
- Potential Caltrain-BART “merger”

# MTC Blue Ribbon Transit Recovery Task Force

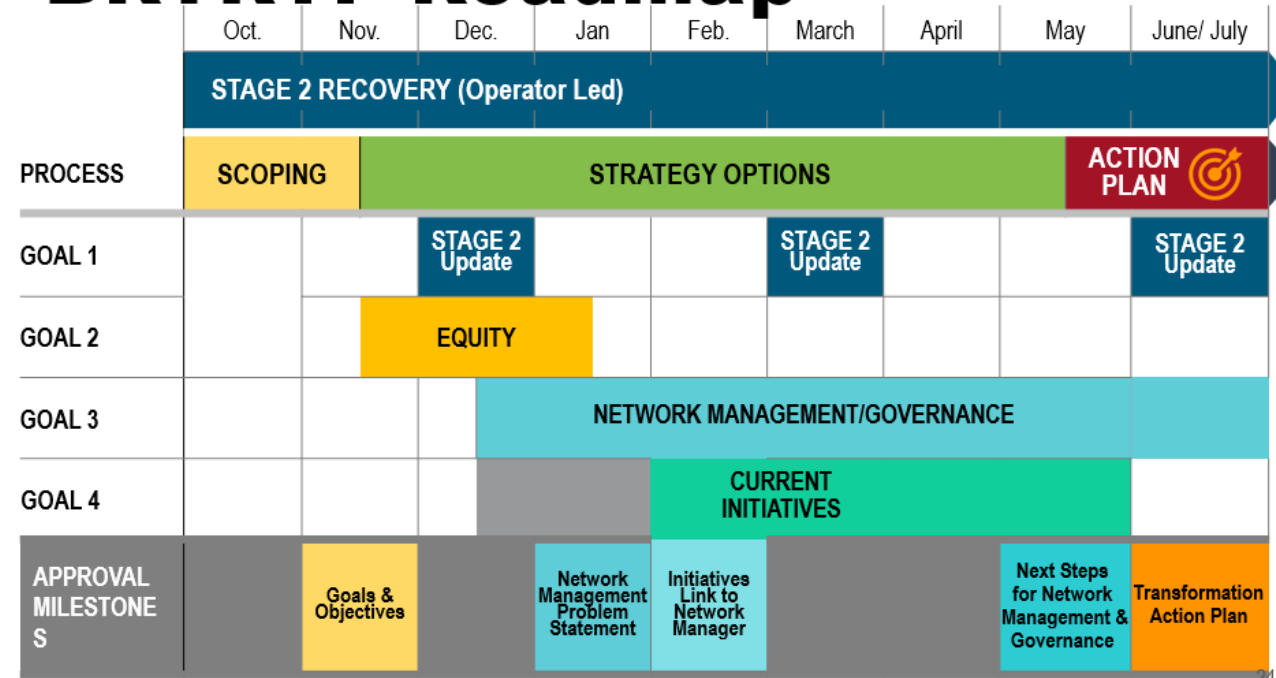
Appointed by Commission in May 2020 to guide the Bay Area's transit system recovery in response to the COVID-19 pandemic.

32 members composed of representatives from the State, MTC Commission, transit operators, and stakeholder groups

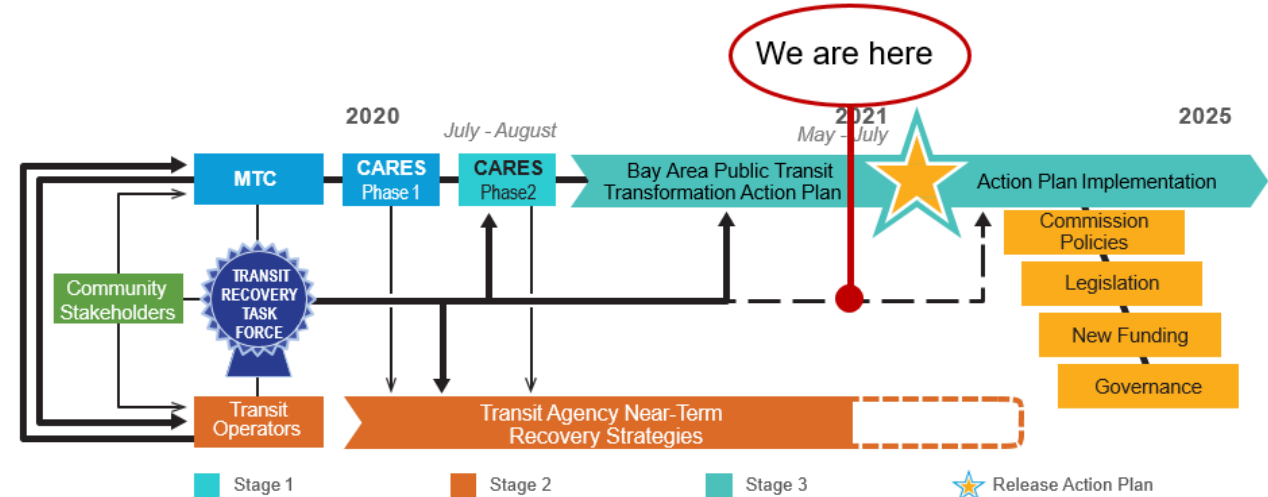
Purpose:

- Guide the expedited distribution of CARES Act Phase 2 funds.
- Safety, network connectivity, financial sustainability, and transportation system equity will be important considerations.
- By mid-2021, submit a Bay Area Public Transit Transformation Action Plan to the Commission.

## BRTRTF Roadmap



## Task Force Timeline



# Other Regional Initiatives

## Bay Area Regional Rail Partnerships: Project Delivery And Governance

- Caltrans Planning Grant – Strategic Partnerships
- Strategic choices related to governance and organizational structure will set the foundation to successfully plan and deliver transformational regional rail projects.
- Rail evaluation results will be incorporated into bus network management reforms supported by the business case analysis.
- Next Steps: solicitation for consultant services; determine project advisory structure; finalize scope

## Regional Fare Coordination and Integration Study

- Investigating ways to increase ridership and make the region's transit better coordinated, more affordable, and more attractive
- Project Ownership: Fare Integration Task Force
- Co-Project Managers: MTC & BART staff, with support from transit operator staff working group
- Project underway and anticipated to have draft recommendations in summer 2021 and final report by early fall 2021.



# Link21 Program

## The Need for Link21:

- Fifth largest megaregional economy in the country
- Inconvenient, disconnected rail service and limited routes
- No regional rail crossing to SF Peninsula
- Persistent traffic congestion
- Jobs and affordable housing imbalance
- Climate- and health-damaging air pollution

## Goals and Objectives:

### Transform The Passenger Experience

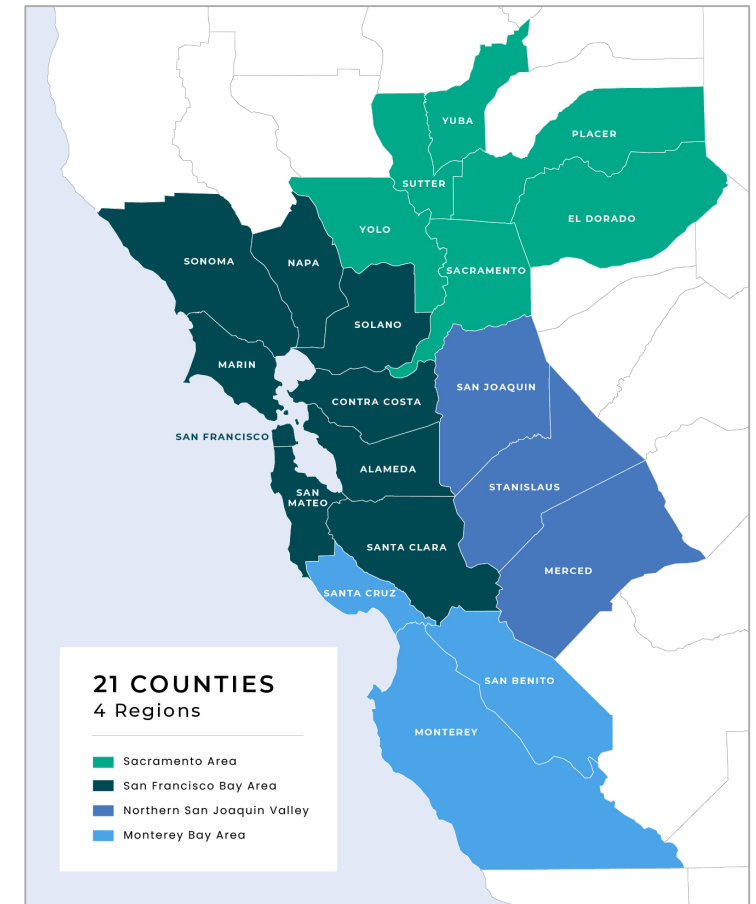
- Provide better service
- Improve reliability and system performance
- Build ridership and mode share

### Enhance Community And Livability

- Connect people and places
- Improve safety, health and air quality
- Advance equity

### Support Economic Growth And Global Competitiveness

- Improve access to opportunity and employment
- Connect major economic, research and education centers
- Enable transit-supportive land use



### Advance Environmental Stewardship And Protection

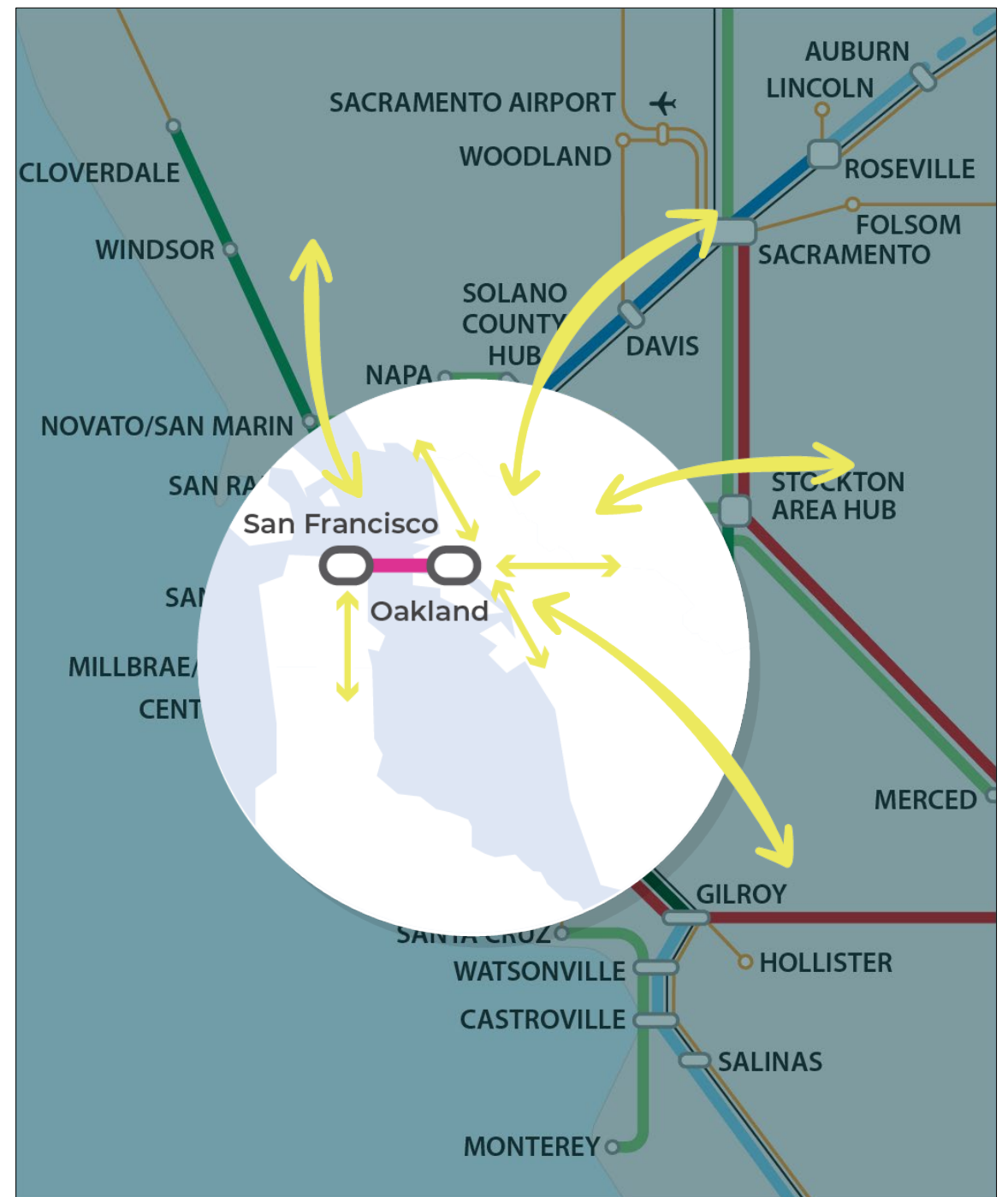
- Increase climate change resilience
- Reduce greenhouse gas emissions
- Conserve resources



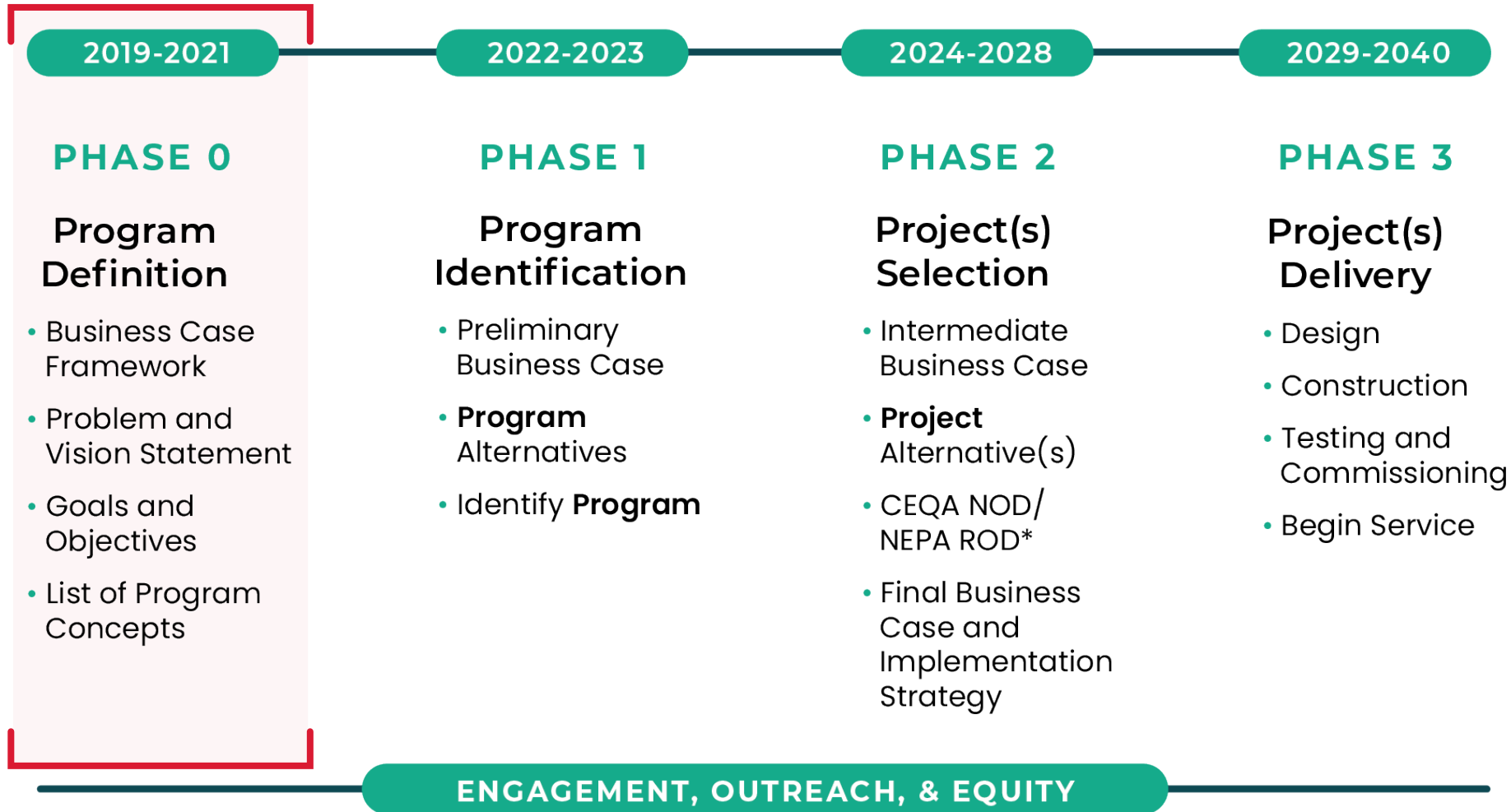
# Link21: A New Transbay Rail Crossing Unlocks the Megaregion's Potential

Projects within the Link21 Program include:

- A new passenger rail crossing between Oakland and San Francisco
- Network improvements across Northern California that support service through the new rail crossing



# Link21 Program Timeline



\*CEQA NOD = California Environmental Quality Act Notice of Determination/NEPA ROD = National Environmental Policy Act Record of Decision

# Emerging Discussions

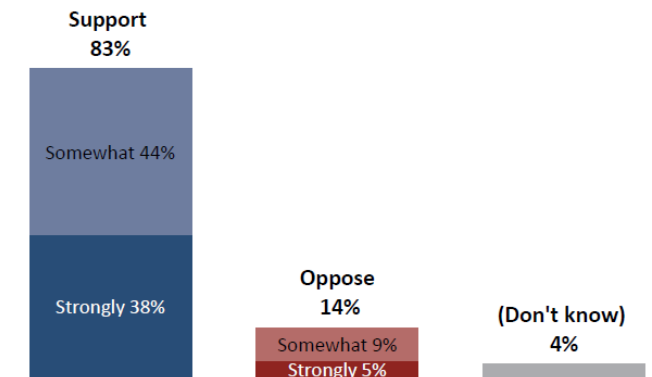
## Seamless and Resilient Bay Area Transit Act – AB 629

- Authored by Assemblymember Chiu in February 2021, and draft bill included:
  - Requirement for MTC to consult with transit agencies, local jurisdictions, county transportation agencies, and the public to establish and maintain a transit priority network for the San Francisco Bay area that designates corridors that can best support transit service.
  - Requirement for a Fare Coordination and Integration Study, implementation of real-time data and wayfinding standardization, and transit network prioritization.
- Initially, draft bill was expected to be amended based on the conversations at the Blue Ribbon Task Force and then passed this legislative year.
- Then, Assembly Appropriations Committee made this a 2-year bill, so it will not move forward until 2022.
- If Assemblymember Chiu decides to move the bill forward in 2022, he can amend it and may include updates based on the conclusion of the Blue Ribbon Task Force, which is expected to be complete by July 2021.

## Potential Caltrain-BART “Merger”

Question included in Bay Area Council’s April 2021 poll and discussed in regional newspaper articles

Would you support or oppose combining BART and Caltrain into one integrated system?




**ERT** East Bay Times

Could a BART-Caltrain merger help fix one of Bay Area transit's biggest problems?

Backers of this vision say merging BART and Caltrain into a single regional rail system, set to eventually encircle the Bay, would make public ...

Apr 13, 2021




**The San Francisco Examiner**

Survey suggests merger of BART and Caltrain could be popular

Survey suggests merger of BART and Caltrain could be popular ... Once a fringe idea, the idea of a merger of the Bay Area's two major commuter ...

1 month ago



# Examples of New Regional and Non-Self-Directed Governance Options

Option	Description of “End State”
C1	Caltrain becomes part of a regional rail transit agency
C2	Caltrain merges with BART
C3	Caltrain merges with other regional rail providers
C4	Caltrain coordinates with a Regional Network Manager
C5	Caltrain consolidates with High Speed Rail
C6	Caltrain participates with a regional construction authority
C7	Caltrain participates with a grade separation district

# Strategic Issues

# Strategic Issues with Non-Self-Directed Options

As the Caltrain Board discusses non-self-directed options, there are a number of strategic questions that should be considered from an organizational perspective.

## 1. How would the different non-self-directed structures impact Caltrain's ability to meet its goals, including:

- The provision of safe, reliable customer service?
- Implementation of the Service Vision?

## 2. What governance structure would be used and how would the JPB be included in the regional structure?

- How would Board representation, roles, and responsibilities be determined?
- Would JPB member agencies have sufficient representation and authority?

## 3. How would critical decisions be made regarding:

- Fare policy, including farebox operating revenue?
- Annual operating and capital budgets?
- Funding sources including tax measures?
- Service levels?
- Capital project priorities?
- Organizational structure and staffing?

## 4. What would be the degree of cross subsidization between the regional entities?

- What would be acceptable to JPB members?

# Strategic Issues with Non-Self-Directed Options

As the Caltrain Board discusses non-self-directed options, there are a number of strategic questions that should be considered from an organizational perspective.

## 5. What would be the impact of new or different labor agreements?

- What would be the impacts on Caltrain work rules and costs if other regional operators' work rules were adopted?

## 6. How would consideration of and potential transition to different non-self-directed options impact the Caltrain organization?

- Does Caltrain staff have the bandwidth and capacity to fully engage in these discussions? How would this engagement affect other Caltrain priorities such as regaining ridership?
- How difficult would it be to transition to the new organization?

## 7. What legal issues would be involved?

- How could these potentially be mitigated?

## 8. What is the overall assessment?

- Would the benefits outweigh the costs?
- Are the risks of implementing a change greater than the risk of maintaining the status quo?
- Is the selected structure one that maximizes benefits while minimizing risk?



# Public Comment

# Break

Please return in 10 minutes.

# Discussion

# Discussion Questions

## Board Member General Questions and Observations

1. Do you have any questions or observations to share regarding Caltrain's existing system of external relationships and how it functions?
2. Do you have any questions or general comments about any of the non-self-directed options that were presented?
3. Are there particular non-self-directed options that interest you, or that were not touched upon in the presentation?

# Discussion Questions

## Relationship to Self-Directed Options

4. When it comes to governance change, what relationship(s) do you see (if any) between the non-self-directed options and the self-directed options?
5. Thinking about the 2021 governance recommendation that the JPB will make at the end of this year, to what extent do you want or expect that it will address the non-self-directed options?

# Discussion Questions

## Participation in Regional Discussions that Relate to Non-Self-Directed Options

6. Which non-self-directed options or active / emerging initiatives do you think Caltrain should focus on in the near-term?
7. How would you like the Caltrain Board to be updated and engaged in the active and emerging discussions related to non-self-directed options?

# Public Comment

# Next Steps



# Next Steps

- **Evaluation of self-directed governance options (both qualitative and quantitative analyses).**
- **Share evaluation results and fully discuss with Board at next Governance Special Meeting #4.**
- **Upcoming Special Meetings on Governance:**
  - Special Meeting #4: Friday, August 20, 2021, 1:00pm – 4:30pm
  - Special Meeting #5: Friday, October 22, 2021, 1:00pm – 4:30pm

