



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Kim Walesh  
Jim Ortbal

**SUBJECT:** DIRIDON STATION PLAN AND  
REGIONAL RAIL PROJECTS

**DATE:** March 23, 2017

Approved

*D. D. Syl*

Date

*3/24/17*

## BACKGROUND

On March 30, 2017, the City Council will hold a Study Session on the Diridon Station Area Plan and the major Regional Rail projects being planned and developed through San Jose, converging in Downtown at the Diridon Station. The purpose of the Study Session is to:

- Orient Council to the Diridon Station Area Planning effort and major Regional Rail projects that will converge in Downtown at Diridon Station (BART, California High Speed Rail, and Caltrain Modernization). Attachment A depicts the major rail systems into Diridon Station.
- Describe the Inter-Agency Partnership being formed between the Valley Transportation Authority (VTA), the High Speed Rail Authority (HSR), the Caltrain Joint Powers Authority, and the City of San Jose to maximize and leverage the benefit of these investments.
- Build understanding of the Citywide transformational opportunity for San Jose from the Regional Rail projects converging in Downtown at Diridon Station.
- Understand the scope, scale, and milestones of the 10+ year effort to redevelop the Diridon Station and Area and deliver the largest public infrastructure projects in the City's history, and to familiarize Council with workplan items to be addressed over the next 12-18 months.
- Provide opportunity for Council to articulate high-level expectations to City staff and our Inter-Agency partners to help guide effective planning, prioritization and project delivery.

## ANALYSIS

Today, roughly 17,500 bus and rail transit trips begin or end at Diridon Station on a typical weekday. Those trips are taken on Caltrain, VTA light rail, Amtrak/Capitol Corridor, Altamont Commuter Express (ACE), local or intercity bus, and private shuttles, and in many cases include

linked transit trips that connect at San Jose Diridon Station. By 2040 more than 138,000 trips are expected to begin or end at Diridon on a typical weekday – an eightfold increase over existing passenger volumes, making Diridon Station one of the busiest and most transit rich inter-modal stations in the western United States. This projected growth will primarily occur due to the addition of BART and High Speed Rail (HSR), and the increased speed and frequency of Caltrain service.

The following sections of the report describe each of these transportation projects, their current status and upcoming milestones, and how the partners are working together to realize the potential of a redeveloped and expanded Diridon Station and surrounding Area. Key senior leaders and managers from the VTA, HSR and Caltrain will participate in the Study Session and present high level summaries of their projects, and be available for Council questions.

### **BART Extension to Silicon Valley**

The VTA's BART Silicon Valley Extension is a planned 16-mile, six-station extension of the existing 104-mile Bay Area Rapid Transit (BART) system into San Jose and Silicon Valley. The project will bring commuters into San Jose and Silicon Valley with convenient connections to VTA light rail and bus systems that serve major employers, residential areas, and other destinations. New developments, including commercial/office, housing, and entertainment/retail spaces are planned around the future station areas.

The project is being implemented in two phases. BART Phase I, the Berryessa Extension, is a 10-mile, two-station extension south from the Warm Springs Station in Fremont, through Milpitas and to the Berryessa Station in northeast San Jose. Phase I is currently under construction and anticipated to open for revenue service by December 2017. BART Phase II is a 6-mile extension of the BART system from the Phase I terminus to the City of Santa Clara, including a 5-mile long subway tunnel under Downtown San Jose. Four stations are proposed for Phase II: 28th Street/Alum Rock, Downtown San Jose, Diridon Station, and Santa Clara. The project connects San Jose to the rest of the Bay Area served by BART.

The VTA project team has actively engaged City staff and community leaders through regular Community Working Group (CWGs) meetings. The estimated cost of the Phase II project is approximately \$4.7 billion, and the funding plan includes a mix of local (2000 Measure A & 2016 Measure B), State (Cap & Trade), and Federal (Federal Transit Administration (FTA) New Starts) funds.

BART Phase II is currently in the environmental review stage. VTA and City staff and consultants have been working closely to identify and resolve potential project or construction impacts, facilitate access to the new stations and future transit-oriented development, and study project alternatives – for example, what tunneling methodology to pursue (Single or Twin bore). The project is in the FTA New Starts Project Development program, and is on schedule to receive a Record of Decision and complete the environmental process by the end of 2017. The project would then move into New Starts Project Engineering with the goal of receiving a Full

Funding Grant Agreement from the FTA in 2019. Pre-construction work could begin as early as 2018-19, with the project opening for revenue service in 2026.

### **California High Speed Rail**

In April 2016, the California High Speed Rail Authority Board of Directors adopted an updated 2016 Business Plan. Under the new Business Plan, the initial operating segment (IOS) from Bakersfield to San Jose was selected as the top State wide priority, connecting the Central Valley to the Bay Area, creating major economic opportunities and improving connectivity to the existing rail systems serving the Bay Area. The Business Plan also includes an accelerated schedule for completing the Central Valley-to-Silicon Valley (San Jose-to-Merced) segment and also established the San Jose to San Francisco Segment as a high priority project. When combined with the 119 miles currently under construction in the Central Valley, the Business Plan targets 2025 as the year of providing HSR service from Bakersfield to San Jose.

Approximately 21 miles of the project is within San Jose City limits with the program level environmental clearance identifying a corridor that generally follows the Caltrain/Union Pacific Railroad right of way from Coyote Valley in South San Jose through the Monterey Corridor and Communications Hill into Tamien Station and onto Diridon Station.

The City Manager submitted a letter to HSR on April 14, 2016, in which the City stressed support for the project described in the new draft Business Plan and outlined expectations on the project decision making process, public outreach and neighborhood engagement needed to ensure the development of the best alignment options to be included in the environmental review process. Following that lead, the HSR and City project team has been evaluating various alignment alternatives throughout the project corridor.

The HSR alignment alternatives will be reviewed through a public engagement process into the summer of 2017, including Community Working Groups and other community meetings in partnership with the City. Project issues to be discussed include alignment alternatives, noise, architectural aesthetics, train operations, right of way requirements and cost. The current schedule for the project includes the HSR Board adopting a Preliminary Preferred Alternative in August 2017 and issuing draft EIR/EIS documents in July 2017, with a Final EIR/EIS in August of 2018.

City staff have indicated to the HSR Authority and staff that, given the magnitude of the project, its potential impacts, and need for extensive community engagement, the current schedule is very ambitious and may need adjustment to ensure that the best alternatives are identified, and the community has had ample opportunity to weigh in on their preferences and concerns related to the alternatives in the environmental process.

The Bakersfield to San Jose initial operating segment is estimated to cost approximately \$21 billion and is funded from the Federal American Recovery and Reinvestment Act, State Proposition 1A - High Speed Rail Bonds, and State Cap & Trade allocations.

### **Caltrain Modernization**

Over the last decade, Caltrain has experienced a substantial increase in ridership and anticipates further increases in ridership demand as the Bay Area's population and employment along the Caltrain Corridor grows. The Caltrain Modernization Program, scheduled to be implemented by 2020, will electrify and upgrade the performance, operating efficiency, capacity, safety, air quality impacts, and the reliability of Caltrain's commuter rail service. Caltrain is awaiting final approval of approximately \$650 million in federal funding in order to complete funding for the project and fully initiate construction of the project. A modernized and electrified Caltrain will run from San Francisco through Diridon Station and to Tamien Station, and operate on the essentially same corridor/tracks as it currently does, limiting impact from the project on the surrounding neighborhoods, communities, and rail systems.

### **Diridon Station and the Plan Area**

Recognizing the incredible opportunity in the Diridon Station area of Downtown, the City Council formed the Good Neighbor Committee to ensure effective stakeholder and community input for guiding principles for future planning and development of the area. In 2011, the City Council accepted the recommendations of the Diridon Good Neighbor Committee, which included the following:

#### **Destination Diridon – The Vision of the Good Neighbor Committee:**

- Diridon Station is the way to San Jose, you can get there from everywhere, and you can get everywhere from there — quickly, easily.
- Diridon Station is the hub of public transit and central place of downtown San Jose, and a regional front door to Silicon Valley.
- People of all kinds, families, different generations, the cultural creatives, the professionals all name Diridon as their favorite place to hang out, to play, to have fun, to meet, to work, and to be.
- Diridon is a great place surrounded by great neighborhoods.
- Trails and open space, parks and plazas, the Guadalupe River and Los Gatos Creek, are amenities for an active Destination Diridon.
- The great community events of San Jose happen at Diridon Station—the concerts and the games, of course, but far more than that.
- The creation of a great place requires excellent community engagement and involvement throughout the process.

The work underway to develop a new Diridon Station Area supports these guiding principles. In 2014, the City Council adopted the Diridon Station Area Plan (DSAP), a comprehensive plan for the growth and development of the areas that surround the Diridon Station. The DSAP sets the stage for the development of a world class inter-modal station and surrounding development,

including project level environmental clearance for significant commercial/office, housing, and retail intensification.

In late 2015, an Inter-Agency Diridon Working Group was formed between the Valley Transportation Authority (VTA), the High Speed Rail Authority (HSR), the Caltrain Joint Powers Authority, and the City of San Jose to advance comprehensive planning and development of an expanded Station and surrounding area.

The Vision the partners hold for San Jose Diridon Station is that it seamlessly connects and serves people traveling via multiple transportation modes and is a grand destination unto itself for community and commerce. The San Jose Diridon Station will stimulate private investment, be the center of a vibrant surrounding area and the gateway to Northern California.

The Inter-Agency Working Group recognizes the critical importance of cooperative relationships and common goals, and to that end the San Jose Diridon Station and Station Area will be developed through a strong collaboration between the partners that respects individual agency goals while maximizing long-term common good through transparency and cooperation.

The Inter-Agency Working Group identified the need to work together on a detailed plan for the Station itself, for stimulating private development integrated with the Station, for determining the right governance models, and for developing strategic funding and financing plans for the project. Three major efforts are underway as foundational tasks to the eventual realization of the expanded Station that houses BART, HSR and modernized Caltrain:

1. The Diridon Transportation Facilities Master Plan, being led by VTA, to identify the functional facility requirements for all current and planned transportation services, as well as options for how to arrange those facilities to provide seamless passenger connections to and between all of the future transportation services. The Master Plan analyzes all current and planned transportation, including a connection to the Mineta San Jose International Airport that is also under investigation by VTA. The Facilities Master Plan is a key piece of information that is needed to inform future redevelopment at Diridon Station.
2. A parking analysis and strategy for the near-term (2017 through 2025), when major projects are expected to be under construction. This study is being led by the City of San Jose, with an aim to mitigate the loss of parking needed to maintain operations at Diridon Station and surrounding businesses.
3. The City of San Jose, with the support of a development adviser, will be creating guidelines and standards for new private development near the Station in order to encourage high-quality private development and public spaces in the Plan Area, and to potentially integrate private development into the Station itself. The City is collaborating on this work with the Inter-Agency Partners; VTA and Caltrain own land in the core Plan Area, as does the SARA. The City recently completed an assessment of infrastructure needs to support new development in the Diridon Station Area.

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Attachment B is a high-level, Inter-Agency 10-year Workplan intended to guide the most significant work efforts required to advance each of the major rail projects and the associated planning, governance, financing and development activities to realize the Vision for Diridon Station and Area by 2026.

### **CONCLUSION**

The Diridon Station Area Plan and Regional Rail project development offer the City, its partners, and the San Jose community an incredible, transformative opportunity. Over the next decade, years of planning, and more importantly major transit and station project delivery and private development have the ability to create a unique district and neighborhood that will connect the area to all of San Jose, the Bay Area, and the State.

/s/

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Director of Economic Development

/s/

Jim Ortbal  
Director of Transportation

For questions please contact Jim Ortbal, Director of Transportation at 408-535-3845.

Attachments

# Planned Major Regional Rail Services

## San Jose Diridon-2026

 **HSR**



 **BART**



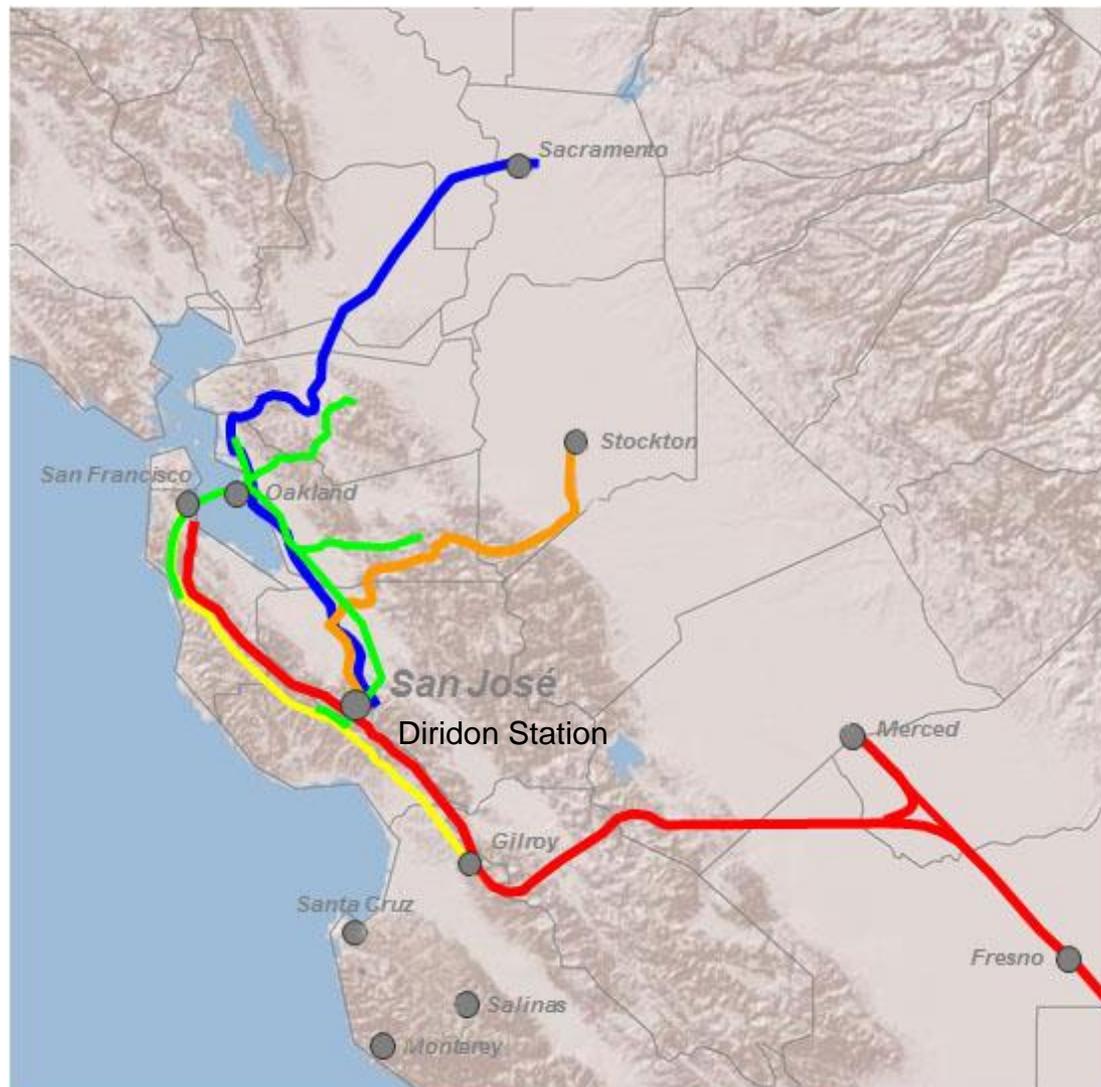
 **Caltrain**



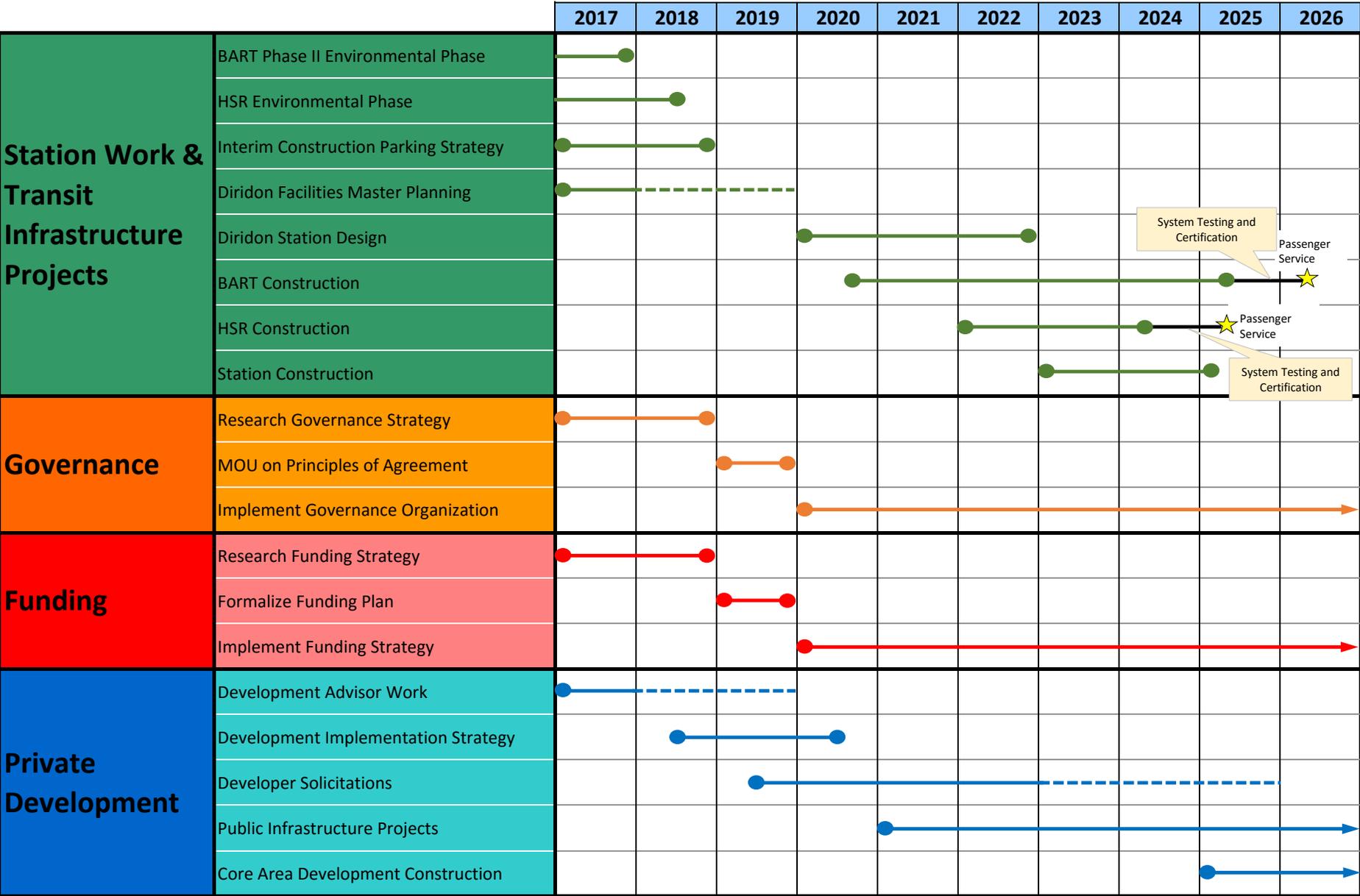
 **ACE**



 **Capitol**



# Diridon Station Interagency Work Plan



System Testing and Certification

Passenger Service

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