Update and Discussion On Plans and Policies Influencing the Use of JPB Property

Board of Directors
January 10, 2019
Agenda Item #12
Overview

- Background and context on use of JPB property
- Update on four interrelated planning and policy efforts to guide future use of JPB property
- Discuss TOD policy content, solicit feedback from Board about goals, scope of TOD activities, and key trade-offs
- Recommended next steps
Background and Context on Use of JPB Property
Why Do We Need Four Efforts to Guide Future Use of JPB Property?

Caltrain’s property holdings are unique

- Old system that started serving Peninsula in 1863
- Caltrain has a dynamic corridor
- Public agency purchased an existing system
  - ROW purchased by JPB in 1991
  - In 1980s, Southern Pacific already separated development parcels from ROW for Catellus
    » Example: Catellus retained underlying fee in SF Yard
  - The amount of property purchased by the JPB was whittled down to correspond to available funds
Why Do We Need Four Efforts to Guide Future Use of JPB Property?

Caltrain’s property holdings are unique

- Stations were granted to the JPB by State in 1995
- The JPB’s property holdings are more limited than other transit agencies, such as BART, which was built starting in the 1970s and through early 2000s.
  - BART’s focus on car parking allowed them to purchase substantially more land around stations
Example of Millbrae Station: BART vs. Caltrain Station Property Holdings
Current Use of JPB Property

- Use of JPB property is principally dedicated to serving the agency’s mission as a rail service provider.

- “Railroad Uses” – use of property to support delivery of rail service:
  - Infrastructure, equipment, and facilities necessary for delivering rail service, such as tracks, stations, access facilities, grade separations, signals, etc.
  - Railroad uses are not static: the railroad is continuing to grow and the extent of its future capital and land needs are not yet fully known.
Current Use of JPB Property

• “Non-railroad uses” – ancillary uses of property that do not directly support delivery of rail service, but could provide source of revenue

• Two categories of non-railroad uses:
  - Public-serving uses proposed by third parties, such as utilities, streets, etc.
  - Commercial uses proposed by third parties, such as car sales lots, parking, storage, etc. as well as TOD projects
Current Use of JPB Property

• Non-railroad uses allowed on JPB property only if compatible with current and potential future agency needs and railroad uses of the property
  - Generally, leases required to be terminated if/when the property is needed for railroad uses

• Tension between preserving land for potential future railroad use and using land for longer-term non-railroad uses
  - One TOD project (Hayward Park) pursued after determination that it would not preclude future railroad uses
Future Use of JPB Property

- Many changes coming to Caltrain corridor in the future, which will affect future rail service and future use of JPB property:
  - Electrification of corridor
  - Expanded fleet and maintenance needs
  - Potential grade separation projects
  - Blended service with High Speed Rail
  - Other potential Caltrain infrastructure projects related to Business Plan Implementation
Belmont Station: Example of Balancing Tradeoffs with Future Use of JPB Property
Update on Planning and Policy Efforts to Inform and Guide Use of JPB Property
Purpose of the Four Efforts

• Provide a cohesive and “living” framework of policy direction and decision-making tools related to the use of JPB property assets
• All four efforts work together with one another
• The four policy and planning analyses include:
  - Caltrain Business Plan
  - Rail Corridor Use Policy
  - Station Management Toolbox
  - Transit-Oriented Development Policy
Use of JPB Property Assets

Purpose of and relationships between the four efforts (see handout)
Caltrain Business Plan

• “How should Caltrain grow?”
• Key outcomes:
  - Long-range vision for Caltrain’s rail service, including:
    • Train service patterns
    • Conceptual infrastructure needs
    • Costs and outcomes of service delivery
  - Business case and strategy
  - Implementation plan
Rail Corridor Use Policy (RCUP)

- “How could the JPB’s land be used and who could use it?”
- “What property could be available for non-railroad uses, such as TOD projects?”
- Key outcomes:
  - Map and inventory of JPB real estate assets and potential capital projects
  - Policy document to guide review process for proposed uses on JPB property
  - Methodology to balance railroad needs with potential revenue opportunities
Station Management Toolbox

• “What are potential outcomes and tradeoffs associated with development and access improvements at stations?”
  - Example: evaluating effects of a TOD project on a current Caltrain station parking lot

• Key outcomes:
  - Performance goals and metrics for stations
  - Data-driven tool to test and evaluate access and development options at stations
  - Quantitative analysis to support decision-making and managing of stations
Transit-Oriented Development Policy (TOD Policy)

• “How should the JPB develop land that is available for non-railroad uses?”

• Key outcomes:
  - Goals for TOD on JPB property
  - Refined list of potential opportunity sites for TOD projects
  - Business objectives associated with joint development
  - Policies for engaging with local planning efforts and promoting TOD in station areas
Relationships between the Efforts

• **Business Plan:**
  - Capital infrastructure requirements for the Business Plan’s service vision will be incorporated into the RCUP.
  - The Business Plan will help define roles of value capture and joint development in Caltrain’s business model, which will inform the TOD Policy’s approach.
Relationships between the Efforts

- **Rail Corridor Use Policy:**
  - Data from the RCUP will inform TOD Policy development, including inventory of potential opportunity sites
  - Data, including potential opportunity sites, from the RCUP will be incorporated into the Toolbox
Relationships between the Efforts

• **Station Management Toolbox:**
  - Toolbox analysis will inform development of the **TOD Policy**, including tradeoff analysis (parking vs. TOD, balance of access improvements, etc.)
  - Toolbox performance can inform the **Business Plan**’s implementation plan
Relationships between the Efforts

• **TOD Policy:**
  - The TOD Policy will provide policy guidance to inform how Caltrain implements and adapts its Business Plan over time.
  - The TOD Policy’s goals and policies will inform future Toolbox performance measures and targets.
A Note on the Terminals

- North and South Terminals are unique and have their own planning processes that are separate from these four efforts
  - Diridon (South Terminal) – JPB staff actively engaging in Diridon Integrated Station Concept planning process with VTA, HSR, and City of SJ
  - San Francisco (North Terminal) – JPB staff actively engaging with TJPA, City of SF to determine future planning process
- Update on Terminal projects coming to Board in February 2019
What’s Next for these Efforts

• The RCUP, Toolbox, and TOD Policy are being closely coordinated with the Business Plan process
  - Work is underway and will continue
  - Anticipated completion by end of 2019
  - Timing and finalization of these three efforts may adjust to ensure they are synchronized with the Business Plan
Discussion about Issues Related to the Use of JPB Property and TOD
Purpose of the TOD Policy

• Express Agency’s goals and business objectives for joint development on its property

• Outline process and requirements for property disposition

• Identify Agency’s role(s) in promoting TOD in station areas

• Describe other objectives and roles for Agency in encouraging TOD along Caltrain corridor
Potential Overarching TOD Goals

• Promote transit ridership
• Enhance financial sustainability of the Agency
• Provide affordable housing and other community benefits
• Collaborate with partners to encourage TOD and sustainable land use patterns
Discussion: Potential TOD Policy Goals

• The following slides illustrate potential Agency roles in encouraging TOD, organized by the four broad TOD Policy goals:
  - Promote transit ridership
  - Enhance financial sustainability
  - Provide affordable housing and community benefits
  - Collaborate with partners to encourage quality TOD and sustainable land use patterns

• Roles are organized across three areas:
  - Joint development projects on Agency Land
  - Station areas, outside of Agency Land
  - Beyond
Goal: Promote Transit Ridership

Joint Development
• Maximize density on Agency-owned properties
• Include transit-supportive uses
• Limit parking for private development and encourage walking, biking and other modes

Station Areas
• Advocate for transit-supportive uses and higher densities
• Support access improvements
• Coordinate with local property owners on TDM programs

Beyond
• Advocate for State policies to support transit, TOD and increased densities
Goal: Financial Sustainability

Joint Development
• Maximize revenues from joint development
• Limit land value write-downs for affordable housing or other community benefits
• Sell property (one-time payment) or long-term lease of property (series of increasing payments over time)
• Require limited replacement transit parking at stations

Station Areas
• Advocate for use of value capture for transit and other improvements

Beyond
• Advocate for state policies to support value capture and promote more dense development
Goal: Affordability & Community
Benefits

Joint Development
• Prioritize housing over other land uses
• Require affordable housing beyond local policies
  - Site-specific and/or portfolio-wide affordability goals
• Allow land write downs
• Labor requirements
  - Prevailing wage
  - Encourage Project Labor Agreements

Station Areas
• Advocate for affordable housing in station areas

Beyond
• Advocate for State policies and funding to support affordable TOD
Goal: Collaborate with Partners to Encourage Quality TOD and Sustainable Land Uses

Joint Development
• Require high standards for urban design
• Integrate development with surrounding neighborhood
• Incorporate cities in developer solicitation/selection process
• Engage local communities in entitlement process

Station Areas
• Participate in partners’ station area planning efforts
• Work with partners to promote best practices in TOD
  - Reduced parking, mix of uses, higher densities
• Develop a checklist for “good TOD” projects

Beyond
• Work with partners to coordinate investments, advocate for funding for TOD infrastructure and access improvements
Questions for Board

- Are any goals or roles missing?
- Other comments?
Recommended Next Steps
Recommended Next Steps

- Continue to advance RCUP, Toolbox, and TOD Policy in close coordination with Business Plan process and findings
  - TOD Policy to develop guidelines for disposition process, business terms based on Board input
- RCUP, Toolbox, and TOD Policy progress update and opportunity for additional feedback in winter/spring 2019
- Business Plan service vision in spring 2019
- All four efforts on track for completion by end of 2019