



JPB Board of Directors
Meeting of June 25, 2021

Correspondence as of June 25, 2021

Subject

- 1 Seamless Bay Area on Governance
- 2 Santa Clara Valley Transportation Authority
- 3 Public Comment



Date: June 24, 2021
Attn: Chair Davis, Caltrain Board of Directors
Re: June 25th Special Meeting on Caltrain Governance

Dear Board Members:

The Board materials for the June 25th Special Meeting on Caltrain Governance do a good job of providing an overview of the various relevant regional initiatives that should inform a discussion about regional options, or non-self-directed options for caltrain governance.

Unfortunately, the materials appear to heavily emphasize the potential risks of non-self-directed options and provide little articulation of the potential *benefits* of such options, which we believe are very significant.

To have a balanced discussion about the merits of non-self-directed options, we urge staff to further articulate the *potential benefits* of non-self-directed options in how they could meet the goals of the business plan.

Specific benefits of a potential merger with BART (C3) are summarized in a recent blog post by Seamless Bay area, available at the link below and included as an attachment to this letter.
<https://www.seamlessbayarea.org/blog/2021/6/16/merging-bart-and-caltrain-is-an-opportunity-to-create-the-world-class-regional-transit-system-the-bay-area-deserves>

Specific benefits of Caltrain coordinating with a Regional Network Manager (C4) are summarized in Seamless Bay Area's recent report, [Governing Transit Seamlessly](#); these include ability to streamline decision-making, project delivery, more effectively deliver seamless service and fares for riders, and other benefits. A network manager structure is associated with the highest ridership regional rail systems worldwide.

In closing we ask you to please ensure your discussion of regional options includes due consideration of the potential advantages of regional options - and if additional staff or consultant study is needed, please request it.

Thank you,

Ian Griffiths
Policy Director
Seamless Bay Area

ATTACHMENT: June 16, 2021 Seamless Bay Area Blog post, "Merging BART and Caltrain is an opportunity to create the world-class regional transit system the Bay Area deserves."

Attachment: Excerpt from June 16 Seamless Bay Area Blog post

<https://www.seamlessbayarea.org/blog/2021/6/16/merging-bart-and-caltrain-is-an-opportunity-to-create-the-world-class-regional-transit-system-the-bay-area-deserves>



Merging BART and Caltrain is an opportunity to create the world-class regional transit system the Bay Area deserves

A merger between BART and Caltrain should be a new, better agency - not a takeover - with a single board that has representation from all five counties the rail systems connect.

June 16, 2021
By Ian Griffiths

The Bay Area urgently needs a lead Bay Area transportation authority - a [network manager entity](#) - to integrate dozens of transit operators in the region to create a seamless regional system, with integrated fares, schedules, branding, excellent connections, and increased service levels.

Independent of the value of setting up a network manager, Seamless Bay Area also believes that in certain cases, merging multiple transit agencies into a single entity with one governing board can benefit riders and promote better decision-making.

Specifically, we believe that a thoughtful merger of BART and Caltrain can be in the best interest of Bay Area transit riders and our region as a whole. A new combined agency -- which should be an altogether new agency with a new board and management structure, as opposed to a takeover of one agency by another -- would be uniquely positioned to lead the Bay Area toward a world-class transit system, becoming a center of excellence in transit innovation, customer experience, and project delivery and construction.

We have identified six key reasons to support a thoughtful and deliberate merger of BART and Caltrain, which we expand upon in detail in this post.

- 1. A merger enables us to more quickly and effectively create a seamless rail system around the Bay with integrated service, fares, and customer experience.**
- 2. A merger can provide improved accountability to riders and the public for regional transit service and connections.**
- 3. A merger supports better and faster project definition and design**
- 4. A merger supports faster and cheaper project construction**
- 5. A merger supports improved agency capacity, and attraction of better leadership and professional expertise.**
- 6. Past mergers in the Bay Area and elsewhere have led to good customer outcomes.**

Working out the specific details of a merger will require hard work, detailed analysis, and time to negotiate. The outcome of analysis and negotiations should be clear and fair financial terms, reformed governing structures, clear expectations of service levels, and adoption of practices that can lead to a customer-oriented agency culture. While a merger can lead to cost savings over time, up front funding may need to be identified to initiate a merger, including to transfer assets from one entity to another. Yet, if we are guided by doing what's right for riders, we won't shy away from these difficult questions; we will invest in setting up an effective regional transit agency that will serve us for the next generation.

After discussing the reasons we support a merger, we'll respond to some common arguments against a merger. Finally, we'll identify what next steps are needed to advance a merger, including the importance of state leaders stepping up and signalling they support serious discussions between BART and Caltrain.

It's important to note that there's nothing inevitably good or bad about a merger. A merger can be done thoughtfully and deliberately, or it can be done recklessly. If done thoughtfully, it opens up significant opportunities for improved service and decision-making that result from a merged agency's increased scale, capacity and breadth - including some opportunities that are not achievable without a merger. But a reckless merger that isn't guided by clear goals involving deliberate internal restructuring is of no value.

A merger should therefore not itself be seen as the end goal in and of itself, but as a unique opportunity to get more out of our transit institutions. For BART and Caltrain, there's a limited time window of opportunity that has resulted from several ongoing regional processes - the [Caltrain governance reform process](#), the [Blue Ribbon Transit Recovery Task Force](#), and an [upcoming Regional Rail Study from MTC](#). The question for the Bay Area is before us: will we seize this opportunity to pursue a merger that could bring tremendous benefits for riders? Or, will we forgo the opportunity due to fear of the unknown - or lack of bold political leadership? Now, more than ever, riders must speak up and urge leaders to do what's right:

set up the effective regional transit institution we deserve that can quickly bring together our two major rail systems into a seamless network that rings the Bay.

Six reasons to support a merger of BART and Caltrain

1. A merger enables us to more quickly and effectively create a seamless rail system around the Bay with integrated service, fares, and customer experience.

Anyone who looks at a map can see why Caltrain and BART should logically be run as one system - together they make a connected loop, connecting most of the Bay Area's major population centers. Operating them as one seamless system with hassle-free connections and a fare system that doesn't penalize transfers would expand millions of Bay Area residents' access to jobs, housing, and opportunity. It could significantly increase transit use. Think of how many more people would connect between BART and Caltrain at Millbrae - and in the future in Downtown San Jose and San Francisco - if connections were as easy as going between two BART lines at MacArthur, with timed transfers, transfer-friendly station designs, aligned schedule frequencies, and the same fare system?

While it sounds easy, the mechanics and politics of having two rail systems run as one is actually quite complicated and requires extreme clarity of purpose, close collaboration, and alignment in priorities over many years. Unlike buses, train schedules are much more difficult to adjust and depend on a variety of physical factors including train storage, track configuration, and infrastructure. Some of the capital upgrades needed for full integration will take years to complete. For BART and Caltrain to be on a course for full service integration years from now, there needs to be complete alignment in goals and decision-making as early as possible between the two systems, and clear governance that has the unwavering goal of a fully integrated system. Until the two agencies are brought together under a common board, this will be very difficult to achieve.

2. A merger can provide improved accountability to riders and the public for regional transit service and connections.

Merging BART and Caltrain into a single agency would result in the Bay Area finally having one lead agency responsible for planning and operating an integrated regional rail system across a majority of the region's population centers. For the average member of the public, this means clearer, simpler accountability - one agency in charge of all regional rail transit and connectivity. Currently, BART and Caltrain each have governing boards that only oversee a limited part of the region - three counties each - and have a narrow focus on just one type of rail. BART is a special district that includes San Francisco, Alameda, and Contra Costa Counties, with a directly elected board representing custom-drawn districts. Even though BART has operated in San Mateo County since 2000 and Santa Clara County since 2018, BART has no directors from these counties, creating an accountability problem to riders in those counties.

BART's lack of accountability to Santa Clara County contributed to the decision to develop a complicated arrangement where VTA, an agency with no prior experience planning or delivering heavy rail infrastructure, is leading the BART extension to San Jose. Inter-agency disagreements between VTA and BART have led to numerous delays - the result has been increased costs,

questionable design decisions, and riders in all counties suffering the consequences and still waiting for service.

Caltrain has its own accountability challenges that need fixing - it was formed as a Joint Powers Agreement between San Francisco, San Mateo, and Santa Clara Counties, with a board consisting directors from each of the three counties, and sharing staff and a general manager with SamTrans. San Francisco and Santa Clara board members claim the arrangement with SamTrans provides insufficient accountability, which they seek to address in the current Caltrain governance reform process, scheduled to adopt recommendations by December 2021.

The board has separately committed to transformative [equity and connectivity policies](#) as strategies to meet long term goals for increased ridership, but which cannot be accomplished by Caltrain acting alone.

A new combined board of directors overseeing both BART and Caltrain, with equitable representation from all five counties and a single general manager, could provide improved accountability to riders in all five counties for a connected and customer-focused system. A merged agency should combine the best aspects of legacy senior management of Caltrain and BART, and bring in new leadership to address existing agency weaknesses. Rapid transit riders in all five counties could have fair representation. Policies, from transit-oriented development to station access to fares, would be universally applied in all five counties. With undisputed responsibility over the Bay Area's core regional rail system, a BART-Caltrain merged agency would provide desperately needed accountability for seamless rail integration.

3. A merger would result in better and faster project definition and design

Our region's most expensive and important planned transit projects can be planned, designed, defined, and approved for construction years faster than presently, helping save billions of dollars, with a thoughtful merger of BART and Caltrain.

For example, three of our region's highest priority planned transportation projects - The Downtown Extension of Caltrain to San Francisco (DTX), BART extension to Downtown San Jose, and the Second Transbay Crossing (now part of Link21) together add up to over \$43 billion. All three projects continue to this day to be plagued by a lack of regional leadership and poor design decisions, leading to delays and constantly escalating costs. DTX and BART to San Jose have been identified as high priorities [since 1982](#) and are still in the "Planning & Design" stage, with several more years likely until construction even begins. Planning for a second transbay rail crossing has been punted back and forth between MTC and BART since [at least 2000](#). Link21, as it is now called, is estimated to need at least another seven years of planning, with project completion estimated no sooner than 2040. Other long-discussed rail projects like Dumbarton Rail have limped along for decades aimlessly because they fall between agency boundaries, and no one is responsible for the connectivity of the rail network as a whole.

The extremely protracted timelines for the planning of these projects is not an inevitability, and is closely tied to fragmentation of decision-making - no single transit agency board or jurisdiction can move these projects forward. SPUR's report [More for Less](#) provides numerous examples of how a more expensive option for a project is often advanced because an agency doesn't have a regional purview: "Fragmented institutions, timelines and funding sources often stand in the way of planning collaboratively or selecting investments rationally. Adjacent or connecting projects are

often planned independently instead of as one project — on different timelines, with different budgets and without sufficient consideration for phasing of decisions and construction. These differences tend to be ‘solved’ by increasing the scope and size of the infrastructure or by sacrificing operational efficiency.”

The fact is, we can’t afford *not* to merge BART and Caltrain if doing so could result in cost savings or better decision-making on these projects. For evidence of how funding can be wasted when the goals of agencies are not aligned, look no further than the proposed Santa Clara BART station. The station, which we estimate will cost at least \$100 million¹, will unnecessarily duplicate existing Caltrain service rather than bring BART to another part of Santa Clara county without rail service. Another example is [BART’s costly overbuilding of the Millbrae station](#) with extra tracks to enable a potential southward extension of BART that would duplicate Caltrain service. San Jose Diridon station is already being planned to be extra costly - and inconvenient for passengers - because the BART station is being designed to be completely separate from the Caltrain and High Speed Rail station. The decision of whether to build one tunnel or two across the Bay will have major cost implications for Link21. We must make sure that a potential decision to build two tunnels instead of one is driven by a real need, rather than our inability to figure out how to make BART and Caltrain run as one seamless system.

With the planned upgrades and extensions of Caltrain and BART to create more connection points in Downtown San Francisco, Downtown San Jose, Redwood City, Union City, and other locations, now is the time to put in place decision-making bodies that can ensure the billions we hope to spend on capital improvements are focused on the right projects that will bring the most access to most people. Those projects must be planned and designed efficiently in a few years rather than a few decades; and, once built, the network must be operated seamlessly as a network for riders instead of as isolated lines.

4. A merger supports faster and cheaper project construction

BART and Caltrain both suffer from [high project construction costs](#). The most recent example is Caltrain’s [recent announcement](#) that its electrification will be delayed by an additional two years until 2024, with costs escalating by another \$300m.

We support SPUR’s recommendation to set up a specialized Bay Area project delivery authority, [Infrastructure Bay Area](#), that can oversee major regional transportation projects. This could be housed within a Bay Area network manager, or in a different entity. Unfortunately, despite the urgency of creating such an entity, it is still years away from reality, with MTC just kicking off a study that will look at regional project delivery this year.

A regional project delivery authority is the right ultimate goal, and merging BART and Caltrain project delivery functions can be a step toward that goal. With a merger, BART and Caltrain would immediately benefit from a pooled, larger team of in-house professionals, such as engineers, designers, project managers, and construction managers. Like many US agencies, BART and Caltrain are heavily reliant on outside design consultants for a significant share of design and construction related work, in contrast with the many [cost-effective European and Asian agencies](#) who have significant in-house design and project delivery teams. While a merged

¹ The total cost of the Santa Clara extension is \$500 million, with a large portion of the costs being the tracks that connect to a planned storage yard that must get built regardless. Based on the recent cost estimate of the planned at-grade Irvington BART Station at \$136m, we estimate the Santa Clara BART station itself would cost at least \$100 million.

agency would still likely be very reliant on consultants, it would have a greater amount of capital project work to justify hiring more-in house specialists, which could help improve oversight and quality, reduce costs, and speed up project design.

5. A merger supports improved agency capacity, and attraction of better leadership and professional expertise

Attracting bright, innovative and experienced employees is important for any transit agency's success. Unfortunately, like many Bay Area public sector bureaucracies, Bay Area transit agency hiring practices can be highly insular, leading to little movement between experts within the transit industry and other sectors. While many extremely bright people work for Bay Area transit agencies, hiring practices can be [slow and outdated](#); promotional practices can be highly hierarchical, rewarding agency tenure over innovation. While experience in transit is critical for many agency positions, Bay Area transit agencies must become more open to hiring experts from non-transit backgrounds that help bring more innovative practices to the transit industry - especially in the area of customer service and user experience.

In addition to revising hiring practices, attracting top talent and innovative leaders -- competing against the major transit agencies like Washington Metro, or Transport for London, or Metrolinx, and companies like Google, Apple, Uber and Lyft that are positioning to capture a share of the transit market -- requires offering candidates a prestigious position with a sufficiently large scale opportunity to make a major impact. The leaders who can bring transformation are in high demand, and often have many offers. Why would a top national or global candidate choose to be a senior leader at BART or Caltrain, with a team of one or two, as opposed to the same opportunity at LA Metro, where they'd have a staff of dozens, and the ability to impact a multi-modal transit system serving 10 million people? Caltrain for years has reported difficulty in recruiting for important positions - agency officials report that candidates may feel that working for the San Mateo County Transit District doesn't come with the prestige, excitement, or job security of working at a much larger agency with more capital projects and opportunities. The Transbay Joint Powers Authority, a special purpose entity that exists only to build the Downtown Extension of Caltrain, is still struggling to hire an Executive Director after almost a year.

While having a network manager responsible for the full Bay Area transit system would be the most competitive in attracting top global talent for senior transit positions, merging BART and Caltrain offers clear advantages over the status quo for both agencies to attract talent to leadership positions. By both merging staffs and simultaneously revising hiring practices to help bring the best and the brightest into transit from other sectors, a combined agency can become a new center of innovation and leadership in Bay Area transit customer experience.

6. Past mergers in the Bay Area and elsewhere have usually led to good customer outcomes.

Finally, one would think that, given all the heartburn and anxiety some feel around the concept of a merger, that there has been a bad track record of transit agency mergers here in the Bay Area and elsewhere. The truth is that most transit mergers are almost universally agreed to be successes - and merged regional transit operations elsewhere point to excellent customer outcomes.

San Francisco's Muni system was created in 1912 as a merger of many previously privately-owned rail lines, bought out by the City of San Francisco; the Market Street Railway and

Cable cars were purchased and merged into the system by 1951, creating the fully integrated Muni service we have today with seamless fares and coordinated schedules within the boundaries of San Francisco - something most people within the City take for granted.

The Bay Area's most recent experiences with mergers were the creation of SolTans (a merger of Vallejo Transit and the Benicia Breeze) in 2010 and the creation of WETA (a merger of Alameda and Vallejo Ferries) in 2007. Both are broadly agreed to have been a major success, building ridership and political support for increased funding and service that has flowed in subsequent years. In Southern California, LA Metro's creation as a merger of the Los Angeles County Transportation Commission (LACTC) the Southern California Rapid Transit District (SCRTPD or more often, RTD) in 1993 is viewed by many as a turning point for transit Los Angeles, helping create both clear leadership and accountability for connectivity of transit within the county of 10 million. LA Metro's clear leadership and vision was critical to the passage of Measure M in 2016, which raised an unprecedented \$120 billion for transportation.

Notably, the mergers that created Soltrans, WETA, and LA Metro were considered controversial at the time, and had many local opponents who claimed that local communities would lose out under any kind of merger. In all cases, political leadership from key regional and state representatives, and ultimately state legislation was critical to the merger taking place.

Finally, some cite European network management entities, and particularly *verkehrsverbunde* in German-speaking countries as indicating that the benefits of integration can be achieved without mergers. Michelle DeRebortis, author of a recent [Mineta Transportation Institute study](#) of 10 different regions with high ridership and coordination, pointed out at [a recent webinar](#) that even the European regions with dozens of transit operators generally only have a single dominant regional operator. In contrast, she observes that the Bay Area is unique among all the regions she studied in its sheer number of regional agencies - at least eight of the region's 27 agencies are regional. She implies that coordination under the *verkehrsverbund* model is much more straightforward when there is only one main regional provider covering a majority of the region - something that merging BART and Caltrain would create.



June 25, 2021

Ms. Dev Davis, Chairperson
Ms. Michelle Bouchard, Acting Executive Director
Caltrain
1250 San Carlos Ave.
San Carlos, CA 94070-1306

Dear Ms. Davis and Ms. Bouchard,

We request that the June 25, 2021 Board Special Study Meeting be postponed. We are in receipt of a letter from SamTrans dated June 22, 2021 to VTA regarding reimbursement of an “additional contribution.” This letter coincides with a resolution passed by the SamTrans Board on the same date.

The resolution and the letter were transmitted to VTA after a closed session held by the SamTrans board under the exemption for anticipated litigation -- specifically, the exemption for the initiation of litigation.

Since SamTrans’ action raises potential legal issues, VTA counsel advises against the participation of VTA representatives at this meeting until VTA has had the opportunity to evaluate how this will impact the governance process.

As you know, VTA is an active and committed partner in the Caltrain operation. In addition to Measure RR, we invested heavily in the system for many years and are even now in discussions concerning over \$1 billion from our 2016 Measure B dedicated to Caltrain for Grade Separations and Service Enhancements. Restoring Caltrain service after the devastating impact of the current pandemic will take considerable effort and mutual cooperation from each of the partner agencies.

We look forward to enhancing the governance process at Caltrain so that all the partners may best serve our mutual constituents.

Thank you for your consideration of this request.

A handwritten signature in blue ink that reads 'Glenn K Hendricks'.

Glenn Hendricks, Chair

A handwritten signature in blue ink that reads 'Evelyn Tran'.

Evelynn Tran, General Counsel

From: Remi Tan <remitan@sbcglobal.net>
Sent: Friday, June 25, 2021 8:34 AM
To: Seamans, Dora <SeamansD@samtrans.com>
Subject: Fw: Friday 8:30am - Caltrain board considers regional governance options

You don't often get email from remitan@sbcglobal.net. [Learn why this is important](#)

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On Thu, Jun 24, 2021 at 2:34 PM Remi Tan <remitan@sbcglobal.net> wrote:
Honorable Caltrain Board members:

At tomorrow's meeting please consider the advantages of merging Caltrain with BART, as well as ACE, SMART, Capital Corridor. Having one regional rail system would be much better for following reasons:

Single board, management, and administration would simplify coordination, will be more efficient, and have economies of scale. (of course each local county served would get board seat, as they do now)

Common branding, fare structure, fare cards, coordinated just-in-time transfers would be easier to achieve and provide better faster, more frequent and more seamless rider service. This is what ridership has consistently asked for.

Common rolling stock, equipment, train control systems would require less maintenance and create economies of scale thus reducing costs (Note that since BART is wider gauge than other systems, rolling stock is unique, but other systems can be shared and integrated)

Cost savings results lead to better, faster, more frequent service for same dollar as separate systems

This would make coordination with all other bus/light rail agencies. Of course ideally those agencies would merge with this regional rail agency for single agency for truly efficient and seamless transit in our region

Mega projects would be easier to coordinate with one regional rail or regional transit agency.

Thank you and Best Regards,

Remi Tan, AIA, LEED AP BD+C
*Architecture, Green/Sustainability Consulting, and Real Estate Investment
Pacifica, CA*

650-291-3097

----- Forwarded Message -----

From: Friends of Caltrain <adina.levin@friendsofcaltrain.com>
To: "remitan@sbcglobal.net" <remitan@sbcglobal.net>
Sent: Thursday, June 24, 2021, 1:53:50 PM PDT
Subject: Friday 8:30am - Caltrain board considers regional governance options

On Friday morning [starting at 8:30am](#), the Caltrain board is opening a momentous discussion about regional options for Caltrain governance. Topics like combining with BART and/or other regional rail and transit; coordinating with a regional transit network management agency, and regional management of megaproject delivery are on the table.

If you want the Caltrain board to participate constructively in regional discussions about a better-coordinated transit system, read on and send your thoughts to board@caltrain.com, and if you can, make public comment at Friday's meeting.

Earlier this week, a forum on Monday with SPUR and Seamless Bay Area generated food for thought about the regional options - you can [see the video and slides here](#).

Your help and attention will be needed for the Caltrain board to focus on the goals and next steps to bring about a world where Caltrain service is better coordinated with other local and regional transit, and big capital programs are designed to deliver an integrated system, in a cost-effective and timely manner. These [goals](#), and the changes needed to bring them about, are [broadly popular](#).

The Caltrain board needs to decide how (or whether) to participate in ongoing regional discussions in order to provide better service for riders and a better system for the region. These regional processes - include a regional fare integration study with recommendations coming out this summer; a study of options for network management to coordinate transit; and a regional rail study.

Meanwhile, this year, the Caltrain board is trying to hash out governance questions within the 3 Caltrain counties, with a goal to make decisions by the end of the year. Negotiations are heating up. While county leaders [debate over money and power](#), riders will need to keep urging leaders to keep a focus on maintaining and improving service.

The agenda for Friday morning's board meeting is [here](#):

The Zoom link to watch the meeting starting at 9:30am is [here](#)

To get an alert about when public comment starts, send an email to friends@friendsofcaltrain.com. Let us know if you want the alert by email or text message.

If you appreciate staying informed about opportunities to integrate Caltrain service in a regionally coordinated transit network, consider donating to [Friends of Caltrain](#).

And to stay on top of efforts to coordinate transit all around the region, consider a donation to [Seamless Bay Area](#)

- Adina

Adina Levin

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