

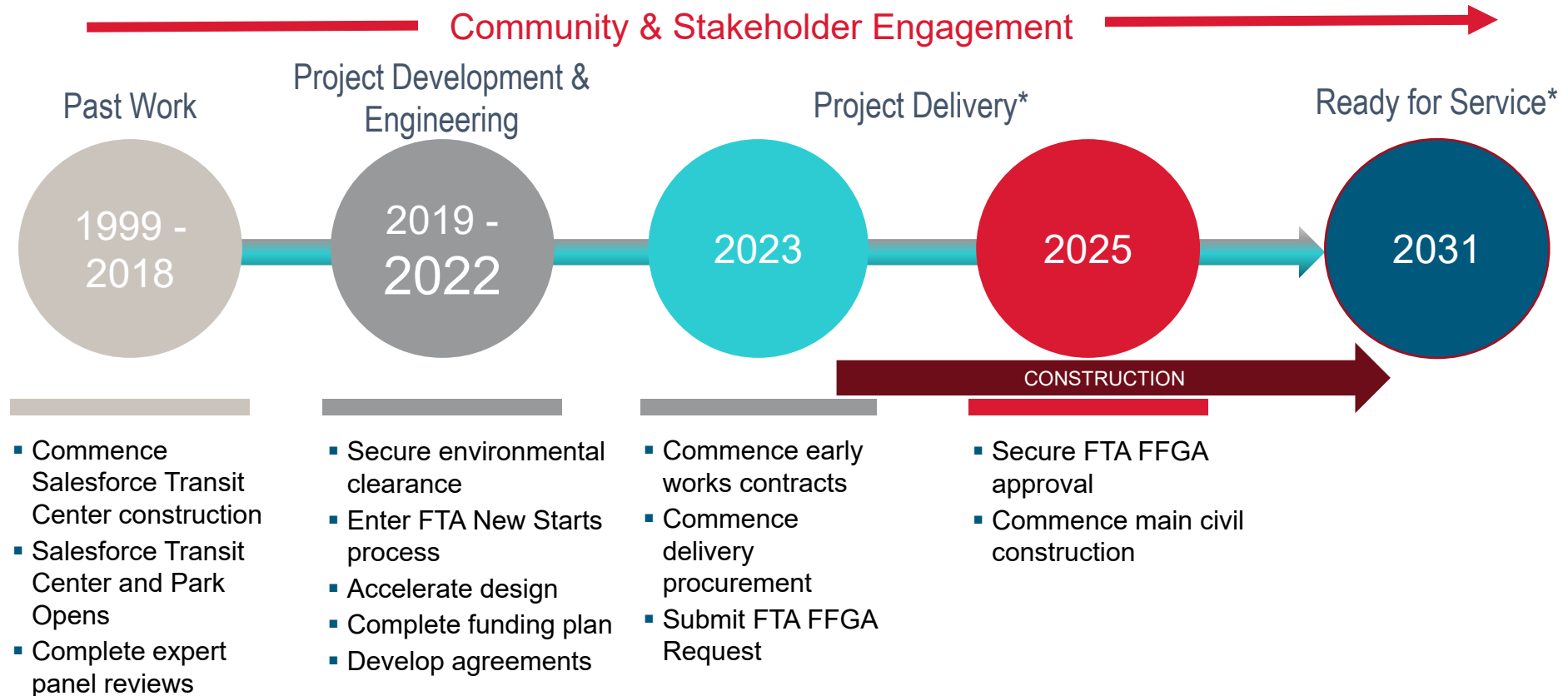
Downtown Rail Extension (DTX) Letter of Agreement



Overview

- Caltrain and the Transbay Joint Powers Authority (TJPA) have been working on a Master Cooperative Agreement (MCA) for the DTX project since May 2022
- The MCA is a complex process that will take up to a year to complete
- The most pressing issue is reimbursement of Caltrain's staff and consultant costs to support the DTX project due to the accelerated pace of the project following acceptance by FTA into the New Starts program in December 2021
- A Letter of Agreement (LOA) was developed as an interim measure to secure reimbursement

DTX's Key Milestone Schedule



* SUBJECT TO FUNDING



Current DTX activities

- Completing the Funding Plan (led by SFCTA)
- Completing the Ridership Analysis (led by SFCTA)
- Developing a re-brand/repositioning of project (led by TJPA)
- Developing a benefits case (led by SFCTA)
- Evaluating governing entity/organization options (led by SFCTA and MTC)
- Evaluating and select a project delivery method (led by SFCTA and TJPA)
- Completing the FTA New Starts Operations and Maintenance Plan (led by Caltrain and TJPA)
- Completing the FTA New Starts Financial Plan (led by TJPA and SFCTA, with Caltrain support)
- Completing the 30% design (led by TJPA, with Caltrain support)
- Negotiating a Master Cooperative Agreement (TJPA and Caltrain)



The Letter of Agreement (LOA)

- Agreement between Caltrain and TJPA
- Serves as an interim agreed payment arrangement until the MCA is executed
- Delivers reimbursement to Caltrain by TJPA for most Caltrain activities supporting the DTX project
- Due to TJPA budget constraints, Caltrain will be reimbursed for FY22 consultant costs only (up to \$437k)
- Caltrain will also be reimbursed for FY23 staff and consultant costs (up to \$2.88m)
- TJPA Board approved the LOA at its July 14, 2022, meeting

Why complete the LOA now?

- Caltrain has contributed executive level staff and planning time for many years, working with partner agencies to advance the DTX project out of planning.
- Now that the project is in the FTA New Starts Program it has entered a new phase, being led by TJPA per State law.
- Caltrain is expending a significant amount of both staff time, with consultant support.
- Caltrain does not have the resources to support externally-led capital projects in this manner on an ongoing basis

The use of reimbursement

- It is standard practice for Caltrain to be paid for its support for projects that are led by others on a cost-recovery basis.
- Paid support usually begins at conceptual planning/design phase.
- Caltrain typically establishes agreements with local jurisdictions and funding partners for these projects.
- Caltrain staff time and consultant costs are covered by the local jurisdictions via these agreements

Caltrain's DTX activities seeking reimbursement are to support a pre-engineering submittal to FTA anticipated in February 2023

Current DTX activities

- Completing the Funding Plan (led by SFCTA)
- Completing the Ridership Analysis (led by SFCTA)
- Developing a re-brand/repositioning of project (led by TJPA)
- Developing a benefits case (led by SFCTA)
- Evaluating governing entity/organization options (led by SFCTA and MTC)
- Evaluating and select a project delivery method (led by SFCTA and TJPA)
- Completing the FTA New Starts Operations and Maintenance Plan (led by Caltrain and TJPA)
- Completing the FTA New Starts Financial Plan (led by TJPA and SFCTA, with Caltrain support)
- Completing the 30% design (led by TJPA, with Caltrain support)
- Negotiating a Master Cooperative Agreement (TJPA and Caltrain)



Staff recommendation

- Staff recommends that JPB authorize the Acting Executive Director to sign the LOA.
- This will ensure that Caltrain's costs for supporting the DTX are reimbursed.
- Having DTX costs reimbursed by TJPA will mitigate impacts to the balance of Caltrain's budget.



Thank you!

