



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: John Ristow

SUBJECT: Diridon Station

DATE: August 7, 2024

Approved

Date:

8/12/24

PURPOSE

The purpose of the Study Session is to provide the City Council with an update on the Diridon Station Business Case.

OUTCOME

The information provided in the Study Session will inform the City Council of upcoming decisions on the future of Diridon Station.

BACKGROUND

San José's Diridon Station is integral to California's transportation network. It currently serves Caltrain, Capitol Corridor, Altamont Corridor Express, and Amtrak passenger rail, as well as Santa Clara Valley Transportation Authority (VTA) light rail and bus services. Diridon Station will also be home to new California High-Speed Rail, Bay Area Rapid Transit (BART), and a proposed Airport Connector¹ service, as well as expanded service for Caltrain, Capitol Corridor, and Altamont Corridor Express. To effectively accommodate planned activity and future service needs, Diridon Station must be reconfigured, expanded, and upgraded to provide adequate capacity, functionality, and seamless interconnectivity for passengers.

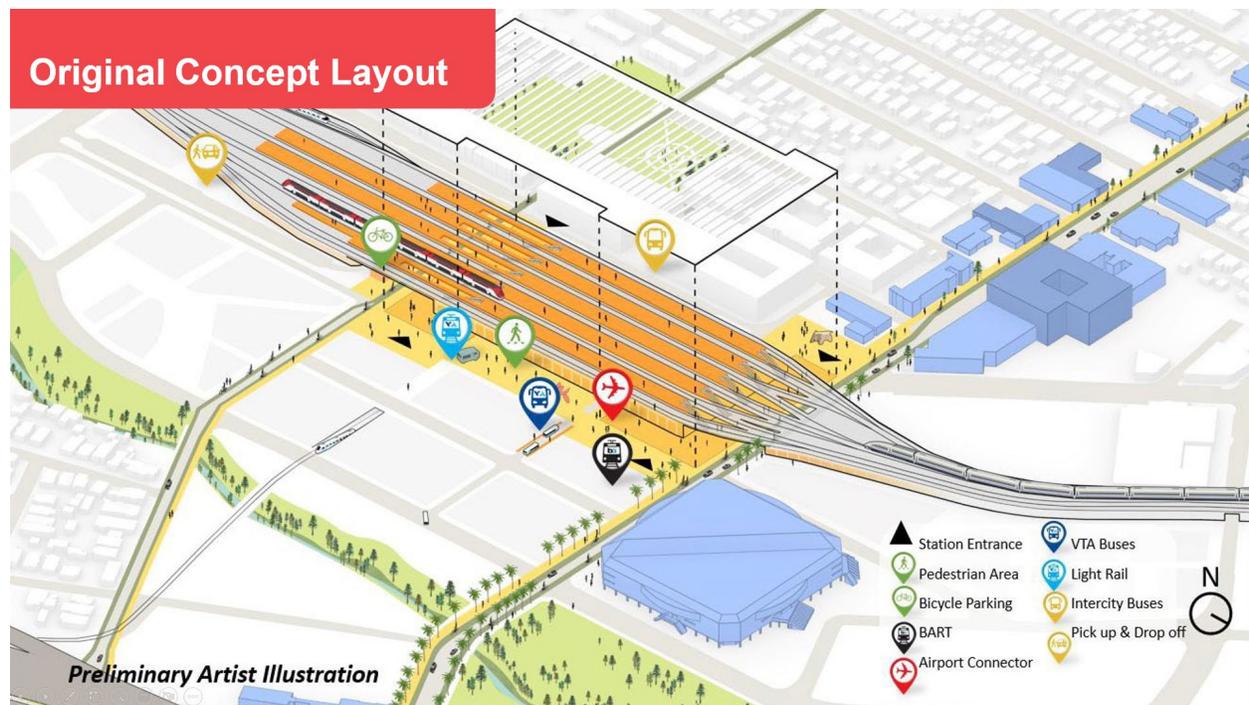
Diridon Station (Station) is already the primary transit station in the south San Francisco Bay Area. With new transit and rail connections, the Station is expected to become one of the busiest passenger rail stations in the western United States. The Station is central to San José's transformation from an auto-oriented City into a more vibrant place where people can get around using a wide array of more sustainable travel options.

¹ For more information see: <https://www.sanjoseca.gov/your-government/departments-offices/transportation/transit/airport-connector>

Recognizing this once-in-a-generation opportunity, the California High-Speed Rail Authority, Caltrain, the City of San José, the Metropolitan Transportation Commission, and the VTA, collectively referred to as the (Partner Agencies or Partners), are working together on the Diridon Station Project. The collaborative effort among the Partner Agencies was memorialized through a cooperative agreement executed in August 2020. Through this effort, the Partner Agencies aim to transform a small and aging station facility – one primarily accessed by car and with 17,000 riders per day – into a modern and efficient multimodal transportation hub serving over 100,000 riders per day by 2040.

In 2018 and 2019, the Partner Agencies worked together to produce a “Concept Layout” for the future station. The Concept Layout, **Figure 1: Original Concept Layout** shown below, illustrates the relative size of structures and where features like entrances, exits, mezzanines, platforms, and connections between heavy rail and other transit services could be arranged. The San José City Council accepted the Concept Layout in early 2020, as did the governing bodies of the other Partner Agencies.²

Figure 1: Concept Plan Layout



² City Council actions on the Concept Layout were taken on February 4, 2020 (for materials, please see: <https://sanjose.legistar.com/LegislationDetail.aspx?ID=4311820&GUID=A390E029-8BCF-42D4-B5C8-161C43FB4ACE&Options=ID|Text|&Search=Diridon>).

In accepting the Concept Layout, the Partner Agencies specifically set the intention that:

1. The tracks and rail platforms would be elevated approximately 25 feet above the surrounding grade level to reconnect neighborhoods on both sides of the tracks and improve rail safety and reliability;
2. There would be two station concourses, one along Santa Clara Street and another near San Fernando Street, to offer quick access to the station for passengers coming from or going to various services, homes, and jobs; and,
3. The track approaches, both north and south, would generally stay within the existing rail corridor to minimize impacts to existing neighborhoods and maximize new transit-oriented development.

The Partner Agencies refined the Concept Layout throughout 2020 and 2021. The refinements focused on construction phasing and more clearly defining the physical footprint of track approaches into and out of the station. The refinements improved train operations and compatibility with surrounding development, including Downtown West, and were incorporated into the updated Diridon Station Area Plan (adopted 2021³.)

The VTA and the City have also taken action to protect the land needed to develop Diridon Station by purchasing the parcels at 32 and 60 Stockton Avenue in late 2023. These parcels are necessary for the station to grow northward, enabling better passenger platforms, multimodal transfers, and urban integration.

Building on this concept, the Partner Agencies have been developing more detailed station design alternatives through a business case process to better understand costs, benefits, risks, and potential implementation strategies. The Diridon Station Business Case seeks to develop alternatives to the original Concept Layout that provide much of the benefit with reduced impact and costs. The first phase of the Business Case , will identify two station design alternatives. This first phase will culminate in a presentation to the Diridon Station Joint Policy Advisory Board on August 14, 2024. In the next phase of work, the Partner Agencies will work extensively with the community, identify a preferred alternative, obtain environmental clearance, and develop a funding strategy for project delivery.

³ The updated Diridon Station Area Plan was adopted in 2021 (<https://www.sanjoseca.gov/your-government/departments-offices/planning-building-code-enforcement/planning-division/citywide-planning/area-specific-plans/diridon-station-area-plan>).

ANALYSIS

Station Design Alternatives

The Partners have developed two alternatives for consideration. Both perform well on established goals, including passenger experience, seamless transit connectivity, and catalytic potential for community and economic development (see **Figure 2: Project Goals**.)

Figure 2: Project Goals



Major strides have been made to refine the Concept Layout over the last year and a half, including:

- Concourse and plaza layouts that minimize passenger travel times and maximize commercial activity and lively public space;
- Strategies to adapt and reuse the historic Diridon Station building as part of the future integrated station;
- Designs for a direct tunnel connection between the BART and heavy rail systems, saving passengers roughly a minute in travel time per connection, as compared to prior designs;
- Refinements to platform and track designs that narrow the required station footprint; and
- Designs that eliminate the need to relocate the Caltrain maintenance facility north of Diridon Station, saving the project considerable time and money.

Over the coming months, the City and the Partners will engage community members on the two alternatives. The Partner Agencies will explain the similarities and differences between the two alternatives and ask for public feedback, particularly regarding the

quality of the passenger experience, the integration of the station with the surrounding area, as well as the basic architectural concept.

In parallel, the two alternative station design concepts are planned to be further developed from approximately 5% to 10% design for track engineering, station design, and civil structures. This higher level of development for the Station design work will enable more accurate benefit and cost estimates and prepare the project to enter the environmental review phase of work in summer 2025.

Station design components that will be further refined include the integration of the historic Diridon Station building into the future station complex, connections to the BART Silicon Valley Project⁴, the layout and configuration of the bus stop layover facility, updates and upgrades to the Pacific Gas and Electric Company substation, as well as the development of a preliminary architectural concept for the station. Additionally, a multimodal access plan including a parking plan, a grade crossing strategy, as well as geotechnical and utility analysis will be completed. Finally, this work will include a construction and project phasing plan and update rough order of magnitude costs.

In the spring of 2025, based on community input and additional technical analysis on the costs and benefits of various components, the Partner Agencies plan to recommend a single station alternative to proceed into the environmental review process.

Station Governance

Since 2018, the City, Caltrain, California High Speed Rail Authority, and VTA have worked together under a cooperative agreement, outlining the basic goals of the project and ways in which the Partners will collaborate. In 2020, the Metropolitan Transportation Commission joined the partnership. While the Partner Agencies have worked together collaboratively and in good faith, they also recognize that a stronger organizational and governance approach will be necessary to deliver a project of this magnitude and complexity.

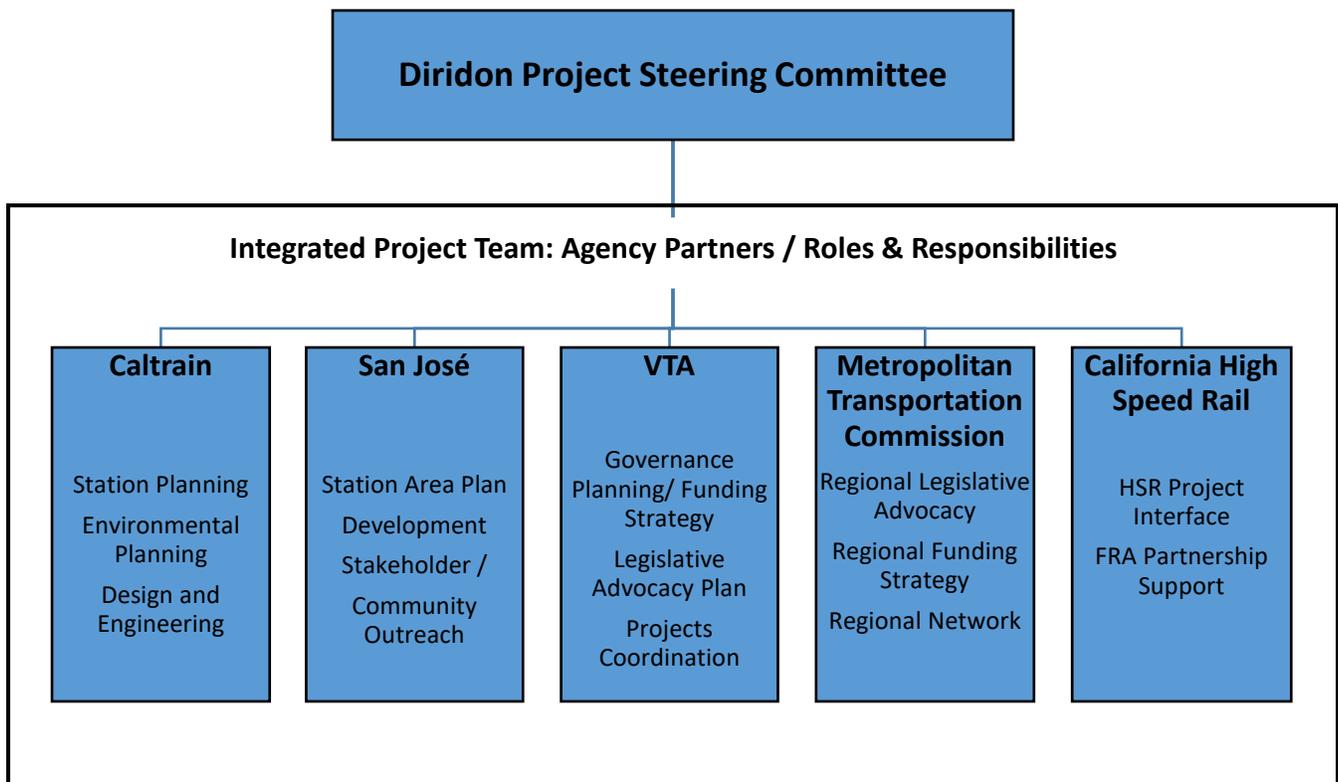
The Partners will pursue improvements to the current structure under the following paths to enable the project to advance quickly, while also laying the foundation for successful project delivery.

- 1) In the immediate term, a significantly strengthened cooperative agreement, with clear roles and responsibilities for each Partner Agency and an enhanced Steering Committee of elected official representatives to guide the project.
- 2) Over the medium term, a dedicated new entity with the focus, resources, and capacity to deliver the integrated station project.

⁴ For more information see: <https://www.vta.org/projects/bart-sv/phase-ii>

The strengthened cooperative agreement will provide much greater clarity and accountability for individual Partners. The City will be responsible for leading community and stakeholder engagement, as well as coordination with surrounding development, in keeping with the adopted Diridon Station Area Plan. Roles and responsibilities for all agencies are depicted in **Figure 3: Integrated Project Team and Steering Committee**.

Figure 3: Integrated Project Team and Steering Committee



The revised cooperative agreement is under legal review and will be brought to the City Council and other Partner Agencies for consideration in September 2024.

Over the past year, the Partners and their consultants have delved into potential models for long-term governance capable of successfully delivering a project of this magnitude. After significant case study analysis, interviews and deliberation, the Partners have identified the following key features, see **Figure 4: Key Features of a Delivery Organization**, for a potential delivery organization.

Figure 4: Key Features of a Delivery Organization

Entity Features	Description
Accountability	Clear accountability for project advancement; clear, binding, and enforced roles, responsibilities, and rules
Authority & Capacity	Has all needed authorities and capacities to deliver ; ability to assume and manage risk
Decision-making	Timely, robust decision-making ; well-defined, agreed upon process for decision-making
Focus	Singular purpose to drive project progress
Funding	Strong capacity and credibility to attract funding
Integration	Ability to influence projects in Station Area to align with vision ; clearly established rules of coordination
Leadership	Dedicated executive leadership and staff; board of project champions
Legitimacy	Recognized and entrusted by partner agencies and their public leaders

At its August 14, 2024 meeting, the Diridon Station Joint Policy Advisory Board will discuss the recommendation to pursue a specific Transit District/Transit Commission governance model, in the form of a Diridon Station Delivery Authority. The Board will also review an inventory of potential funding and financing sources for the project and results regarding the potential bonding capacity of an enhanced infrastructure financing district revenue stream. Each of these analyses will be shared with the City Council at the Study Session.

A final recommendation regarding long-term governance should be considered in spring 2025 by the proposed Steering Committee and each individual Partner Agency. Establishment of the recommended organization is expected to take up to two years and run in parallel with the environmental review process.

EVALUATION AND FOLLOW-UP

In Fall 2024, staff will bring, for City Council consideration the Partner Agencies’ recommendation on a strengthened cooperative agreement, long term governance, and a single project description following the planned public engagement and further engineering refinement work.

COORDINATION

This memorandum has been coordinated with City Attorney’s Office and Planning, Building, and Code Enforcement Department.

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PUBLIC OUTREACH

Over the coming months, the City and its Partners will engage community members on the two station alternatives. The Partner Agencies will explain the similarities and differences between the two alternatives and seek public feedback, particularly regarding the quality of the passenger experience, the integration of the station with the surrounding area, and the basic architectural concept.

This memorandum will be posted on the City's Council Agenda website for the August 16, 2024 City Council Study Session.

/s/

John Ristow

Director of Transportation

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