



City of Palo Alto

City Council Rail Committee Staff Report

(ID # 8219)

Report Type: Action Items

Meeting Date: 6/7/2017

Summary Title: Receive Presentation and Discuss the Status of the Caltrain Electrification Project

Title: Receive a Presentation From the Peninsula Corridor Joint Powers Board and Discussion of the Status of the Peninsula Corridor Electrification Project

From: City Manager

Lead Department: Planning and Community Environment

Recommendation

Staff recommends that Council receive a presentation by the Peninsula Corridor Joint Powers Board regarding the Caltrain Peninsula Corridor Electrification Project (PCEP) and discuss potential impacts to the City of Palo Alto.

Background and Discussion

The primary purpose of the Peninsula Corridor Electrification Project is to improve Caltrain system performance, reduce long-term environmental impact by reducing noise, improving regional air quality and reducing greenhouse gas emissions. An electrified Caltrain system will better address Peninsula commuters' vision of increased service and improved travel times in an environmentally friendly and reliable way. This also is expected to help accommodate increased system ridership through improved system operations.

On September 6, 2016, Caltrain awarded contracts to Balfour Beatty to construct the electrification infrastructure and Stadler to manufacture high-performance electric trains. The first electric trains are anticipated to be in service end of 2020/early 2021.

Caltrain has negotiated an extension of the deadline for contractors to begin construction of the Peninsula Corridor Electrification Project while the agency awaits a decision from the Federal Transit Administration about the execution of a \$647 million funding agreement.

The contractors agreed to extend the deadline for four months, from March 1 to June 30. In February, the FTA announced that execution of the grant would be delayed until the President makes decisions about the availability of funds in the Administration's upcoming budget proposal to Congress. The extension is needed to preserve the electrification project's contracts during this time.

The extension does not come without cost implications. Buying additional time from the contractors will likely require the utilization of up to \$20 million in project contingency that otherwise would have been available for construction related expenses in the future. The sooner the grant agreement is executed, the smaller the impact will be to the project's contingency.

Caltrain has been working with the FTA since 2009 to ensure that the project meets all of the rigorous statutory and regulatory requirements of the Core Capacity competitive discretionary program. The project was rated highly after thorough evaluation including ridership studies, design assessments, financial analyses and cost benefit evaluations by the FTA and the U.S. Department of Transportation (USDOT). Caltrain, as the project sponsor, also has significant local financial support for this project, demonstrated by the project's substantial leveraging of local, state and regional funds. The federal Core Capacity request makes up only 32 percent of the total project cost.

The 2017 Federal Budget package includes a \$100 million investment in the PCEP. Approximately \$73 million in Federal Core Capacity funding has already been set aside for the project in prior years.

The City of Palo Alto has been monitoring and engaging with the planning process for the PCEP project over many years, including providing comments on the draft and final environmental documents. In addition, and as described in more detail in an informational report prepared for the Council Rail Committee in last fall (CMR #7292), the City has been and is further involved with the PCEP in the following areas:

1. CPUC Safety Requirements. The Caltrain Electrification Operating Requirements ("Safety Requirements") were adopted by the California Public Utilities Commission ("CPUC") in November 2016. The Safety Requirements establish uniform safety standards to govern the design, construction, installation and maintenance of Caltrain's electrification facilities and impacted utility facilities, including Palo Alto's overhead electric and fiber facilities along the rail corridor. Palo Alto worked closely with other publicly owned utilities on the corridor as well as PG&E to develop these requirements with Caltrain and CPUC staff in a manner that would minimize cost impacts and disruption to the City's facilities while also ensuring the safe operation of all utility and rail operations along the corridor; and
2. Comprehensive Agreement Covering Palo Alto PCEP Work. As Caltrain works to navigate funding elements of its project with federal agencies, the City renewed its focus on working with Caltrain to finalize the Comprehensive Agreement between the Peninsula Corridor Joint Powers Board and the City of Palo Alto Relating to the Peninsula Corridor Electrification Project (the "Comprehensive Agreement"). The purpose of the Comprehensive Agreement is to memorialize the parties' consultation, designate respective rights and obligations and ensure cooperation between Caltrain and the City as the PCEP project proceeds. Areas of interest as the City negotiates the

Comprehensive Agreement continue to be (a) preserving El Palo Alto and its surrounding area, (b) a design review process for Overhead Contact System Poles, (c) Cost Recovery for City Expenses, Including Staff time; (d) Hours of Construction and Noise Impacts, (e) Building Inspections for Traction Power and/or Paralleling Station Facilities; (f) Roadway Geometry and Traffic Impacts at Key Intersections, (g) Minimization of Impacts of Construction on other City Operations, Including Utilities; and (h) Cost Recovery and Responsibility for Utility Relocation, as well as Associated Real Estate Issues (Easements, etc.). Staff anticipates providing Caltrain with comments on the Comprehensive Agreement either by the time of this meeting or shortly thereafter.

Timeline, Resource Impact, Policy Implications, Environmental Review

N/A