



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Jim Ortbal
Jennifer A. Maguire

SUBJECT: REGIONAL RAIL PLANNING
STAFFING REVISION

DATE: May 31, 2016

Approved

Date 05/31/16

RECOMMENDATION

1. Amend the 2016-2017 Proposed Operating Budget to delete one position and add one position in the Department of Transportation:
 - a. Delete 1.0 Associate Engineer; and
 - b. Add 1.0 Principal Engineer/Architect.
2. Approve the following amendments to the 2016-2017 Proposed Capital Budget in the Building and Structure Construction Tax Fund:
 - a. Increase the Regional Rail Planning budget by \$138,000; and
 - b. Decrease the Ending Fund Balance by \$138,000.
3. Approve the following amendments to the 2016-2017 Proposed Capital Budget in the Construction Excise Tax Fund:
 - a. Increase the Regional Rail Planning budget by \$69,000; and
 - b. Decrease the Ending Fund Balance by \$69,000.
4. Approve the following amendments to the 2016-2017 Proposed Operating Budget in the General Fund:
 - a. Increase the General Fund revenue estimate for Transfers and Reimbursements by \$12,000 to recognize the associated overhead reimbursements; and
 - b. Increase the Essential Services Reserve by \$12,000 for allocation as part of the 2016-2017 budget process.

BACKGROUND

The 2016-2017 Proposed Operating Budget included the addition of an Associate Engineer position in the Department of Transportation (DOT) to coordinate the City's involvement in the planning and construction of several transformative regional rail projects which are coming online over the next ten years. Projects include Bay Area Rapid Transit (BART) Phase II from Berryessa Station through downtown San José, California High Speed Rail (HSR) from the Central Valley to and through San José, Caltrain electrification and modernization, and the transformation of the Diridon Transportation Center.

Given the significance of each one of these projects to San José and the region and in light of recent staffing changes within the Department of Transportation, a position that requires more experience and higher qualifications is proposed, and additional funding for expert consultant services to assess the technical environmental, alignment, and grade alternatives critical to arriving at the best project description for the City of San José, is recommended.

ANALYSIS

DOT recently participated in an all-day workshop with key executive and technical staff from the City of Fresno who have overseen and guided the California High Speed Rail (HSR) project through the environmental clearance, design-build procurement, and the current construction phases within the City of Fresno. The workshop provided a valuable opportunity for City staff to learn from Fresno's experiences, particularly in the areas of environmental review and clearance, station area planning, railway and grade alignments; business and residential impacts and outreach; reimbursement agreements; public right-of-way impacts and project design; and construction management. City staff's most important take-away, based upon strong advice from the staff in Fresno, was that San José needs to be highly engaged and proactive at every phase of the project to ensure San José's best interests are addressed from the early planning stages through construction of the project.

With the information gained at the workshop, DOT has reevaluated the initial staffing and resources needed for the planning and delivery of HSR and other regional rail projects. In particular, DOT has identified the need for a more experienced and technical project manager who will immediately begin addressing critical tasks associated with the HSR project, including:

- Develop and lead a strategic project approach; and execute a detailed work plan to positively influence the deliverables and outcomes during each phase of the project;
- Effectively participate and augment essential community outreach and stakeholder engagement with HSR, and provide additional communication channels for community members to ensure concerns and issues are properly understood and addressed by HSR;
- Negotiate and establish multiple agreements with HSR for, among other items, reimbursement for City staffing and other expenses;
- Establish and lead a focused regional rail team of staff and consultants in DOT (with appropriate staffing costs reimbursed by HSR); and

- Immediately engage in the environmental planning and design efforts underway, including evaluation of the HSR alignments and design options being considered.

In addition to the added responsibilities for the position, the recent departure of two Division Managers, each with 25 years of experience, in DOT's Planning and Project Delivery Division has created an urgency for a more experienced level of Regional Rail support immediately. Likely replacements will not have the breadth of knowledge and experience to effectively oversee the existing Planning, Project Delivery, Regional Highway, and Traffic Capital Program needs within the Division, along with the additional responsibilities associated with these major emerging rail projects.

Additional funding is also necessary for consultant services to provide expert technical review and analysis related to project alignment and design alternatives, circulation and safety, and the associated impacts through the environmental process, which HSR is attempting to fast track by the end of 2017. The City does not have in-house staff with the capacity and in some instances the technical experience to efficiently perform this work in the short term during the project environmental clearance phase. For example, HSR is considering three rail alignment options through various sections in San José, including at-grade, overhead viaduct, and underground. The decision regarding which option or combination of options is built will have enormous implications for the community in terms of traffic safety, street circulation and access, and neighborhood aesthetics and livability. Engineering consultant services experienced in rail project alignment and detailed design practices in urban environments that can provide the City with reliable analysis and recommendations is crucial to ensuring an acceptable project for the City. If San José needs are not accurately identified and its interests are not effectively represented immediately, this long term project may have significant, negative impacts on our City, and its neighborhoods, residents and businesses.

In summary, given the significance of multiple regional rail projects converging in San José over the next decade, it is critical that the projects receive the appropriate level of support. The Administration recommends that the Associate Engineer included in the 2016-2017 Proposed Operating Budget be converted to a Principal Engineer/Architect to align the anticipated duties and responsibilities with the appropriate position classification and to better serve the needs of DOT, and an additional \$150,000 be allocated for consultant services.

COST IMPLICATIONS

Classification	FTE	Fund	Staff Costs	Workgroup
Associate Engineer	(1.0)	Capital Funds	(\$114,000)	Transportation Planning and Project Delivery
Principal Engineer/Architect	1.0	Capital Funds	\$171,000	Transportation Planning and Project Delivery
Total Changes	0.0		\$57,000	

The deletion of the Associate Engineer and addition of the Principal Engineer/Architect will result in a net increase of \$57,000 (\$38,000 in the Building and Structure Construction Tax and \$19,000 Construction Excise Tax Fund). In addition, \$150,000 for consultant services is included, which \$100,000 will be funded by the Building and Structure Construction Tax Fund and \$50,000 by the Construction Excise Tax Fund. Adjustments to the Regional Rail Planning budgets in the Building and Structure Construction Tax Fund and the Construction Excise Tax Fund, offset by Ending Fund Balance adjustments, are recommended to account for these higher costs. It is anticipated as a result of the position actions recommended, an additional \$12,000 in General Fund overhead reimbursements will be generated. This additional revenue is recommended to be allocated to the Essential Services Reserve for allocation as part of the 2016-2017 budget process.

/s/
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Director of Transportation



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Budget Director