



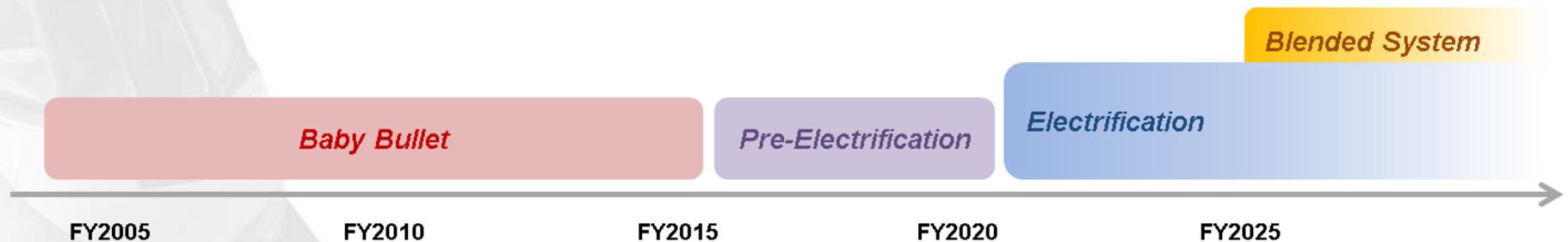
# The Caltrain Business Plan

Caltrain Bicycle Advisory Committee  
May 17, 2018

# Context and Process

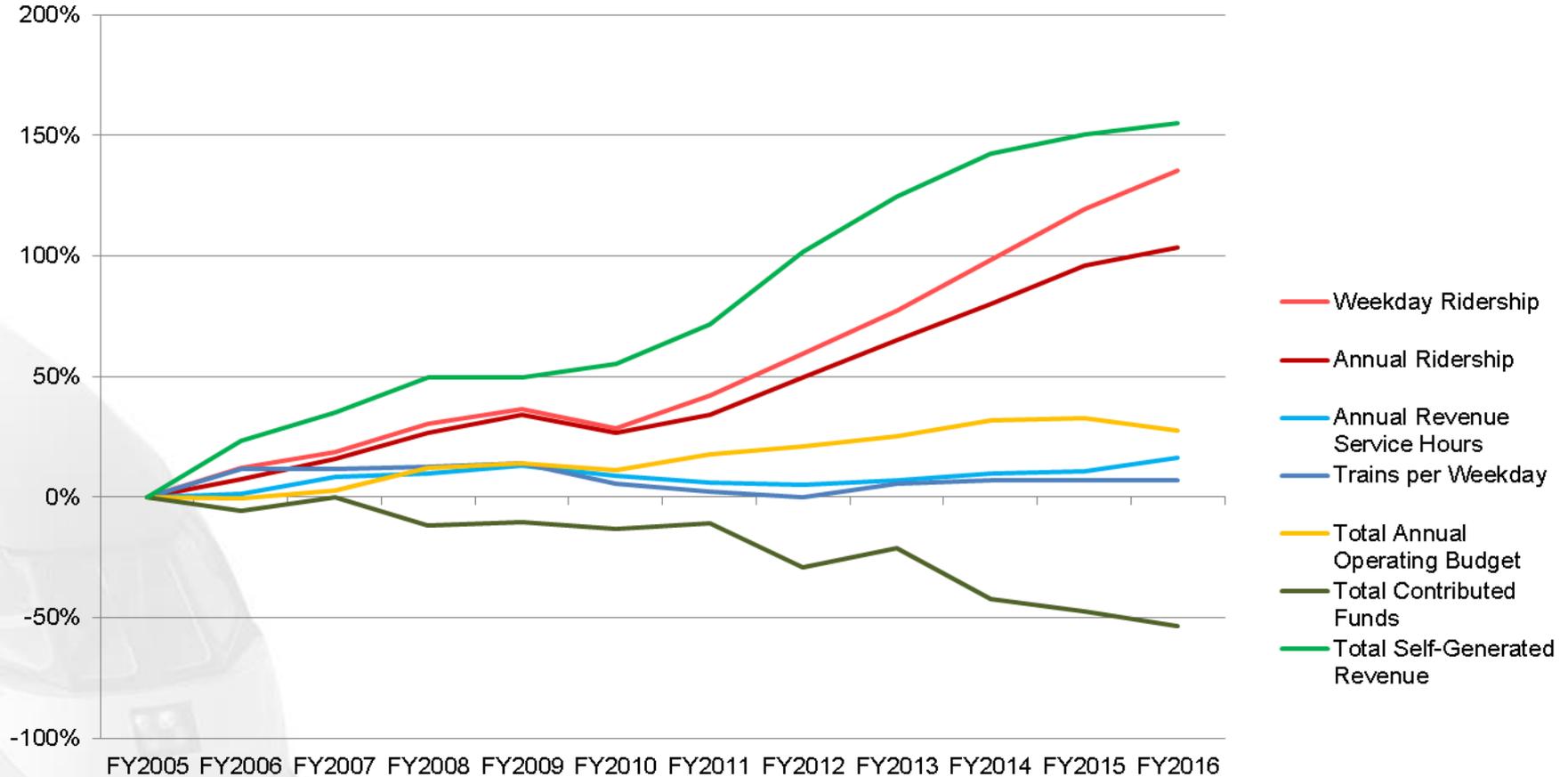
# Caltrain's Changing Business Context

- Since 2005:
  - Ridership increasing while service held constant
  - Declining operating subsidies and increased reliance on fare revenue
  - Constrained capital funding
  - Signature investment in modernization and commitment to blended system



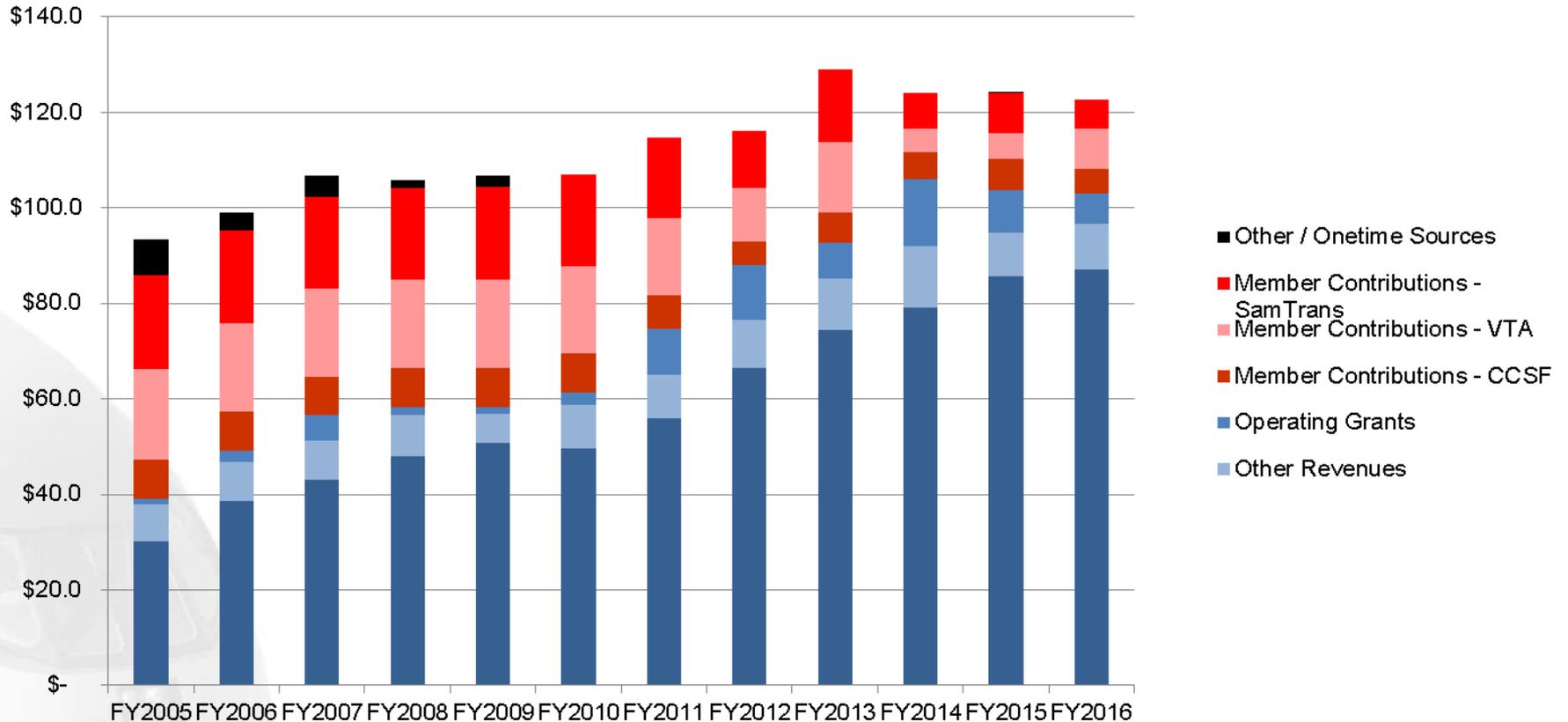


# Context: Changes in Business Metrics



Percentage Change in Key Operating Metrics - CPI Adjusted

# Context: Operating Funding Trend



CPI Adjusted to millions of FY2016 Dollars



# Electrification - Overview

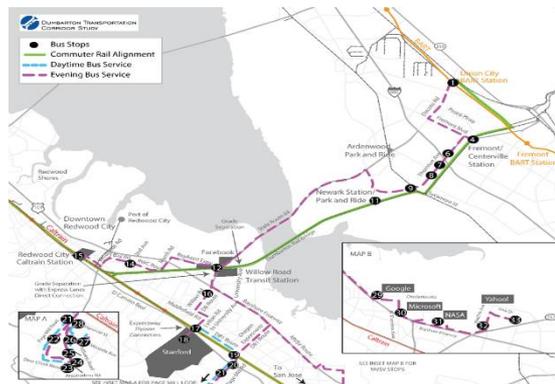
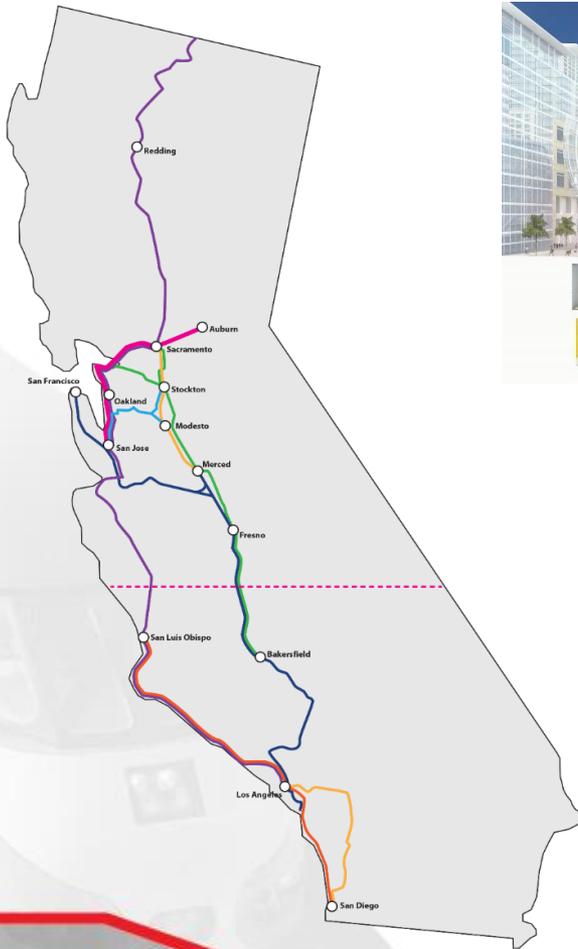
Area	Project	Service
51 miles San Francisco to San Jose (Tamien Station)	<b>Electrification:</b> <ul style="list-style-type: none"><li>• Overhead Contact System (OCS)</li><li>• Traction Power Facilities</li></ul> <b>Electric Trains (EMUs)</b> <ul style="list-style-type: none"><li>• 75 percent of fleet</li></ul>	<b>Up to 79 mph</b> <b>Service Increase</b> <ul style="list-style-type: none"><li>• 6 trains / hour / direction</li><li>• More station stops / reduced travel time</li><li>• Restore Atherton &amp; Broadway service</li></ul> <b>Mixed-fleet service (interim period)</b> <b>Continue tenant service</b> <ul style="list-style-type: none"><li>• ACE, Capital Corridor, Amtrak, Freight</li></ul>



# Electrification - Financial Outlook

- Projections show that electrification will allow Caltrain to serve more riders at a lower cost per passenger
- However, Caltrain projects an ongoing annual need for \$30-\$40 million in operating subsidies:
  - Similar to FY2001-2011 (\$30 - \$40 million typical)
  - More than recent years (\$17-25 million)
- Need for capital funding also increasing as existing infrastructure and fleet ages and new systems are added
- Caltrain will be at risk if member contributions fall short or if ridership significantly declines

# Regional and State Context



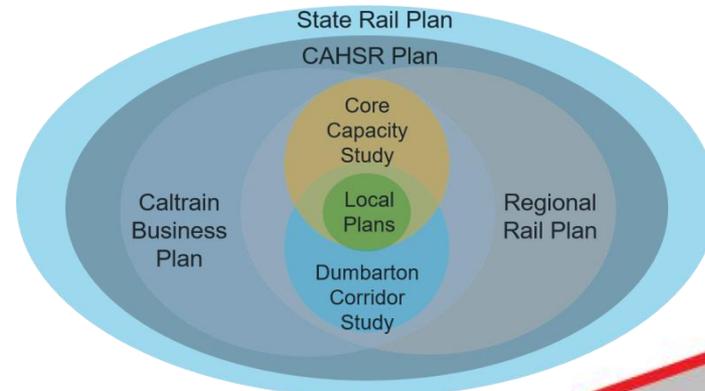
# The Caltrain Business Plan



The purpose of the Caltrain Business Plan is to maximize the value of the public investment in Electrification

The Business Plan will identify the steps and resources needed to truly modernize the railroad

The Business Plan will lay out the strategic position and importance of the Caltrain corridor and how Caltrain can maximize its effectiveness and integrate with a growing, megaregional rail system



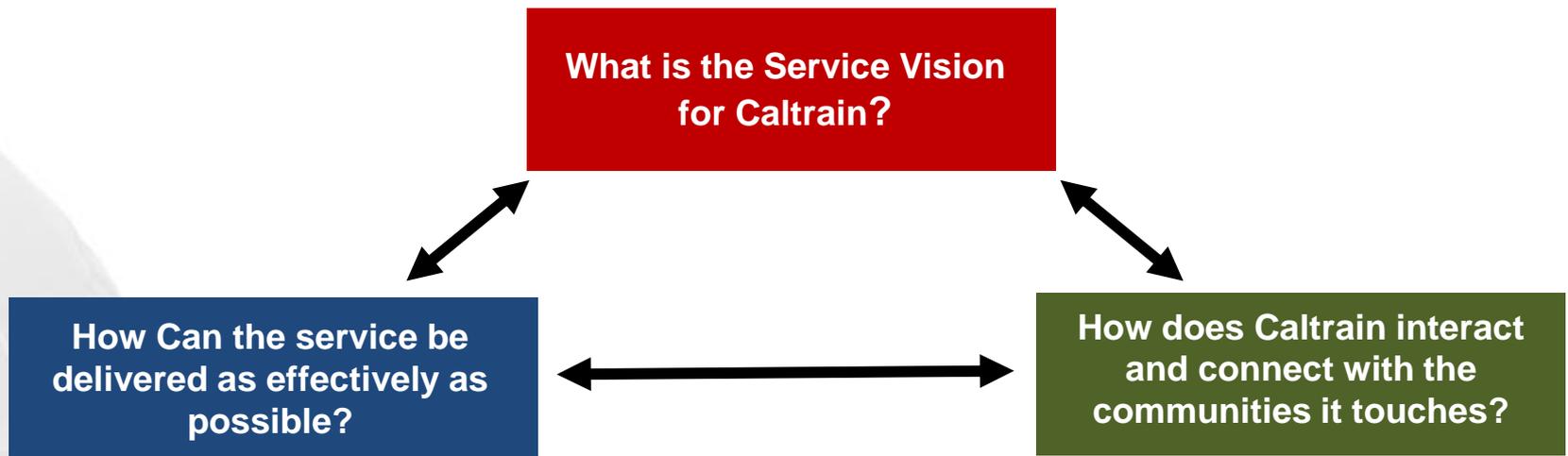
# Process

- April 2017 - Business Plan concept introduced to JPB
- July – Update to JPB
- August – Formation of Ad Hoc Committee
- September – Stakeholder workshop
- October / November – Ongoing outreach
- December – Draft Business Strategy and Scope presented to JPB
- February- Final Scope and Strategy Adopted by JPB

# Overview of Scope

# Key Questions

- Stakeholder outreach helped identify three “big picture” interrelated questions



# Business Strategy

- The JPB is the owner and managing authority for the Peninsula Corridor between San Francisco and San Jose and is responsible for the delivery of the Caltrain passenger rail service operating between San Francisco and Gilroy
- **The primary task of the Business Plan is to aid in the selection of a detailed, achievable Service Vision for Caltrain that provides maximum value to its customers.**
- **Caltrain's organizational, governance, and commercial and contracting strategies will be evaluated as part of a comprehensive structural assessment of what is needed to deliver value and support the long term success of the Service Vision.**
- **The Business Plan should explore economic, policy and technical approaches that will allow Caltrain to strategically and equitably manage its interface with communities in a way that minimizes impacts, generates value, and supports the Service Vision.**

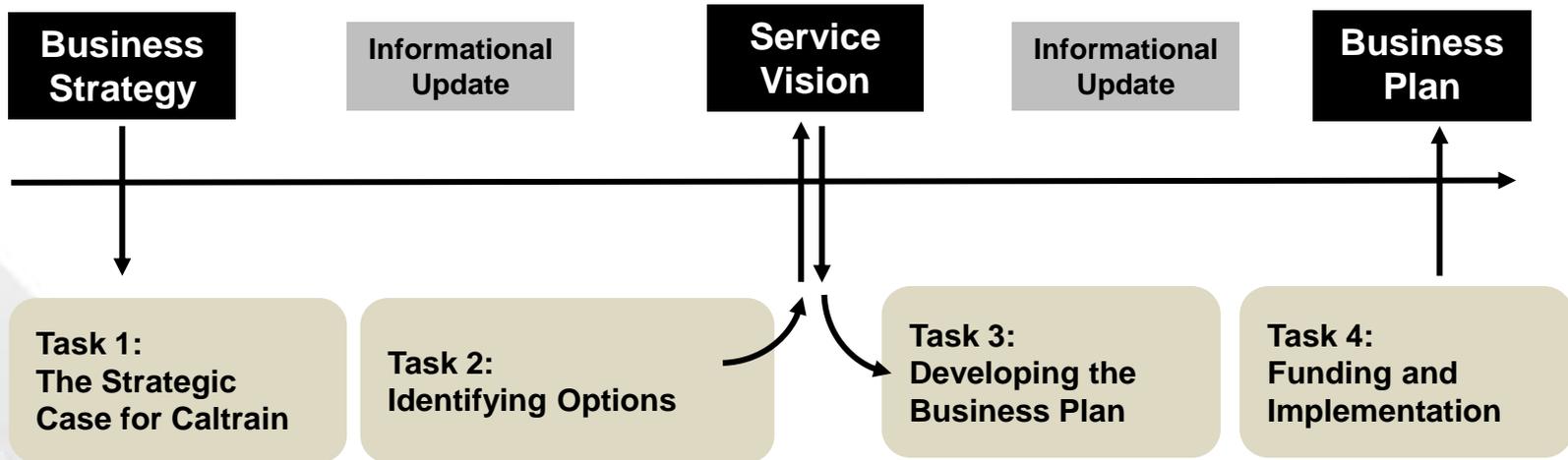
**What is the Service Vision for Caltrain?**

**How Can the service be delivered as effectively as possible?**

**How does Caltrain interact and connect with the communities it touches?**

# Scope of Work Overview

## Board Process



## Technical Work

# Task 1- the “Strategic Case” for Caltrain

- Define the long range markets and opportunities for rail service on (and beyond) the Peninsula
- Consider opportunities for connection and integration with other systems
- Understand local, regional and mega-regional demographic trends, development patterns and environmental context as they relate to rail
- Consider the long range outlook of the overall future Bay Area transportation network

## Task 2- Identifying Options

- Analyze options for the evolution of rail service on the Peninsula corridor (trains/hour, local vs. express, stopping patterns and connectivity)
- Understand infrastructure, fleet, ridership, cost and revenue implications and develop “business case” analysis of choices
- Assess the “Caltrain Organization” and understand how peer railways are organized nationally and internationally
- Identify and quantify the full range of community impacts, benefits and opportunities the railroad creates. Focus on value creation / development and grade-crossing impacts

# Proposed Board Action – Adopt a “Service Vision”

- Adopt a long range “Service Vision” for the Caltrain corridor including:
  - Incremental, interim steps and timeframes to evolve from current service levels to the 2040 Service Vision
  - Preliminary performance targets for Caltrain service including ridership, service characteristics, costs and revenues.
- Provides guidance for development of detailed business plan
- Supports ongoing plans and projects throughout region including planning work related to Diridon
- Serves as the basis for grounding future organizational needs and understanding of community benefits and impacts

## Task 3- Develop the Business Plan

- Optimize and refine the service assumptions included in the “Service Vision”. Detailed focus on the first 10-years of electrified service
- Incorporate additional issues and strategies including customer experience, first- and last-mile connections, TOD, fares and retailing strategies
- Work with Caltrain’s partners to develop an organizational strategy identifying how the organization could grow and change in support of the Service Vision
- Work with Caltrain’s partners and local jurisdictions to develop a community interface strategy that maximizes the community benefits the Service Vision creates while minimizing and mitigating impacts

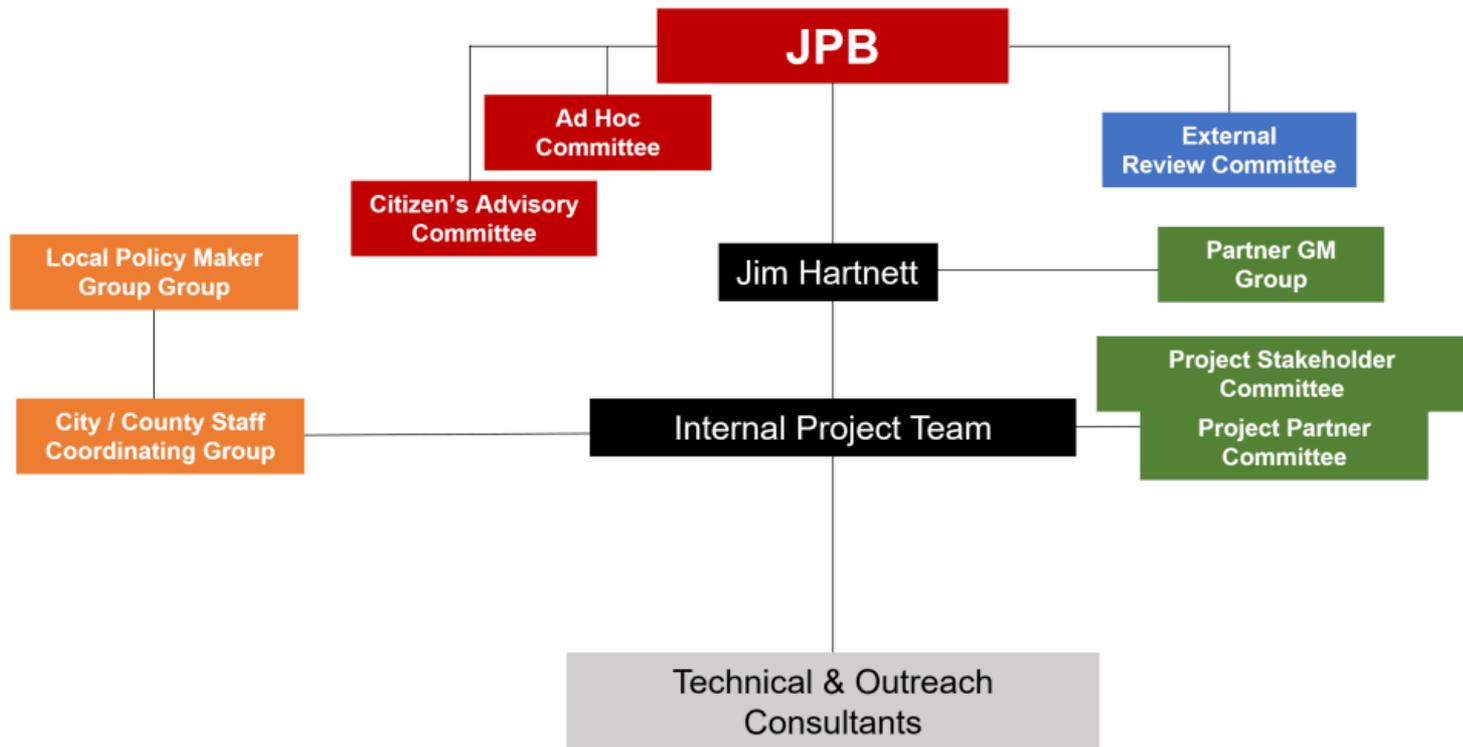
# Task 4- Funding and Implementation

- Develop a funding plan or funding scenarios for implementation of recommend services and investments
- Understand what can be funded through self-generated revenues and monetization of assets
- Identify where new funding sources may be needed and analyze potential options including measures, value-capture strategies and public private partnerships
- Develop a focused implementation plan that identifies steps that the organization and its partners must take within the next 5-years

# Outreach and Engagement

- Major outreach and engagement campaign planned
- Customer and public engagement through dedicated website and visual communications tools, meetings, station-based outreach, social media engagement and surveying
- Coordination with local jurisdiction staff and policy makers through the City and County Staff Coordinating Group / LPMG as well as direct meetings
- Outreach to state and federal policymakers
- Presentations to partner agency boards and committees
- Coordination and outreach to community groups, advocacy organizations and business groups

# Project Structure



# Project Funding

- Large-scale technical project with total funding needs estimated at \$5 million
- Project cash flowing is assumed
- Caltrain seeking funds from multiple different sources including both direct support or in-kind technical assistance

Funding Source	Amount Sought (\$ or equivalent)
Caltrain Partners	Up to \$500,000 each (\$1.5 million total)
CHSRA	Up to \$500,000 of in-kind assistance
CalSTA (TIRCP)	\$1,000,000 or balance needed from public sources
Private Assistance	\$2,000,000 of in-kind assistance

# Next Steps

- Continue fundraising
- Begin consultant procurement activities
- Develop detailed technical work scopes
- Continue Ad Hoc Committee meetings and stakeholder outreach
- Target significant informational update to Board in Spring of 2018