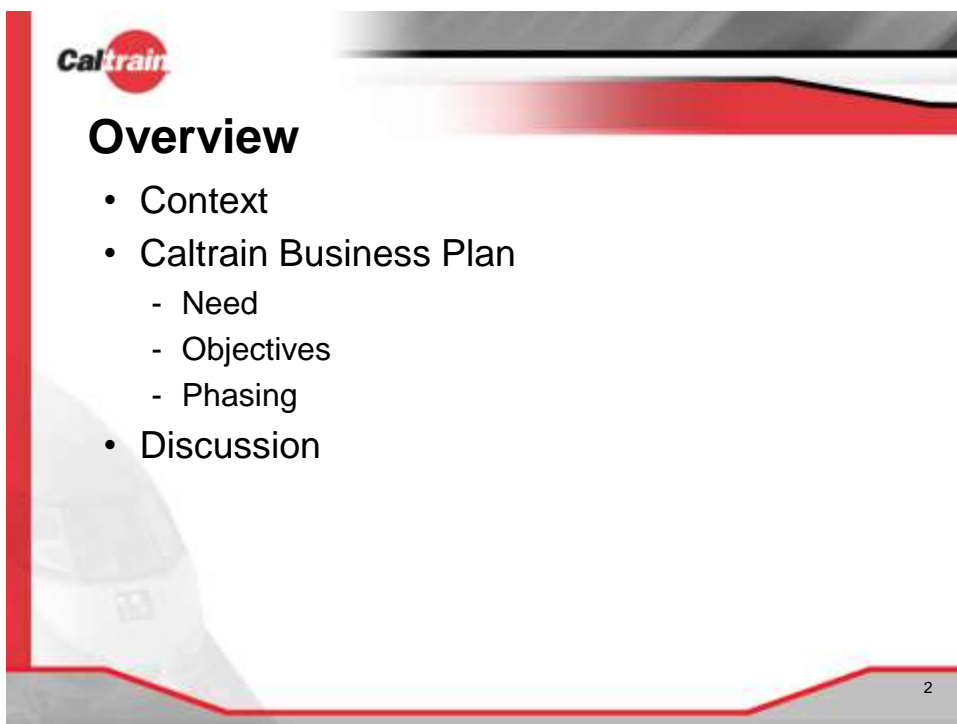





Caltrain Business Plan

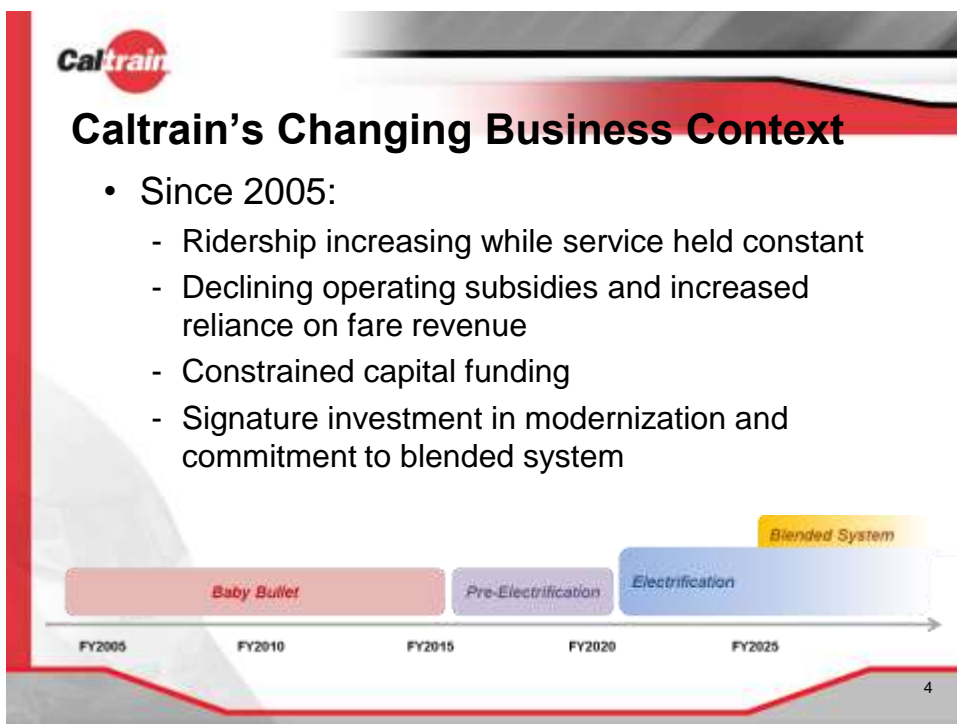
Local Policy Makers Group
August 24, 2017



Overview

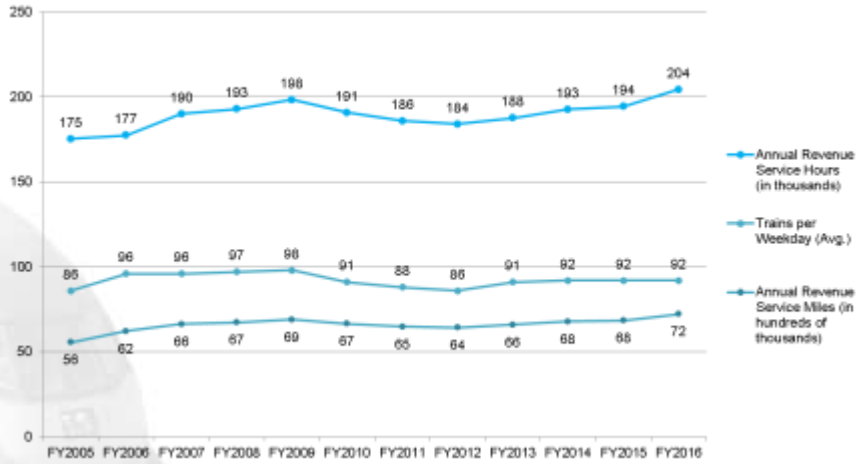
- Context
- Caltrain Business Plan
 - Need
 - Objectives
 - Phasing
- Discussion

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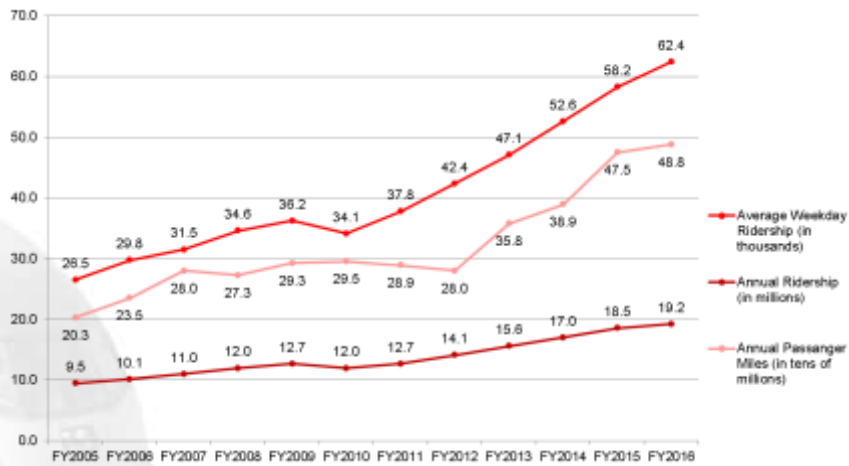




Context: Service Levels

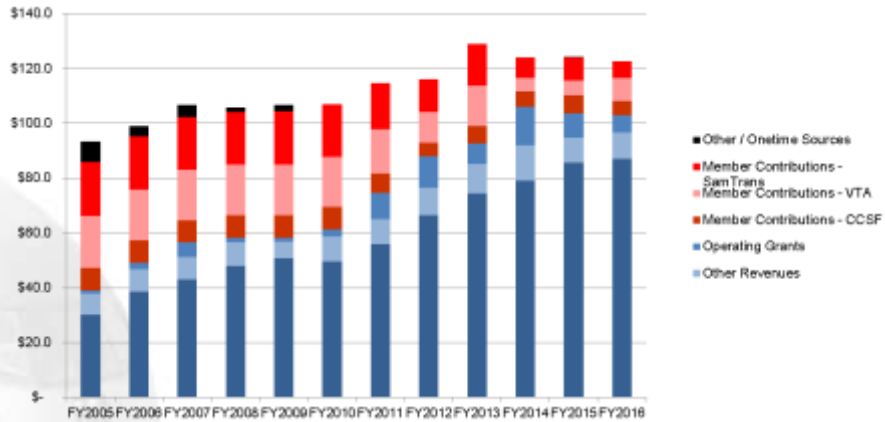


Context: Ridership





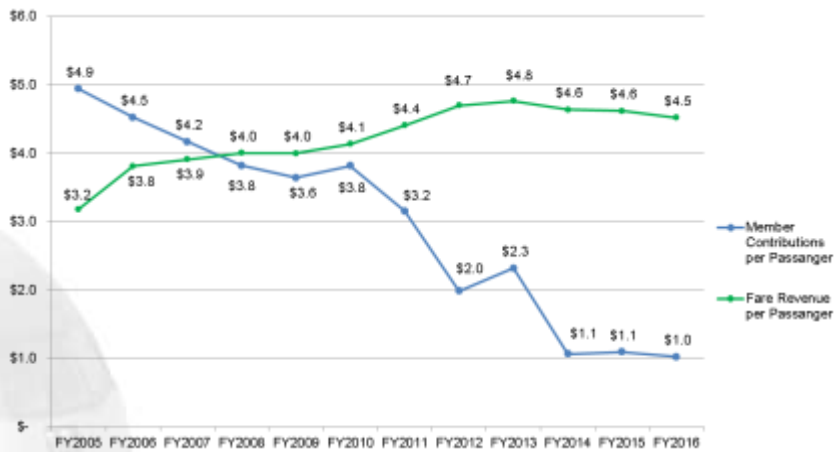
Context: Operating Funding



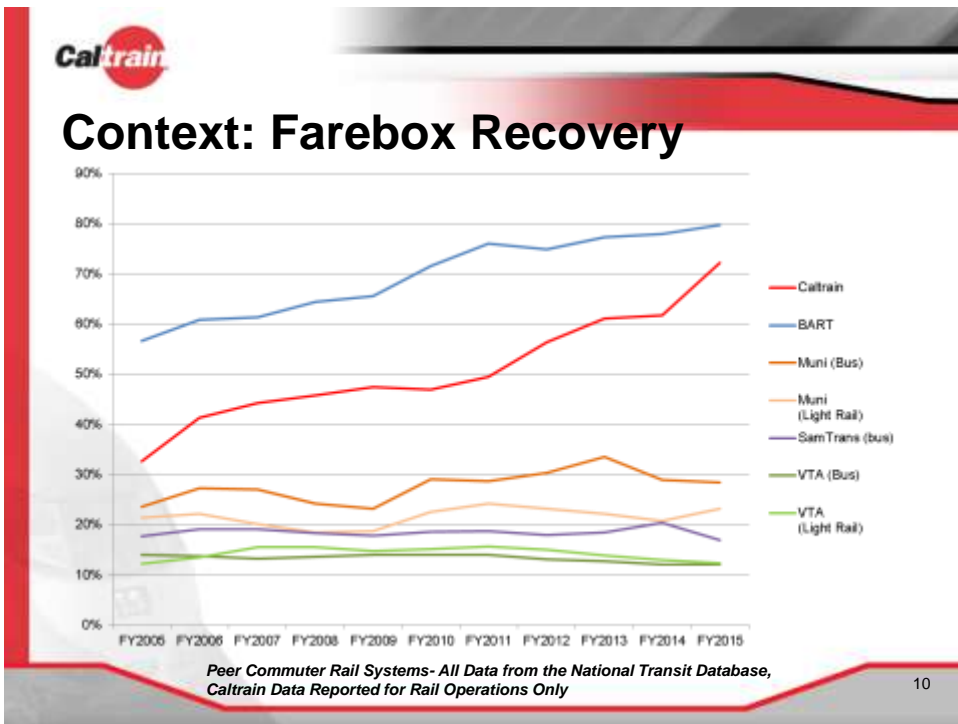
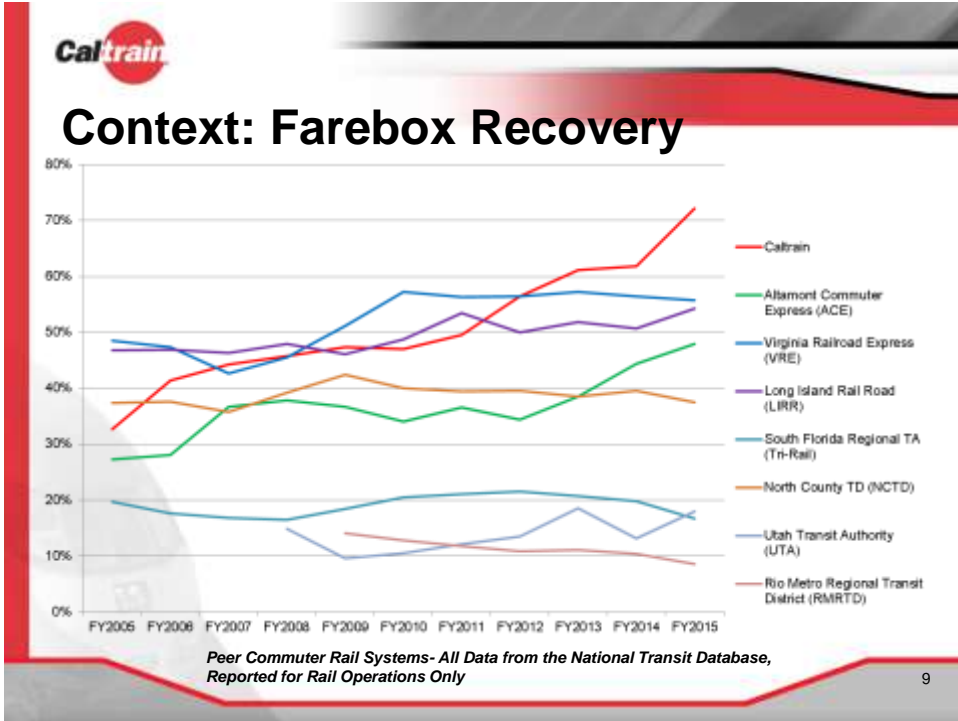
CPI Adjusted to millions of FY2016 Dollars



Context: Operating Funding

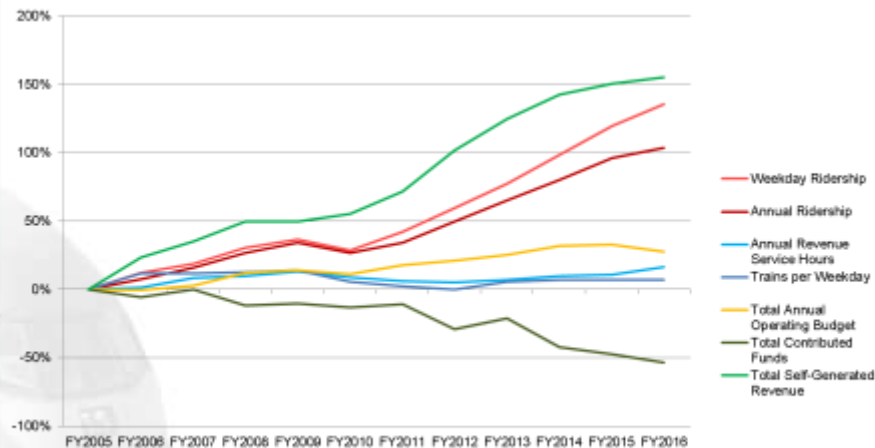


CPI Adjusted to FY2016 dollars





Context: Operating Metrics



Percentage Change in Key Operating Metrics - CPI Adjusted

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Context: Caltrain Modernization

- \$2.25 billion investment in the future of the Caltrain (CBOSS-PTC + Electrification)
- Opportunity to improve service, grow ridership and reinvent the system
- Many challenges remain
 - Replacement and expansion of entire mainline diesel fleet not fully funded
 - Other desired capital projects still require planning and funding
 - System bigger but still no stable source of operating or state of good repair funding

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Context: 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

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Caltrain Business Plan

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Need for a Business Plan

- Opportunity to maximize value of public investment in Electrification
 - Need capital funding to complete conversion of the fleet and modernize all aspects of the system
 - Need to expand and tailor service to support a growing region and equitably serve a diverse population
 - Need to stabilize funding and revenue streams to support operations and state of good repair
- Opportunity to seek funding as part of potential ballot measures and legislative actions in 2018 at local, regional and state levels

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Key Objectives

- Identify the near-term capital projects and services needed to fully realize the public investment in electrification
- Develop cost, revenue and funding targets that support improved services and ensure ongoing financial stability
- Define opportunities for the long-term expansion and integration of the Caltrain system
- Engage with local, regional and state initiatives to secure new funding

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Phasing

- **Phase 1 – Develop a Business Strategy**
- **Timeframe:** Now through Fall 2017
- **Purpose:**
 - Receive stakeholder and public input regarding range of technical and policy issues that need to be addressed in Business Plan
 - Clarify relationship between Business Plan and ongoing planning and policy efforts occurring throughout the Caltrain Corridor
 - Under expert guidance, develop a clear scope and funding plan for 2nd Phase of Business Plan work

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Phasing

- **Phase 2 – Complete Business Plan**
- **Timeframe:** Fall 2017 through end of 2018
- **Purpose:**
 - Detailed scope to be developed in Phase 1
 - Will minimally include:
 - Analysis of future service levels, service patterns, fleet and infrastructure needs and ridership forecasts
 - Review of organizational, management and contracting strategies
 - Updated financial analysis and funding strategies

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Discussion Questions

Service, Fleet and Infrastructure

- How could Caltrain's service change and grow over time? What markets can we serve?

Opportunities Beyond the Railroad

- How can the railroad promote TOD and facilitate first- and last mile connections?
How can we integrate with other projects, services and systems?

Benefits, Costs and Impacts

- Who pays for rail service and infrastructure and who benefits? What are the impacts of increased rail service and how can they be managed?