



Caltrain Business Plan Update

Local Policy Maker Group
November 30, 2017

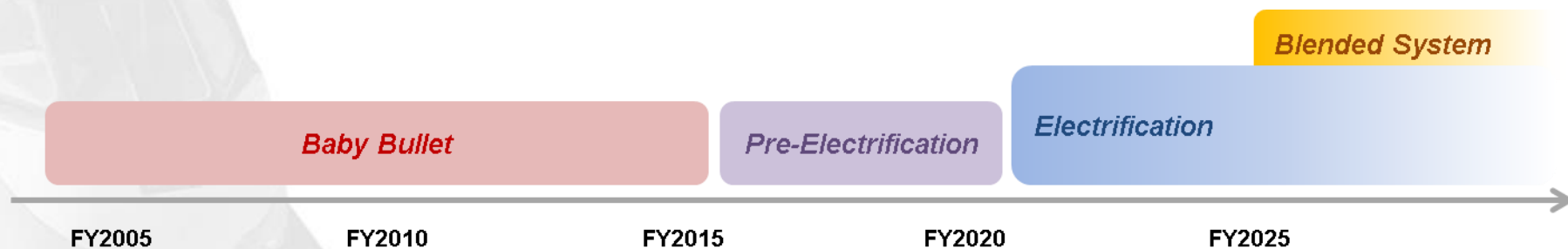
Overview

- Background and Context
- Activity since last update (August)
- Phase 2
- Next Steps

Background and Context

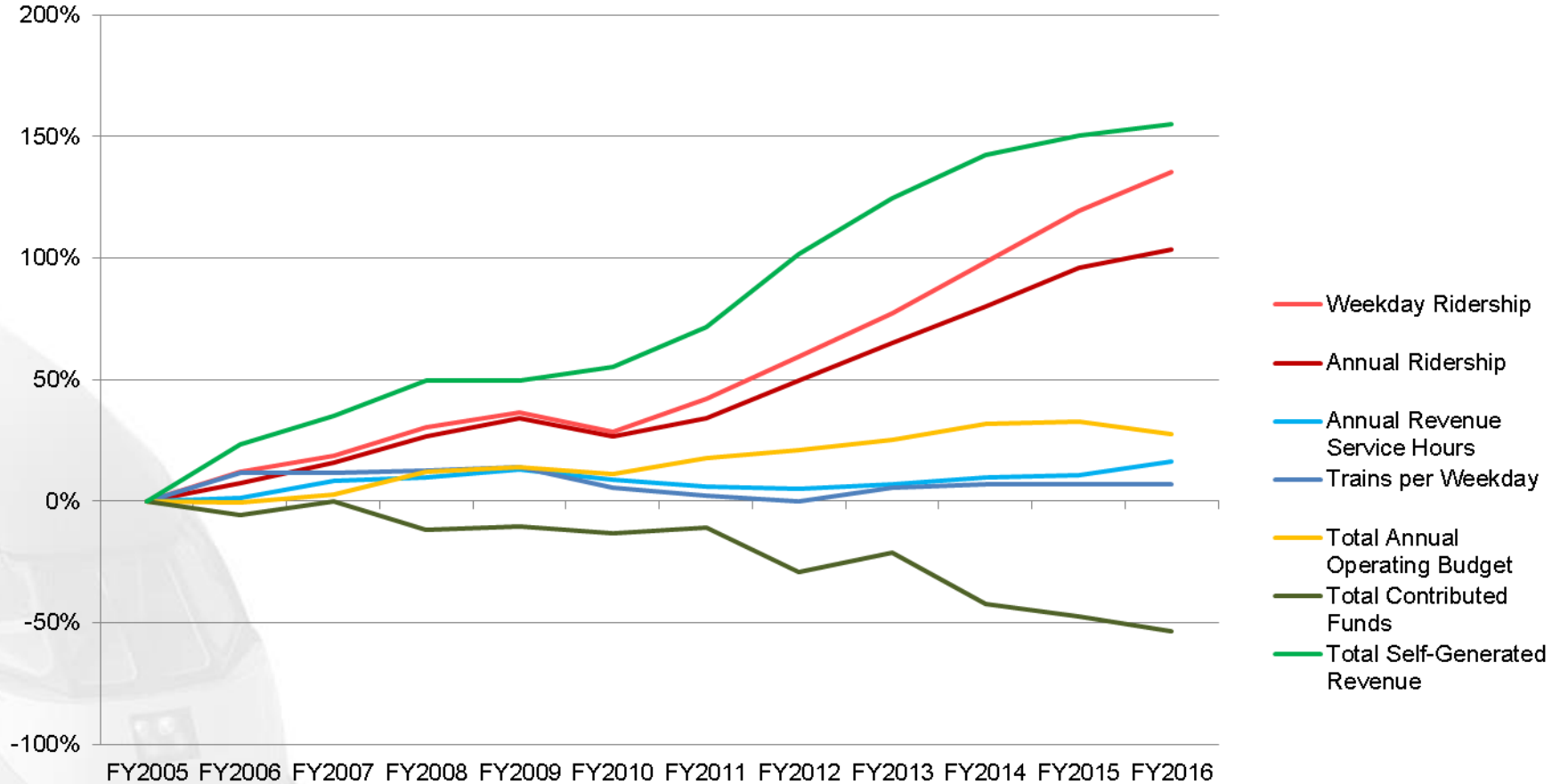
Background- a Changing Business Context

- Since 2005:
 - Ridership increasing while service levels unchanged
 - Declining operating subsidies from SamTrans, CTA, City/County SF due to their own transit needs; increased reliance on fare revenue
 - Limited resources for capital improvements
 - Signature investment in electrification and modernization and commitment to blended system





Background- Business Metrics



Percentage Change in Key Operating Metrics - CPI Adjusted

Background - Financial Outlook

- **Electrification benefits:**
 - More rides – projected increase of aprox. 65k today to over 100k daily
 - Lower cost per passenger
- **Continued need:**
 - Ongoing annual need for \$30-\$40 million in operating subsidies; increase over recent years (\$17-25 million) due to dramatic ridership increase despite lower per passenger cost, similar to FY2001-2011 (\$30 - \$40 million typical)
 - Capital funding needs increase; existing infrastructure and fleet ages and new systems and infrastructure are added
 - Funding needed for purchase remaining 25% of fleet; 6 cars per train currently funded but could run up to 8 if funding for remaining cars secured
- **Funding risks:**
 - Caltrain will be at risk if member contributions fall short or if ridership significantly declines
 - Only commuter rail in country without a dedicated permanent source of funding

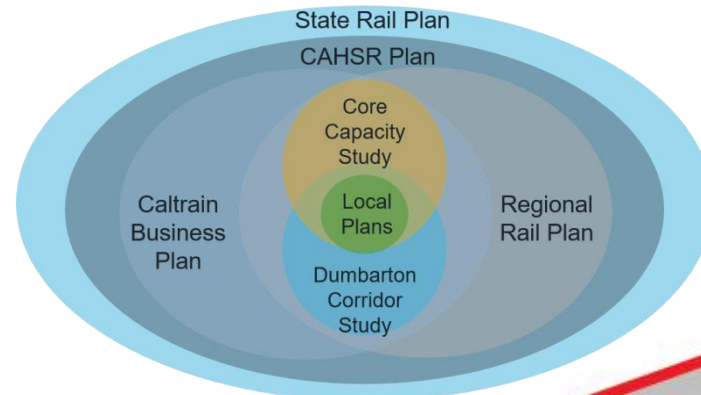
The Caltrain Business Plan



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



Business Plan Timeline

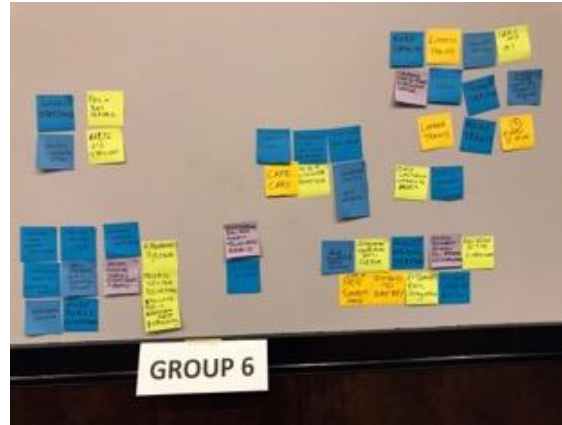
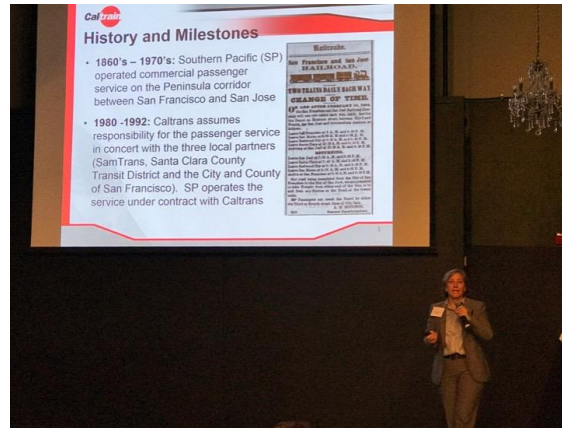
- April 2017 - Business Plan concept introduced to JPB
 - Background context
 - Discussion of need an conceptual elements
- July 2017 – Update to JPB
 - Refinement of conceptual elements
 - Phasing of plan
- August 2017 – Update to CSCG, LPMG and Citizen’s Advisory Committee

Activity Since Last Update

Activity Since Last Update

- September 2017
 - Meetings of JPB Ad Hoc Sub-Committee
 - Corridor Stakeholder Workshop (9/20)
- October – November 2017
 - Business Strategy and Scope Development (ongoing)

Stakeholder Workshop



Stakeholder Workshop - Participants

- Board Ad Hoc Committee
- Partner agency General Managers and staff
- State and regional agencies
- Peer railroads
- LPMG delegation
- Advocacy groups
- Private sector groups and companies

Stakeholder Workshop – Topics

- Caltrain history and background
- Local, regional and state context
- Brainstorming
 - “Vision” for Caltrain’s future
 - Challenges and obstacles
- Expert Presentations
 - Business Context of European passenger rail
 - Business planning and business case analysis

“Phase 2”

Proposed Scope Overview

- Draft materials under development
 - Business “Strategy” policy statement
 - Business Plan Scope
- Board review and proposed adoption in December 2017 / January 2018
- Year long process of technical work and outreach to complete Business Plan by end of 2018
- Significant level of effort anticipated

Proposed Scope Overview

Key Questions to be addressed

1. How should Caltrain grow over time? What service levels and patterns will best serve the region's needs in the future?
2. How can the service be delivered as effectively as possible?
3. How does Caltrain interact and connect with the various communities it touches? What kinds of opportunities, impacts and benefits does Caltrain create

Next Steps

Next Steps

- Early December
 - Draft Scope to JPB
 - Webinar and comment opportunity
- Final Scope to JPB in January
- Full update to CSCG and LPMG in January