Overview

- Context
- Caltrain Business Plan
  - Need
  - Objectives
  - Work Products
- Next steps
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: Service Levels

- Annual Revenue Service Hours (in thousands)
- Trains per Weekday (Avg.)
- Annual Revenue Service Miles (in hundred thousands)

Context: Ridership

- Average weekday ridership (in thousands)
- Annual ridership (in millions)
- Annual passenger miles (in tens of millions)
Inflation Adjusted to millions of FY2015 Dollars

Context: Operating Funding

Inflation Adjusted to FY2015 dollars

Context: Operating Funding
Context: Operating Metrics

- $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
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

Caltrain Business Plan
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

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 of the Caltrain system
• Engage with local, regional and state initiatives to secure new funding
Work Products

• **Core Capital Expenditure Plan**: Defines near-term capital enhancements and SOGR needs (summer 2017)

• **Core Business Plan**: Updates ridership forecasts and shows how to improve service and stabilize Caltrain operating finances by focusing priorities, implementing reforms and setting cost and revenue targets (fall 2017)

• **Expansion Blueprint**: Long range blueprint that considers expansion of Caltrain beyond core system and services. Frames future engagement with regional projects like Blended System, Dumbarton Rail, DTX and others (spring 2018)

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Core Capital Expenditure Plan

• Document will build on baseline CIP included in SRTP

• Will prioritize projects for funding and match to potential sources (including possible ballot measures)

• Example projects:
  - Enhanced SOGR investments
  - Investments to support expanded Gilroy service
  - Conversion of remaining mainline diesel fleet to 8-car EMUs (eg CalMod 2.0)
  - Terminal improvements
  - Technology enhancements
  - Select local station projects
Core Business Plan

- Plan for improved Caltrain service that identifies steps needed to stabilize operating finances and address cyclical SOGR
- Will address questions like:
  - What will it cost Caltrain to improve service? How much ridership could better service generate?
  - How much revenue should Caltrain self-generate (Through fares, parking, TOD)?
  - How can Caltrain protect and enhance equity?
  - Where should the agency focus efforts to control and minimize costs?
  - What are Caltrain’s long term subsidy needs? How can the impact to JPB members be stabilized and reduced?
- Interfaces with ongoing planning efforts

Expansion Blueprint

- Expansive vision that builds on Core Expenditure and Business plans to define potential paths for growth
- Addresses questions like:
  - What is the long term demand for rail service in and beyond the Caltrain corridor? What are strategies Caltrain could use to meet this demand?
  - How will future regional “mega projects” (DTX, Blended System, Dumbarton Rail etc…) benefit and/or impact Caltrain? How can Caltrain support these efforts while enhancing its own performance?
  - What kinds of more innovative funding could help support a significant Caltrain expansion (eg value capture, PPP)?
  - Where should Caltrain focus its future long range planning and advocacy?
Next Steps

• Refine outreach plan
  - Discussions with local and regional partners
  - Develop formal outreach plan and structure

• Launch technical work
  - Refine technical scope and assemble team
  - Solicit partner and stakeholder input and assistance

• Return to JPB in late spring