



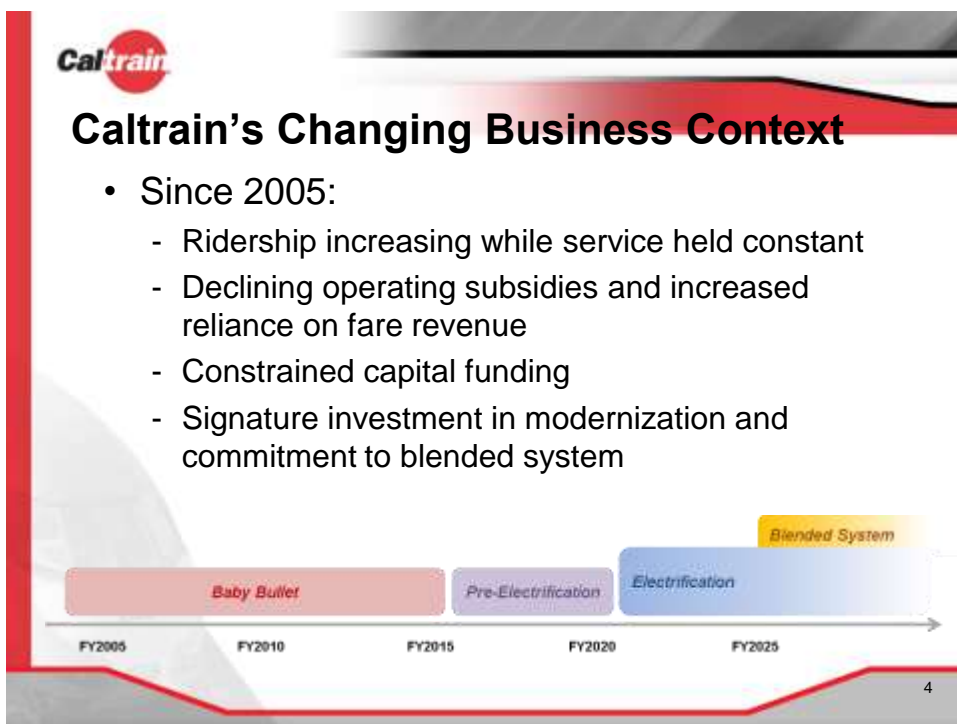
Caltrain Business Plan

Board of Directors
March 2, 2017
Agenda Item 16



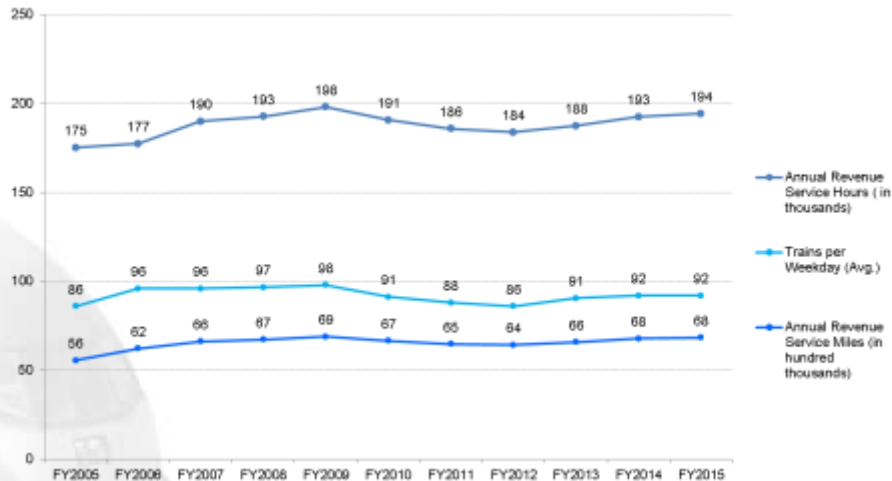
Overview

- Context
- Caltrain Business Plan
 - Need
 - Objectives
 - Work Products
- Next steps

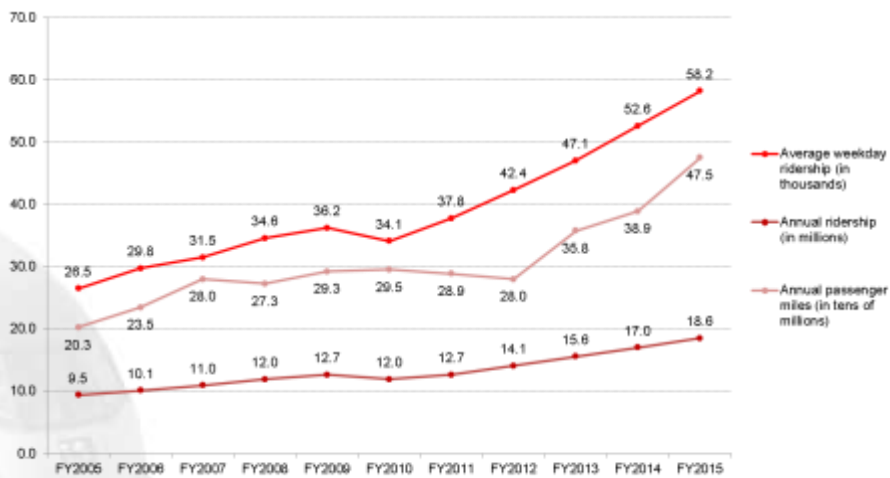




Context: Service Levels

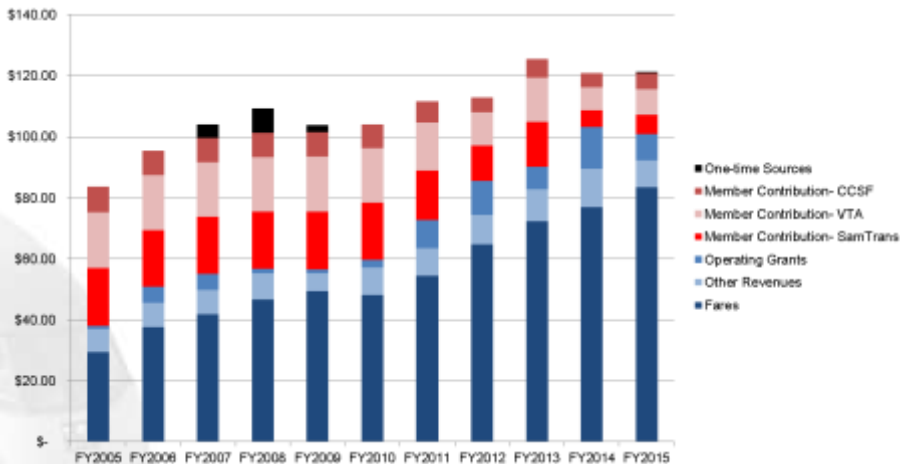


Context: Ridership





Context: Operating Funding



Inflation Adjusted to millions of FY2015 Dollars

7

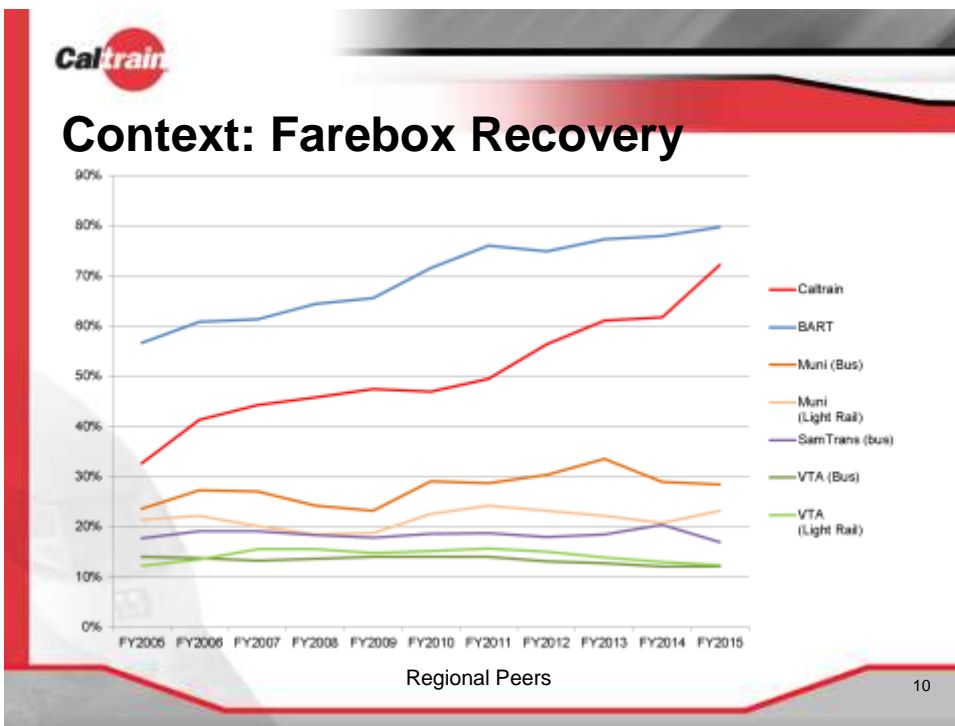
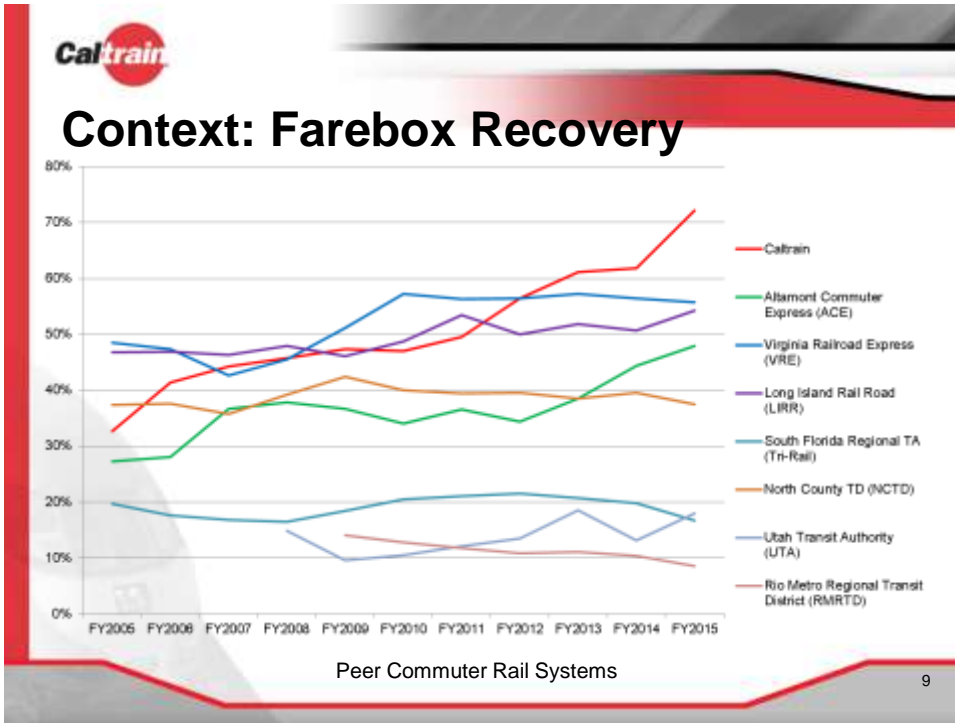


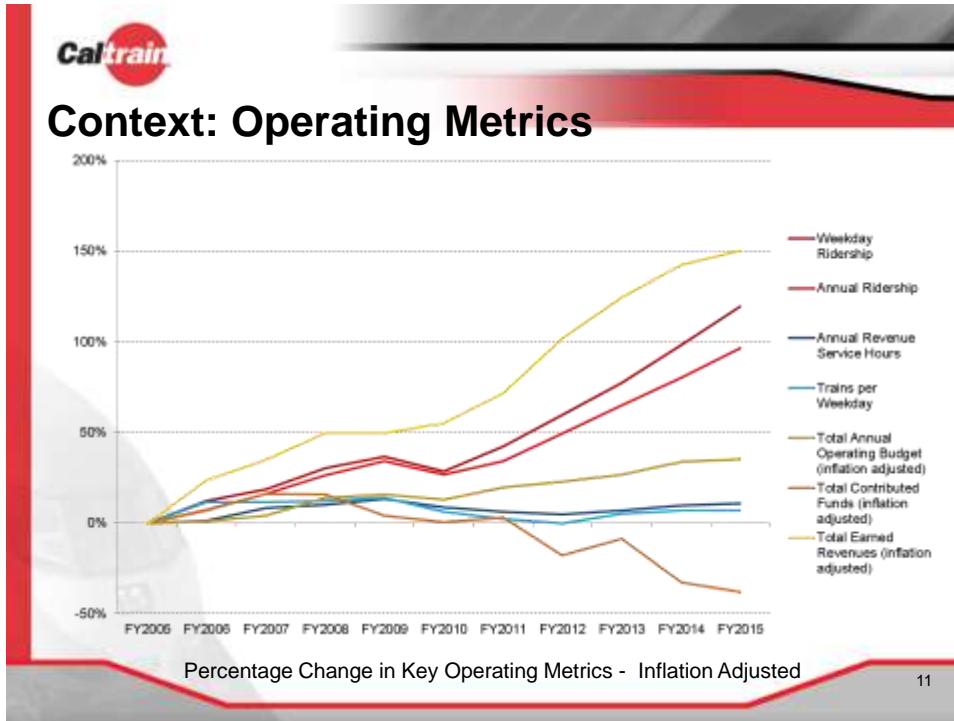
Context: Operating Funding



Inflation Adjusted to FY2015 dollars

8





Caltrain

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

12



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

13



Caltrain Business Plan

14



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

15



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

16



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**)

17



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

18



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

19



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?

20



Next Steps



21



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



22