



The slide features the Caltrain logo in the top left corner. The background is a red gradient with a faint image of a train. The title "Caltrain Business Plan" is centered in white. In the bottom right, the text "Board of Directors April 6, 2017 Agenda Item 10" is displayed in white.

**Caltrain**

# Caltrain Business Plan

Board of Directors  
April 6, 2017  
Agenda Item 10



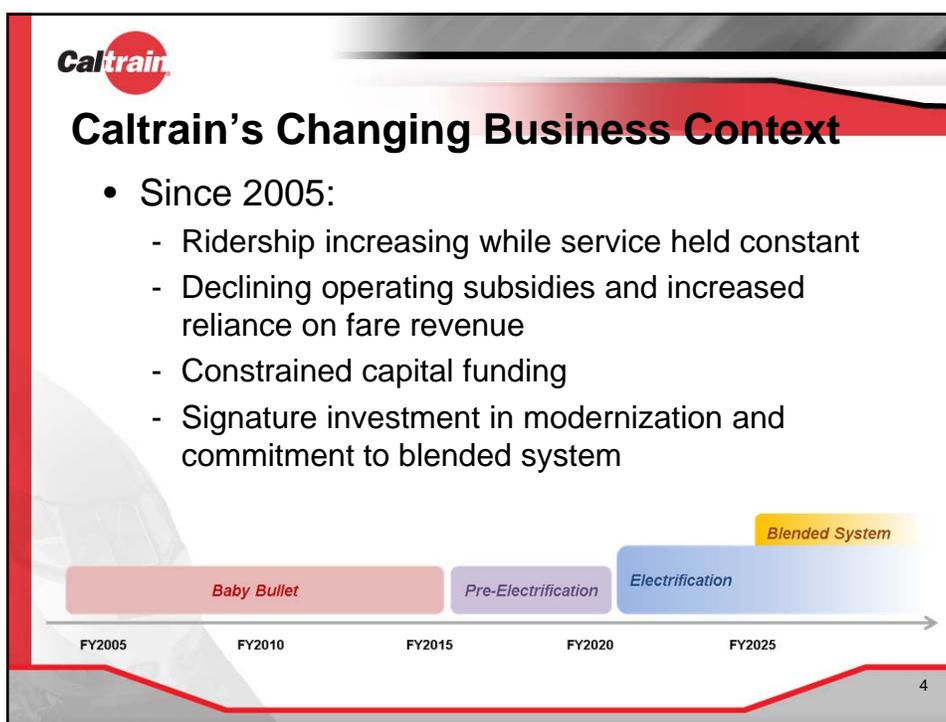
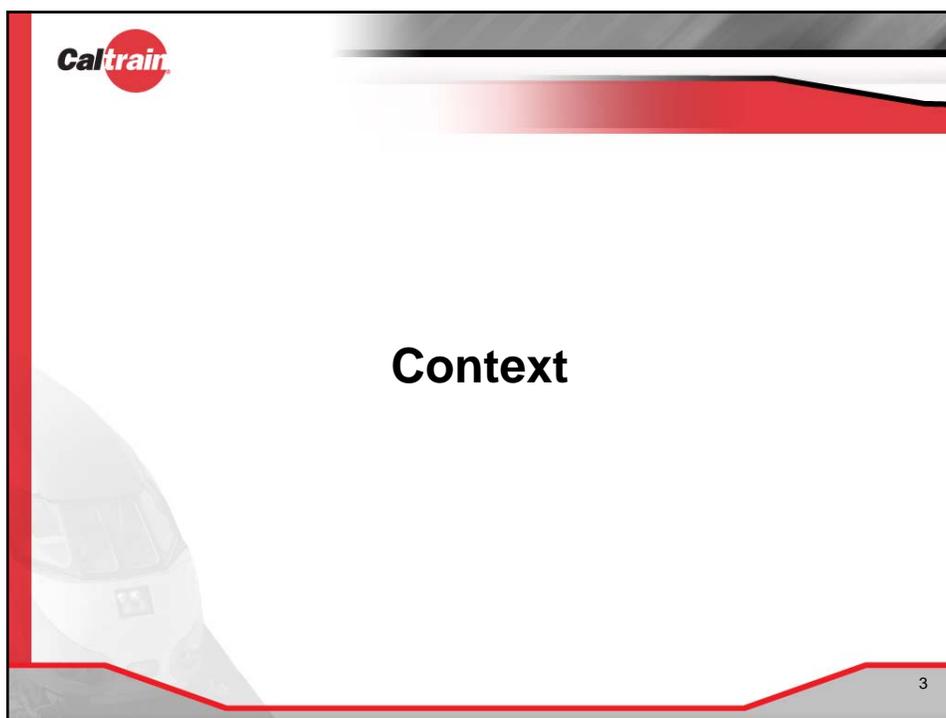
The slide features the Caltrain logo in the top left corner. The background is a red gradient with a faint image of a train. The title "Overview" is in bold black. Below it is a bulleted list of items. A small number "2" is in the bottom right corner.

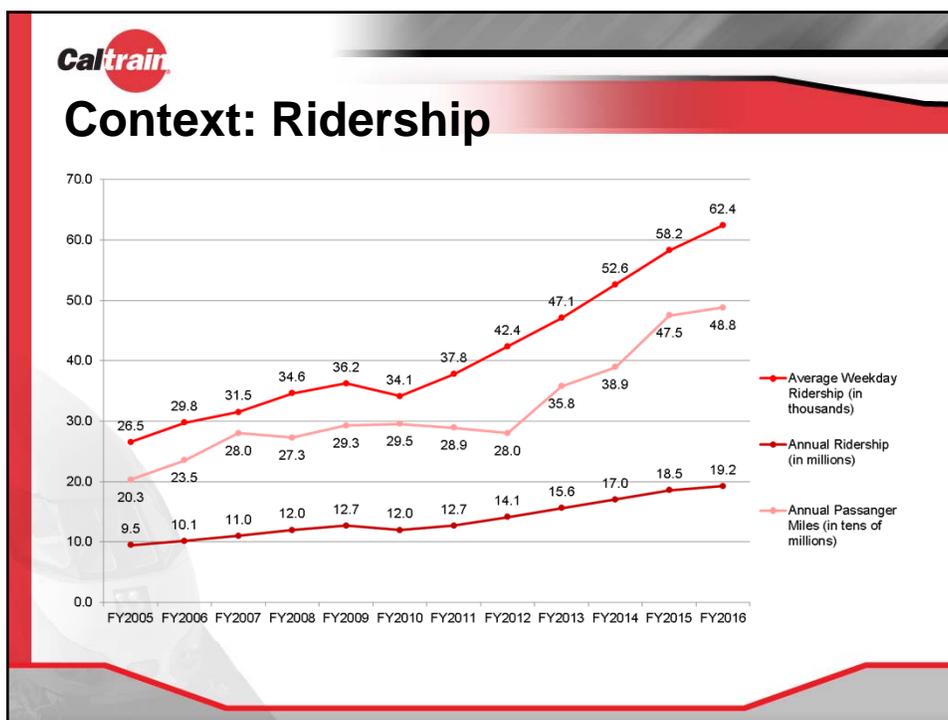
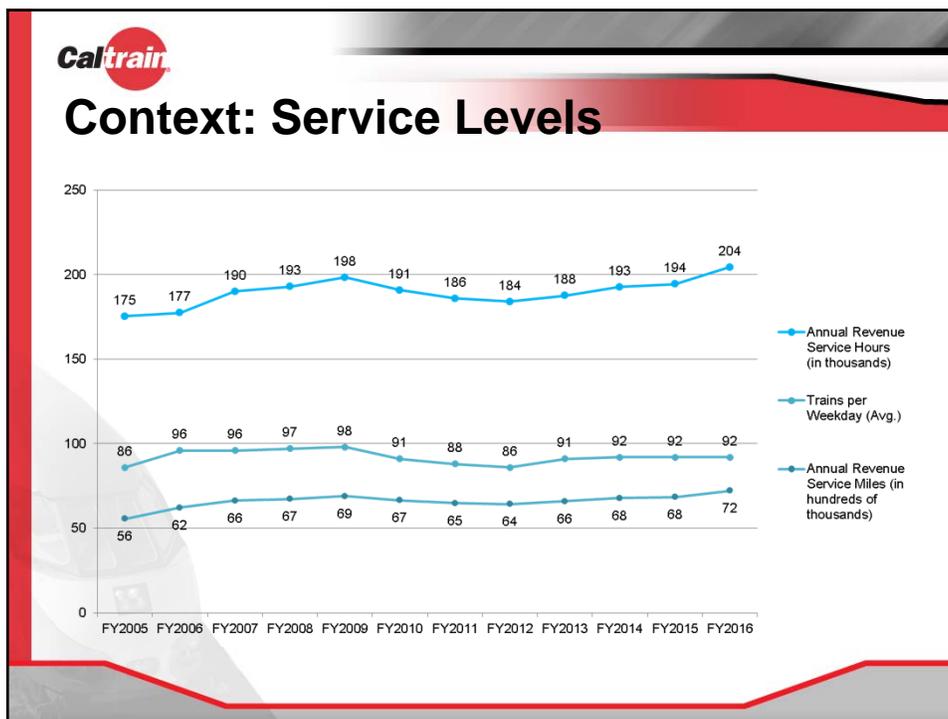
**Caltrain**

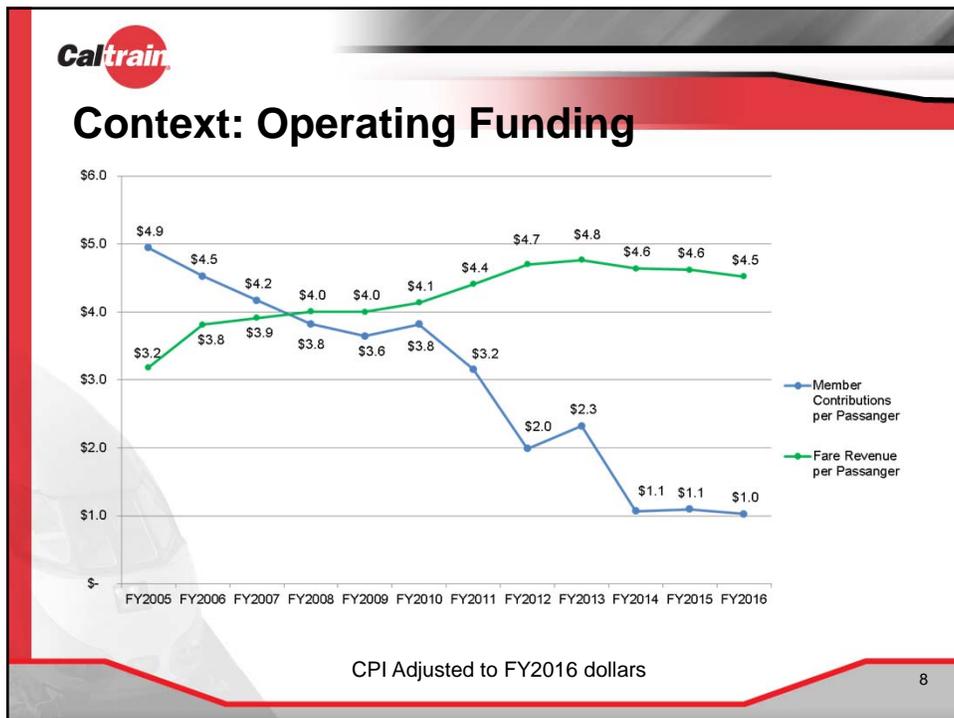
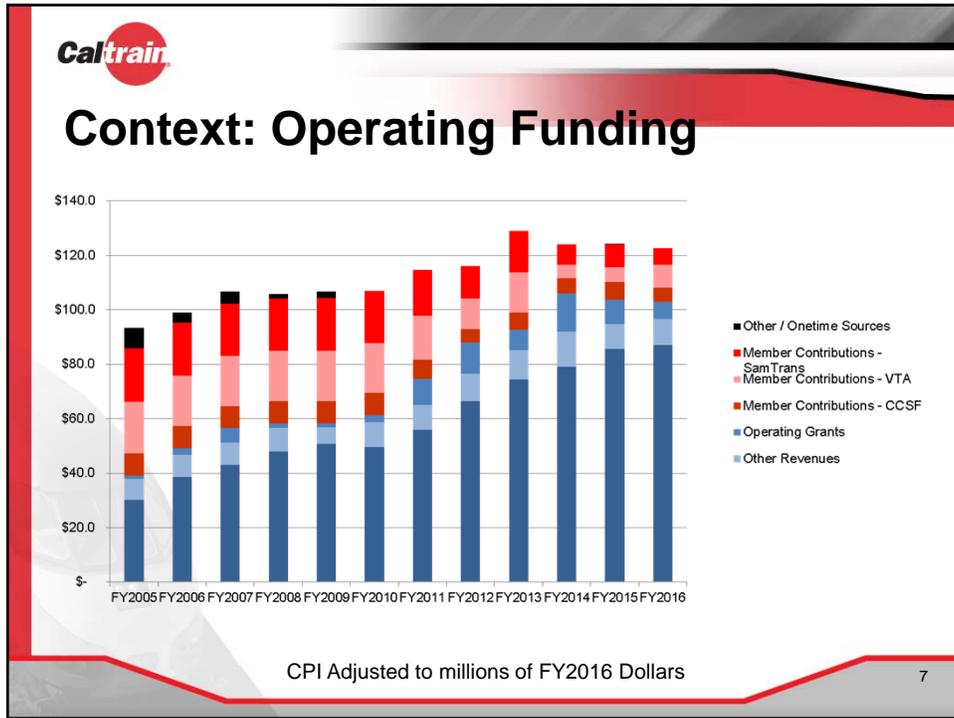
## Overview

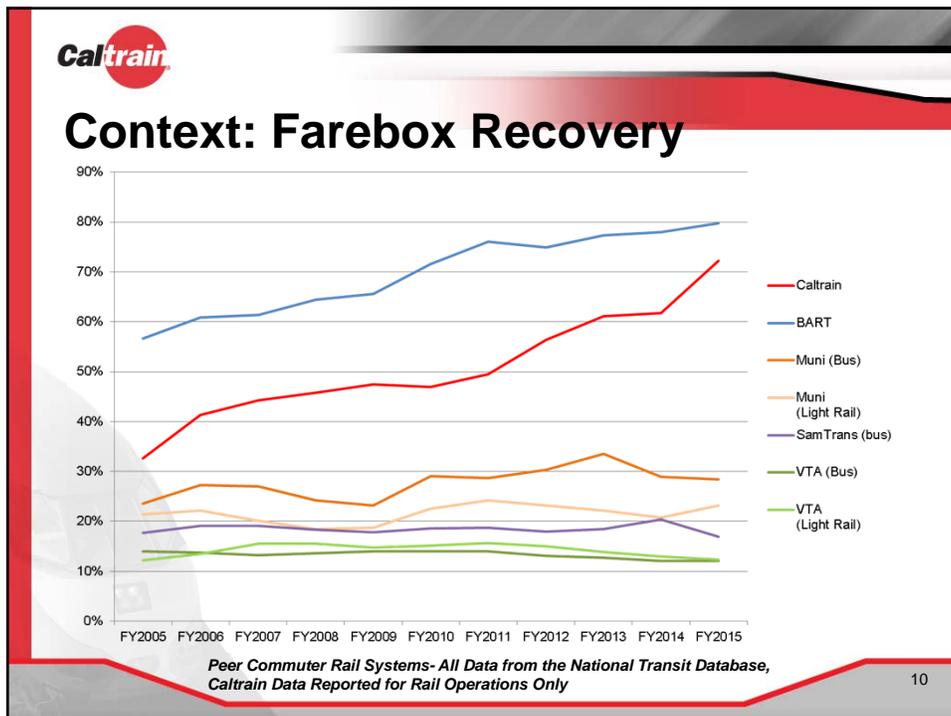
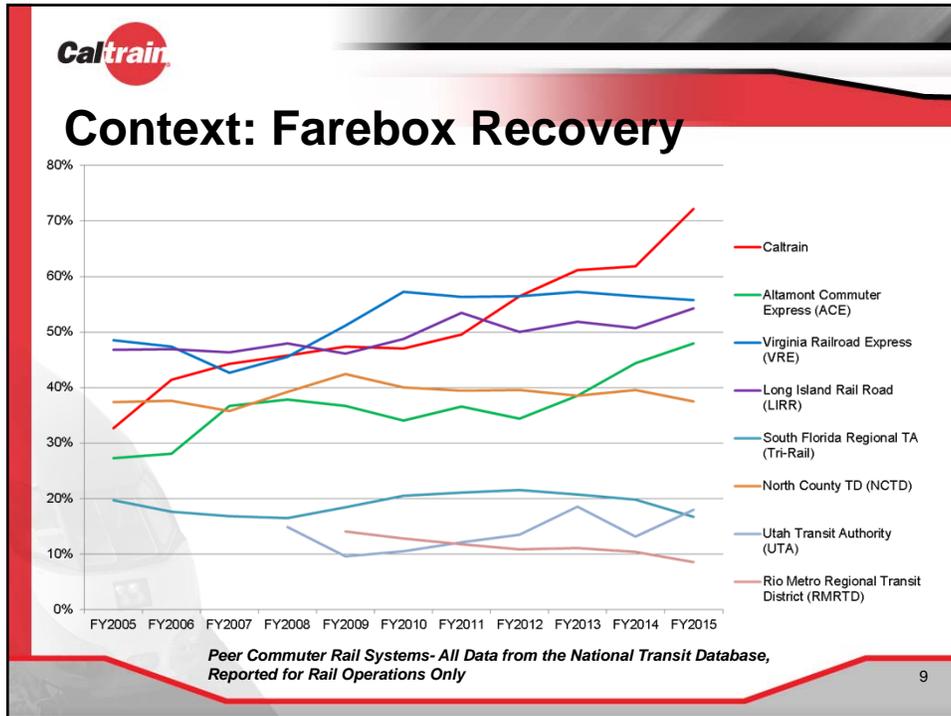
- Context
- Caltrain Business Plan
  - Need
  - Objectives
  - Work Products
- Next steps

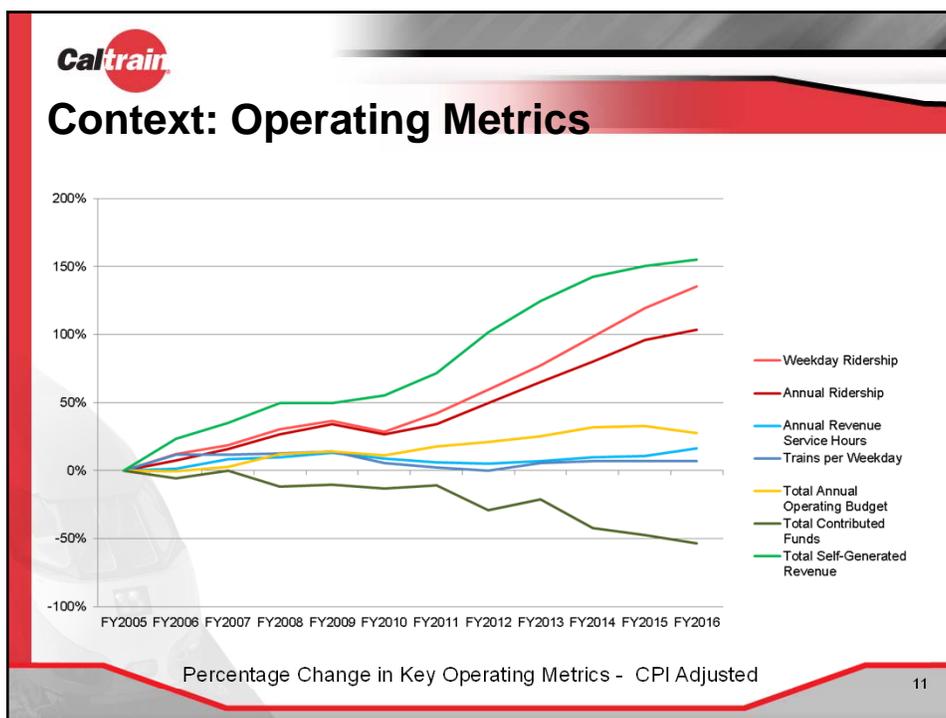
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**Caltrain**

## 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

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

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## 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

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## 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

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## 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?

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## Next Steps

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## 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

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