Overview

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

Context: Ridership
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
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 and integration of the Caltrain system

• Engage with local, regional and state initiatives to secure new funding
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

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
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?