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: Operating Funding

CPI Adjusted to millions of FY2016 Dollars

Context: Operating Funding

CPI Adjusted to FY2016 dollars
Context: Farebox Recovery

Peer Commuter Rail Systems- All Data from the National Transit Database, Reported for Rail Operations Only

Peer Commuter Rail Systems- All Data from the National Transit Database, Caltrain Data Reported for Rail Operations Only
**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 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

- 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