Survey of Likely November 2020 Voters Regarding a Potential Sales Tax for Caltrain

June 2020

EMC research

Methodology

- Survey of likely November 2020 voters in the Peninsula Corridor Counties (San Francisco, San Mateo, Santa Clara)
  - Survey conducted June 11 – 18, 2020: Month three of coronavirus shelter-in-place, many workplaces remained closed, transit use and traffic remained low but beginning to rise with gradual reopening
  - 1,255 interviews; overall margin of error ±2.76 percentage points
  - Approximately 400 interviews in each county; margin of error ±4.9 percentage points per county
  - Survey offered in multiple languages, with contacts made by cell phone, landline phone, and email.
  - Final data weighted to reflect actual voter population distribution
- Where applicable, results compared with March 2019 survey of similar methodology
  - 1,416 interviews with likely November 2020 voters; margin of error ±2.6

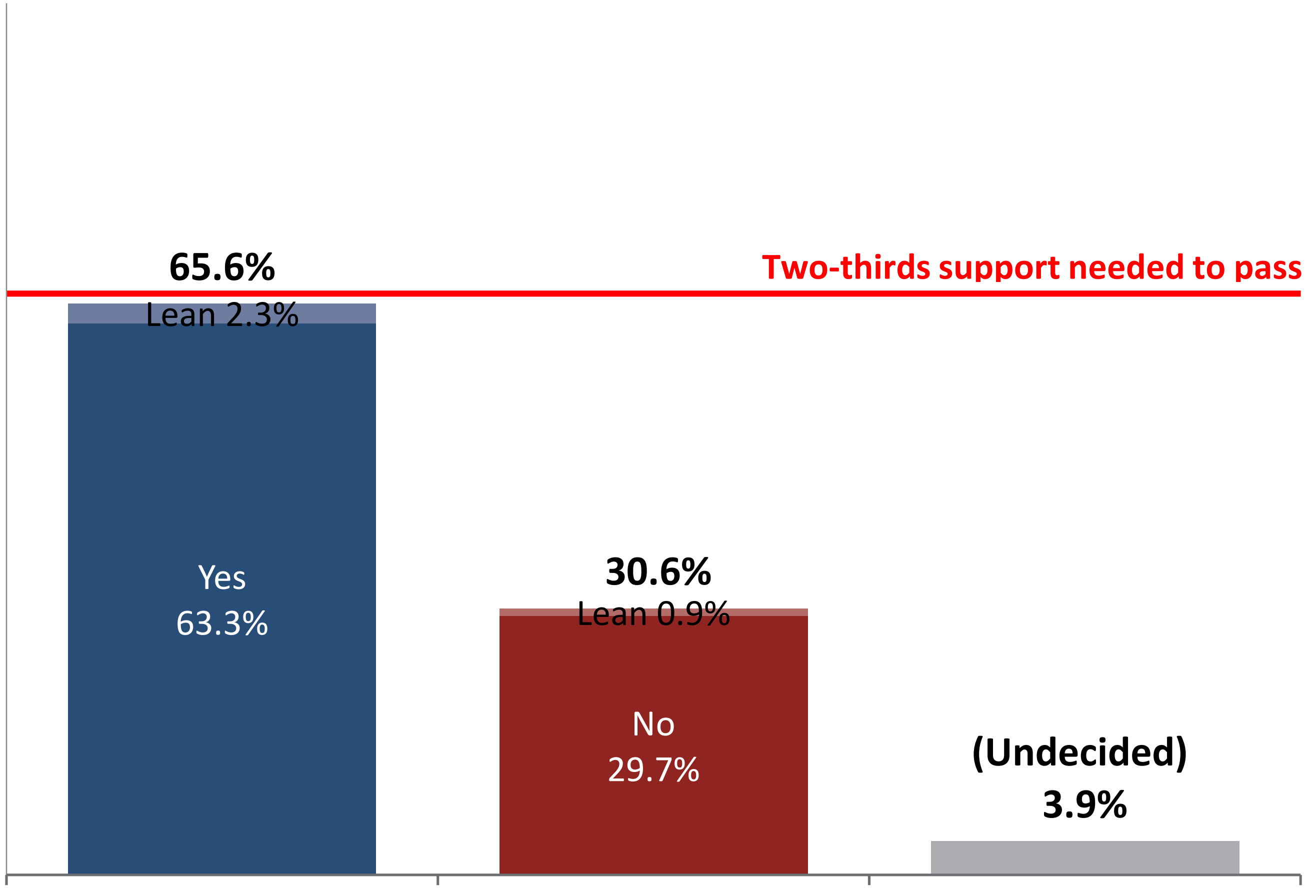
Please note that due to rounding, some percentages may not add up to exactly 100%.

Potential Measure Support

Current support for a measure is short of two thirds, even with those that are undecided but lean towards voting yes.

Potential Ballot Question

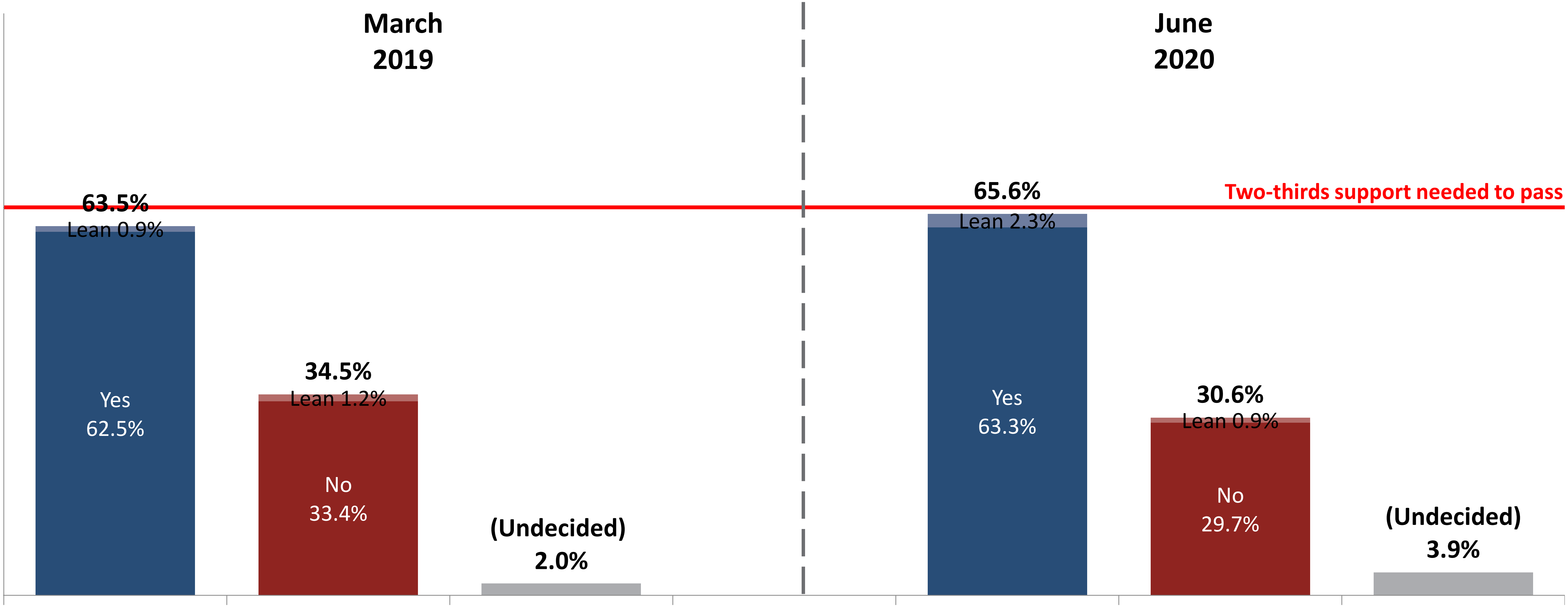
To preserve Caltrain service and support regional economic recovery, prevent traffic congestion, make Caltrain more affordable and accessible, reduce air pollution with cleaner and quieter electric trains, make travel times faster, and increase Caltrain frequency and capacity between Santa Clara, San Mateo and San Francisco counties, shall the Peninsula Corridor Joint Powers Board's ordinance levying a 30-year one-eighth cent sales tax with oversight and audits, providing approximately $100 million annually for Caltrain that the State cannot take away, be adopted?



If the election were held today, would you vote yes to approve or no to reject this measure?

Potential Measure Support Over Time

Support for a one-eighth cent sales tax for Caltrain is consistent with what was measured last year.

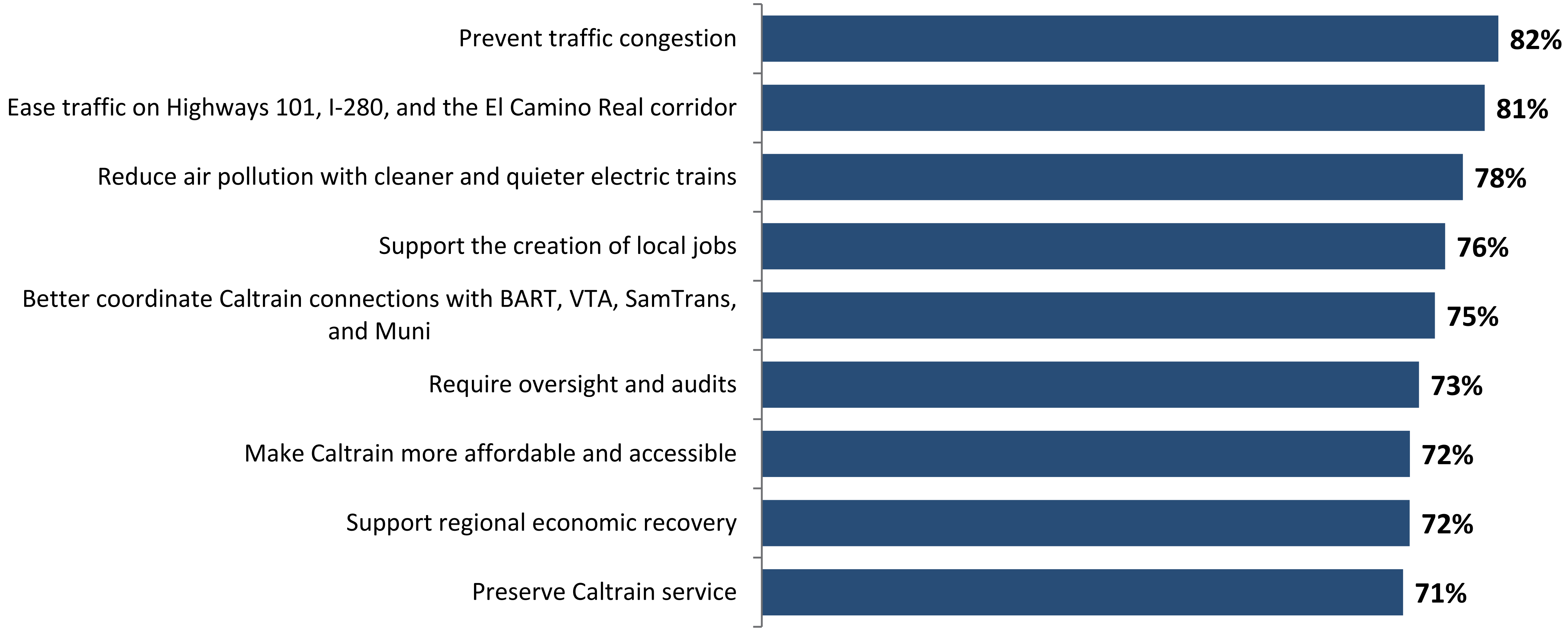


If the election were held today, would you vote yes to approve or no to reject this measure?
(2019 measure language tested was slightly different from 2020)

Top Components

Preventing and easing traffic continues to be a top concern for local voters, even in the current environment; more than two-thirds also value the preservation of Caltrain service and the system's role in supporting regional economic recovery.

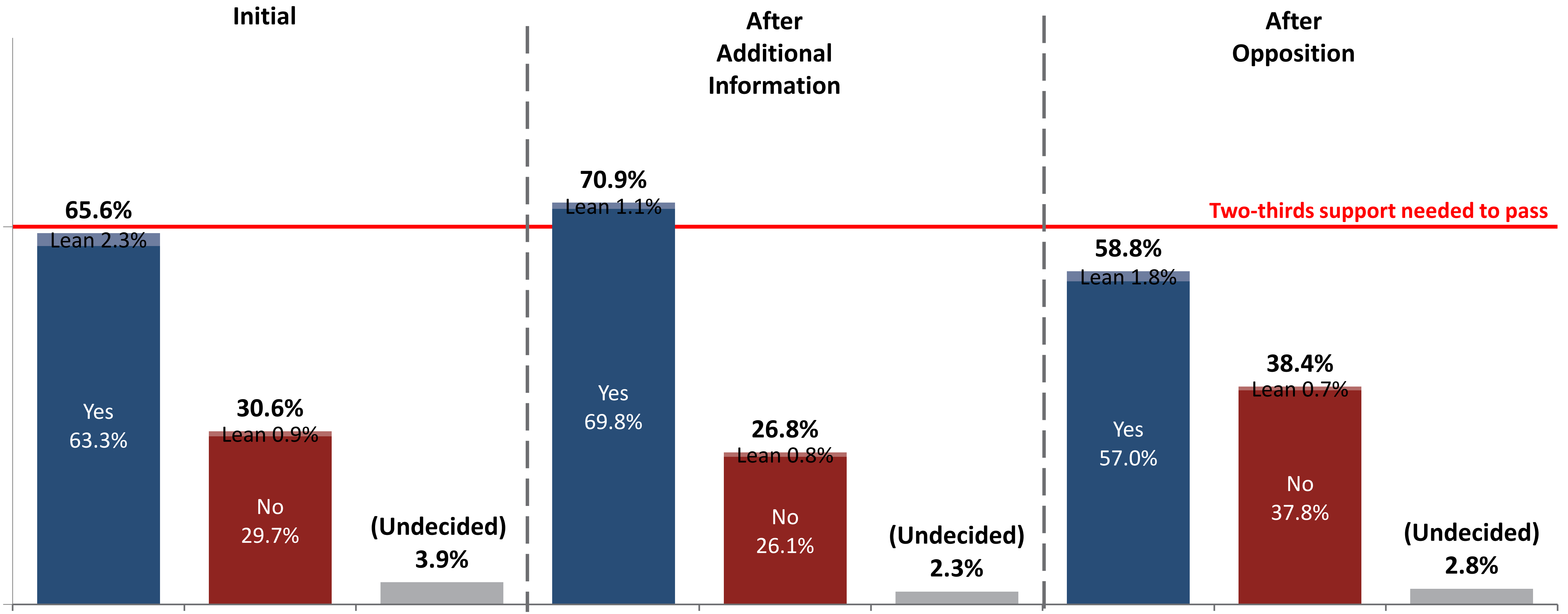
Percent Who Find Each Component Important



I'm going to read you a list of components that could be included in the proposed Caltrain measure. On a scale from 1 to 7, where 1 is not at all important and 7 is extremely important, please tell me how important it is that the measure do each of the following.

Potential Measure Support Progression

Support for a potential measure can be driven in both directions by additional information.



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Conclusions

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- A one-eighth cent sales tax measure to preserve Caltrain service is not currently supported by the two-thirds of likely voters that are needed to succeed.
- Support can be impacted by additional information about the measure.
- Success may be possible in the right environment, and with a privately funded campaign effort in support of the measure.

Financial Consequences of COVID-19

Status Today

- Caltrain Received $49 Million in Tranche 1 of CARES Act funding- this is enough to sustain current operations into September
- Service restoration and re-opening have helped ridership increase to over 5% of pre-COVID levels
- Non-GoPass revenue is still down significantly from pre-COVID levels

Blue Ribbon Task Force Update

- Different distribution criteria has resulted in a projected $15 million in “Tranche 2” CARES Act funding to Caltrain
- Lower distribution poses substantial challenges to Caltrain
- To persist through the end of calendar year 2020 with this level of CARES funding and no new sources, Caltrain would need to average 30% of Pre-COVID ridership levels and would also need to retain existing GoPass revenue
- This level of ridership restoration and revenue retention is extremely optimistic given slowed reopening and increasing COVID caseloads

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Analysis and Choices

Financial Analysis

- Once CARES Act funds are exhausted, deeper cuts and lay-offs are a possibility
- Caltrain is analyzing a wide variety of service levels and options to understand impacts to cost structure
- Options analyzed include;
  - Higher levels of service (various types and combinations of service levels ranging from 70 to 92 trains per weekday)
  - Absolute minimum service levels (40 trains per weekday, elimination of weekend service)
  - Full shutdown of Caltrain revenue service
- High fixed cost of operation means that it may not be possible to “cut” to a solution

Choices

- Averting severe service impacts and layoffs will require hard choices and creative solutions.
- Potential approaches include:
  - Continued advocacy for federal funds
  - Expansion of member agency contributions
  - Monetization of assets
  - Seeking out new public and private sector partners
- Substantial dedicated funds like those provided by SB797 are critical to longer term financial viability

FY 22 Member Contributions*

If ridership remains low, member agency contributions would increase dramatically.

FY20 Contributions

- SF $15.6m
- SM $16.6m
- SC $20.2m

TOTAL $52.4m

FY22 (~50% ridership)

- SF $21.2m
- SM $24.1m
- SC $33.3m

TOTAL $78.6m

FY22 (~30% ridership)

- SF $27.5m
- SM $31.1m
- SC $43.1m

TOTAL $101.7m

*assumes continued 70-train service level

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Consideration of Next Steps

- **Passing a measure is possible under the right circumstances**
- **New external funding is critical to maintaining Caltrain operations**
- **Stakeholder coalition support is strong**
- **Staff Recommendation: Approve measure for the ballot at August 6 meeting**
- **Authorization needed**
  - SFMTA – July 21
  - Santa Clara County BOS – July 21
  - San Francisco BOS – Committee July 22, Full Board July 28
  - VTA – August 6