

Amended 2/10/2026 at 1:30pm – Item 3 presentation added

Amended 2/9/2026 at 2:30pm – Item 4 presentation added



**BOARD OF DIRECTORS 2026**

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## **AMENDED AGENDA**

### **San Mateo County Transit District**

Board of Directors – Special Meeting

Board Workshop

February 12, 2026, 9:00 am

Bacciocco Auditorium, 2nd Floor

1250 San Carlos Avenue, San Carlos, CA 94070

Members of the public may attend in-person or participate remotely via Zoom at:

<https://us02web.zoom.us/j/86310974053?pwd=5lAyesYf1uEp7ZcLNPaxikMzSJ8Wpr.1> or by entering Webinar ID: **863 1097 4053**, Passcode: **650759** in the Zoom app for audio/visual capability or by calling 1-669-900-9128 (enter webinar ID and press # when prompted for participant ID) for audio only.

**Public Comments:** Written public comments may be emailed to [publiccomment@samtrans.com](mailto:publiccomment@samtrans.com) or mailed to 1250 San Carlos Avenue, San Carlos, CA 94070, and will be compiled and posted weekly along with any Board correspondence. Any written public comments received within two hours prior to the start of the meeting will be included in the weekly Board correspondence reading file, posted online at: <https://www.samtrans.com/meetings>.

Oral public comments will also be accepted during the meeting in person and through Zoom\* or the teleconference number listed above. Public comments on individual agenda items are limited to one per person PER AGENDA ITEM. Participants using Zoom over the Internet should use the Raise Hand feature to request to speak. For participants calling in, dial \*67 if you do not want your telephone number to appear on the live broadcast. Callers may dial \*9 to use the Raise Hand feature for public comment. Each commenter will be recognized to speak and callers should dial \*6 to unmute themselves when recognized to speak.

Each public comment is limited to two minutes or less. The Board and Committee Chairs have the discretion to manage the Public Comment process in a manner that achieves the purpose of public communication and assures the orderly conduct of the meeting.

Note: All items appearing on the agenda are subject to action by the Board. Staff recommendations are subject to change by the Board.

The video live stream will be available after the meeting at <https://www.samtrans.com/about-samtrans/video-board-directors-cac-and-measure-w-coc>.

**Thursday, February 12, 2026** **9:00 am**

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1. Call to Order / Pledge of Allegiance
2. Roll Call
3. San Mateo County Transit District 10-Year Operating and Capital Financial Outlook      Informational
4. Innovative Clean Transit (ICT) Current Status and Next Steps      Informational
5. Regional Transit Measure (Senate Bill 63) Outreach and Local Investment Plan Discussion      Informational
6. Adjourn

## Information for the Public

If you have questions on the agenda, please contact the District Secretary at 650-551-6108. Agendas are available on the SamTrans website at: <https://www.samtrans.com/meetings>. Communications to the Board of Directors can be emailed to [board@samtrans.com](mailto:board@samtrans.com).

*Free translation is available; Para traducción llama al 1.800.660.4287; 如需翻译 请电 1.800.660.4287*

### **Date and Time of Board and Citizens Advisory Committee Meetings**

San Mateo County Transit District (SamTrans) Board and Committees: First Wednesday of the month, 2:00 pm; SamTrans Citizens Advisory Committee (CAC): Last Wednesday of the month, 6:30 pm. Date, time and location of meetings may be changed as necessary. Meeting schedules for the Board and CAC are available on the website.

### **Location of Meeting**

This meeting will be held in-person at: San Mateo County Transit District, Bacciocco Auditorium, 2nd Floor, 1250 San Carlos Avenue, San Carlos, CA. Members of the public may attend in-person or participate remotely via Zoom as per the information provided at the top of the agenda.

\*Should Zoom not be operational, please check online at: <https://www.samtrans.com/meetings> for any updates or further instruction.

### **Public Comment**

Members of the public may participate remotely or in person. Public comments may be submitted by comment card in person and given to the District Secretary. Written public comments may be emailed to [publiccomment@samtrans.com](mailto:publiccomment@samtrans.com) or mailed to 1250 San Carlos Avenue, San Carlos, CA 94070, and will be compiled and posted weekly along with any Board correspondence. Any written public comments received within two hours prior to the start of the meeting will be included in the weekly Board correspondence reading file, posted online at: <https://www.samtrans.com/meetings>.

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### **Accessible Public Meetings/Translation**

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### **Availability of Public Records**

All public records relating to an open session item on this agenda that are not exempt from disclosure pursuant to the California Public Records Act and that are distributed to a majority of the legislative body will be available for public inspection at 1250 San Carlos Avenue, San Carlos, CA 94070 at the same time that the public records are distributed or made available to the legislative body.

Note: All items appearing on the agenda are subject to action by the Board. Staff recommendations are subject to change by the Board.

# SamTrans Board Workshop

## Financial Outlook

February 2026

# Agenda

## 1. Financial Outlook

- 10-Year Operating
- 10-Year Capital Need

## 2. Financial Levers

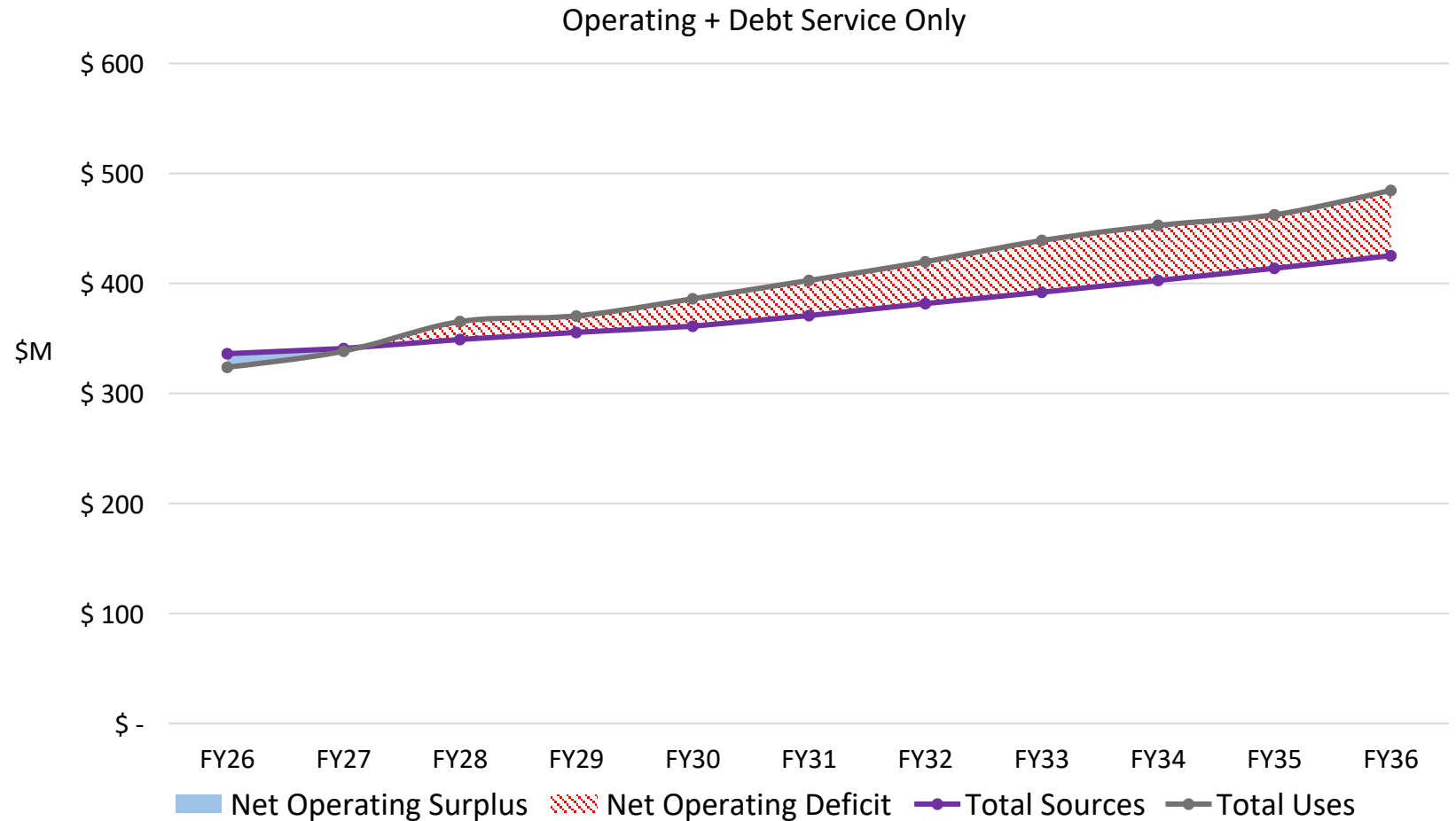
- Operating Sources
- Operating & Capital Uses

# 1. 10-Year Operating Outlook & Capital Need

# Financial Outlook

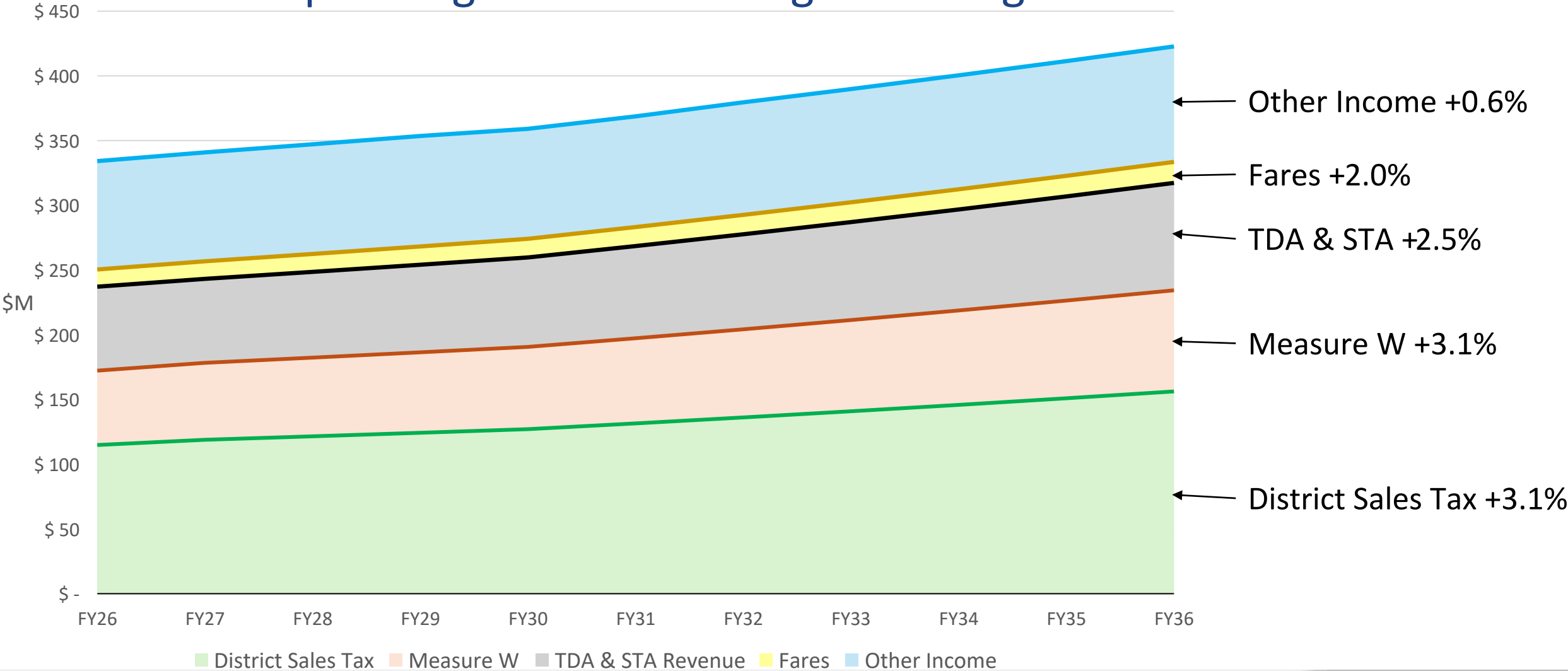
## FY26-FY36 Operating Outlook (assumes zero new tax revenue)

- **Operating deficit projected to begin in FY28**
- Average nearly \$30M annual deficit over the next 10 years
- Increased costs of labor and contracted services continue to contribute to rising operating costs
- Expenditure growth outpaces revenue growth
- Developing strategies to align revenue growth with operational requirements



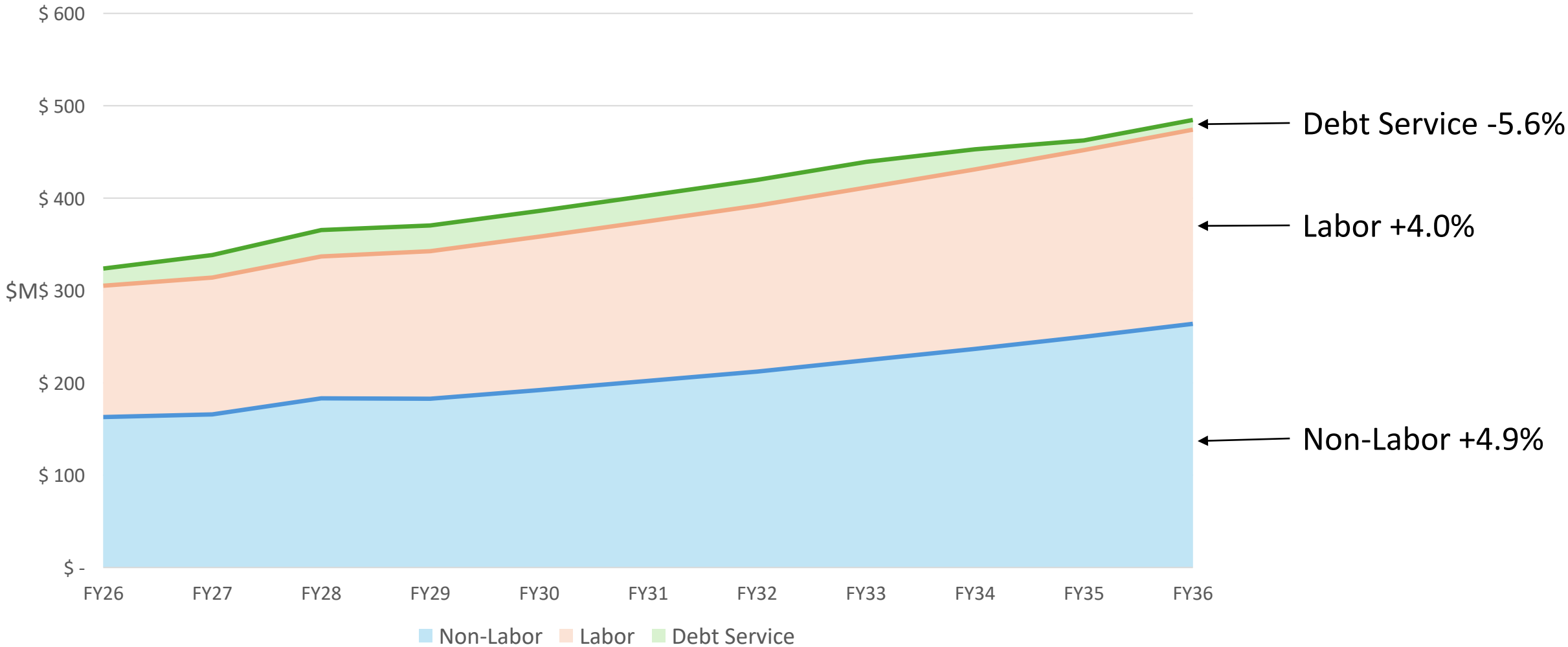
# Financial Outlook

Operating Revenue average annual growth 2.4%



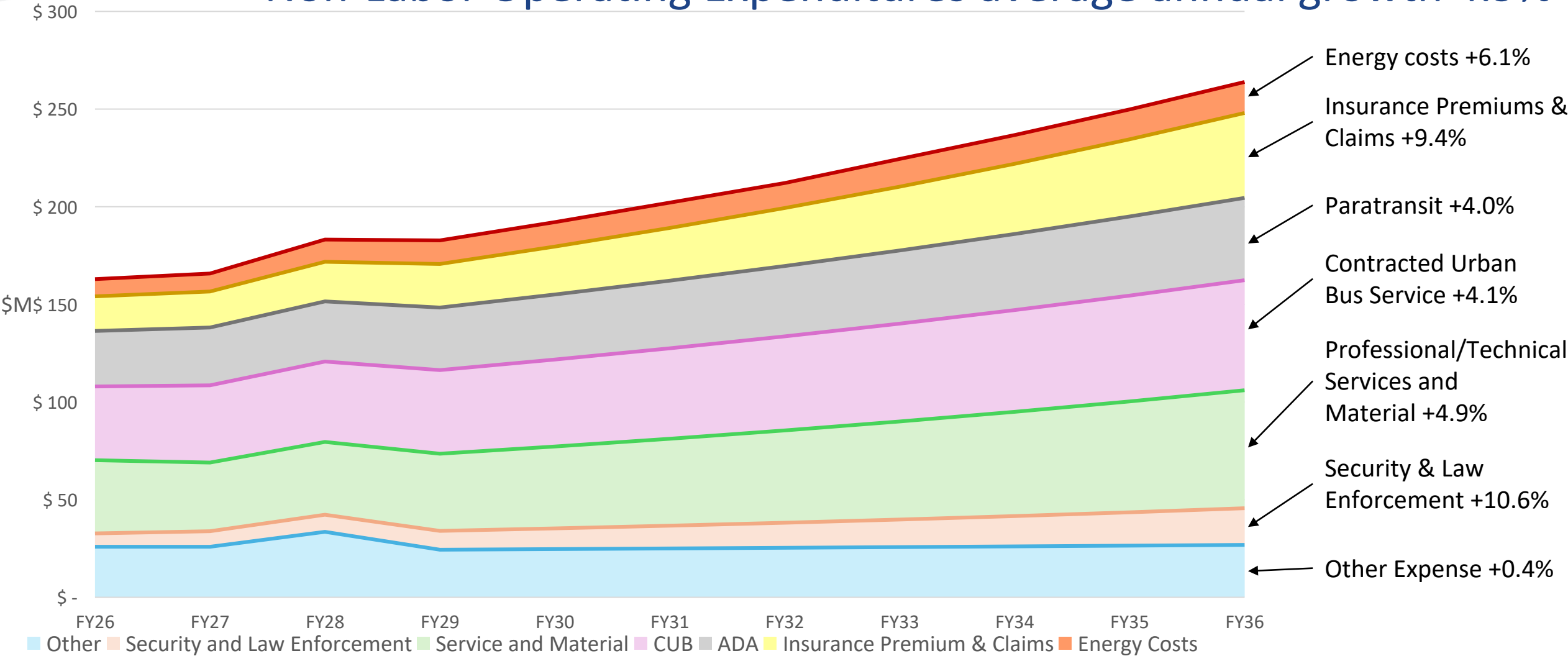
# Financial Outlook

## Operating Expenditure average annual growth 4.1%



# Financial Outlook

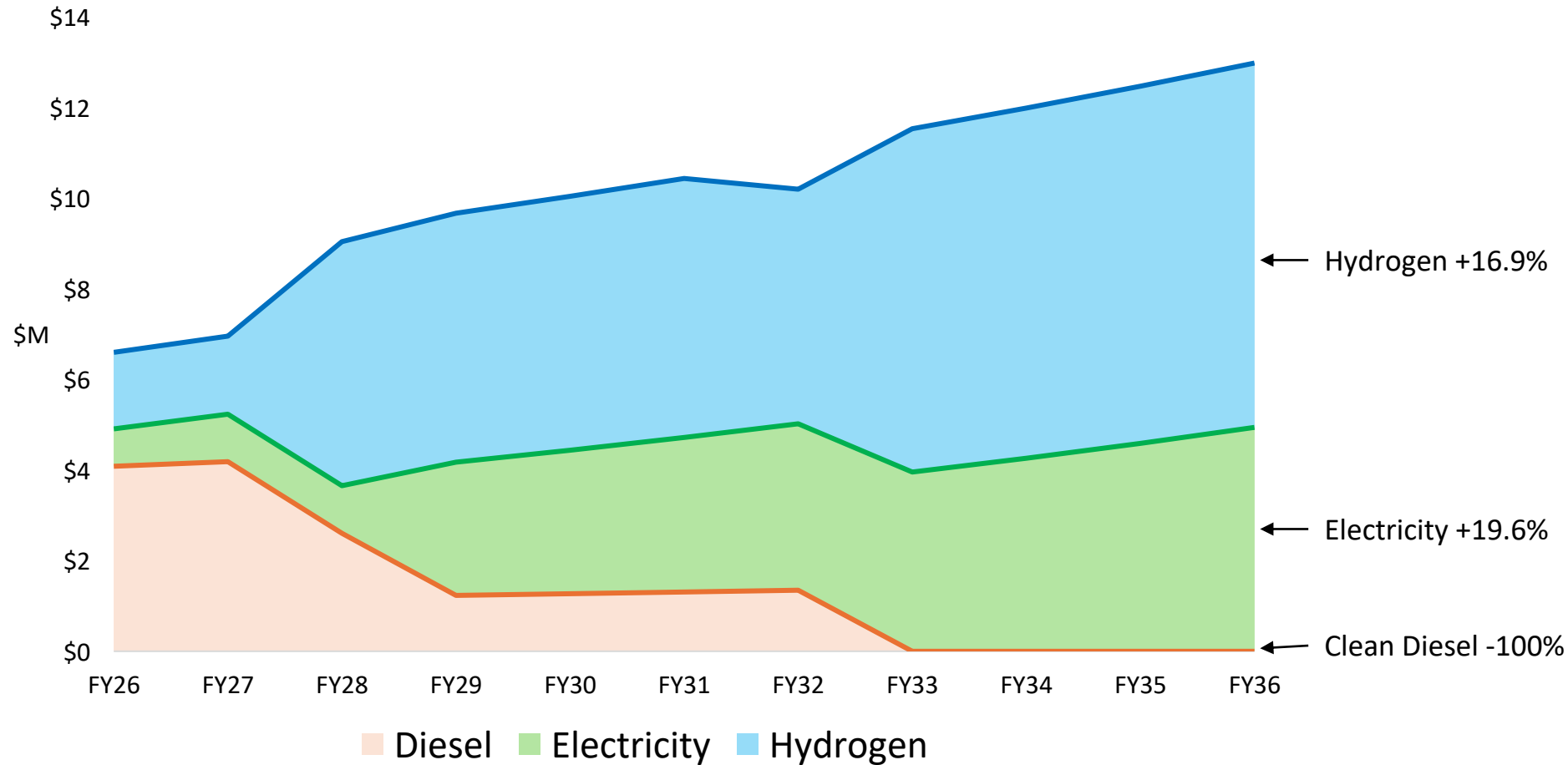
Non-Labor Operating Expenditures average annual growth 4.9%



# Financial Outlook

## Energy Cost – Transition to Zero Emission Bus (ZEB) fleet

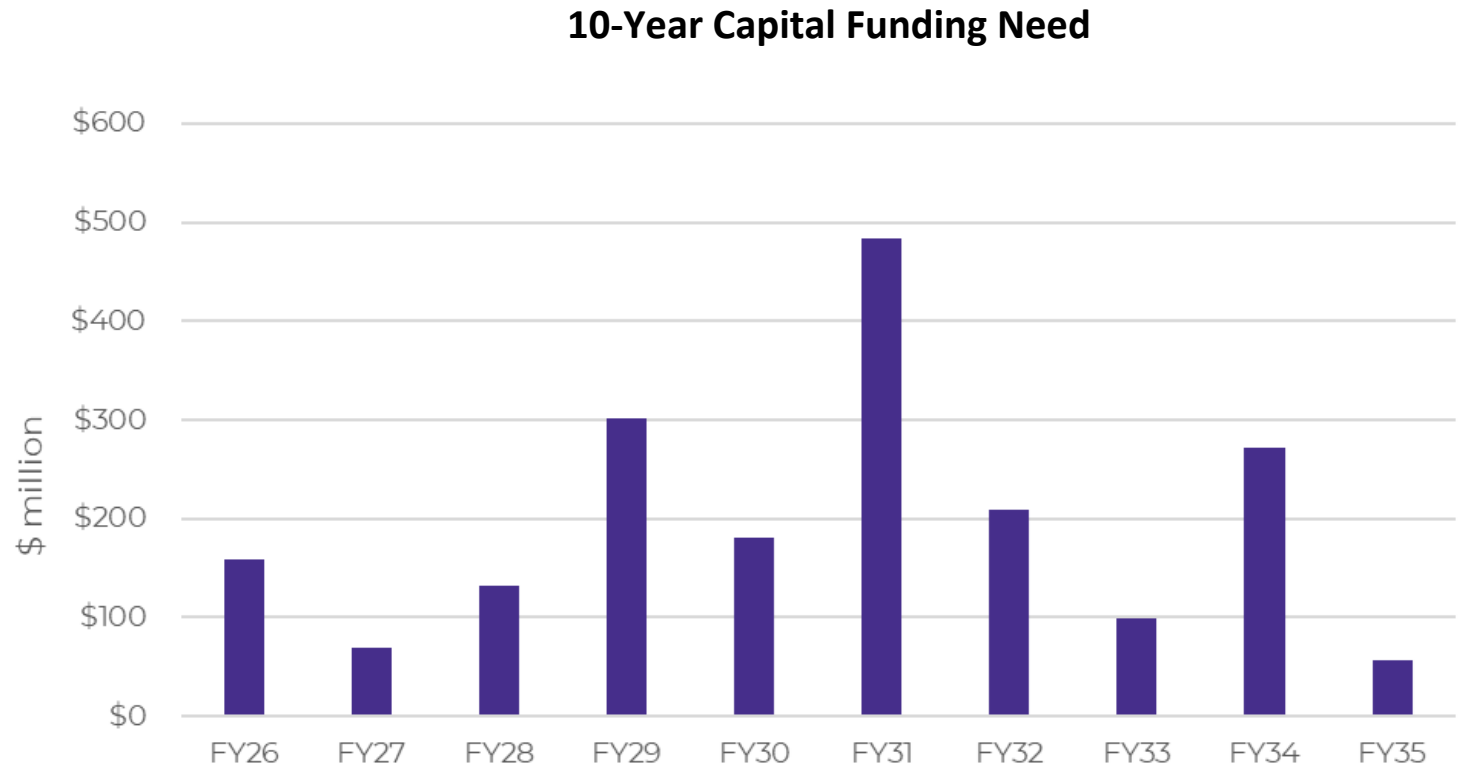
- The three energy costs grow 7% annually FY26-36
- Rising Hydrogen and Electricity costs align with the accelerated ZEB transition and FY33 Clean Diesel retirement schedule
- Hydrogen cost assumes levels of bus systems efficiency, and projected loss hydrogen from delivery to filling the bus
- Need to strategize energy procurement to mitigate rising energy costs



# Financial Outlook

## 10Y Capital Need (FY26-35)

- \$2B capital needs through FY35
- Projected funding will not cover program costs
- Largest \$ need is Zero-Emission fleet transition
  - ~35% of 10-Year program



## 2. Financial Levers

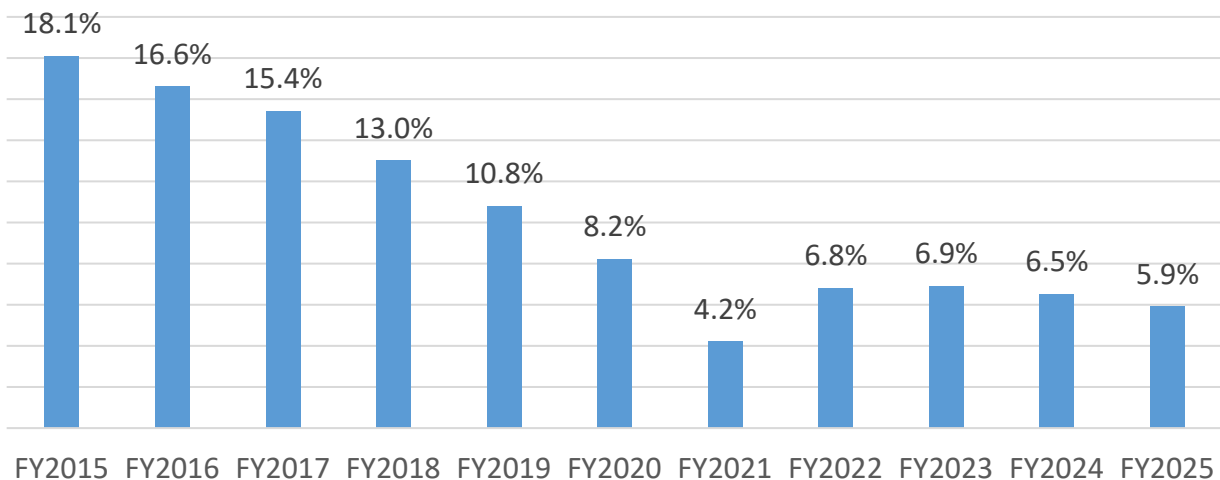
# Levers – Sources

1. Passenger Fares
2. Real Estate Revenues
3. Advertising & Other Opportunities
4. Grants & Other Regional Funding

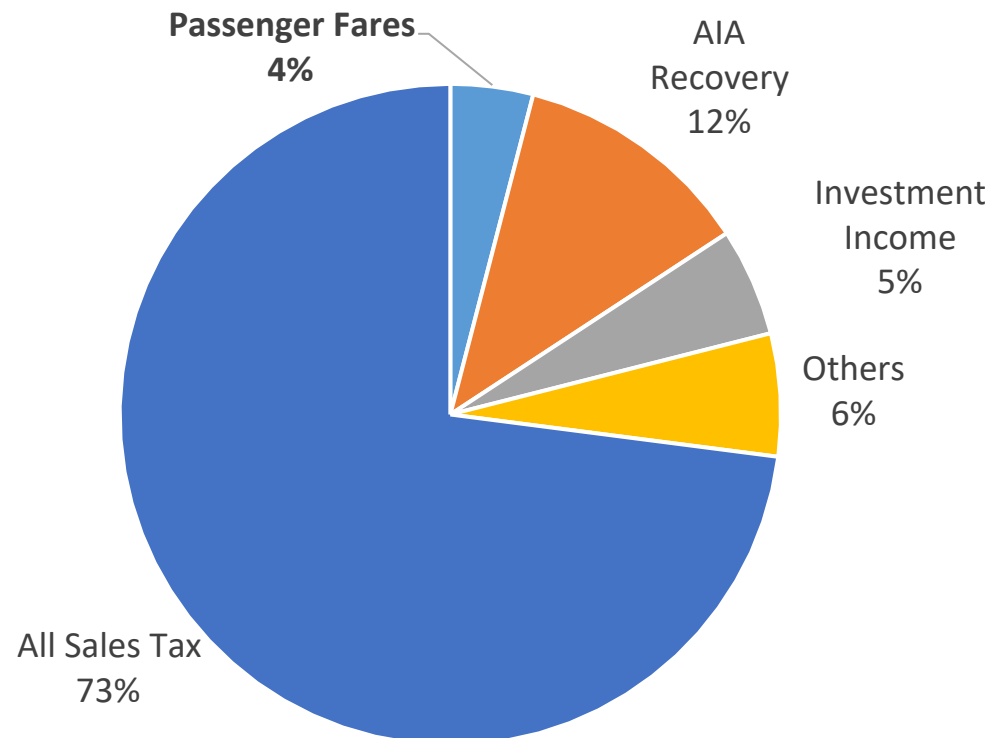
# Levers – Sources Passenger Fares

- Fares are one of the smallest shares of revenue at 4% in FY26/27 budget
- Farebox recovery has declined in recent years

SamTrans Farebox Recovery Ratio



Item #3.  
2/12/2026



Sources – SamTrans FY26/FY27 Adopted Budget

# Levers – Sources

## Fares: Policy Trade-offs

Fare policy strives to carefully balance revenue needs, ridership goals, and equity:

- Revenue vs Ridership:
  - Higher fares can increase farebox recovery and operational sustainability but may decrease ridership, particularly among price-sensitive riders
- Equity & Affordability:
  - Fare increases may disproportionately impact lower-income riders
  - Expansion of eligible discounts (Clipper START, Youth Unlimited, senior/youth) may offset economic impact of increases but reduce overall revenue gains
- Customer Satisfaction & Ease-of-Use:
  - Increases may negatively impact customer satisfaction
  - Complicated fare products and pricing are difficult to understand and can be costly to administer

# Levers – Sources

## Fares: 2026 Fare Study

- Fare Study launched in January 2026:
  - Assess current fare pricing, products and policy
  - Conduct rider survey and fare elasticity model analysis
  - Perform scenario planning for potential fare adjustments
    - Explore potential impacts to ridership and revenue generation
    - Consider tradeoffs and identify opportunities
  - Develop recommendations and implementation plan
- Staff will update Board at key project milestones
  - Once scenario planning is completed. Board will be engaged in a conversation about tradeoffs (summer 2026)

## Levers – Sources Real Estate

- One-time payments for District land sold to Caltrain for Peninsula Corridor Electrification Project (likely this year)
- Potential ground lease revenues
  - Colma BART Station Park and Ride Lot
  - San Carlos Headquarters redevelopment
- Potential sale of Brewster Facility (timing unknown)

# Levers – Sources

## Advertising & Other Opportunities

### Advertising

- Current bus advertising revenue: ~\$770K annually
- Future potential advertising revenue:
  - New bus shelter contract: ~\$400K
  - Pilot: Rear bus advertising
  - Pilot: Digital advertising with Bus Stop Improvement Plan (BSIP)

### Additional Revenue

- Explore new revenues that leverage utilities, fiber, cell antennae, retail leases, etc.
- SamTrans has fewer assets than other agencies; opportunities more limited

# Levers – Sources

## Grants & Other Potential Funding

- Discretionary grant funds
- SB63 Connect Bay Area Act
  - November 2026 Ballot Measure
  - approx. \$50M annually return-to-source administered by SMCTD (SamTrans)

# Levers – Expense

## Operating

- Service/ Operational Changes
- Other Labor & Non labor

## Capital

- Reconsider Capital Investments

# Levers – Expenses

## Service/Operational Changes

### **Service reduction is a potential lever for cost savings**

- Full Reimagine SamTrans service introduced in August 2024
- Currently at/ near 100% of pre-COVID ridership
- Updated KPIs and route evaluation criteria adopted in December 2025; staff tracking route performance

### **No net service reduction is recommended at this time**

- Assess and reallocate existing funds to improve efficiency and effectiveness
- Service may need to be adjusted should other transit operators implement service reductions

# Levers – Expenses

## Other Labor & Non-Labor

### Labor

- No new FTE
- Manage Staffing
- Furlough
- Reduce/ Freeze Global Wage Increases

### Non-labor

- Service contracting costs
- Consultant/ P&T
- Debt structures

# Levers – Expenses Capital Investment

## FY26-29 CIP

\$659M capital need

\$479M funded (25% Dist)

***\$180M unfunded***

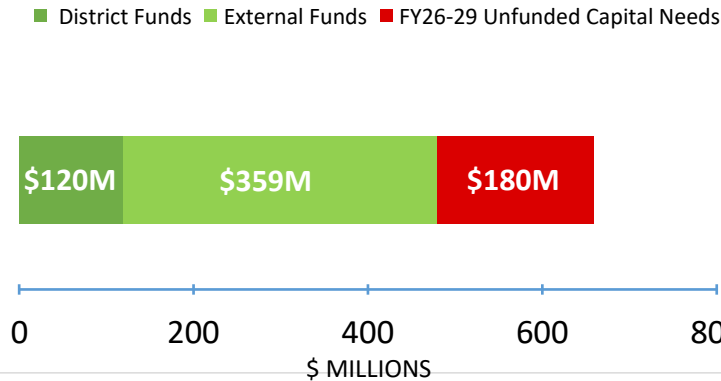
## FY26-35 Capital Program

\$2.0B capital need

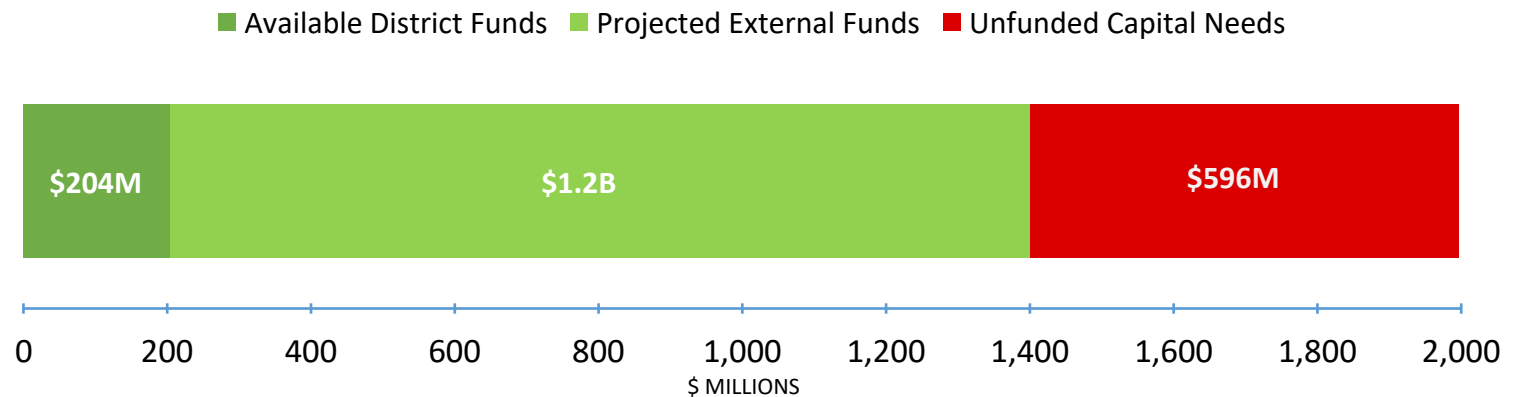
\$1.4B expected funding (15% Dist)

***\$0.6B funding not identified***

FY26-29 CIP Funding



10-Year Capital Program Funding



# Levers – Expenses:

## FY26-29 CIP: Capital Needs & Priorities

- CIP fully funds ZEB transition
- Unfunded/ partially funded:
  - BSIP
  - Modernizing systems
  - Transit priority and customer experience improvements
  - Placeholder SOGR NB/SB

Category	Funded (\$M / %)		Unfunded (\$M)	NEED FY26-29 (\$M)
Transitioning to Zero Emission Fleet	\$319	(100%)	\$0	\$319
Improving Customer Experience	\$35	(76%)	\$12	\$46
Striving for Innovation	\$3	(75%)	<\$1	\$3
Maintaining State of Good Repair	\$72	(56%)	\$56	\$128
Enhancing Service	\$13	(33%)	\$26	\$39
Investing in our Organization	\$37	(30%)	\$85	\$124
<b>TOTAL</b>	<b>\$479M</b>	<b>(73%)</b>	<b>\$180M</b>	<b>\$659M</b>

# Key Takeaways

## Structural Operating Deficit

- Beginning FY28, operating deficit can no longer be covered\*
- Growth in expenditures continues to outpace revenue

## Capital Need

- CIP identifies \$2B of capital needs through FY35 (approx. 30% unfunded)
- \$203.5M in District funding allocated to the 10Y capital program (44% to ZE)

## Financial Strategy

- New/ Expanded Revenue
- Reduce Spending

*\*10Y outlook assumes no additional revenue/ sales tax measures*

# Questions?



# Innovative Clean Transit Current Status

Item #4.  
2/12/2026



February 12, 2026

# Agenda

- Innovative Clean Transit (ICT) Review
- Status of the current FCEB procurement (108 buses)
- Infrastructure: Battery Charging and Permanent H2 Fuel Station
- Zero Emission Bus (ZEB) Performance Update
- ICT Plans of other California Transit Properties
- Discussion and Feedback: options for next 62 bus procurement
- Fuel and Energy Cost (sample) Comparison
- Next steps

# Innovative Clean Transit (ICT) Review

- Original ICT Plan adopted by the Board on December 2, 2020
  - Fleet replacement considered clean diesel and battery electric buses (BEB); full ZEB adoption by 2038
- Board amended the ICT Plan in December 2023
  - Fleet of 322 vehicles, with a mix of 29-, 35-, 40-, and 60-foot buses
  - Introduced fuel cell electric buses (FCEB) for a blended fleet and added paratransit vehicles to the District plan
  - New plan anticipated full ZEB adoption by 2034; currently at 48% completion

# Innovative Clean Transit (ICT) Review

- Highlight of subsequent actions:
  - Authorized procurement of 108 FCEB (\$167M) funded 92% State & Federal, 8% Local\*
  - Authorized infrastructure contracts for NB maintenance bay modifications, mobile H2 refueler, permanent H2 station, and sea level rise mitigation
  - Authorized infrastructure construction for SB for 10 temporary BEB chargers, and 37 BEB pantograph charging stations
- Next procurements enables total fleet conversion in accordance with the Dec 2023 ICT Plan:
  - (62) ZEB buses in 2026; 67%
  - (50) ZEB buses in 2029; 83%
  - (55) ZEB buses in 2032; 100%

\*\$8.3M new unfunded tariffs and taxes will increase local match

# ICT Rollout Procurement Schedule

- ICT Plan Timeline – Attachment (11"X17")

# Status of the 108 FCEB Procurement

- Contract awarded by board December 2023
- Delivery schedule remains on target (two buses/week starting in January 2026), with delivery expected to be complete by early to mid 2027
- Completing plans to stow and exercise FCEBs while permanent fueling station is built
- Original project cost: \$167M (fully funded)
- Project Cost Increases: \$8.3M (to be funded):
  - Estimated tariff's increase, \$3.5M or (\$33K/bus)
  - Loss of CA ZEB tax credit, calculated to be \$4.8M or (\$45K/bus)

# Infrastructure

- NB/SB BEB Plug-in Chargers (20 stations) - Fully Funded
  - Good reliability and availability
  - Limited down-time primarily associated with software issues
  - Challenges in recruiting qualified staff to maintain charging system
- SB BEB Pantograph Chargers (37 stations) - fully funded
- Permanent H2 Fueling Station (NB) - at risk funding
  - Design Build Contract Awarded to Trillium (Loves)
  - Currently in design phase, construction expected to start in Fall 2026
  - Scheduled completion: summer 2027

# Permanent H2 Station Funding Sources – Update

- \$30M total ARCHES funding lost; no plans at state level to replace
  - \$12M lost for permanent H2 station
- Replacement plan:
  - Staff evaluating other possible grant sources
  - Replace with District funds
- Also lost other \$17.5M ARCHES funding for facility modifications (maintenance bays), and for 5-yr. maintenance of H2 Station

# FCEBs Performance Update

**10 New Flyer FCEBs** entered service in February 2025

Model	Daily Availability	Total Fleet Miles Driven (FEB-NOV 2025)
New Flyer FCEB	50%*	145,111 miles
Clean Diesel	85%	309,462 miles

- 47% fewer fleet miles driven vs. equivalent number of clean diesel buses
- Major issues:
  - Hydrogen bypassing system pressure regulator (resolved)
  - Battery recall; battery replacement delays

\* Impacted by infrastructure availability and vehicle technical support

# BEBs Performance Update

## 17 New Flyer BEBs entered service in August 2023

Model	Daily Availability	Total Fleet Miles Driven (DEC 24-NOV 25)
New Flyer BEB	48%*	292,465 miles
Clean Diesel	85%	638,893 miles

- 46% fewer fleet miles driven vs. equivalent number of clean diesel buses
- Major issues: Bus 1014 thermal event
  - Solution required new monitoring software and a reduction in charging capacity to 75% vs. 100%
  - Long lead time for parts
  - Reliability and availability below expectations

\* Impacted by vehicle design and maintenance support issues

# BEBs Performance Update

**20 Gillig BEBs** entered service in June 2025

Model	Daily Availability	Total Fleet Miles Driven (JUN-NOV 25)
Gillig BEB	84%*	111,370 miles
Clean Diesel	85%	379,400 miles

- 29% fewer fleet miles driven vs. equivalent number of clean diesel buses
- Major issues:
  - Major component failure (air pump)

\* Availability in the last month

# ICT Plans of Adjacent Transit Properties

	Previous ICT Plan	Current ICT Plan	Comments
AC Transit	Existing 30 FCEB and 28 BEB	Ordered another 56 FCEB and 10 BEB; afterwards, pausing new procurements	Early adopters, re-powering clean diesel.
VTA	Meet purchase requirements with Proterra BEB	30 BEB's ordered for delivery in 2026. Seeking CARB exemption to buy more clean-diesel hybrids.	Adjustment in ICT plan due to concerns with service reliability. Internal meeting, 01/15/26 to discuss future steps in their ICT Plan.
OCTA	Existing 40 FCEB, 10 BEB	Ordering additional 10 FCEB for a total of 50 FCEB and 10 BEB	98% FCEB, 2% BEB (range) No adjustment in their ICT plan (aligned replacement cycle)
Foot Hill	30 FCEB (planned)	Order changed from 30 FCEB to 30 CNG buses. Adding 30 BEB double decker buses	Using credit with CARB to swap out FCEB with CNG buses; Cancelled Infrastructure project
Santa Cruz Metro	Existing 44 FCEB, and 4 BEB	Ordered an additional 8 FCEB. Procuring 17 BEB's in 2026.	Using a temporary refueler, permanent refueler to be commissioned In July 2027

# Discussion and Feedback: Options for next 62 bus procurement

Pros and Cons:

- **Stay the Course**
- **Option A:** ICT Progress and Compliance
- **Option B:** ICT Extend Full Implementation to 2039
- **Option C:** ICT Neutral with a Delay in Procurement

# Next 62 Bus Procurement Options

Scenario	Procurement Options	Pros	Cons
<b>Stay the Course</b>	Purchase 62 FCEBs	<ul style="list-style-type: none"><li>• Have H2 fueling capacity</li></ul>	<ul style="list-style-type: none"><li>• Remaining \$27M funding gap</li><li>• One vendor option</li><li>• Could impact fleet availability</li><li>• Developing technology</li><li>• H2 cost (unstable)</li><li>• Private sector pulling back from hydrogen</li></ul>

## Considerations and cost implications:

- District will have 118 FCEB in revenue service with little operational history (reliability risk)
- FCEB is dependent on one vendor (bus manufacturer) for technical support
- Replacement is projected to take 20-24 months from purchase
- Additional maintenance costs for major bus components (as needed) for hybrid and clean diesel buses, estimated \$2.0-\$3.1 M

# Next 62 Bus Procurement Options

Scenario	Procurement Options	Pros	Cons
<b>OPTION A – ICT Progress and compliance</b>	Purchase only 25 BEBs; extend 37 diesel buses lifecycle	<ul style="list-style-type: none"><li>• Does NOT require a CARB exemption</li><li>• Eliminates replacement of hybrid engines (185,000 miles), while replacing 25 most vulnerable buses</li><li>• Utilizes existing BEB infrastructure</li><li>• Exceeds ICT requirements</li></ul>	<ul style="list-style-type: none"><li>• Higher major bus components costs for the older diesel buses</li><li>• Does not delay ICT full implementation, 2034</li></ul>

## Considerations and cost implications:

- Expedites the replacement of the most vulnerable sub-fleet (18-20 month)
- Marginal additional maintenance costs for the 37 clean diesel buses. Major bus components for hybrid buses would be replaced on a need bases. Financial impact, estimated \$1.8-\$2.7 M.
- Lead time for hybrid major components 30-90 days.

# Next 62 Bus Procurement Options

Scenario	Procurement Options	Pros	Cons
<b>OPTION B – ICT</b> Extend Full Implementation to 2039	Purchase 62 clean diesel	<ul style="list-style-type: none"><li>• Familiar diesel technology</li><li>• Lower operating cost compared to hydrogen or electricity</li><li>• Allows time to manage existing ZEB sub-fleets</li></ul>	<ul style="list-style-type: none"><li>• Requires CARB exemption</li><li>• Possible loss of funds</li><li>• New diesel engine (X10) – unknown performance</li><li>• Delays ICT full implementation to 2039</li></ul>

## Considerations and cost implications:

- Cummins X10 diesel engine is new to bus transportation, steep learning curve for mechanics who are learning FCEB and BEB technologies
- Replacement buses will arrive within 20-24 month from procurement
- Additional maintenance costs for major bus components (as needed) for hybrid and clean diesel buses, estimated \$4.1-\$5.0 M.
- Lead time for hybrid major components 30-90 days.

# Next 62 Bus Procurement Options

Scenario	Procurement Options	Pros	Cons
<b>OPTION C</b> – ICT Neutral with a Delay in Procurement	Delay procurement of 62 buses for 1-year (2027)	<ul style="list-style-type: none"><li>• Re-assess progress with District's ZEB</li><li>• Assess industry progress/opportunities</li><li>• Remain compliant with ICT (no purchases)</li><li>• Allows time to manage existing ZEB sub-fleets</li></ul>	<ul style="list-style-type: none"><li>• Increased risk of major bus component failure hybrid drive (obsolete)</li><li>• Potential delay in ICT full implementation depending on replacement technology (clean diesel, FCEB, or BEB)</li></ul>

## Considerations and cost implications:

- Extending the lifecycle of hybrid buses can decrease availability of major bus components cannot be rebuilt or carry long lead times.
- Estimate \$5M in additional major bus component rebuild and replacement costs (clean diesel engine, hybrid drive, and dual power inverter module or DPIM). Could extend bus life for at least 2-3 years. Requires a maintenance campaign and new project funding.

# Fuel and Energy Cost Comparison

	Diesel	NF FCEB	NF BEB	Gillig BEB
<b>Performance (fleet avg.)</b>	<b>4.23 miles/gal</b>	<b>9.15 miles/kg</b>	<b>2.01 kWh/mile</b>	<b>2.46 kWh/mile</b>
<b>Cost comparison: Average annual mileage for 100 buses</b>	<b>\$2,515,414</b>	<b>\$4,749,842*</b>	<b>\$3,422,133</b>	<b>\$4,241,105</b>

\* Accounts for a 30% loss in H2 fuel (\$11.43/kg)

# Next Steps

- Establish a procurement strategy for the next procurement
- Continue to advocate for the \$30M in lost ARCHES grant funds needed for the hydrogen fueling station and other facility upgrades; can no longer rely on Go Biz for advocacy
- Address increase project costs; New Flyer's tariff and loss of sales tax incentive
- Obtain a long-term contract for hydrogen fuel (tentative with First Public Hydrogen, FPH2)

# Glossary of Terms

- ARCHES – Alliance for Renewable Clean Hydrogen Energy Systems
- BEB – Battery Electric Bus
- CARB – California Air Resource Board
- CNG – Compressed Natural Gas
- FCEB – Fuel Cell Electric Bus
- GoBiz – Governor's Office of Business and Economic Development
- H2 – Hydrogen
- ICT – Innovative Clean Transit
- NB – North Base
- SB – South Base
- ZEB – Zero Emission Bus

**San Mateo County Transit District  
Staff Report**

To: Board of Directors

Through: April Chan, General Manager/CEO

From: Emily Beach, Chief Communications Officer

Subject: **Regional Transit Measure (Senate Bill 63) Outreach and Local Investment Plan Discussion**

**Action**

Staff will present an informational update and seek San Mateo County Transit District (SamTrans) Board of Directors (Board) feedback on the Senate Bill (SB) 63 Regional Transit Measure Outreach and Local Investment Plan.

**Significance**

The Governor signed Senate Bill 63 in 2025 (Wiener/Arreguín) authorizing a new transportation revenue measure for placement on the November 2026 ballot. If successful, this ballot measure will: 1) prevent major transit service cuts on Caltrain, Bay Area Rapid Transit (BART), Muni, and Alameda-Contra Costa Transit (AC Transit); 2) fund improvements to the transit rider experience; and 3) fund other county priorities, limited to public transit capital or operating improvements and targeted local road repairs on roads served by fixed-route transit service.

The legislation authorizes a 14-year sales tax ballot measure at a rate of 0.5 percent in San Mateo, Alameda, Contra Costa, and Santa Clara counties and a rate of 1 percent in the City and County of San Francisco. SB 63 limits the ballot measure to only the November 3, 2026, election. In January, the Public Transit Revenue Measure District, established by the bill and governed by Metropolitan Transportation Commission (MTC), voted that it was more appropriate for a citizen's initiative to place the measure on the ballot. Signature gathering is currently underway.

If the measure qualifies for the ballot and is passed by voters, the San Mateo County Transit District (District) will administer approximately \$50 million annually over the 14-year tax period for public transportation investments in San Mateo County. The District is preparing to conduct public and stakeholder outreach to develop the SB 63 Local Investment Plan and seeks Board input on the proposed approach and priorities.

**Budget Impact**

There is no budget impact associated with this presentation.

**Background**

Discussions eventually leading to the passage of SB 63 began with the introduction of Senate Bill 1031 in March 2024. The Board has received reports and engaged with various legislative proposals consistently since that time. In August 2025, the Board voted to opt in to SB 63 with a 1/2 cent tax rate.

The SamTrans SB 63 Board Ad Hoc met to provide direction to staff. This feedback is reflected in the Facilitated Discussion part of the Board Workshop presentation. The purpose of the discussion is to provide staff guidance and feedback on the Ad Hoc direction.

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# SB 63 Outreach and Local Investment Plan Discussion

Item #5  
2/12/2026



Board of Directors Retreat  
February 12, 2026

# Agenda

- **5 minutes:** Revenue Measure legal guidelines (Shayna VanHoften)
- **15 minutes:** Background and outreach plan (Jessica Epstein)
- **45 minutes:** Facilitated discussion, respond to ad hoc guidance about local investment plan priorities (Eileen Goodwin, Apex Strategies)

# Background

- SB 63 signed by Governor in Oct 2025, permitting a shared sales tax measure in San Mateo, Santa Clara, San Francisco, Alameda and Contra Costa counties
- The measure can be placed on the ballot by either MTC's new five county voting District (2/3 voter threshold) or by a Citizen's Initiative (50% + 1 voter threshold)
- MTC District voted it would not place the measure on the ballot due to polling levels
- There is a signature gathering effort underway; however, there is no guarantee this will be successful

# Local Investment Plan

- If the measure qualifies for the ballot and is passed by voters in November, the San Mateo County Transit District (SamTrans) will receive approximately \$50M annually over the 14-year tax period for public transportation investments in San Mateo County.
- Funds may be used for:
  - Public transit operations and capital
  - Public transit components of larger capital projects
  - Targeted local road repairs on roads served by fixed-route transit service

# Timeline

	Feb	Mar	Apr	May	Jun
<b>Board Workshop:</b> February 12					
<b>Stakeholder and Agency Advisory Group Meetings:</b> February - April, May if needed					
<b>Public Communications Effort:</b> March - May					
<b>City Council and other presentations:</b> March - May					
<b>Board Information Item:</b> May 6					
<b>Board Action Item:</b> June 3					

Approximately 10 weeks for public engagement

# Inputs

- SMCTD Strategic Plan and Capital Improvement Plan (CIP)
- SMCTD Board of Directors
- SMCTD Board Ad Hoc Committee
- Stakeholders
- City and County partners
- General public

# Early Considerations

## SamTrans Financial Sustainability:

- Budget inflection point: rate of growth for expenses are faster than rate of growth for revenues
- Protection of existing service
- Insufficient funds for CIP priorities – ZEB, ADA retrofits and other public facing state of good repair, safety and security, bus stop improvements

## Early community comments on new projects/service:

- Expand microtransit/Ride Plus neighborhood rideshare service
- Dumbarton and El Camino Real (Grand Boulevard Initiative) large scale investments\*
- Pacifica express route
- New local routes

\*Named in Strategic Plan

# Early Considerations

## **District priorities (Board, Ad Hoc, Staff, CIP, Strategic Plan):**

- Style engagement after Reimagine SamTrans/Measure W
- Prioritize outreach and feedback from cities, coastal communities
- ZEB, state of good repair, safety, ADA and other bus stop improvements
- Preserve existing service
- Sufficient funding and staffing to deliver priority projects

## **Riders:**

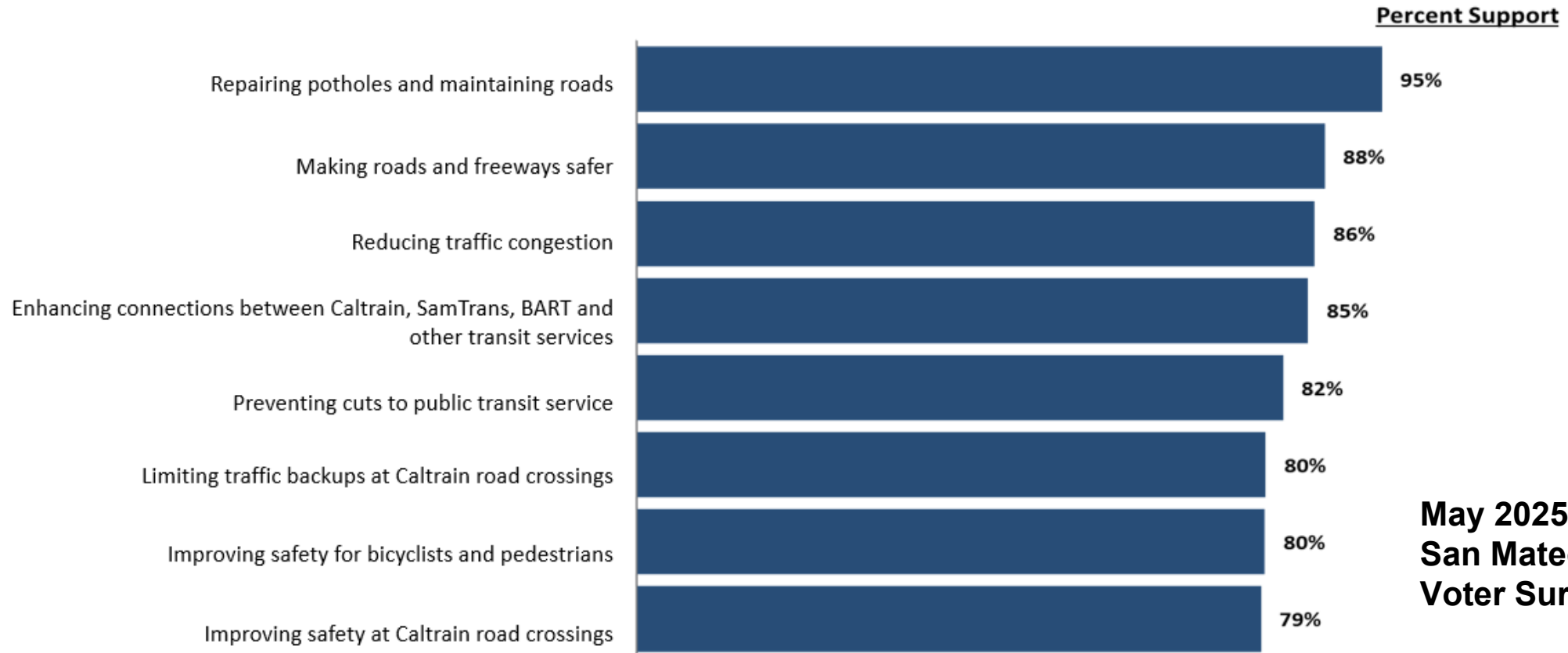
- Bus stop improvements (including real-time information); frequent, fast, reliable, affordable and accessible service, cleanliness, safety and security

## **Likely Voters:**

- Preserve and connect public transit around the region and in the county
- Improve infrastructure and traffic locally
- Pavement improvements

# Early Considerations

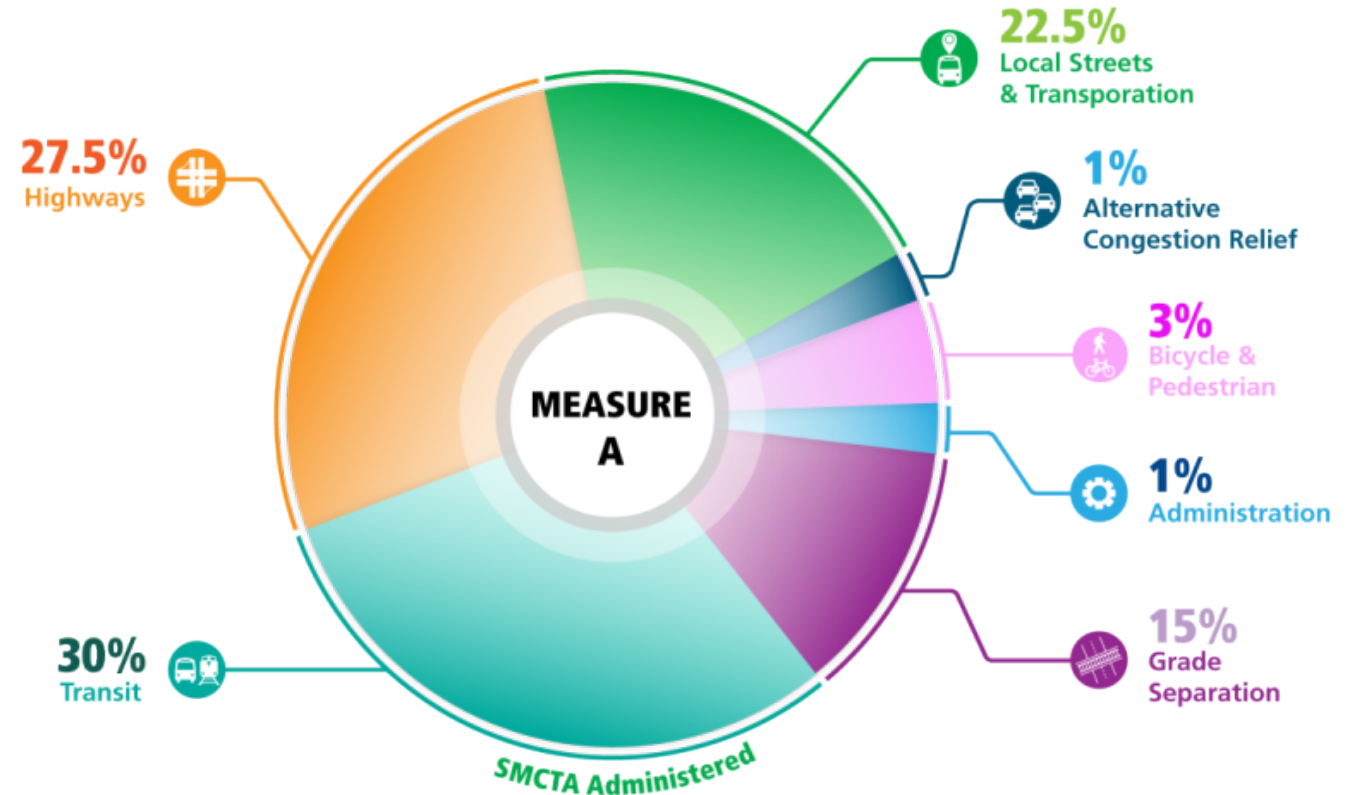
How do you feel about your tax dollars being spent on each of the following transportation priorities in San Mateo County?



**May 2025  
San Mateo County Likely  
Voter Survey Summary**

# Measure A Context Reminder

- Expires end of 2033; renewal planned 2028
- Consider whether certain projects are a better fit for Measure A funding



# Outreach Tactics Toolkit

- **Agency Advisory Group** and **Stakeholder Advisory Group**
- **Roadshow presentations, email, and social media content** to all city councils and/or committees, other public agency boards, business, labor, nonprofit, community and advocacy groups
- **Briefings** with elected officials
- **General public outreach**, with in-person, paid and organic options – includes social media, email content, digital advertising
- Special focus on **areas not served by BART or Caltrain**
- Free and paid **media plan**

# Ad Hoc Committee

- Feedback from all three Ad Hoc members (Chuang, Gee, Esser)
- Reaffirmed commitment to robust outreach to help shape the local investment plan
- Acknowledged limitations of accelerated 12-week timeline
- Posed the same discussion questions
- Summarized preliminary feedback
- Potentially will change over time
- Will help frame community engagement

# Facilitated Discussion

## Guidance on balancing priorities in the investment plan:

- 1. Specific projects vs. general buckets. Do we want to assign project names?**

### Ad Hoc Feedback:

- Keep general for now, wait for city/stakeholder feedback
- Consider naming projects that rise to the top

# Facilitated Discussion

## Guidance on balancing priorities in the investment plan:

### 2. Preservation of existing service only or opportunity to fund new projects/services? Proposed way to split?

#### Ad Hoc Feedback:

- Prioritize preservation, consider expansion where appropriate
- Expansion needs guaranteed ridership and metrics to sustain investment
- Focus on transit deserts
- No split yet

# Facilitated Discussion

**Guidance on balancing priorities in the investment plan:**

## **3. Fund operations, capital, or keep flexible? Guidance on splits?**

### Ad Hoc Feedback:

- Include capital – must be deliverable in near-term
- No split yet

# Facilitated Discussion

## Guidance on balancing priorities in the investment plan:

### 4. New initiatives and service aligned with SMCTD Strategic Plan— or accept/fund new ideas?

#### Ad Hoc Feedback:

- Open to new ideas but they must come with \$ contribution, community support and willingness to be a pilot project
- Look for efficiencies, innovation, adaptation

# Facilitated Discussion

## Guidance on balancing priorities in the investment plan:

- 5. Include projects/operations that last beyond the measure's lifetime—or only what fits in the 14-year plan (such as pilot projects)?**

### Ad Hoc Feedback:

- Projects beyond 14 years need a plan for operational sustainability
- Consider critical capital improvements

# Facilitated Discussion

## Guidance on balancing priorities in the investment plan:

### **6. Fund allowable pavement improvements, and to what level given the other priorities and other funding sources (Measure A)?**

#### Ad Hoc Feedback:

- Funding eligible pothole projects beyond current city commitments
- Consider El Camino Real improvements
- Route ECR is the backbone of SamTrans service

# Facilitated Discussion

## Guidance on balancing priorities in the investment plan:

### **7. How to consider geographic diversity in fund distribution (population, voting population, riders, other? What if agencies provide local match to prioritize what they want?)**

#### Ad Hoc Feedback:

- Stick with existing approved formulas, if pass-through funds considered
- Remember transit-dependent riders
- Local matching contributions

# Facilitated Discussion

## Guidance on balancing priorities in the investment plan:

### 8. Public/stakeholder input along with Agency priorities—is there a weighting of some sort?

#### Ad Hoc Feedback:

- Listen to everyone
- Understand technical aspect of proposed ideas from those involved with project delivery

# Facilitated Discussion

## Guidance on balancing priorities in the investment plan:

### 9. How to best synch with 2025 polling data: likely voter priorities?

#### Ad Hoc Feedback:

- Keep all public input channels open
- Maintain trust and credibility
- Build on successful delivery of Reimagine SamTrans

