



Caltrain Business Plan Update

LPMG
November 30, 2017



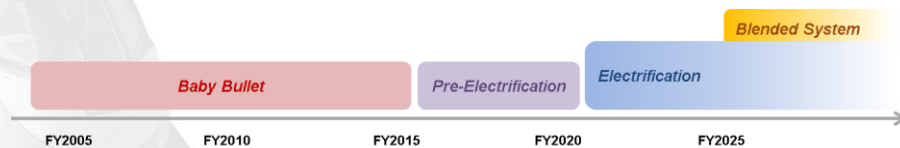
Overview

- Background and Context
- Activity since last update (August)
- Phase 2
- Next Steps

Background and Context

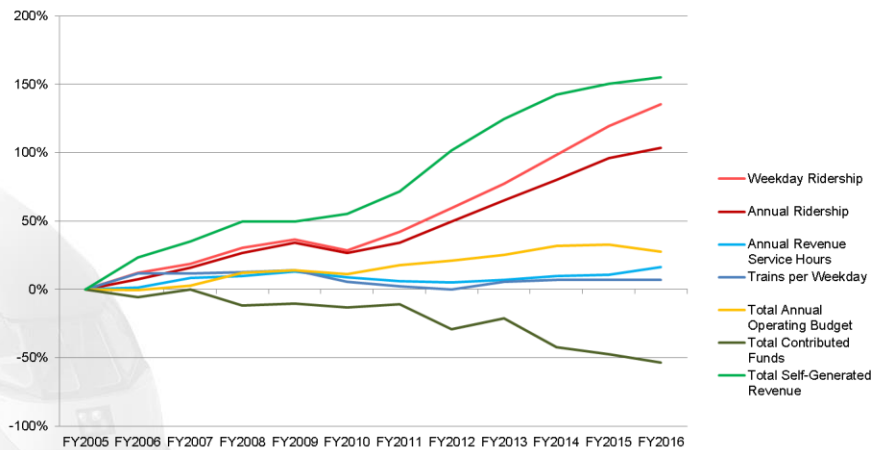
Background- a Changing Business Context

- Since 2005
 - Ridership increasing while service levels unchanged
 - Declining operating subsidies from SamTrans, CTA, City/County SF due to their own transit needs; increased reliance on fare revenue
 - Limited resources for capital improvements
 - Signature investment in electrification and modernization and commitment to blended system





Background- Business Metrics



Percentage Change in Key Operating Metrics - CPI Adjusted

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Background - Financial Outlook

- **Electrification benefits:**
 - More rides – projected increase of approx. 65k today to over 100k daily
 - Lower cost per passenger
- **Continued need:**
 - Ongoing annual need for \$30-\$40 million in operating subsidies; increase over recent years (\$17-25 million) due to dramatic ridership increase despite lower per passenger cost, similar to FY2001-2011 (\$30 - \$40 million typical)
 - Capital funding needs increase; existing infrastructure and fleet ages and new systems and infrastructure are added
 - Funding needed for purchase remaining 25% of fleet; 6 cars per train currently funded but could run up to 8 if funding for remaining cars secured
- **Funding risks:**
 - Caltrain will be at risk if member contributions fall short or if ridership significantly declines
 - Only commuter rail in country without a dedicated permanent source of funding

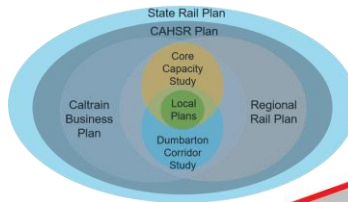
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The Caltrain Business Plan



- The purpose of the Caltrain Business Plan is to maximize the value of the public investment in Electrification
- The Business Plan will identify the steps and resources needed to truly modernize the railroad
- The Business Plan will lay out the strategic position and importance of the Caltrain corridor and how Caltrain can maximize its effectiveness and integrate with a growing, megaregional rail system



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Business Plan Timeline

- April 2017 - Business Plan concept introduced to JPB
 - Background context
 - Discussion of need and conceptual elements
- July 2017 – Update to JPB
 - Refinement of conceptual elements
 - Phasing of plan
- August 2017 – Update to CSCG, LPMG and Citizen’s Advisory Committee

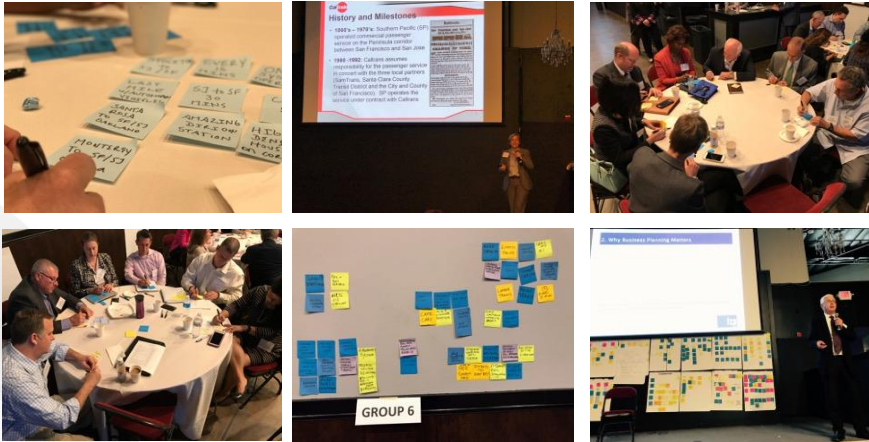
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Activity Since Last Update

Activity Since Last Update

- September 2017
 - Meetings of JPB Ad Hoc Sub-Committee
 - Corridor Stakeholder Workshop (9/20)
- October – November 2017
 - Business Strategy and Scope Development (ongoing)

Stakeholder Workshop



Stakeholder Workshop - Participants

- Board Ad Hoc Committee
- Partner agency General Managers and staff
- State and regional agencies
- Peer railroads
- LPMG delegation
- Advocacy groups
- Private sector groups and companies

Stakeholder Workshop – Topics

- Caltrain history and background
- Local, regional and state context
- Brainstorming
 - “Vision” for Caltrain’s future
 - Challenges and obstacles
- Expert Presentations
 - Business Context of European passenger rail
 - Business planning and business case analysis

“Phase 2”

Proposed Scope Overview

- Draft materials under development
 - Business “Strategy” policy statement
 - Business Plan Scope
- Board review and proposed adoption in December 2017 / January 2018
- Year long process of technical work and outreach to complete Business Plan by end of 2018
- Significant level of effort anticipated

Proposed Scope Overview

- Key Questions to be addressed
 - How should Caltrain grow over time? What service levels and patterns will best serve the region’s needs in the future?
 - How can the service be delivered as effectively as possible?
 - How does Caltrain interact and connect with the various communities it touches? What kinds of opportunities, impacts and benefits does Caltrain create

Next Steps

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Next Steps

- December
 - Draft Scope to JPB
 - Webinar and comment opportunity
- January
 - Final Scope to JPB in January
 - Full update to CSCG and LPMG

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