

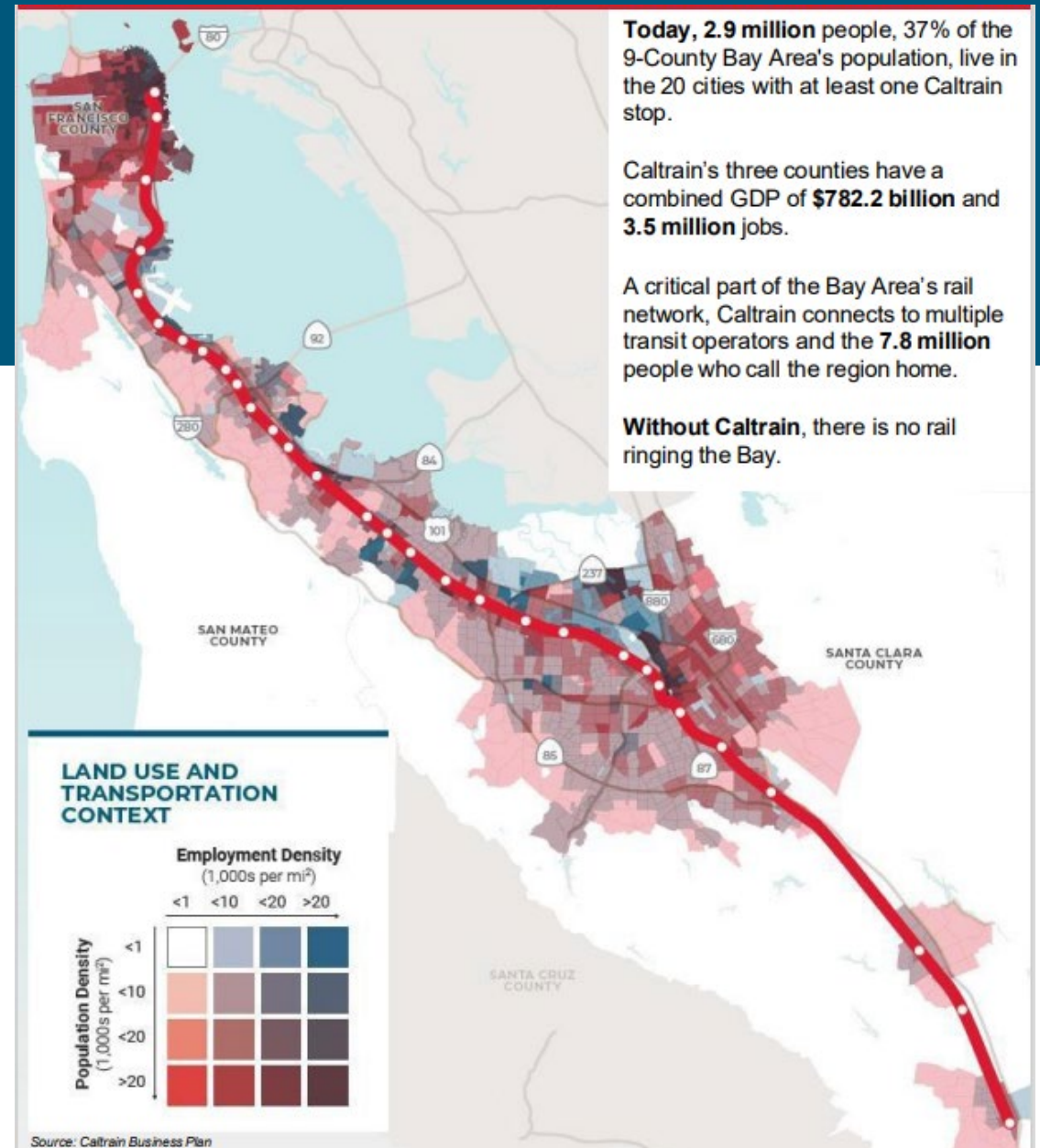
Caltrain Transit Recovery & Financial Outlook

Community Advisory
Committee
September 25, 2024
Item 9



Caltrain Corridor

- 77 miles of track from end to end (51 miles owned by Caltrain)
- 31 stations (3 counties, 20 cities)
- Multiple hubs, bi-directional commute through Silicon Valley
- Connecting a dynamic, diverse corridor

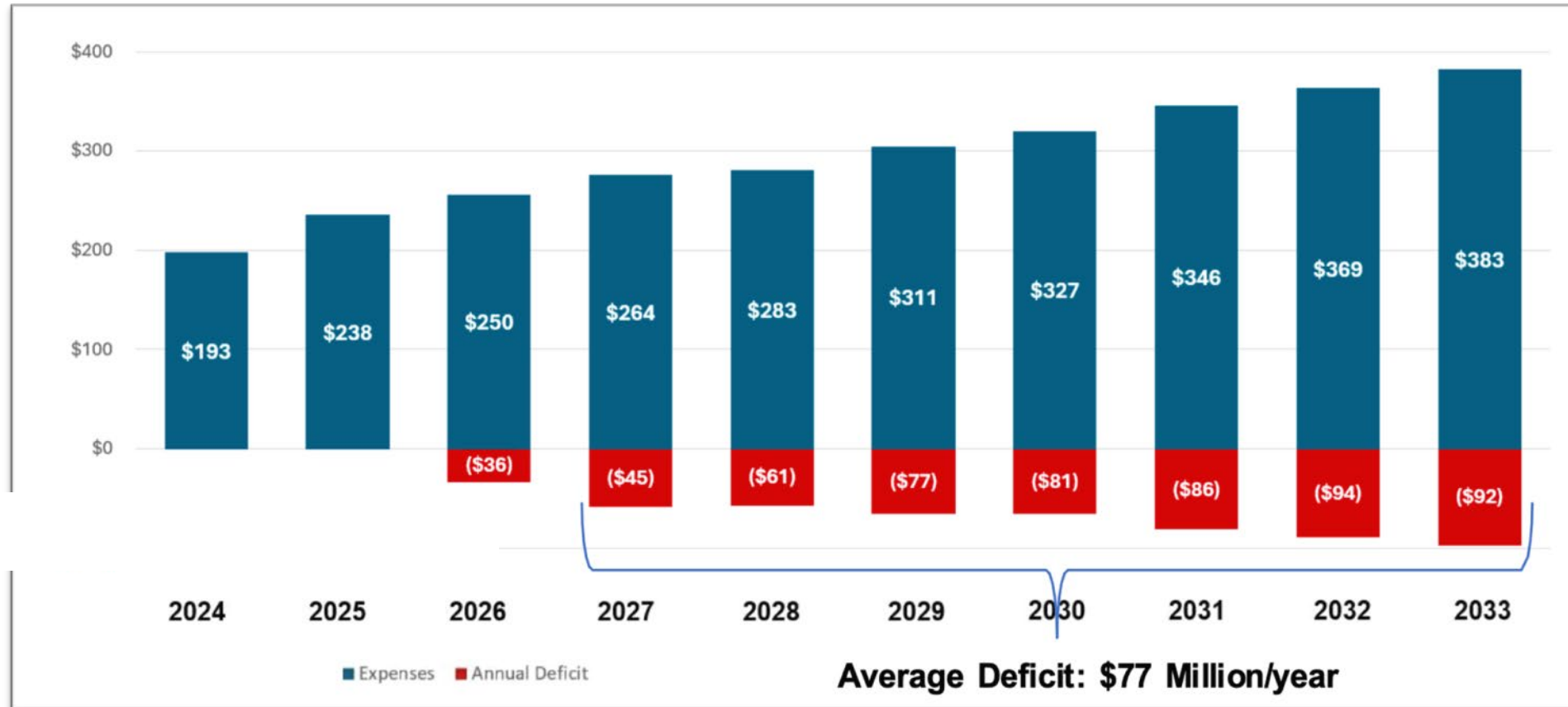


Caltrain Pre and Post Pandemic Overview

	Pre-Pandemic	Today
Ticket Sales	<ul style="list-style-type: none"> • 73% of operating revenue • \$103M 	<ul style="list-style-type: none"> • 22% of operating revenue • \$43M (loss \$60M, \$70M inflation adjusted)
Member Agency Operating Contributions	<ul style="list-style-type: none"> • \$20-\$40M/year (the second largest part of operating budget) 	<ul style="list-style-type: none"> • No contributions from member agencies, 15%-20% loss Caltrain's pre-pandemic budget.
Operating Deficit	<ul style="list-style-type: none"> • No forecasted operating deficit 	<ul style="list-style-type: none"> • \$77M/year average over 7 years from FY27
Service Model	Caltrain was a commuter railroad with 81% of customers commuting to work 5 days a week.	Caltrain is a regional railroad with more all-day and weekend service, diversified ridership and equity-focused fares.

Caltrain Operating Deficit

Projected Annual Operating Deficit ranges from \$36M (FY26) to \$92M (FY33)



- Does not include \$25M in State funds planned from MTC in FY26
- Update to Operating Deficit numbers expected in Nov. 2024 after at least one full month of electrified service

Major Issues Impacting Deficit

Major Influencing Factors

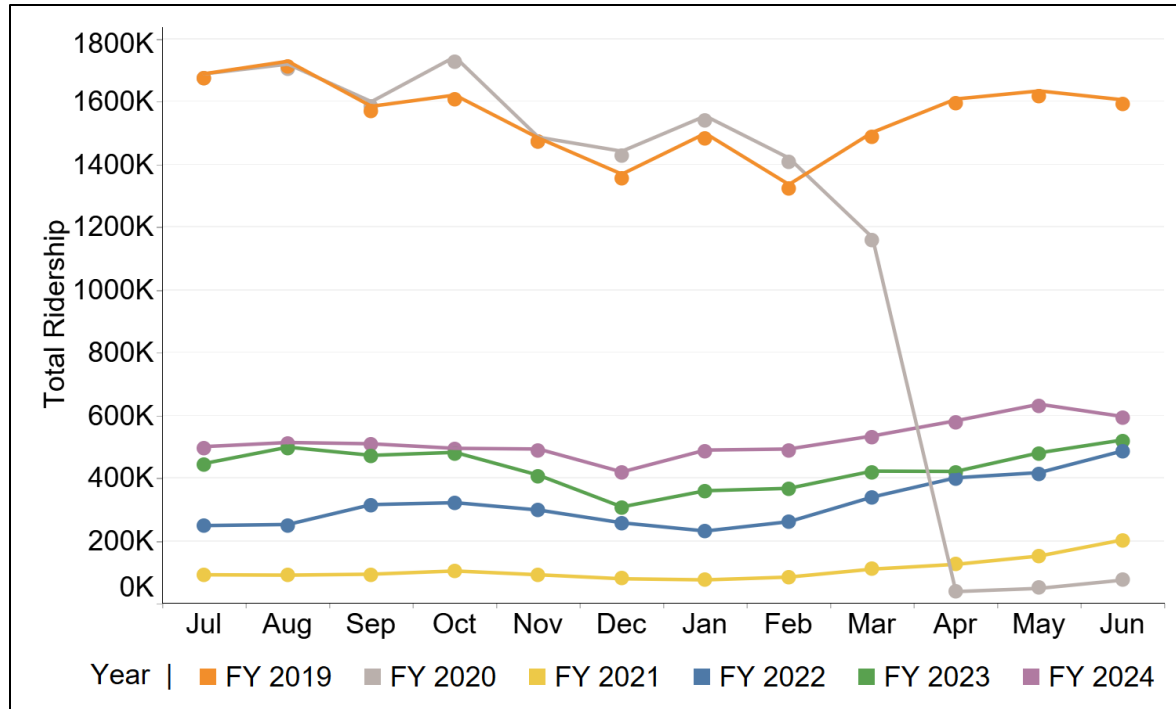
- COVID Ridership Impacts (Fare revenue decreased from \$103M in 2019 to \$43M in 2023)
- No longer receive contributions from member agencies (\$20M - \$40M year)
- Energy costs have increased 65% since 2017 when Caltrain Electrification broke ground; expected to increase in the long term

Assumptions on Current Deficit Projections (will be updated in Nov 2024)

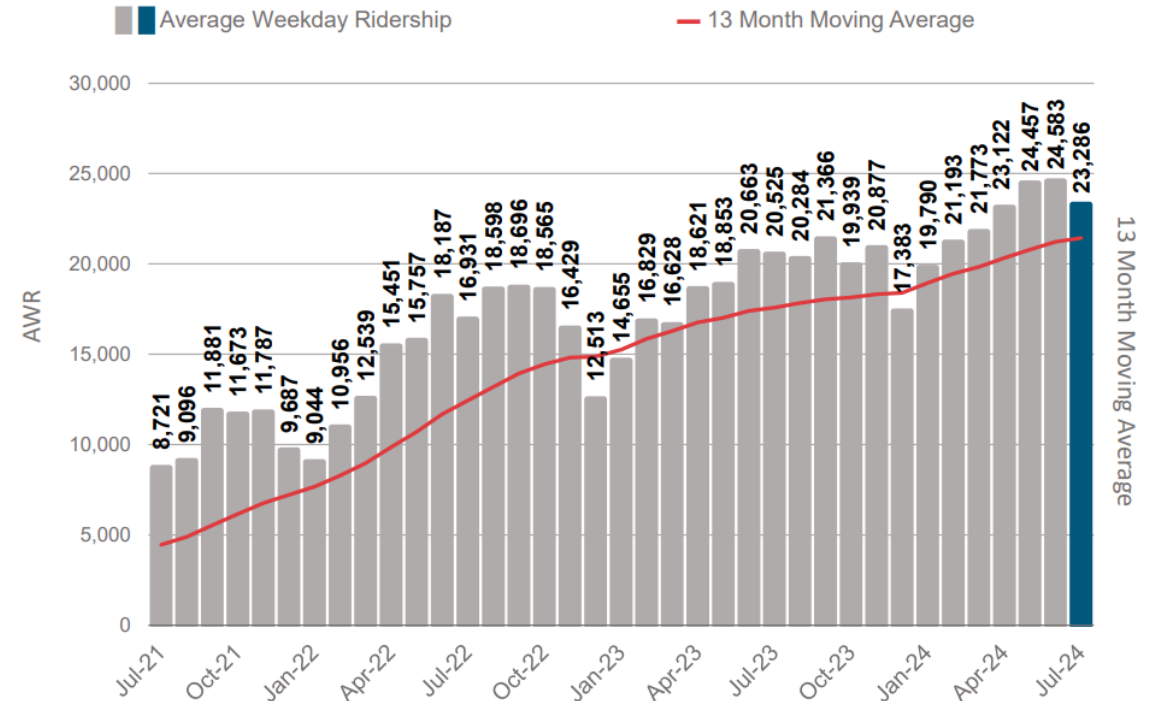
- Service Levels (Federal Funding Grant Agreement tied increase, currently have a waiver)
- Ridership Increase (20% increase first year with electrification; then 10% year over year growth)
- Energy (retail rates)
- Low Carbon Fuel Source (\$5M annual, may have challenges to get this amount)
- Traction Power System Maintenance (\$10M first per year, increasing 5% after)
- Insurance costs (increasing)
- Fares (haven't raised in the last four years)

Ridership Data

20% Total Ridership Increase FY24 vs FY23 (despite nearly 30 weekend closures for construction)



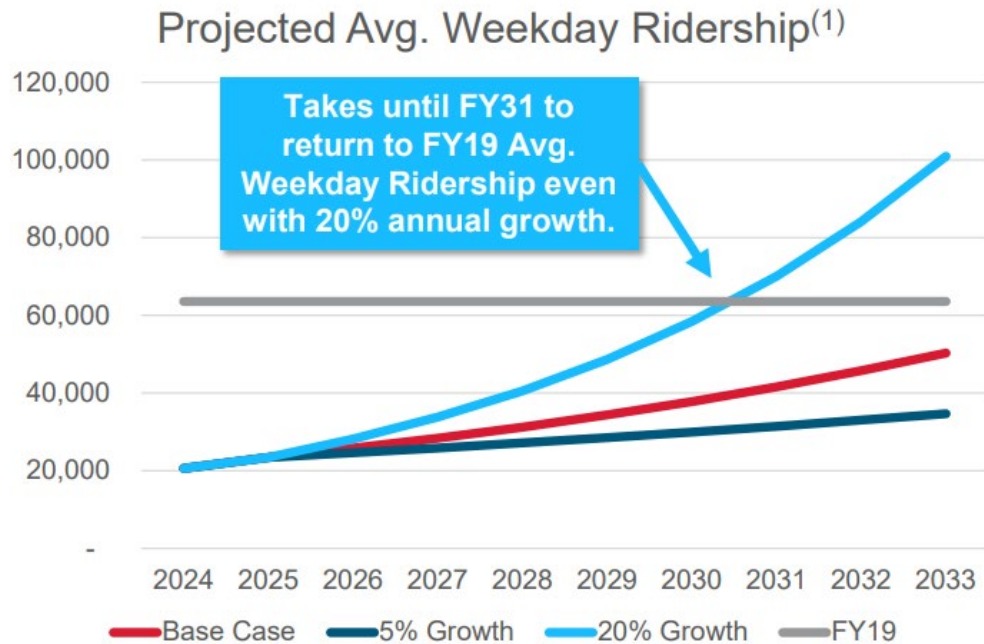
Caltrain Ridership Trends (FY19-24)



Average Weekday Ridership Graph



Ridership Projections



Caltrain Ridership Prediction (*subject to change)



External Factors

- Work from home
- Traffic
- Draw of key destinations such as San Francisco

Caltrain Needs a New Funding Model

Mechanism Examples	Description
Regional Options (<i>first preference</i>)	MTC Select Committee Options Senator Wiener Option Other Options TBD
Caltrain Member Agency Contributions	Example: Annual based on AM Boardings - SF \$16M; SMC \$28M; SCC \$32M
Caltrain Specific Measure (would require legislative authority)	Examples: 1/8 sales tax \$120M/year Parcel tax 5 cents per sq ft of built area: ~\$124M/year
Other Future Potential Operating Sources	Federal or State; Creative funding. Timing unclear

Caltrain Implications Without Funding

- Rail has high fixed costs (maintain tracks, facilities, etc). Cutting service yields little net cost savings especially when it impacts ridership.
- Currently evaluating service reduction scenarios (examples no weekend service, hourly 7 days a week, specific segment shutdowns)
- Without additional funding, difficult decisions on workforce, service, capital projects, and state of good repair must be made.



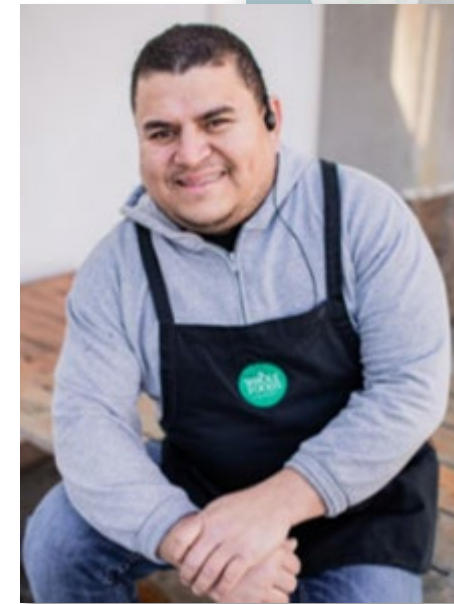
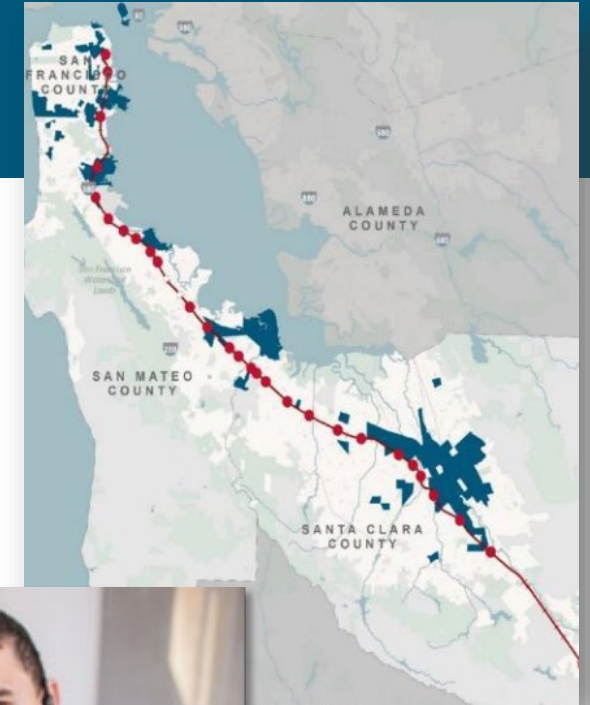
Equity Focused Growth

- Board Adopted **Equity, Growth, and Recovery Policy**
- **Revised schedule:** Standard and balanced schedule, focused on more midday, evening and weekend service (diversify ridership)
- Participates in the regional **Clipper Start** program, half off fares
- Caltrain's **Pass Forward** program provides free passes for low income and equity priority community riders

Partnering with **23 Community Serving Organizations** in the 3 counties

Participants in the program: **nearly 70%** household income under \$50,000 and **83%** people of color

- **26% more service** at equity priority stations with electrification, compared to 20% at all stations.



"Taking transit saves me money so I have more to take care of my family." –
Geraldo Valencia, Pass Forward GoPass Holder

Ridership Growth / Cost Containment Actions

- **Fare Programs:** \$1 youth; hybrid worker pass; Go Pass Updates
- **Customer Experience:** Station repairs, 300 bicycle eLockers, new ticket options, new visual display signs being installed, positive brand recognition
- **Regional Coordination:** coordinated transfers, better signage Millbrae, GM group, Bay Pass participation, Clipper Start
- **Non-fare revenue strategy:** generate new revenue sources (examples inventory asset, fiber cable)
- **Cost Containment:** Crew scheduling efficiencies; launching internal cost reduction and efficiency program
- **Electrification Planned September 2024**

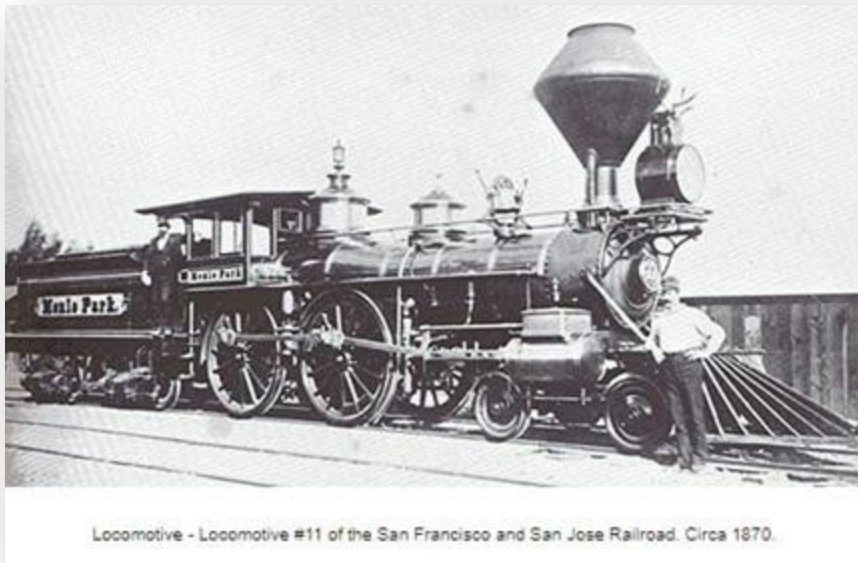


Electrification Launched

Transformational Moment

Caltrain is the oldest continuously operating passenger railroad in the West (160 years)

First time in a generation any US system fully converted from diesel to electric system



Steam 1864



Diesel 1950s



Today!



Electrified Service!



On August 10, Federal, State, and Local elected officials, agency staff, business, labor, environmental and transit leaders came together for Caltrain's first electric train ride.



Launch Parties - September 21 & 22

- 100% Electric Fleet from San Francisco to San Jose
- Launch New Electric Schedule
- Free Caltrain Rides
- Events at every city along the corridor



www.caltrain.com/launchparty

Electrified Service Plan Benefits

Improved service for all riders



Get There Faster

Express from SF to SJ in under an hour

Quicker local service, 75 minutes instead of 100

Save more than 20 minutes on trips from Southern Santa Clara County to SF



Ride More, Wait Less

20% more train service

26% more train service at equity priority stations

Half-hourly service during weekends and off-peak



First Class for Everyone

Free Wi-Fi

Smoother, quieter experience

Outlets at every seat

Digital trip information onboard

Spacious, accessible bathrooms



Clean and Green

GHG emissions reduced by 250K MTCO2 annually – equivalent to taking 55,000 cars off the road each year

Improves local air quality

Quieter trains, both onboard and off

1st Class Experience For Everyone

- **Technology:** Free Wi-Fi, outlets at every seat, digital displays
- **Quality:** smoother ride, secure, pleasant lighting, better storage, and spacious bathroom (with a baby changing table)
- **Convenient:** Faster, more frequent, and reliable

Our success means that we enhance everyday life for the people who live and work in our communities



Oh my goodness it happened! We got to ride the new electric @Caltrain

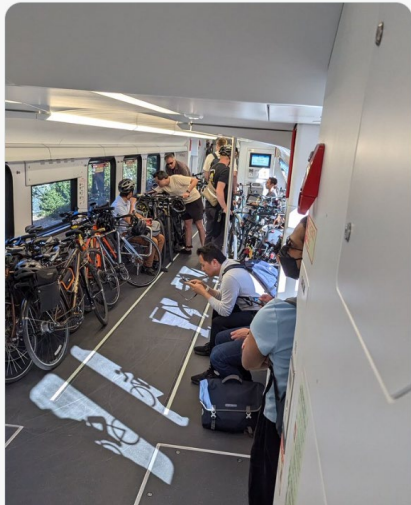
We are still crying with happiness!



Finally!! I caught a @Caltrain EMU! It's soooooo smooth and quiet! I love the screens with realtime info on stations and connections.



Caltrain reposted
@djmurpho · Aug 26
#Grateful for the new electrified bicycle coaches @Caltrain @CaltrainBikes



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