Long-term Solutions

Envisioning the future of the San Mateo County Transit District

Past Vision: Multi-modal

- SamTrans Expansion
  - Redi-Wheels
  - Bases
  - Central HQ
- Transportation Authority – 1988
  - Funding for Caltrain, none for SamTrans ops
- Caltrain – 1992
  - No dedicated funding
- BART – 1990s
  - $410 million in debt
The New Realities

Changing Demographics/Economy

- Silicon Valley: 3 million people, 1.5 million jobs, 9.5% of CA workforce
- Silicon Valley: 37% foreign born -- half the workforce
- Employment growth in all job sectors – high-, mid- and low-skill
- Silicon Valley and San Francisco combined: Largest %age in state/nation of 25-44 year-old residents, the core age for the working population
- The fastest growing age group in Silicon Valley: 65 and older, 18.6% from 2007-2014; by 2030, one in four residents of San Mateo County will be 65 years or older.

Changing Demographics/Economy

- Since 1981, San Mateo County’s population has grown 22%
- Silicon Valley population growing 34,000 people/year
  - Traffic volume has increased 31%
- In the past two years, approvals have been given for 23.2 million square feet of office and residential development
The New Realities

Changing Transit Habits

• **SamTrans**
  • In 2009, 52% said they took the bus to work
  • In 2015, it was 44%
  • In 2009, 22% said they took the bus to school
  • In 2015, it was 28%

• **Caltrain**
  • In 2010, 66% of Caltrain riders said they ride the train to work
  • In 2013, 75% said they take the train to work
  • In 2016, it was 82%

The New Realities

• **Changing Demographics/Economy**
  • Millennials: car-free
  • Baby Boomers: independence
  • Majority minority: Immigrants
  • Internet-based: no manufacturing
  • Growing in place: campuses
The Next Vision

• What are we going to be?
• How much will it cost?
• How will we pay for it?

Visioning Process -- SamTrans

• Develop strategic financial, service and organizational options to ensure long-term sustainability and relevance
• Redefined agency
  • Vision, funding requirements/options
• October 2016-December 2018
  • Board, staff, public engagement
Visioning Process -- Caltrain

- Develop a shared, long-term vision and funding strategy
- Redefined agency
  - Vision, dedicated funding source(s)
- October 2016-December 2018
  - Board, staff, public engagement
  - Sebastian Petty

SWOT Analysis

- Strengths, Weaknesses, Opportunities and Threats for SamTrans
- SWOT analysis guides what changes to make
  - Build on Strengths
  - Explore Opportunities
  - Eliminate Weaknesses
  - Reduce Threats
### SWOT Analysis

**Strengths**
- Engaged governing Board
- Dedicated sales tax funding
- Strong regional employer base
- Progressive citizenry, supportive of "green" initiatives
- Agency owns bases, office building, infrastructure, rail bridge corridor
- Historically strong voter support for transit ballot measures

**Weaknesses**
- (BART, Caltrain) and rideshare programs (Uber and Lyft) undercut ridership
- Long-term staffing vacancies, turnover
  - High cost of living
  - Non-diverse, volatile funding base
  - Debt/deficits severely constrain agency, threaten future solvency
  - Paratransit usage and costs rising faster than inflation

**Opportunities**
- Growing Millennial and Baby Boomer populations
- New or extended sales tax
- Redefine service delivery model
- Rethink paratransit service
- Increase non-fare revenue sources
  - Reduce service and lower costs
  - BRT or Rapid Service
  - New markets/Partnerships (TNCs)

**Threats**
- Economic downturn
- Demographic and employment trends will continue to erode ridership
- Fares don’t keep pace with rate of inflation
- Increased JPB contributions
- Debt service not retired until 2034, annual cost of $20 million
- Sales tax erosion due to online sales

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### San Mateo County Transit District

- A consolidated agency
  - SamTrans
  - Caltrain
  - Transportation Authority
- SamTrans and Caltrain fiscal issues overlap
- Fiscal solutions could overlap
Funding Options -- Preliminary

- Tax increases
  - Sales Tax
  - Property Tax
  - Parcel Tax
  - Gas Tax
- Debt
  - Financing against assets

Funding Options -- Preliminary

- User Fees
  - Tolls
  - Vehicle License Fee
  - Congestion Pricing
- District Revenues
  - Parking
  - Fares
  - Advertising/naming rights
Funding Options -- Preliminary

- Public-Public Partnerships
  - Development Fees
  - Special services
  - Grants
- Public-Private Partnerships
  - Special District
  - Direct grants
  - Financing

Conclusion/Exercise

Questions/Discussion

Funding Options Exercise