





# 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

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## 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.

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## The New Realities



### 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

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## 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%

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## The New Realities



- **Changing Demographics/Economy**
  - **Millenials: car-free**
  - **Baby Boomers: independence**
  - **Majority minority: Immigrants**
  - **Internet-based: no manufacturing**
  - **Growing in place: campuses**

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## The Next Vision

The logo for samTrans, featuring the text "samTrans" in a sans-serif font above a stylized graphic of three horizontal bars in blue, red, and blue.

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

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## Visioning Process -- SamTrans

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- **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

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## Visioning Process -- Caltrain

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- **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

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## SWOT Analysis

The logo for samTrans, featuring the text "samTrans" in a sans-serif font above a stylized graphic of a train or track with red and blue horizontal bars.

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

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## SWOT Analysis



<b>Strengths</b> <ul style="list-style-type: none"> <li>• Engaged governing Board</li> <li>• Dedicated sales tax funding</li> <li>• Strong regional employer base</li> <li>• Progressive citizenry, supportive of “green” initiatives</li> <li>• Agency owns bases, office building, infrastructure, rail bridge corridor</li> <li>• Historically strong voter support for transit ballot measures</li> </ul>	<b>Weaknesses</b> <ul style="list-style-type: none"> <li>• (BART, Caltrain) and rideshare programs (Uber and Lyft) undercut ridership</li> <li>• Long-term staffing vacancies, turnover               <ul style="list-style-type: none"> <li>• High cost of living</li> </ul> </li> <li>• Non-diverse, volatile funding base</li> <li>• Debt/deficits severely constrain agency, threaten future solvency</li> <li>• Paratransit usage and costs rising faster than inflation</li> </ul>
<b>Opportunities</b> <ul style="list-style-type: none"> <li>• Growing Millennial and Baby Boomer populations</li> <li>• New or extended sales tax</li> <li>• Redefine service delivery model</li> <li>• Rethink paratransit service</li> <li>• Increase non-fare revenue sources</li> <li>• Service changes               <ul style="list-style-type: none"> <li>• Reduce service and lower costs</li> <li>• BRT or Rapid Service</li> <li>• New markets/Partnerships (TNCs)</li> </ul> </li> </ul>	<b>Threats</b> <ul style="list-style-type: none"> <li>• Economic downturn</li> <li>• Demographic and employment trends will continue to erode ridership</li> <li>• Fares don’t keep pace with rate of inflation</li> <li>• Increased JPB contributions</li> <li>• Debt service not retired until 2034, annual cost of \$20 million</li> <li>• Sales tax erosion due to online sales</li> </ul>

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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**

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## Funding Options -- Preliminary

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

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## Funding Options -- Preliminary

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

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## Funding Options -- Preliminary

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

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## Conclusion/Exercise

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**Questions/Discussion**

**Funding Options Exercise**

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