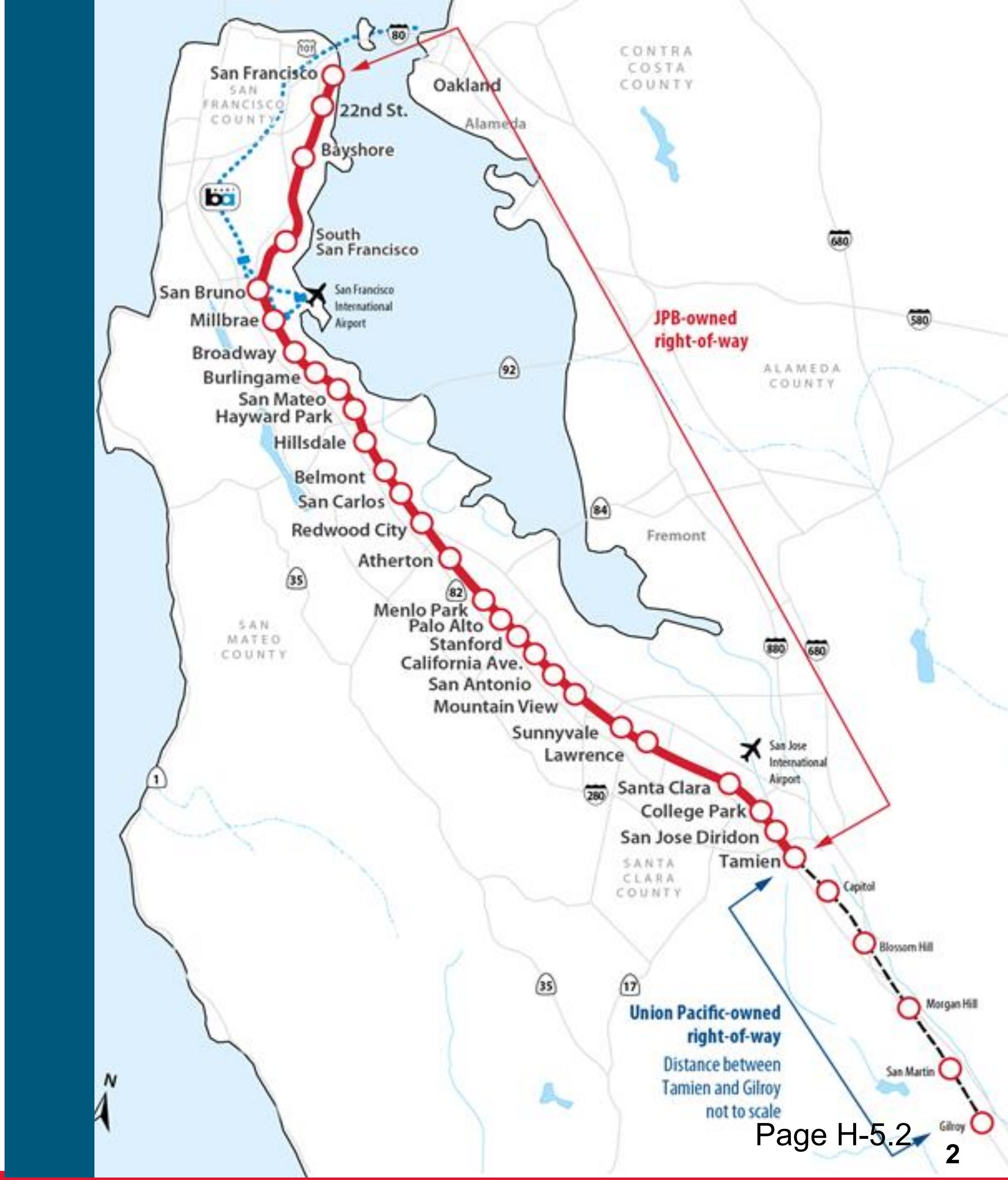
Caltrain Overview and Budget

Menlo Park July 14, 2026

Caltrain Connects

- 77 miles connecting San Francisco, San Mateo, and Santa Clara counties
- 31 stations across 20 communities
- Over 160 years of continuous rail service
- 82% favorability rating voters
- 91% favorability with riders



Caltrain is Part of Everyday Life

- Helps millions of people get to work, school, and events
- Reduces traffic on major highways like US-101
- Connects communities across the Peninsula
- Supports access to jobs and opportunities

Every Day, Caltrain provides regional benefits

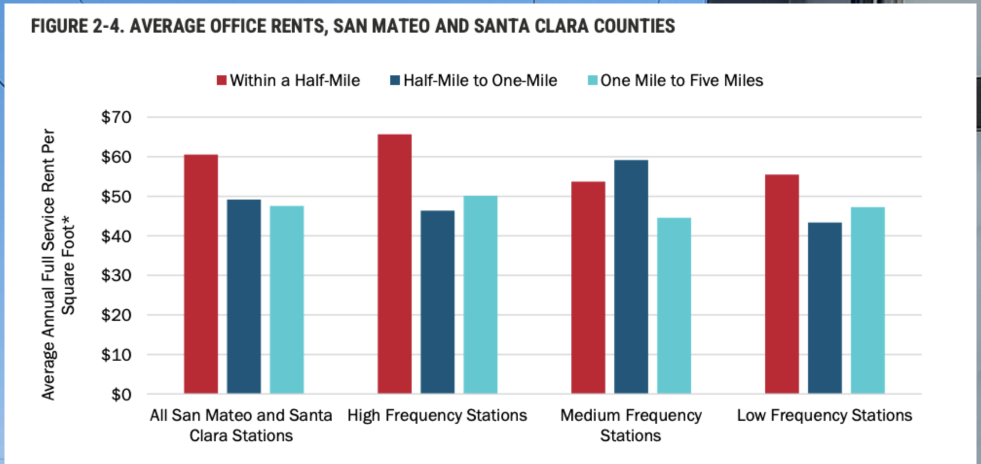
Less Traffic:
Removes the equivalent of ~3 freeway lanes of traffic at peak times * US-101 traffic is 93% of pre-pandemic levels at rush hour.**

Stronger Ecomony:
Today, 2.9 million people, or 37% of the 9-County Bay Area's population, live in the 20 cities served by Caltrain. Corridor economic driver of the state and country.

Cleaner Air

- Reduces greenhouse gas emissions with 100% renewable electric service
- Improves local air quality and reduces noise

**Based on Caltrain's average weekday ridership for Tuesdays. **Caltrans most recent AADT available for 2023. ***2025 Triennial Survey.*



Caltrain is Supporting Local Economies

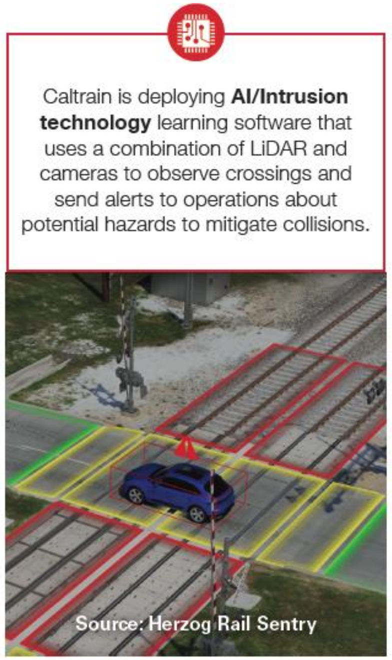
- Higher property values near stations
- Increased business activity and office demand
- Supports downtowns and local development
- Contributes to local tax bases across the corridor

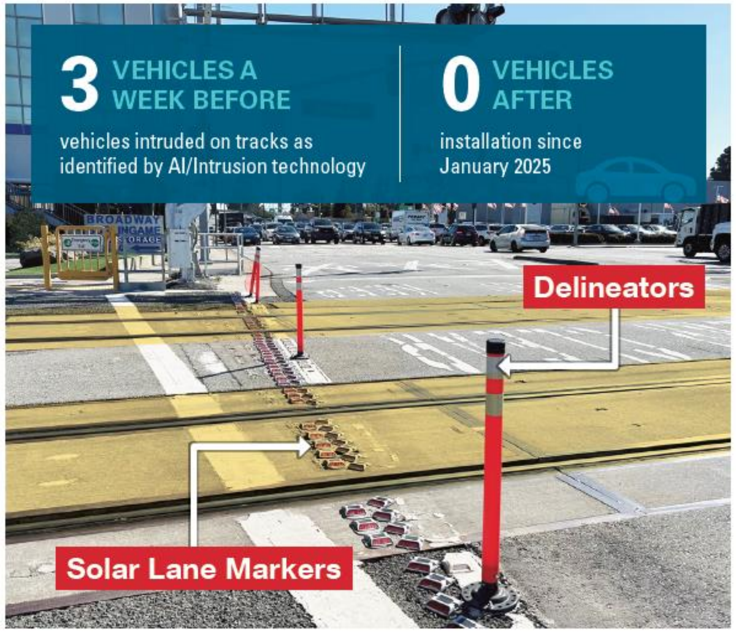
Average rent per square foot refers to annual full service gross rents per square foot weighted by the building's rentable building area.
Source: Costar, 2018; Strategic Economics, 2019.

Partnerships on Major Initiatives

- Corridor Crossing Strategy
- Transit Oriented Development
- Redwood City Transit District
- Battery Electric Multiple Unit Train
- Diridon Station Business Case
- Portal (SF Downtown Extension)

Innovative,Cost Effective: Safety Enhancements





Worked with technology providers to improve audio and visual directions by tracks

Improved Service

- **Faster:** Express and local trains
- **More Frequent:**
- Every 15-20 mins weekday rush hour
- Every 30 mins, every station, 7 days a week (compared to once an hour)
- 20% more service (26% equity priority stations)
- **Better Experience**: Free wi-fi, outlets at every seat, bathrooms, digital displays, quieter inside and outside the trains
- **On-Time Performance**: over 95%

Caltrain

Growing Ridership

- **Since electrification: fastest growing transit system US** (APTA); over 50% growth year over year; weekend highest ever; Giants/Sharks/Warriors 30%-50%+ increase from previous season

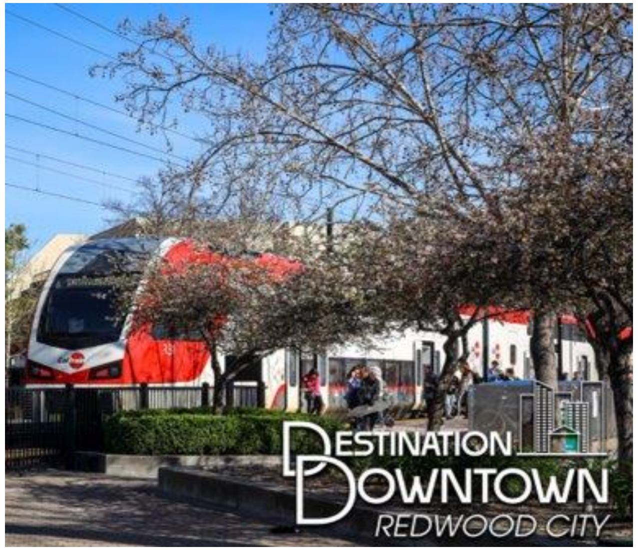
- **Diversified ridership**: **50%** moderate or above income and **37%** low income; **10%** youth, seniors, or people with disabilities

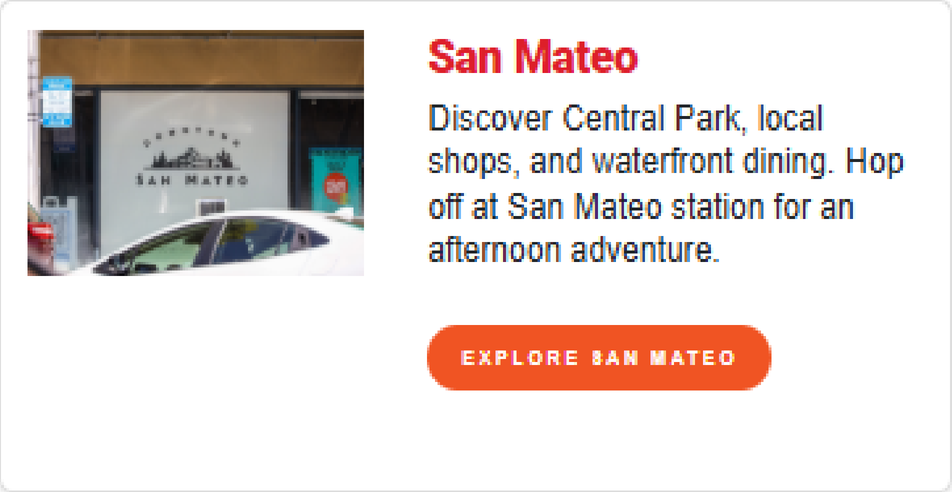
Caltrain Ridership Trends by City

City	August 2024 (Pre-electrfication)	May 2026 (Post-electrification)	% Increase
San Francisco	170,414	320,863	88.3%
South San Francisco	11,561	26,329	127.7%
San Bruno	8,034	14,982	86.5%
Millbrae	33,852	57,917	71.1%
Burlingame	13,809	28,024	103.0%
San Mateo	62,519	111,358	78.1%
Belmont	12,811	23,480	83.3%
San Carlos	13,168	23,291	76.9%
Redwood City	41,422	69,036	66.7%
Menlo Park	17,633	30,992	75.8%
Palo Alto	97,382	184,788	89.8%
Mountain View	46,936	76,978	64.0%
Sunnyvale	32,051	65,798	105.3%
Lawrence	12,824	26,663	107.9%
Santa Clara	17,001	38,527	126.6%
San Jose	46,090	81,581	77.0%
Blossom Hill	1,237	1,730	39.8%
Morgan Hill	1,985	3,100	56.1%
San Martin	451	933	106.8%
Gilroy	1,978	2,602	31.5%
Total	643,158	1,118,972	74.0%

Welcome City Partnerships

- Go Pass Program: City benefits economic, parking and traffic relief, GHG reductions
- Creative partnership, example: Downtown destinations

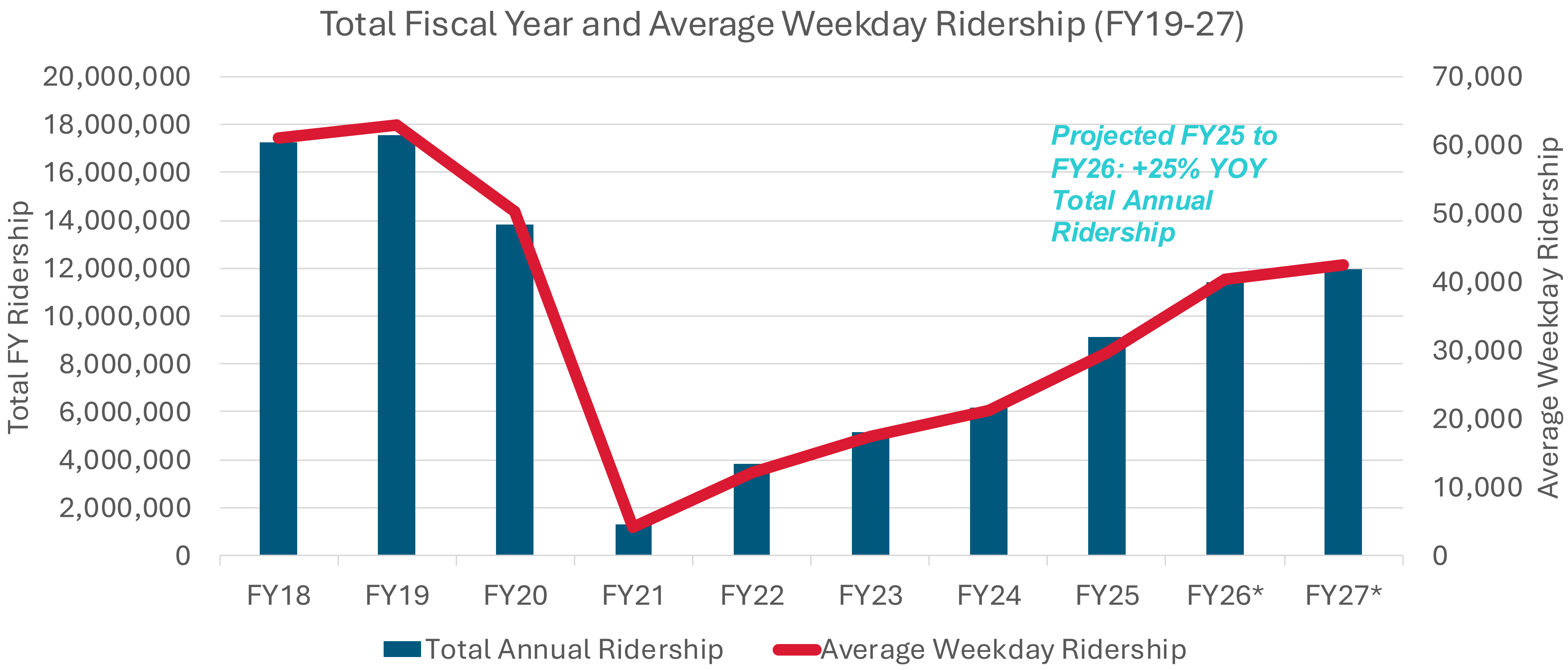




Caltrain Fiscal Outlook and Ridership

Caltrain Ridership Trends

- **Ridership demand continues to grow in response to Caltrain's electrified service improvements.**

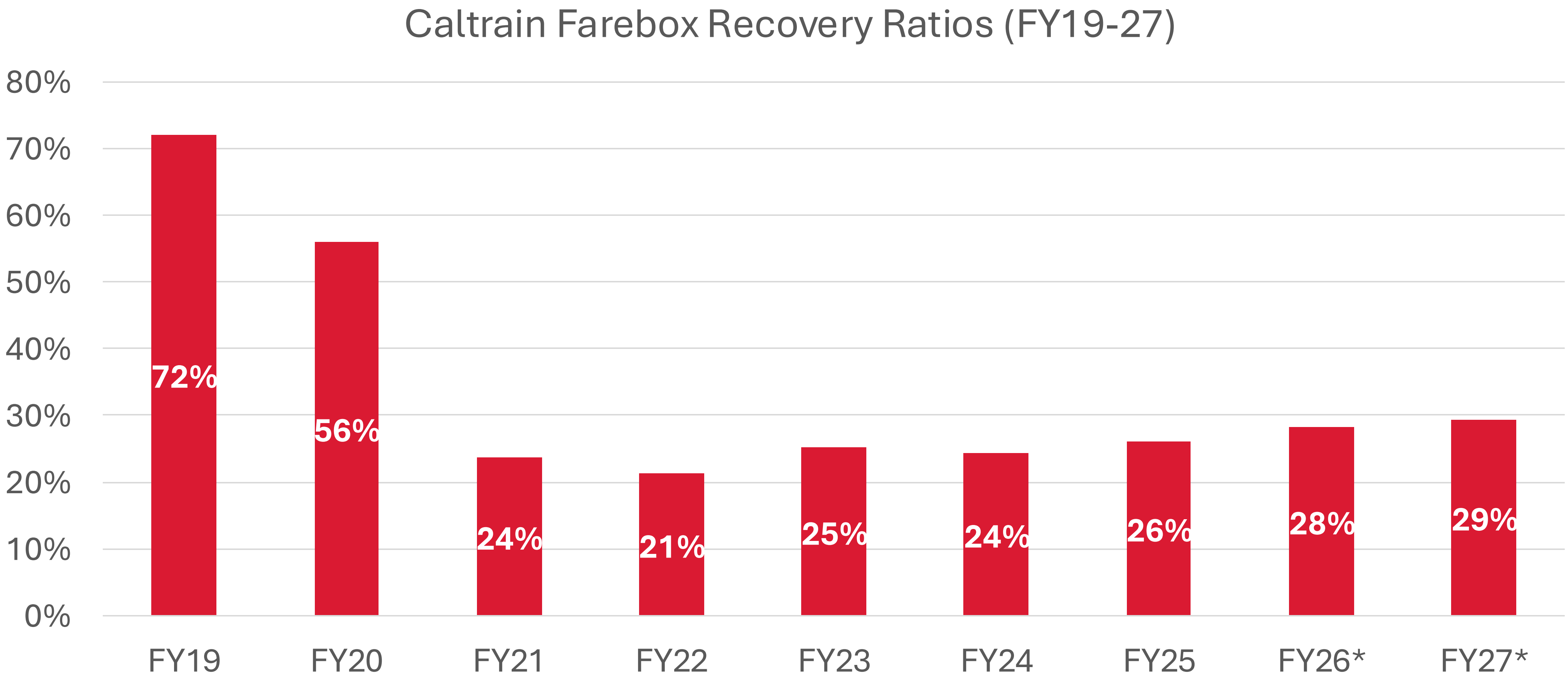


Sources: Caltrain Annual Ridership Reports; Caltrain Fare Media-Based Ridership Estimates.

*FY26 and FY27 projected.

Fares No Longer Cover the Same Share of Costs

- 2019, **fare revenue comprised over 70% ($100M)** of operating revenue
- Today, while still nation leading, **fare revenue accounts for ~30% ($43M)** of operating revenue.



Notes: FY19-25 Actuals; FY26-27 projected.

Why Does Caltrain Have a $75M Annual Operating Deficit?

Commute Patterns Shifted

Sustained, significant changes in work patterns across San Francisco and Silicon Valley since the pandemic.

Ridership & Revenue Less Than Before

Fewer riders meant lower fare, parking, rental, and advertising income.

Costs Rose With Inflation

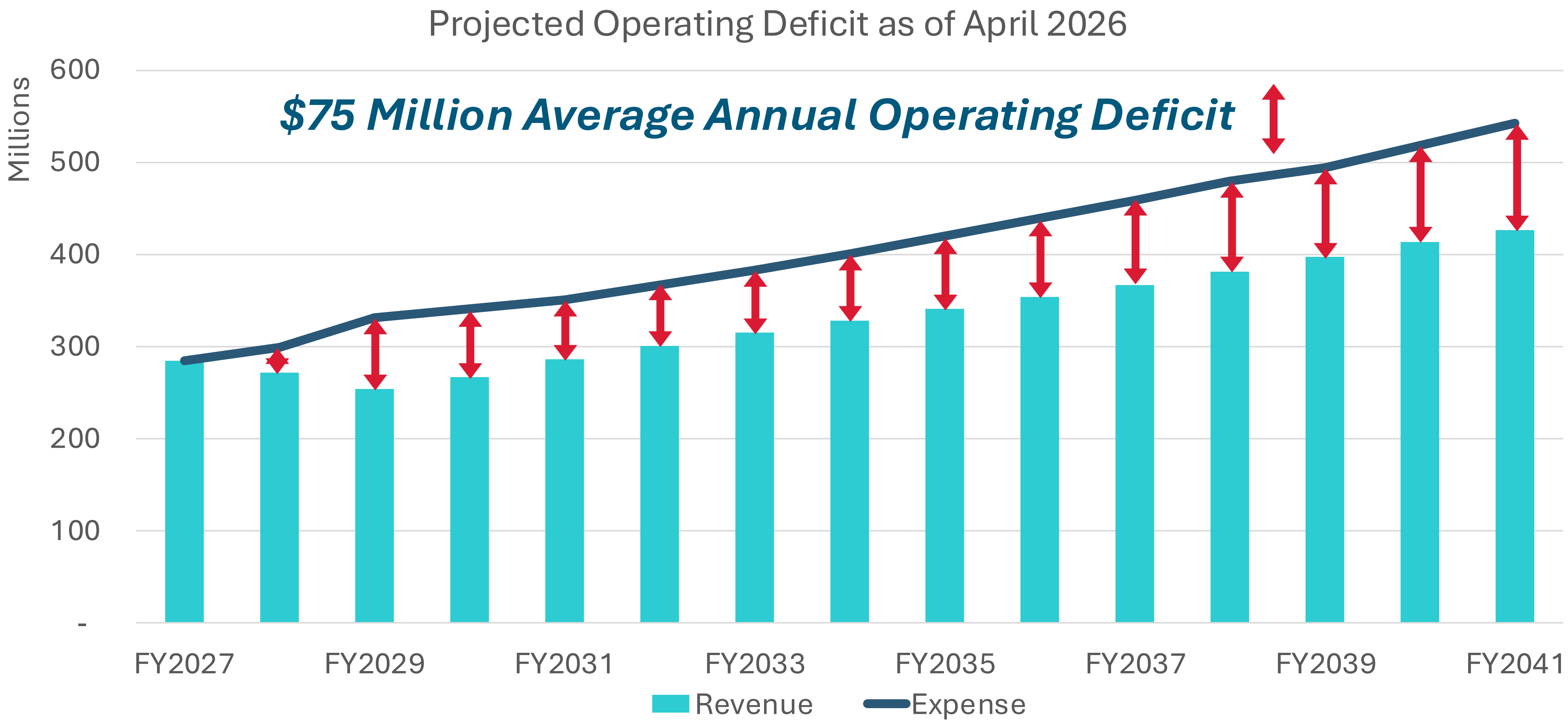
Operating costs grew faster than revenue across the transit industry.

Electrification Raised Fixed Costs

51 miles of new 25KV electrical infrastructure to maintain.

Combined result: These factors and the exhaustion of one-time COVID related funding sources have compounded to create a structural operating deficit that cannot be resolved through cuts or self-generated revenue alone.

15-Year Operating Budget
Baseline Forecast Without External Funding



Cost Containment Strategies

- Strategic hiring freeze
- Comprehensive cost reduction efficiency program
- FY27: Line by line review, held operator contract to previous level
- Implemented crew scheduling efficiencies
- Recouping costs for electricity returned to the grid through regenerative braking
- Develop and evaluate Battery Storage Plan

Non-Fare Revenue Strategies

Exploring new revenue sources

Special Events

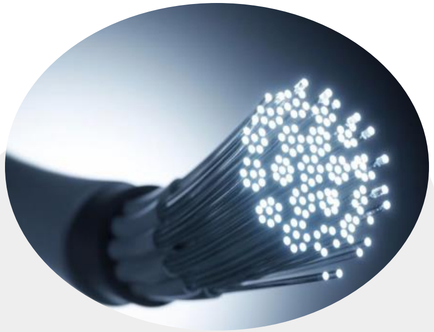
Private car
Charter train
Sport events

Advertising and Naming Rights

Expand advertising & media package
train wrapping
naming rights of rolling stock and station assets

Solar, Energy Storage Systems, EV Charging Leasing

Solar farm, energy storage facility for traction power and station energy needs



Fiber Optic Cable and Telecommunications Leasing

Cell tower leasing, fiber leasing

TOD and Commercial Leasing

Property conveyance lease
commercial leasing
Transit-Oriented Development

1-2 Year Short Term

2-5 Year Medium Term

5-20 Year Long Term

Schedule

March 2026: State Loan

June 2026: Caltrain Board Adopt FY27 Budget and Framework for No External Funding Scenario

November 2026: General Election

Summer 2027: Measure Funds Flow for FY28

FY2026 | FY2027 | FY2028

Continue FY26 Service Levels

Continue FY26 Service Levels

Maintain current service level using one-time State Loan funds through FY27.

Plan and Prepare for Service Cuts

Service Cuts

Caltrain

Fiscal Year 28+

Current Service vs. Potential Cuts in a No External Funding Scenario

Today: Frequent Service 7 days a week

Frequent Weekday Service

Trains every 15 minutes peak; every 30 off-peak

Weekend Service

Trains every 30 minutes Saturday and Sunday

Long Hours of Service

Trains from ~5 AM to ~1 AM

Special Event Service

Extra trains support concerts, games and more

Potential Service Cuts (FY28+)

Hourly Weekday Service

Once per hour all day

No Weekend Service

All Saturday and Sunday trains eliminated

Early Shutdowns

End operations by 9 PM

No Special Event Service

Eliminate all special event trains

Station Closures

Close more than one-third of all stations. Potential for full service suspension if no external funding continues.

Why Cuts Make the Problem Worse (Downward Spiral)

1

Cut Service

Reduced frequency and span of service delivers most savings.

2

Fewer Riders

Fewer riders due to inconvenient service, reducing ridership by a projected 60% to 70%

3

Less Revenue

Less fare, parking, advertising, leasing revenue offsets cost savings

4

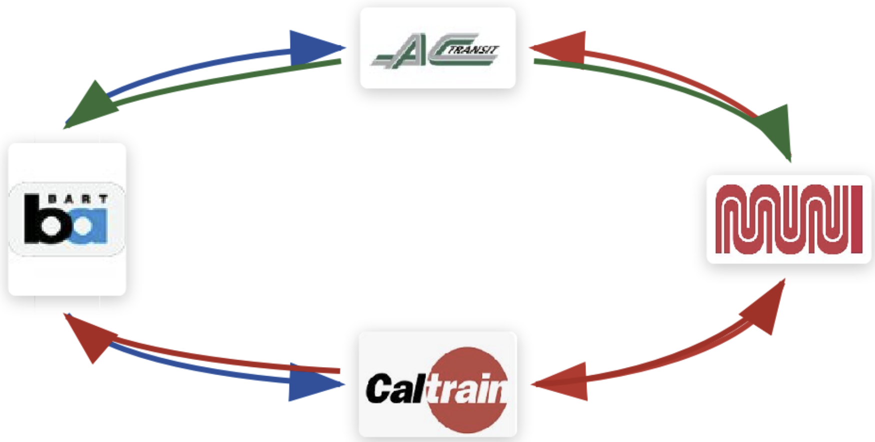
Creates Cycle Difficult to Reserve

Deficit persists, forcing further reductions

Ridership could decrease significantly, with losses compounded by other agencies' contemplated cuts.

Regional Transit – Connected Implications

- Specific cuts are not certain yet.
- Contemplated cuts other agencies <u>in conjunction</u> would increase Caltrain's ridership loss.
- If no external funding, could stop passenger service, and focus exclusively on maintenance and safety of the corridor and assets.
- Once shut down, minimum 2-4 years to resume Caltrain passenger service.



Critical Inflection Point

No External Funding Scenario

- Reduce to hourly service
- Eliminate weekend service
- End service at 9:00 PM
- Close ~1/3 of stations
- Cut segments of service
- Cuts to administrative costs
- Eliminate special event service
- Suspend all Caltrain service

Ridership & Revenue Are Growing

Caltrain will continue to grow ridership, generate revenue, and find cost savings — but growth and cuts cannot close the gap.

Even Significant Cuts Won't Solve the Deficit

Cutting service drives away riders, reducing operating revenue in a downward spiral, offsetting much of the savings from cuts. Significant deficit remains.

Important Crossroads

FOR MORE INFORMATION

WWW.CALTRAIN.COM