City of Palo Alto
City Council Rail Committee Staff Report

Report Type: Meeting Date: 3/17/2011

Summary Title: VTA Caltrain Funding Strategies

Title: Valley Transportation Authority (VTA) Caltrain Funding Strategies Staff Report

From: City Manager

Lead Department: City Manager

Executive Summary
Attached is the March 3, 2011 Santa Clara County Valley Transportation Authority (VTA) Board of Directors staff report on Caltrain Funding Strategies.

Attachments:
- Caltrain Funding Strategies 030311 (PDF)

Prepared By: Richard Hackmann,
Department Head: James Keene, City Manager
City Manager Approval: James Keene, City Manager
BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
   Board of Directors

THROUGH: General Manager, Michael T. Burns

FROM: Executive Policy Advisor, Jim Lawson

SUBJECT: Caltrain Funding Strategies

Policy-Related Action: Yes  Government Code Section 84308 Applies: No

Resolution

ACTION ITEM

RECOMMENDATION:

Approve resolutions describing strategies to address the funding shortfall projected for Caltrain’s
FY2012 Operating Budget:

• Use of Dumbarton Rail Funds, Resolution # 2011.03.04
• Defer Electrification, Resolution # 2011.03.05
• Right of Way Payment, Resolution # 2011.03.06
• Sale of Property, Resolution # 2011.03.07
• Use Regional Discretionary Funds, Resolution # 2011.03.08

BACKGROUND

At the Santa Clara Valley Transportation Authority (VTA) Board of Directors’ Meeting on
February 3, 2011, the Board received a memo from the General Manager putting forward several
suggestions regarding Caltrain funding. Additionally, two Caltrain Summits were recently held
and many ideas floated to help address the impending Caltrain service cuts.

As the Board is aware, Caltrain announced a projected $30 million shortfall for the fiscal year
beginning on July 1, 2011. Without a funding solution this would necessitate a major reduction
in service from 86 daily trains to 48 daily trains, the elimination of weekend, evening and
midday service, station closures and the elimination of service south of Diridon Station in San
Jose. This shortfall is caused by the San Mateo County Transit District’s (SamTrans) worsening
financial situation and their resultant de-prioritization of Caltrain service which in turn would result in a reduction in matching contributions from the other partner agencies, VTA and San Francisco Municipal Transportation Agency (SFMTA). SamTrans financial problems are not new and for the past few years Caltrain has met its operating budget requirements through a combination of funding from one time sources.

DISCUSSION

It is neither prudent nor equitable for VTA or SFMTA to cover the shortfall created by SamTrans financial problem. The Caltrain partnership has relied on the recognition that each partner is responsible for its own proportional share for both the operational and capital budget of Caltrain. While we sympathize with SamTrans’ challenges and face many of our own, subsidizing another county’s obligation is a disservice to our own riders and taxpayers.

The current situation illustrates that the current financial structure of Caltrain, making it dependent upon the contributions of the partner agencies, is not sustainable. All three of the partner agencies are impacted by the depressed economy, lower ridership and reduction of state assistance. This causes the partner agencies to make difficult choices between their own bus and light rail transit needs and the needs of Caltrain. A long term solution requires that Caltrain have its own independent source of funding.

The ultimate solution to Caltrain’s funding crisis will not come in time to avoid draconian service reductions. To help bridge the gap until a permanent fund source can be found the following five strategies presented by the General Manager are recommended to provide some stop gap funding in the immediate future. To indicate the Board’s commitment to Caltrain’s survival, staff has prepared Resolutions for each of the recommended strategies below in order to use them appropriately with the various stakeholders involved.

1) **Dumbarton Rail (DB Rail) Funds** - This project has operating funds through Regional Measure 2 (RM2) of $5.5 million per year. At this point the project is several hundred million dollars short of capital funds for construction. Since the operating funds are now being collected and the project is still several years from completion, the operating funds for DB Rail accumulate and sit idle. In addition the managing agency for the DB Rail Project is the San Mateo County Transportation Authority (SMCTA), which has the same staff as SamTrans. Without a viable Caltrain operation, the DB Rail Project will have limited to no utility in the corridor. Therefore, VTA recommends that the Peninsula Corridor Joint Powers (Caltrain) Board and the San Mateo County Transit District (SamTrans) Board to petition the Metropolitan Transportation Commission (MTC) to redirect the DB Rail operating funds in RM2, on an emergency basis, to Caltrain operations until such time as the DB Rail Project requires them for operations.

2) **Caltrain Electrification** - The electrification of the Caltrain line has been a long held goal of Caltrain and the partner agencies. This project is included in VTA’s 2000 Measure A as well as San Mateo County’s Measure A and San Francisco’s Proposition K. Unfortunately, the problems that impact Caltrain’s operating budget also affect capital projects like Caltrain Electrification. Given a most optimistic scenario, the partners have discussed a future capital contribution of $60 million each or $180 million over the life of the project. The project also
requires California High Speed Rail to contribute significantly to cover the total cost of the project. In VTA’s case our Short Range Transit Plan shows an expenditure of $20 million per year over a three year period beginning in 2013. While included as part of the expenditure plan, funds have not been budgeted or appropriated. Staff assumes that SamTrans and SFMTA have the same challenge. Nevertheless, if preserving Caltrain service is the priority, VTA recommends that its partner agencies indicate a portion of the capital funds for Electrification (for example $20 million) they could make available and further that VTA and these agencies take the necessary steps (in VTA’s case a ballot measure) to provide this funding to Caltrain operations in the short term.

3) **Right of Way (ROW) Purchase** - The Caltrain ROW, consisting of real property, stations, signals, rolling stock, etc. was purchased by Caltrain from the Southern Pacific Transportation Company (now Union Pacific) in 1991. Proposition 116 Clean Air and Transportation Improvement Act of 1990 provided $120 million for the purchase. SamTrans advanced $82 million in addition to the Proposition 116 funds, to purchase the right of way. The other partners (VTA and SFMTA) agreed to use best efforts to advocate for non-local source grants to reimburse SamTrans. In return SamTrans became the managing partner and retains an ownership interest in the ROW.

An agreement in 2008 between the partners and MTC provided for the use of “spillover funds” to repay SamTrans. Since then, these funds have been eliminated by the state.

VTA proposes to pay SamTrans the agreed upon balance from the 2008 Funding Agreement of $7.2 million on the conditions that; 1) The payment fully satisfies VTA’s obligations to reimburse SamTrans for VTA’s share of the $82 million advance; 2) SamTrans use that amount in full to increase its projected share of Caltrain’s FY2012 Operating Budget and SamTrans release its ownership in tenancy of the ROW to Caltrain. In return, as its share of Caltrain’s FY2012 Operating Budget, VTA will match the SamTrans share (as increased by the $7.2 million payment) and would expect SFMTA to match its proportional share for the FY 2012 Caltrain Operating Budget.

4) **Sale of Property** - Caltrain owns property in the three counties. In San Francisco and Santa Clara Counties that property is owned by Caltrain and in San Mateo together with SamTrans as tenants in common. Recognizing that the sale of property is a long and complex process and further recognizing that proceeds from any such sale represent a onetime infusion of cash, VTA asks that Caltrain staff be directed to conduct an analysis of its property including stations, parking lots and any other property and providing a report on feasibility of selling any such property in the near, mid and long term.

5) **Regional Discretionary Funding** - The Metropolitan Transportation Commission (MTC) controls significant discretionary regional funds among them unprogrammed State Transportation Assistance (STA) funds, funds from the Regional Coordination Program and the STP/CMAQ Exchange Program. The Caltrain Board should direct its staff to work with MTC to determine which of these potential fund sources are available and identify other discretionary regional funding that can assist with Caltrain operations. Upon identifying any such funding, to coordinate with MTC and the staff of the partner agencies to secure first call on any regional funding identified as eligible for this purpose.
As reported below, at the February 3, 2011 Board of Directors Meeting several comments and suggestions were advanced by individual Board Members to assist in addressing the Caltrain Funding Issue.

**Board Comments Regarding Caltrain Organization** - Director Kalra recommended that any money from VTA toward the ROW purchase should go to Caltrain. Director Liccardo asked how the funding formula (now based on an AM Peak Boarding Count) could be made more equitable and commented that San Francisco does not contribute to Caltrain commensurate with the benefit they receive. Director Moylan asked how we could change the “Operating Agreement” (*Joint Powers Agreement Peninsula Corridor Project - 1996*) and Director Herrera enquired about potential changes to the governance of Caltrain.

**Responses** - By approving Resolution # 2011.03.06 -- Right of Way Payment, the Board would condition any payment to SamTrans on its use to pay SamTrans’ share of FY 2012 Caltrain Operating Budget. The current share of Caltrain operating expenses is divided among the partners on the following basis:

- a. SamTrans - 42%
- b. VTA - 41%
- c. SFMTA - 17%

Based upon the latest Caltrain ridership information for total boardings within each county the breakdown would be:

- a) SamTrans - 32.2%
- b) VTA - 41.4%
- c) SFMTA 26.4%

The operation of Caltrain is spelled out in the above mentioned *Joint Powers Agreement Peninsula Corridor Project - 1996*. Amendments to this document, including changes to the payment formula, can be made by agreement among the signatories at any time. At this point it appears that the long term solution is one that replaces the partners’ obligations with a dedicated source of revenue to enable the continued operation of the system.

Depending on the strategy employed to secure this funding, a different governance structure could be crafted. As an example, the Capitol Corridor Joint Powers Board governs the operation of the Capitol Corridor Intercity Rail and is funded by the state through Caltrans. The member agencies make no monetary contribution to the operational or capital budgets.

MTC has suggested a regional approach to governance. As solutions are explored to the funding challenges all commuter rail and transit agencies face, there may be efficiencies available in combining the management and/or governance of various entities. MTC is currently studying this issue through its Transit Sustainability Project. Among the factors to consider are: adequate representation, management oversight, labor agreements, contracts for maintenance and service, wage scales, and seniority issues, to name just a few. Given the financial state of the Caltrain partners and the lead time necessary to adequately understand the advantages and challenges of
this approach, it will be some time before this area can be responsibly addressed.

**Board Comments Regarding Caltrain Service** - Director Moylan suggested consideration of Santa Clara County paying more than its proportionate share, with the excess funding used to benefit Santa Clara County riders. He suggested reducing service in San Mateo County. He also advanced the thought of ending service at Millbrae and further discussed the idea of limiting service to Santa Clara County only. This idea was echoed by several colleagues. Director Kniss suggested increasing service to connect with BART.

**Responses** - Staff supports the position that any additional contributions in the short term benefit Santa Clara County. While the above suggestions make sense from a strictly monetary contribution standpoint, they have consequences that constrain their viability as options. They are difficult to implement and work against the continued financial viability of Caltrain.

VTA always works in a regionally collaborative way to promote transit mobility in the Bay Area. Eliminating service in San Mateo or San Francisco would be inconsistent with our long established history of regional cooperation.

The suggestion of stopping service in Millbrae, or as was also suggested in Palo Alto, is technically challenging. This would require capital investment in land, track, signals and switches that would not be supportable. In addition there are considerations of crew scheduling and work rules that would eliminate any potential savings from the shorter route.

Even more important is the impact on ridership any of these proposals might have. The current Caltrain commute model from Gilroy to San Francisco works well. Changes to this model by eliminating service to destinations or even entire counties will reduce ridership. The need to transfer from one line to another also has an unfortunate negative effect on ridership. Because Caltrain currently depends on fare box revenue and parking fees for over 40% of its operating revenue, reductions in ridership will have a major negative impact on operating revenue.

**Board Comments Regarding SamTrans** - Vice Chair Yeager suggested that it would be helpful if the Board had a full understanding of SamTrans’ financial difficulties.

**Response** - To assure the public that SamTrans’ financial crisis is grave, there should be no doubt as to both the immediacy and scope of the problem. SamTrans has stated that they plan an open workshop meeting to describe and discuss their financial position.

**Additional Board Comments** - Chair Abe-Koga stated she is eager to have answers from Caltrain and MTC on what can be done. To that end she has forwarded a copy of the General Manager’s February 3rd Memo to the SamTrans Board Chair (attached). Directors Kalra and Woodward expressed their concern with the elimination of service south of Diridon Station.

Attached are five separate resolutions. Each one describes one of the five short term funding strategies. Staff has created five separate documents so that the Board may vote on each recommendation separately or they may be taken as a whole under one motion. It is clear that due to the urgency of this issue and the short time frame available to arrive at a short term solution, some combination of the strategies is the best chance for success.
ALTERTNATIVES:
The Board may approve all of the proposed strategies, some of the proposed strategies or none. All the recommended strategies require cooperation and/or participation by outside entities. Without the successful adoption and implementation of some combination of the recommended strategies, the likely outcome will be service cutbacks at Caltrain beginning in July of 2011.

FISCAL IMPACT:
The following are the financial impact of each potential action:

Use of Dumbarton Rail Funds: There is no Fiscal Impact to VTA as a result of this action.

Defer Electrification: Diverting VTA’s Electrification funding at this time could result in either less available funding for Electrification in future years or less funding for other 2000 Measure A projects.

Right of Way Payment: If the stated conditions are met, this action would commit $7.2M of VTA Transit Enterprise funds. Appropriation for this expenditure would be included in the Recommended FY 2012 & FY 2013 VTA Transit Enterprise Fund Capital Budget.

Sale of Property: There is no Fiscal Impact to VTA as a result of this action. If VTA were to purchase property from Caltrain, the fiscal impact would be known at that time.

Use Regional Discretionary Funds: Giving Caltrain first call on eligible discretionary regional funding may result in decreased regional funding for VTA and other regional entities.

Prepared by: Jim Lawson, Executive Policy Advisor
Memo No. 3031
RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SANTA CLARA VALLEY TRANSPORTATION AUTHORITY (VTA)
REQUESTING THE REDIRECTION OF DUMBARTON RAIL PROJECT REGIONAL MEASURE 2 (RM2) OPERATING FUNDS TO CALTRAIN ON A LIMITED BASIS

WHEREAS, Caltrain is a vital public transportation option serving commuters in Santa Clara, San Mateo and San Francisco counties by providing commuter rail service between San Francisco and Gilroy;

WHEREAS, Caltrain relies on defined proportional funding from its three partner agencies: the Santa Clara Valley Transportation Authority (VTA); the San Mateo County Transit District (SamTrans); and the San Francisco Municipal Transportation Agency (SFMTA);

WHEREAS, due to its worsening financial situation, SamTrans has stated it will severely reduce its Caltrain contributions for FY2012, which in turn results in a corresponding major reduction in contributions from the other partner agencies;

WHEREAS, the decreased Caltrain contributions will result in a projected $30 million shortfall for FY2012, which would likely result in major service reductions comprised of: decreasing from 86 daily trains to 48 daily trains; elimination of weekend, evening and midday service; fare increases; station closures; and the elimination of service south of Diridon Station in San Jose;

WHEREAS, service reductions of this magnitude would seriously impact mobility in Santa Clara County and the Bay Area, increasing congestion, degrading quality of life and creating hardship for commuters, residents and businesses;

WHEREAS, to avoid draconian service reductions and preserve current Caltrain service, one or more strategies must be employed to address the immediate financial situation by providing some stop gap funding for the immediate future, to help bridge the gap until permanent funding solutions can be found;

WHEREAS, the Dumbarton Rail Project receives $5.5 million per year of operating funds through Regional Measure 2 (RM2);

WHEREAS, these funds are unused at this time due to the Dumbarton Rail Project being severely short of capital funds for construction and several years from completion;

WHEREAS, redirecting Dumbarton Rail Project RM2 funds to Caltrain, on an emergency and temporary basis, would provide immediate short-term financial relief for Caltrain;
NOW, THEREFORE, BE IT RESOLVED that the Santa Clara Valley Transportation Authority Board of Directors does hereby:

Request that the Peninsula Corridor Joint Powers (Caltrain) Board and the SamTrans Board petition the Metropolitan Transportation Commission (MTC) to redirect Dumbarton Rail Project operating funds in RM2, on an emergency basis, to Caltrain operations until such time as the Dumbarton Rail Project requires them for operations, as may be allowable under current law.

PASSED AND ADOPTED by the Santa Clara Valley Transportation Authority Board of Directors on March 3, 2011 by the following vote:

AYES:

NOES:

ABSENT:

___________________________________________
MARGARET ABE-KOGA, Chairperson
Board of Directors

ATTEST:

___________________________________________
SANDRA WEYMOUTH, Secretary
Board of Directors

APPROVED AS TO FORM:

___________________________________________
KEVIN D. ALLMAND
General Counsel
RESOLUTION NO. 2011.03.05

RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SANTA CLARA VALLEY TRANSPORTATION AUTHORITY (VTA)
REQUESTING THAT VTA AND ITS PARTNER AGENCIES TAKE THE NECESSARY
STEPS TO REDIRECT CALTRAIN ELECTRIFICATION CAPITAL FUNDS TO
CALTRAIN OPERATIONS

WHEREAS, Caltrain is a vital public transportation option serving commuters in Santa Clara, San Mateo and San Francisco counties by providing commuter rail service between San Francisco and Gilroy;

WHEREAS, Caltrain relies on defined proportional funding from its three partner agencies: the Santa Clara Valley Transportation Authority (VTA); the San Mateo County Transit District (SamTrans); and the San Francisco Municipal Transportation Agency (SFMTA);

WHEREAS, due to its worsening financial situation, SamTrans has stated it will severely reduce its Caltrain contributions for FY2012, which in turn results in a corresponding major reduction in contributions from the other partner agencies;

WHEREAS, the decreased Caltrain contributions will result in a projected $30 million shortfall for FY2012, which would likely result in major service reductions comprised of: decreasing from 86 daily trains to 48 daily trains; elimination of weekend, evening and midday service; fare increases; station closures; and the elimination of service south of Diridon Station in San Jose;

WHEREAS, service reductions of this magnitude would seriously impact mobility in Santa Clara County and the Bay Area, increasing congestion, degrading quality of life and creating hardship for commuters, residents and businesses;

WHEREAS, to avoid draconian service reductions and preserve current Caltrain service, one or more strategies must be employed to address the immediate financial situation by providing some stop gap funding for the immediate future, to help bridge the gap until permanent funding solutions can be found;

WHEREAS, although the electrification of the Caltrain line has been a long held goal of Caltrain, its partner agencies, and voters in the counties served by Caltrain, the same funding problems impacting Caltrain’s operating budget also negatively affects capital projects such as Caltrain Electrification;

WHEREAS, VTA and its Caltrain partner agencies have insufficient funds available presently or in the foreseeable future to complete Caltrain Electrification;

WHEREAS, the Caltrain Electrification project also requires California High Speed Rail to contribute significantly to cover the total cost of the project, and such contribution is not assured at this time;
WHEREAS, redirection of Caltrain Electrification funds to Caltrain’s operating budget would serve to alleviate anticipated Caltrain service reductions; and,

WHEREAS, each of the Caltrain partner agencies must determine what steps are necessary for the redirection of Caltrain Electrification funds to Caltrain operating expenses.

NOW, THEREFORE, BE IT RESOLVED that the Santa Clara Valley Transportation Authority Board of Directors does hereby:

   Request that each of the Caltrain partner agencies, including VTA, determine the portion of their capital funds for the Caltrain Electrification project that may be available for Caltrain operating expenses, and to take the necessary steps to provide this funding to Caltrain operations in the short term.

PASSED AND ADOPTED by the Santa Clara Valley Transportation Authority Board of Directors on March 3, 2011 by the following vote:

AYES:

NOES:

ABSENT:

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MARGARET ABE-KOGA, Chairperson
Board of Directors

ATTEST:

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SANDRA WEYMOUTH, Secretary
Board of Directors

APPROVED AS TO FORM:

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KEVIN D. ALLMAND
General Counsel
RESOLUTION NO. 2011.03.06

RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SANTA CLARA VALLEY TRANSPORTATION AUTHORITY (VTA)
PROPOSING TO REPAY THE SAN MATEO COUNTY TRANSIT DISTRICT IN
FULL THE AGREED UPON BALANCE FROM THE 2008 FUNDING AGREEMENT
OF $7.2 MILLION FROM THE 1991 PURCHASE OF THE CALTRAIN RIGHT-OF-
WAY, SUBJECT TO SPECIFIED CONDITIONS

WHEREAS, Caltrain is a vital public transportation option serving commuters in Santa Clara, San Mateo and San Francisco counties by providing commuter rail service between San Francisco and Gilroy;

WHEREAS, Caltrain relies on defined proportional funding from its three partner agencies: the Santa Clara Valley Transportation Authority (VTA); the San Mateo County Transit District (SamTrans); and the San Francisco Municipal Transportation Agency (SFMTA);

WHEREAS, due to its worsening financial situation, SamTrans has stated it will severely reduce its Caltrain contributions for FY2012, which in turn results in a corresponding major reduction in contributions from the other partner agencies;

WHEREAS, the decreased Caltrain contributions will result in a projected $30 million shortfall for FY2012, which would likely result in major service reductions comprised of: decreasing from 86 daily trains to 48 daily trains; elimination of weekend, evening and midday service; fare increases; station closures; and the elimination of service south of Diridon Station in San Jose;

WHEREAS, service reductions of this magnitude would seriously impact mobility in Santa Clara County and the Bay Area, increasing congestion, degrading quality of life and creating hardship for commuters, residents and businesses;

WHEREAS, to avoid draconian service reductions and preserve current Caltrain service, one or more strategies must be employed to address the immediate financial situation by providing some stop gap funding for the immediate future, to help bridge the gap until permanent funding solutions can be found;

WHEREAS, the Caltrain right-of-way (ROW), consisting of real property, stations, signals, rolling stock, etc., was purchased by Caltrain from the Southern Pacific Transportation Company in 1991;

WHEREAS, SamTrans advanced $82 million of the $202 million total purchase price, conditioned on the other partners (VTA and SFMTA) agreeing to use best efforts to advocate for non-local source grants to reimburse SamTrans;
WHEREAS, in return for advancing this funding SamTrans became the managing partner and retained an ownership interest in the ROW;

WHEREAS, a 2008 agreement between the Caltrain partners and the Metropolitan Transportation Commission (MTC) provided for the use of state tax gas tax “spillover funds” to repay SamTrans;

WHEREAS, the state has since abolished gas tax spillover funds, thus eliminating the established funding mechanism for Caltrain partners’ repayment of funds advanced by SamTrans for the 1991 purchase of the Caltrain right-of-way.

NOW, THEREFORE, BE IT RESOLVED that the Santa Clara Valley Transportation Authority Board of Directors does hereby:

Propose to pay the San Mateo County Transit District (SamTrans) the agreed upon $7.2 million balance in the 2008 Funding Agreement from the 1991 purchase of the Caltrain right-of-way on the conditions that:

1) The payment fully satisfies VTA’s obligations to reimburse SamTrans for VTA’s share of the $82 million advance and SamTrans releases its ownership in tenancy of the right-of-way to Caltrain; and

2) SamTrans uses the full $7.2 million to increase its projected share of Caltrain’s FY2012 Operating Budget.

In return, its share of Caltrain’s FY2012 Operating Budget VTA will match the SamTrans share (as increased by the $7.2 million payment). It will also encourage the San Francisco Municipal Transportation Agency to match its proportional Caltrain partner share for the FY 2012 Caltrain Operating Budget accordingly.
PASSED AND ADOPTED by the Santa Clara Valley Transportation Authority Board of Directors on March 3, 2011 by the following vote:

AYES:

NOES:

ABSENT:

___________________________________________
MARGARET ABE-KOGA, Chairperson
Board of Directors

ATTEST:

___________________________________________
SANDRA WEYMOUTH, Secretary
Board of Directors

APPROVED AS TO FORM:

___________________________________________
KEVIN D. ALLMAND
General Counsel
RESOLUTION NO. 2011.03.07

RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SANTA CLARA VALLEY TRANSPORTATION AUTHORITY (VTA)
REQUESTING THAT CALTRAIN CONDUCT AN ANALYSIS OF ITS REAL ESTATE
TO DETERMINE THE FEASIBILITY OF SELLING ANY SUCH PROPERTY IN THE
NEAR, MID AND LONG TERM

WHEREAS, Caltrain is a vital public transportation option serving commuters in Santa Clara, San Mateo and San Francisco counties by providing commuter rail service between San Francisco and Gilroy;

WHEREAS, Caltrain relies on defined proportional funding from its three partner agencies: the Santa Clara Valley Transportation Authority (VTA); the San Mateo County Transit District (SamTrans); and the San Francisco Municipal Transportation Agency (SFMTA);

WHEREAS, due to its worsening financial situation, SamTrans has stated it will severely reduce its Caltrain contributions for FY2012, which in turn results in a corresponding major reduction in contributions from the other partner agencies;

WHEREAS, the decreased Caltrain contributions will result in a projected $30 million shortfall for FY2012, which would likely result in major service reductions comprised of: decreasing from 86 daily trains to 48 daily trains; elimination of weekend, evening and midday service; fare increases; station closures; and the elimination of service south of Diridon Station in San Jose;

WHEREAS, service reductions of this magnitude would seriously impact mobility in Santa Clara County and the Bay Area, increasing congestion, degrading quality of life and creating hardship for commuters, residents and businesses;

WHEREAS, to avoid draconian service reductions and preserve current Caltrain service, one or more strategies must be employed to address the immediate financial situation by providing some stop gap funding for the immediate future, to help bridge the gap until permanent funding solutions can be found;

WHEREAS, Caltrain owns real estate in Santa Clara, San Mateo and San Francisco counties, its service area.

WHEREAS, the sale of real estate is a long and complex process, especially in cases where jointly owned;

WHEREAS, proceeds from any such sale of Caltrain real estate would represent a one-time infusion of cash to Caltrain;
NOW, THEREFORE, BE IT RESOLVED that the Santa Clara Valley Transportation Authority Board of Directors does hereby:

Request that Caltrain conduct an analysis of its real property including stations, parking lots and any other property and provide a report on the feasibility of selling any such property in the near, mid and long term.

PASSED AND ADOPTED by the Santa Clara Valley Transportation Authority Board of Directors on March 3, 2011 by the following vote:

AYES:

NOES:

ABSENT:

___________________________________________
MARGARET ABE-KOGA, Chairperson
Board of Directors

ATTEST:

___________________________________________
SANDRA WEYMOUTH, Secretary
Board of Directors

APPROVED AS TO FORM:

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KEVIN D. ALLMAND
General Counsel
RESOLUTION NO. 2011.03.08

RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SANTA CLARA VALLEY TRANSPORTATION AUTHORITY (VTA)
REQUESTING THAT CALTRAIN WORK WITH THE METROPOLITAN
TRANSPORTATION COMMISSION TO IDENTIFY DISCRETIONARY REGIONAL
FUNDING TO ASSIST WITH CALTRAIN OPERATIONS AND COORDINATE WITH
THE PARTNER AGENCIES TO SECURE FIRST CALL ON ANY SUCH FUNDING

WHEREAS, Caltrain is a vital public transportation option serving commuters in Santa Clara, San Mateo and San Francisco counties by providing commuter rail service between San Francisco and Gilroy;

WHEREAS, Caltrain relies on defined proportional funding from its three partner agencies: the Santa Clara Valley Transportation Authority (VTA); the San Mateo County Transit District (SamTrans); and the San Francisco Municipal Transportation Agency (SFMTA);

WHEREAS, due to its worsening financial situation, SamTrans has stated it will severely reduce its Caltrain contributions for FY2012, which in turn results in a corresponding major reduction in contributions from the other partner agencies;

WHEREAS, the decreased Caltrain contributions will result in a projected $30 million shortfall for FY2012, which would likely result in major service reductions comprised of: decreasing from 86 daily trains to 48 daily trains; elimination of weekend, evening and midday service; fare increases; station closures; and the elimination of service south of Diridon Station in San Jose;

WHEREAS, service reductions of this magnitude would seriously impact mobility in Santa Clara County and the Bay Area, increasing congestion, degrading quality of life and creating hardship for commuters, residents and businesses;

WHEREAS, to avoid draconian service reductions and preserve current Caltrain service, one or more strategies must be employed to address the immediate financial situation by providing some stop gap funding for the immediate future, to help bridge the gap until permanent funding solutions can be found;

WHEREAS, the Metropolitan Transportation Commission controls significant discretionary regional funding;

WHEREAS, included among these regional discretionary funds are: unprogrammed State Transportation Assistance (STA) funds; funds from the Regional Coordination Program; and STP/CMAQ Exchange Program funds;
NOW, THEREFORE, BE IT RESOLVED that the Santa Clara Valley Transportation Authority Board of Directors does hereby:

Request that the Metropolitan Transportation Commission (MTC) work with Caltrain and the partner agencies to identify discretionary regional funding that would not otherwise go to the partner agencies. Further, work with MTC to secure first call on any such funding identified as eligible for such purpose.

PASSED AND ADOPTED by the Santa Clara Valley Transportation Authority Board of Directors on March 3, 2011 by the following vote:

AYES:

NOES:

ABSENT:__________________________

MARGARET ABE-KOGA, Chairperson
Board of Directors

ATTEST:

______________________________
SANDRA WEYMOUTH, Secretary
Board of Directors

APPROVED AS TO FORM:

______________________________
KEVIN D. ALLMAND
General Counsel