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June 15, 2020

Honorable Commissioner Jim Spering
Members of the Blue-Ribbon Transit Recovery Task Force
Metropolitan Transportation Commission
375 Beale Street, Suite 800
San Francisco, CA 94105

Dear Chair Spering:

On behalf of the San Mateo County Economic Development Association (SAMCEDA), please accept these comments related to the Task Force's work in developing recommendations to the Metropolitan Transportation Commission (MTC) for a fair and data-driven allocation plan for remaining CARES Act transit recovery funding.

Of the many lessons we are learning from this crisis is the importance of equity. But realizing greater equity requires stimulating economic recovery. The pace and strength of the Bay Area's economic recovery is tied directly to the ability of San Francisco, San Mateo, and Santa Clara Counties to jumpstart their local and sub-regional economies. This will require Caltrain service.

Pre-pandemic, Caltrain facilitated the strength of our economy, covered 70% of its operating costs through fares, and was implementing a two-stage transformation which includes electrification (\$600M funded by MTC) and a 2040 service vision to triple capacity. **Impressive success without a dedicated source of funding.**

In the midst of the pandemic, Caltrain has invested the first round of CARES Act funding to maintain daily service for transit dependent riders despite a 95%+ drop in overall ridership, retain all employees as required by the CARES Act, continue construction on electrification and other infrastructure projects as essential work, plan for COVID-19 operating conditions and safety protocols, and expand the population of riders by implementing a 50% discount for low-income passengers. **Impressive crisis management without a dedicated source of funding.**

But until Caltrain returns to pre-pandemic farebox recovery levels, the system will need \$8 million per month to maintain operations and avoid insolvency. SAMCEDA urges MTC staff and Task Force members to consider the following input regarding the proposed "Consistent Revenue Loss Assumptions" percentages:

- The latest projections indicate that sales tax revenue loss for the March - August timeframe will not be as drastic as the proposed assumptions are projecting. Cities, counties and even transit agencies are also projecting a more rapid recovery of sales tax revenue in the September 2020 - March 2021 timeframe. We urge you to evaluate the full landscape of projections that Bay Area public agencies are using to forecast sales tax revenue and make adjustments to MTC's assumptions.



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- There are also major unknowns about the extent of revenues that are generated by drivers. As our counties open up, there is a high likelihood that more and more travelers will choose driving alone over shared ride alternatives. Revenue sources dependent on fuel consumption like State Transit Assistance and parking fees may not be impacted at the levels that MTC staff is projecting.
- The concept of 'truing up' services for the actual revenue losses they are experiencing is the right approach, but we must get it right. Agencies like Caltrain that are highly dependent on a single revenue source are vulnerable to catastrophic outcomes if the assumptions used by MTC are not as accurate as possible.
- Please also consider the concurrent work being done on Plan Bay Area 2050 where Caltrain remains a priority across several final blueprint strategies:
 - New Strategy #2; Spotlight Project #2A: Caltrain Enhanced Growth Scenario
 - New Strategy #3, Spotlight Project #3C: Caltrain Downtown Extension

The process to determine how to allocate remaining CARES Act transit recovery funding must be fair but must also reflect the most accurate assumptions being used by other public agencies and not be conducted in a silo without considering plans in something as important as Plan Bay Area 2050.

The San Mateo County Economic Development Association (SAMCEDA) represents a broad coalition of leading Bay Area businesses, major employers, educational institutions, community organizations and entrepreneurs. SAMCEDA is recognized for our experienced, impact-driven approach as a business advocacy organization which focuses on a strong economy, balanced public policy, and support for an unmatched quality of life for residents.

Thank you in advance for your consideration of these requests.

Sincerely,

Rosanne Foust
President & CEO
SAMCEDA