



## Senator Jerry Hill, 13<sup>th</sup> Senate District

### SB 797 – Voter Authorization for Caltrain Funding – 1/8 Cent Sales Tax

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## OVERVIEW

Authorizes the Peninsula Corridor Joint Powers Board (Caltrain) to put an 1/8 cent sales tax measure before the voters of San Francisco, San Mateo and Santa Clara counties anytime in the future with funding to be used for operating and capital purposes of the Caltrain rail service. Two-thirds of all the cumulative voters in the three counties would have to approve it.

Before it could be placed on the ballot it would have to go through the following steps:

- 2/3 vote of the Caltrain board
- 2/3 vote from the Boards of Supervisors for SF, San Mateo and Santa Clara Counties.
- Majority vote of each of the transit districts: SF Municipal Transportation Agency, San Mateo County Transit District, Santa Clara Valley Transportation Authority

The bill also allows each county to exceed their tax limit since some are at or near the limit.

## BACKGROUND

Caltrain is the only passenger rail service in the country that relies on voluntary annual contributions from its three funding partners, in order to cover its yearly operations costs. Caltrain's three funding partners are the Santa Clara Valley Transportation Authority, the San Mateo County Transit District, and the City and County of San Francisco. A formula based on ridership determines the yearly contribution from each entity.

This unorthodox funding structure presents a significant challenge for Caltrain when conducting budget forecasting, near-term and long-term service planning and funding capital improvements.

A perpetual 1/8 cent sales tax across the three Caltrain Counties will generate approximately \$100 million per year. The revenue collected will cover the annual contributions from the three counties for operations funding and will provide roughly \$60-70 million per year to fund the aging system's ongoing maintenance needs and to build new infrastructure that will greatly increase the capacity and efficiency of Caltrain service.

## CALTRAIN CORRIDOR

The Caltrain Corridor closely parallels Highway 101 between San Francisco and San Jose. Highway 101 is one of the most congested highway corridors in the country and is an economic juggernaut, important to ALL of California:

- The Caltrain Corridor between San Jose and San Francisco is home to 1.6 million jobs.
- It produces 20 percent of the sales tax revenue generated in the entire state;
- It produces 13 percent of our State's Gross Domestic Product;
- It produces 53 percent of all the patents filed from California.

This strong growth is visible through the rapid increase in Caltrain's daily ridership. During commute periods, many trains are currently operating at over 125% of capacity.

## THE SOLUTION

Caltrain has developed a Caltrain Modernization (CalMod) Program. The CalMod Program outlines various stages of upgrades and modernization that would need to occur in order to maximize the ridership and benefits to the region. These improvements include the electrification of the corridor, the addition of high performance electric trains, installation of an advanced signal system, and station upgrades to accommodate increased service and more riders.

Funding has been secured to complete the first phase of the CalMod program, which includes corridor electrification and conversion of 75 percent of Caltrain's fleet to electric trains.

Additional funding is needed to fully convert Caltrain's fleet, operate longer trains, lengthen station platforms and upgrade stations to include "level boarding", which decreases dwell time and facilitates the operation of more service.

In May of 2017, 1,200 likely voters in Santa Clara, San Mateo and San Francisco Counties were asked the

following question: "For the purpose of easing traffic on Highways 101, I-280 and the El Camino Real corridors, and reducing air pollution by converting Caltrain rail service to run on cleaner-burning electricity rather than diesel fuel, and doubling Caltrain ridership capacity between Santa Clara, San Mateo and San Francisco counties, shall the Caltrain Joint Powers Board enact a one-eighth cent sales tax with annual audits overseen by an Independent Citizens Watchdog Committee to ensure accountability and project compliance?"... Would you vote "Yes" or "No" on this measure?

74 percent of respondents said they would vote YES on this measure.

## **EDITORIAL SUPPORT**

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San Francisco Chronicle

## **SUPPORT**

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Silicon Valley Leadership Group  
San Francisco Bay Area Planning and Urban Research Association  
San Mateo County Economic Development Association  
Peninsula Corridor Joint Powers Board (Caltrain)  
San Mateo County Transportation Authority  
San Mateo County Transit District  
Santa Clara Valley Transportation Authority  
Metropolitan Transportation Commission  
Northern California Carpenters Regional Council  
State Building and Construction Trades Council  
City of Sunnyvale

## **FOR MORE INFORMATION**

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