



February 20, 2017

To: Members of the Board of Directors
From: Jennifer L. Bergener, Managing Director
Subject: Draft Business Plan for Fiscal Years 2019-20 and 2020-21

Overview

The Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency is required to submit an annual business plan to the California State Transportation Agency by April 1 of each year that provides the basis for its annual budget request, outlines operations and service goals, and discusses any proposed changes to the Pacific Surfliner service. Staff has prepared an outline and selected draft chapters of the business plan for fiscal years 2019-20 and 2020-21 for the Board of Directors' review.

Recommendation

Direct staff to incorporate comments received from the Technical Advisory Committee, member agencies, and the Board of Directors into the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency Business Plan for Fiscal Years 2019-20 and 2020-21, and return to the Board of Directors on March 18, 2019 to seek final approval.

Background

Per the interagency transfer agreement (ITA) between the Los Angeles – San Diego – San Luis Obispo (LOSSAN) Rail Corridor Agency (Agency) and the California Department of Transportation, and the LOSSAN Joint Powers Agreement, the LOSSAN Agency must develop a business plan to be approved by the LOSSAN Agency Board of Directors (Board) and submitted to the Secretary of the California State Transportation Agency (CalSTA) by April 1 of each year. The business plan is a two-year planning, operations, and budget document, and the LOSSAN Agency's annual budget request must be consistent with the approved business plan.

The initial LOSSAN Agency business plan was submitted to CalSTA concurrent with the ITA in June 2015, and covered fiscal year (FY) 2015-16 and FY 2016-17. It included a detailed background and history on the Pacific Surfliner

service as it was the first business plan prepared by the LOSSAN Agency. The submittal for FY 2019-20 simplifies some of the historical information previously provided, and instead focuses primarily on how the LOSSAN Agency will continue to work toward exceeding the performance metrics established by CalSTA. It outlines operational strategies, equipment maintenance, marketing programs, safety and security measures, as well as a discussion of upcoming planned service expansion. A draft budget will be included as part of the annual business plan but will be revised and resubmitted for final approval by June 30, following receipt of annual operating revenue and expense estimates from Amtrak for federal FY 2019-20. The operating revenue and expense estimates are typically not received from Amtrak until after the April 1 deadline for submitting the annual business plan. As part of the approval letter for the current business plan, CalSTA has allowed for this adjustment to the budget to provide sufficient time for the LOSSAN Agency to address any revisions necessary following the receipt of annual operating expense and revenue estimates from Amtrak.

On January 30, 2019, the LOSSAN Board reviewed a list of key assumptions for the LOSSAN Agency business plan for FY 2019-20 and FY 2020-21, and directed staff to incorporate those assumptions into the final draft of the business plan.

Discussion

An outline of the proposed FY 2019-20 and FY 2020-21 business plan is provided below:

1. Introduction
 - a. Background
 - b. Purpose of plan and audience
 - c. Description of LOSSAN Agency and governance structure
 - d. List of stakeholders
2. Historical Performance of the Pacific Surfliner
 - a. Update on recent and historical performance (ridership, revenue, farebox recovery, on-time performance, service levels)
3. Operating Plan
 - a. Proposed service levels and changes
 - b. Future service planning
4. Performance Standards and Metrics
 - a. Track results and trends against the established metrics
 - b. Outline action plan for future years

5. Capital Improvement Program
 - a. Describe short- and long-term capital improvement programs in LOSSAN rail corridor, including coordination efforts among member agencies
6. Fare Policy
 - a. Discuss current fare policy
 - b. Outline available discounts
7. Network Integration
 - a. Describe how Pacific Surfliner service fits within statewide network integration efforts, including conventional and high-speed rail
 - b. Discuss route and schedule coordination with Amtrak Thruway bus services, other intercity rail corridors, and commuter rail services, including San Joaquin Corridor, Metrolink, and COASTER
 - c. Discuss route and schedule coordination with local transit services
8. Passenger Amenities
 - a. Describe progress in efforts to improve passenger experience, including onboard services, food and beverage, stations, etc.
9. Equipment
 - a. Discuss existing equipment fleet, including limitations and opportunities to expand capacity
 - b. Discuss oversight of equipment maintenance
10. Marketing
 - a. Outline approach for building a strategic framework that drives growth of Pacific Surfliner marketing initiatives
 - b. Describe foundational components necessary to support marketing efforts that leverage cost-effective, data-driven and agile approaches to growing awareness and ridership
11. Funding
 - a. Discussion of annual budget process
 - b. Proposed Amtrak Operating budget, administrative and marketing budget, and capital budget, including proposed funding requirements for the upcoming fiscal years to maintain anticipated level of services
 - c. Discussion of separation of funding between state-funded intercity rail service from locally funded services
12. Government Relations and Legislative Advocacy
 - a. Discuss proposed advocacy efforts at the federal, state, and local levels
 - b. Outline key legislative initiatives per adopted LOSSAN Legislative Program

13. Safety and Security
 - a. Plans to ensure safety and security onboard Pacific Surfliner trains and at stations
 - b. Discuss emergency preparedness efforts in coordination with Amtrak and host railroads
14. Emerging Corridors
 - a. Discuss progress of work on emerging corridors, including Coachella Valley and Coast Daylight services

Next Steps

Staff will incorporate comments received from the Technical Advisory Committee, member agencies and the Board into the draft chapters that have been shared, and finalize the remaining business plan chapters. The remaining draft chapters will be shared with member agencies and stakeholders for comment. The complete final draft of the business plan for FY 2019-20 and FY 2020-21 will be presented to the Board for review and approval at the March 18, 2019 meeting.

Summary

Consistent with the requirements of the interagency transfer agreement, staff has developed an outline of the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency business plan for Fiscal Year 2019-20 and Fiscal Year 2020-21, and drafted select chapters for Board of Directors review. The final draft of the business plan will be submitted to the Board of Directors for review and approval prior to the April 1, 2019, submittal deadline.

Attachment

- A. Draft Fiscal Year 2019-20 and Fiscal Year 2020-21 Business Plan Chapters

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