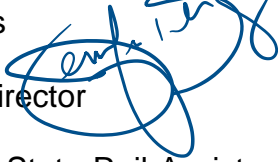




**September 16, 2019**

**To:** Members of the Board of Directors

**From:** Jennifer L. Bergener, Managing Director 

**Subject:** Business Class Refresh Project - State Rail Assistance Program Funding

### **Overview**

The Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency continues to improve the amenities offered to passengers on the Pacific Surfliner service. On June 17, 2019, the Board of Directors authorized a project to upgrade the business class passenger experience by upgrading the business class rail cars. The State Rail Assistance program, an element of Senate Bill 1, provides funding for both operations and capital improvements to commuter and intercity rail services. An overview of the business class refresh project and recommendation for inclusion in the State Rail Assistance program of projects is presented for Board of Directors review and approval.

### **Recommendations**

- A. Approve the use of \$300,000 in fiscal year 2018-19 State Rail Assistance formula funds for the business class refresh project.
- B. Authorize the managing director to negotiate and execute all necessary agreements to facilitate the utilization of State Rail Assistance funding as described herein.

### **Background**

The Pacific Surfliner business class service is a valued and successful amenity offered to passengers. Over the last three years, the Los Angeles – San Diego – San Luis Obispo (LOSSAN) Rail Corridor Agency (Agency) has successfully implemented an expanded business class service by increasing the number of available seats and improving the food and beverage offerings. The LOSSAN Agency has also worked to increase marketing efforts to highlight the business class enhancements.

Senate Bill 1 (SB 1) is intended to provide a significant source of funding to improve California's transportation infrastructure and includes approximately \$440 million specifically for commuter and intercity rail services through the State Rail Assistance (SRA) program. The SRA is intended to fund both operational and capital improvements. The business class refresh project (Project) is eligible for SRA funding.

### ***Discussion***

The LOSSAN Agency's expanded business class service continues favorable performance. Implementation of expanded business class service has resulted in an increase in fare revenue that has averaged over 16.8 percent per year since the program inception. The LOSSAN Agency proposes to further enhance the business class service by providing a consistent and upgraded passenger experience through the Project. This will improve the customer experience by refreshing seating, improving onboard passenger information, and other minor improvements. The work will be performed by Amtrak in coordination with the LOSSAN Agency.

The Project will include: replacing all seat cushions with leatherette in 10 Pacific Surfliner business class cars; and replacing seat frames and cushions in the two California Department of Transportation (Caltrans)-owned business class cars to be consistent with the rest of the fleet; adding three additional rows of seating (total of 80 seats), and adding five tables to 10 Amtrak-owned Superliner cars (dedicated for business class service on the Pacific Surfliner). This work is estimated by Amtrak to cost \$1.5 million and anticipated to be completed by December 2020.

Caltrans has authorized \$1.2 million in funding for this Project. Staff is recommending that the necessary balance of \$300,000 in funding be taken from available SRA formula funds that have been allocated to the LOSSAN Agency. At the June 17, 2019 meeting, the Board of Directors authorized an amendment to the federal fiscal year (FY) 2018-19 Amtrak operating agreement to include this project. The LOSSAN Agency's FY 2019-20 amended budget includes the operating and grant funding capacity necessary for this Project.

***Summary***

The Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency continues to respond to passenger demand by offering an expanded business class experience. A project to refresh and improve the customer experience by enhancing the business class rail cars has been approved by the Board of Directors. Currently, the project is in need of \$300,000 in additional funding. Staff is requesting Board of Directors' approval to submit the business class refresh project for State Rail Assistance program formula funds.

***Attachment***

None.

**Prepared by:**

A handwritten signature in black ink, appearing to read 'Roger M. Lopez', with a long horizontal line extending to the right.

Roger M. Lopez  
Manager, Planning and Analysis  
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