

Metropolitan Transportation Commission Programming and Allocations Committee

September 13, 2017

Agenda Item 3a

MTC Resolution No. 4302

Subject: Funding commitments for the BART Transbay Corridor Core Capacity Project.

Background: BART's Transbay Corridor Core Capacity (TCCC) Project is a coordinated package of investments that will increase capacity between San Francisco and Oakland by more than 30%. These investments include upgraded train control systems, Phase 2 of the Hayward Maintenance Center expansion, enhanced traction power systems, and 306 additional railcars. The total cost of the project is \$3.5 billion.

BART is applying for \$1.25 billion in Federal Transit Administration (FTA) Capital Investment Grant (CIG) funds as part of the funding plan for the TCCC project. In order to be considered for inclusion in the Administration's FY2018-19 recommendations for CIG funding, FTA is requiring BART to demonstrate that up to 50% of the non-CIG funds in the funding plan for the portion of the project that is eligible for CIG (\$730 million) is committed to the project.

In 2013 the Commission adopted the Core Capacity Challenge Grant Program (MTC Resolution 4123, Revised), which committed \$7.5 billion in federal and regional funds to a suite of transit capital projects designed to increase the capacity and state of good repair of transit in the urban core of the region. This included \$335 million for BART expansion railcars and train control modernization that are now part of the TCCC project. In order for MTC's contribution to count toward the 50% committed funds requirement, FTA has requested that the Commission take an action to commit the funds that identifies specific funding sources for each project, and that programs the funds in the regional Transportation Improvement Program (TIP).

To assist in meeting the commitment requirement, this item proposes to commit a total of \$179 million to the TCCC project from the BART Car Replacement Exchange Account funds for the expansion railcars, which would be programmed in the TIP in Item 2c on this agenda. The proposed amount is consistent with the commitments MTC previously made in Resolution 4123. The balance of MTC's \$335 million commitment would be programmed in future years based on the cash flow needs of the TCCC project.

The BART Car Replacement Exchange Account was established in 2006 under an agreement with BART authorized by MTC Resolution 3738, Revised. Under the agreement, MTC has programmed federal formula funds to BART's preventive maintenance program, and BART has deposited an equal amount of its local funds into the exchange account, which is reserved for future expenditure on BART's railcar procurement program.

BART has also committed approximately \$480 million of its capital allocation funds to the TCCC project. BART plans to identify other sources to cover the remaining 10% of the FTA requested commitment.

BART TCCC Funding Commitments (\$millions)	
Costs	
Program Total	3,511
CIG-Eligible Cost Total	2,710
Funding for CIG-Eligible Portion	
CIG	1,250
Other Funds	1,460
FTA-Requested Commitment	730
Funding Commitment in This Action	
MTC – Exchange Account	179
BART Capital Allocation Funds	480
State TIRCP or Other Sources TBD	71
<i>Total</i>	<i>730</i>

Issues: None.

Recommendation: Refer MTC Resolution No. 4302 to the Commission for approval.

Attachments: MTC Resolution No. 4302

Date: September 27, 2017
W.I.: 1512
Referred by: PAC

ABSTRACT

MTC Resolution No. 4302

This resolution makes a commitment of up to \$179 million from the BART Car Replacement Funding Exchange Account to BART for the costs of new railcars included in BART's Transbay Corridor Core Capacity Project (TCCC Project), to support the advancement of the TCCC Project for funding through the Federal Transit Administration's Capital Investment Grant Program.

Further discussion of these actions is contained in the Programming and Allocations Committee summary sheet dated September 13, 2017.

Date: September 27, 2017

W.I.: 1512

Referred by: PAC

RE: Commitment of up to \$179 million from the BART Car Replacement Funding Exchange Account to BART for the costs of new railcars included in BART's Transbay Corridor Core Capacity Project (TCCC project), to support the advancement of the TCCC Project for funding through the Federal Transit Administration's Capital Investment Grant Program.

METROPOLITAN TRANSPORTATION COMMISSION
RESOLUTION NO. 4302

WHEREAS, the Metropolitan Transportation Commission (MTC) is the regional transportation planning agency for the San Francisco Bay Area pursuant to Government Code Section 66500 *et seq.*; and

WHEREAS, in 2006 MTC adopted Resolution 3738 which authorized an agreement between MTC and the Bay Area Rapid Transit District (BART) to help fund BART's car replacement program by exchanging federal, state, and local funds for BART local funds and establishing a reserve for such funds, the BART Car Replacement Funding Exchange Account (Exchange Account); and

WHEREAS, in 2013 MTC adopted Resolution 4123, which committed \$7.5 billion in federal and regional funds to a suite of transit capital projects designed to increase the capacity of the transit system in the urban core of the region, including funds for expansion of BART's railcar fleet and modernization of BART's train control system; and

WHEREAS, BART has proposed a Transbay Corridor Core Capacity Project (TCCC Project), a comprehensive and coordinated package of investments, including expansion of BART's railcar fleet and modernization of BART's train control system, that will increase capacity between San Francisco and Oakland by more than 30 percent; and

WHEREAS, the funding plan for the TCCC Project includes funds committed by MTC in Resolution 4123 for expansion of BART's railcar fleet and modernization of BART's train control system; and

WHEREAS, BART is seeking \$1.25 billion for the TCCC project from the Federal Transit Administration's (FTA) Capital Investment Grant (CIG) Program; and

WHEREAS, FTA has required BART to demonstrate that up to 50% of the non-CIG funds in the funding plan for the TCCC Project are committed to the project before FTA will consider including a recommendation of CIG funding for the TCCC Project in FTA's annual CIG program recommendations for FY2019; and

WHEREAS, the Exchange Account currently has a balance of approximately \$382 million, which is unencumbered and available for expenditure, and which is sufficient to meet MTC's commitment to expansion cars included in the TCCC Project; and, in combination with other regional funds, to meet MTC's commitments to help fund BART's railcar replacement program;

NOW, THEREFORE, BE IT RESOLVED that the Metropolitan Transportation Commission hereby approves the commitment of up to \$179 million from the Exchange Account to the TCCC Project, and authorizes BART to request the withdrawal of up to \$179 million from the Exchange Account for the cost of expansion cars included in the TCCC Project, so that the Exchange Account as a whole is committed to BART's railcar procurement program, including replacement cars, expansion cars and the costs of financing the procurement of BART railcars; and be it further

RESOLVED, that the Executive Director or his designee is authorized to execute any necessary documents, and to take any additional actions necessary, to give effect to this resolution; and be it further

RESOLVED, that the Executive Director shall forward a copy of this resolution, and such other information as may be required to the FTA, BART, and to such other agencies as may be appropriate.

METROPOLITAN TRANSPORTATION COMMISSION

Jake Mackenzie, Chair

The above resolution was entered into by the Metropolitan Transportation Commission at a regular meeting of the Commission held in San Francisco, California, on September 27, 2017.