

**Metropolitan Transportation Commission
Programming and Allocations Committee**

September 4, 2019

Agenda Item 3a

MTC Resolution No. 4169, Revised

Subject: Allocation of approximately \$46 million of BATA Project Savings funds to SFMTA to support their bus procurement project.

Background: This item proposes to allocate approximately \$46 million of BATA Project Savings funds to SFMTA. When the FY2016-17 through FY2019-20 Transit Capital Priorities (TCP) Program was first adopted in March 2017, staff proposed shifting approximately \$69 million of AB 664 Net Bridge Toll Revenue funds and \$83 million of BATA Project Savings funds (a total of \$152 million) from BART to SFMTA as part of a larger plan to use the the proceeds of a proposed financing for the BART Railcar Procurement project and to advance the SFMTA bus project. At that time, those funds were programmed to SFMTA, but were held contingent on finalizing the details of the BART car financing.

In June 2018, the Commission granted SFMTA's request to allocate \$78 million of the \$152 million of bridge tolls (\$41 million of AB 664 funds and \$37 million of BATA Project Savings funds) to meet the cash flow needs of their 40-ft and 60-ft motor coach procurements that were in delivery.

Recently, SFMTA staff requested that the remaining BATA Project Savings Funds that are programmed but unallocated - \$46 million - be allocated to meet the cash flow needs of their trolleybus procurement that is in delivery. Correspondingly, the condition on these funds regarding financing would be removed. The balance of AB 664 funds - approximately \$28 million - would remain unallocated and contingent on financing being finalized.

At the time these funds were shifted from BART to SFMTA, it was anticipated that financing would be executed and secured sometime in 2017 or 2018. Since that time, the BART car project has proceeded more slowly than expected. However, a Letter of No Prejudice from FTA has been secured, which is an important step in advancing the financing. Meanwhile the SFMTA projects to which the Bridge Tolls were programmed have moved forward on schedule.

Staff is recommending this allocation to allow SFMTA to meet cash flow needs.

Issues: The TCP programming projections still assume approximately \$950 million in financing proceeds will be needed for the BART Car project, starting in FY2021.

Recommendation: Refer MTC Resolution No. 4169, Revised, to the Commission for approval.

Attachments: MTC Resolution No. 4169, Revised



Therese W. McMillan

Date: January 28, 2015
W.I.: 1511
Referred by: PAC
Revised: 09/23/15-C 01/27/16-C
12/21/16-C 03/22/17-C
12/20/17-C 06/27/18-C
01/23/19-C 05/22/19-C
09/25/19-C

ABSTRACT

Resolution No. 4169, Revised

This resolution establishes the program of projects for BATA Project Savings and allocates these funds to eligible projects.

The following attachment is provided with this resolution:

Attachment A – Program of Projects

Attachment B – Allocations

This resolution was revised on September 23, 2015 to update the conditions associated with the programming of \$84 million of BATA project savings to SFMTA's Light Rail Vehicle purchase (LRV) project, in order to reflect the updated amount of AB 664 funds programmed to the project.

This resolution was revised on January 27, 2016 to program and allocate \$24,922,916 in BATA Project Savings towards AC Transit's Fleet Replacement consistent with the Core Capacity Challenge Grant Program funding plan.

This resolution was revised on December 21, 2016 to de-program \$23,014,657 in BATA Project Savings funds from SFMTA's LRV project due to receipt of TIRCP funding of the same amount in FY2015-16 and update the conditions associated with the programming to reflect the updated amount of AB 664 and BATA Project Savings funds programmed to the project.

This resolution was revised on March 22, 2017 to program and allocate \$5,248,522 in BATA Project Savings funds to AC Transit and program \$23,040,236 and allocate \$4,649,495 in BATA Project Savings funds to SFMTA towards their Fleet Replacement projects.

ABSTRACT

MTC Resolution No. 4169, Revised

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This resolution was revised on December 20, 2017 program and allocate \$20,167,986 in BATA Project Savings funds to AC Transit and program \$83,921,695 and allocate \$8,091,805 in BATA Project Savings funds to SFMTA toward their Fleet Replacement projects.

This resolution was revised on June 27, 2018 to allocate \$37,270,041 in BATA Project Savings funds to SFMTA toward their Fleet Replacement projects, consistent with the commitments of the Core Capacity Challenge Grant Program, and de-program \$26,867,000 in BATA Project Savings funds from SFMTA's LRV project due to receipt of TIRCP funding of the same amount in FY2017-18 and update the conditions associated with the programming to reflect the updated amount of BATA Project Savings funds programmed to the project.

This resolution was revised on January 23, 2019 to update the programming conditions on SFMTA's LRV Expansion programming from FY2014-15, program an additional \$24,999,671 and allocate \$59,118,014 to SFMTA's LRV Expansion, and program \$5 million for SFMTA projects to execute a funding exchange for their Central Subway project.

This resolution was revised on May 22, 2019 to deprogram \$5 million and remove a project from SFMTA's programming to reflect changes made in the Transit Capital Priorities Program.

This resolution was revised on September 25, 2019 to allocate \$45,729,959 in BATA Project Savings funds to SFMTA toward their Fleet Replacement projects, consistent with the commitments of the Core Capacity Challenge Grant Program, and remove a funding condition related to financing.

Further discussion of this action is contained in the MTC Programming and Allocations Committee summary sheet dated January 14, 2015, September 9, 2015, January 13, 2016, December 14, 2016, March 8, 2017, December 13, 2017, June 13, 2018, January 9, 2019, May 8, 2019, and September 4, 2019.

Date: January 28, 2015
W.I.: 1511
Referred by: PAC

RE: Programming and allocation of BATA Project Savings

METROPOLITAN TRANSPORTATION COMMISSION
RESOLUTION NO. 4169

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, Streets and Highways Code Sections 30950 *et seq.* created the Bay Area Toll Authority (“BATA”) which is a public instrumentality governed by the same board as that governing MTC; and

WHEREAS, pursuant to Streets and Highways Code (SHC) Section 31010(b), funds generated in excess of those needed to meet the toll commitments as specified by paragraph (4) of subdivision (b) of Section 188.5 of the SHC shall be available to BATA for funding projects consistent with SHC Sections 30913 and 30914; and

WHEREAS, the BATA Project Savings are bridge toll funds made available from project and financing savings on BATA’s Regional Measure 1 and Toll Bridge Seismic Retrofit programs; and

WHEREAS, MTC adopted Resolution No. 4123, Revised, which established an investment plan for MTC’s Transit Core Capacity Challenge Grant Program that targets federal, state, and regional funds to high-priority transit capital projects between FY2014-15 and FY2029-30, and as part of this investment plan, BATA Project Savings were assigned to certain projects; and

WHEREAS, BATA staff has determined that the Transit Core Capacity Challenge Grant Program is a bridge improvement project that improves the operations of the state-owned toll bridges; and

WHEREAS, BATA has adopted BATA Resolution No. 111, Revised, to amend the BATA budget to include the Transit Core Capacity Challenge Grant Program; and

WHEREAS, BATA has adopted BATA Resolution No. 72, Revised, to amend the BATA Long Range Plan to include the Transit Core Capacity Challenge Grant Program; now, therefore, be it

RESOLVED, that MTC approves the program of projects for BATA Project Savings, for the purposes, and subject to the conditions listed on Attachment A to this resolution, attached hereto and incorporated herein as though set forth at length; and, be it further

RESOLVED, that MTC approves the allocation and reimbursement of BATA Project Savings in accordance with the amount, conditions and reimbursement schedule for the phase, and activities as set forth in Attachment B; and, be it further

RESOLVED, that should the allocation of BATA Project Savings be conditioned on the execution of a funding agreement, that the Executive Director or his designee is authorized to negotiate and enter into a funding agreement with claimant that includes the provisions contained in Attachment A and B.

METROPOLITAN TRANSPORTATION COMMISSION



Amy Rein Worth, Chair

The above resolution was entered into by the Metropolitan Transportation Commission at a regular meeting of the Commission held in Oakland, California, on January 28, 2015.

Date: January 28, 2015
W.I.: 1511
Referred by: PAC
Revised: 09/23/15-C 01/27/16-C
12/21/16-C 03/22/17-C
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Attachment A
Resolution No. 4169
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PROGRAM OF BATA PROJECT SAVINGS FUND PROJECTS

FY2014-15 Program of Projects

| Operator | Project | Amount | Conditions |
|-------------------------------------|--------------------------------|-------------------|---|
| SFMTA | Fleet Expansion - LRV Purchase | 34,118,343 | This programming counts toward MTC share of replacement LRVs. |
| Total FY2014-15 Programming: | | 34,118,343 | |

FY2015-16 Program of Projects

| Operator | Project | Amount | Conditions |
|-------------------------------------|---|-------------------|------------|
| AC Transit Projects | | | |
| | Replace 29 40-ft Artic Urban buses | | |
| | Purchase 10 40-ft urban buses - Zero-Emission Fuel Cell | | |
| | Purchase 10 double-decker diesel buses | | |
| | <i>Total AC Transit Programming</i> | <i>24,922,916</i> | |
| Total FY2015-16 Programming: | | 24,922,916 | |

FY2016-17 Program of Projects

| Operator | Project | Amount | Conditions |
|-------------------------------------|-------------------------------------|-------------------|------------|
| AC Transit Projects | | | |
| | Purchase 19 60-ft Artic Urban buses | | |
| | <i>Total AC Transit Programming</i> | <i>5,248,522</i> | |
| SFMTA Projects | | | |
| | Replacement of 60' Trolley Coaches | | |
| | <i>Total SFMTA Programming</i> | <i>12,967,639</i> | |
| Total FY2016-17 Programming: | | 18,216,161 | |

FY2017-18 Program of Projects

| Operator | Project | Amount | Conditions |
|-------------------------------------|--|-------------------|---|
| AC Transit Projects | | | |
| | Purchase (59) 40-ft Urban Buses - Diesel | | |
| | <i>Total AC Transit Programming</i> | <i>16,560,759</i> | |
| SFMTA Projects | | | |
| | Replacement of 40-ft Trolley Coaches | | This programming action is conditioned on Commission approval and execution of final terms of financing, allowing for approximately \$46 million of BATA project savings to be reprogrammed from BART to SFMTA and replaced with proceeds of financing. Should financing not be completed, \$46 million would be reprogrammed back to BART. |
| | Replacement of 60-ft Motor Coaches | | |
| | Replacement of 30-ft Motor Coaches | | |
| | <i>Total SFMTA Programming</i> | <i>79,638,569</i> | |
| Total FY2017-18 Programming: | | 96,199,328 | |

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Attachment A
Resolution No. 4169
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PROGRAM OF BATA PROJECT SAVINGS FUND PROJECTS

FY2018-19 Program of Projects

| Operator | Project | Amount | Conditions |
|-------------------------------------|---|-------------------|---|
| AC Transit Projects | | | |
| | Replace (24) 60-ft Urban Buses - Hybrid | | |
| | <i>Total AC Transit Programming</i> | 2,321,181 | |
| SFMTA Projects | | | |
| | Fleet Expansion - LRV Purchase | | Note: \$24,999,671 programmed in January 2019. Programming counts toward MTC share of replacement LRVs. |
| | 40-ft Motor Coach Midlife Overhaul | | |
| | Replace 35 Paratransit Cutaway Vans | | |
| | <i>Total SFMTA Programming</i> | 27,452,111 | |
| Total FY2018-19 Programming: | | 29,773,292 | |

FY2019-20 Program of Projects

| Operator | Project | Amount | Conditions |
|-------------------------------------|---|------------------|------------|
| AC Transit Projects | | | |
| | Replace (27) 40-ft Urban Buses - Hybrid | | |
| | <i>Total AC Transit Programming</i> | 1,286,046 | |
| SFMTA Projects | | | |
| | Muni Rail Replacement | | |
| | 40-ft Motor Coach Midlife Overhaul | | |
| | <i>Total SFMTA Programming</i> | 1,830,686 | |
| Total FY2019-20 Programming: | | 3,116,732 | |

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 03/22/17-C
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 09/25/19-C

Attachment B
 Resolution No. 4169
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ALLOCATIONS TO BATA PROJECT SAVINGS FUNDED PROJECTS

| Operator | Project | Date | Amount | Allocation No. | Notes |
|---------------------------|---------------------------------|------------|--------------------|----------------|-----------------|
| AC Transit | Projects Listed on Attachment A | 1/27/2016 | 24,922,916 | 16-4169-01 | See Notes below |
| AC Transit | Projects Listed on Attachment A | 3/22/2017 | 5,248,522 | 17-4169-01 | See Notes below |
| SFMTA | Projects Listed on Attachment A | 3/22/2017 | 4,649,495 | 17-4169-02 | See Notes below |
| AC Transit | Projects Listed on Attachment A | 12/20/2017 | 16,560,759 | 18-4169-01 | See Notes below |
| SFMTA | Projects Listed on Attachment A | 12/20/2017 | 4,956,713 | 18-4169-02 | See Notes below |
| SFMTA | Projects Listed on Attachment A | 6/27/2018 | 37,270,041 | 18-4169-03 | See Notes below |
| SFMTA | Projects Listed on Attachment A | 1/23/2019 | 59,118,014 | 19-4169-01 | See Notes below |
| SFMTA | Projects Listed on Attachment A | 9/25/2019 | 45,729,959 | 20-4169-01 | See Notes below |
| Total Allocations: | | | 198,456,419 | | |

Notes:

- ¹ Acceptance of allocations requires operator agreement to comply with the provisions of the AB 664 Net Bridge Toll Revenues section of MTC Resolution No. 4015 and that any BATA Project Savings funds received shall be subject to MTC Resolution No. 4015, unless otherwise agreed to herein.