

Metropolitan Transportation Commission

April 22, 2020

Agenda Item 7a

MTC Resolution No. 3823, Revised

Subject: Regional Measure 2 (RM2) Project 37: Allocation of \$40.0 million in RM2 funds to the San Francisco Bay Area Rapid Transit District (BART) for procurement of rail cars.

Background: BART's Railcar Replacement project will procure 775 new railcars to replace the 669 vehicles in the existing fleet as they reach the end of their useful life and add an additional 106 new railcars for BART expansion, for a total of 775 new railcars. The total estimated cost of BART's contract with Bombardier Transportation to procure these railcars is \$2.6 billion.

As of February 25, 2020, BART has received 161 new railcars and has tested, certified, and put into service 88 cars, for a total of 9 new full train sets. BART expects to have all 775 cars in service by the end of December 2026. Manufacturing of railcars for this project is continuing despite the COVID-19 crisis, necessitating allocation of these funds to maintain cash flow on the project.

In 2016, through a public hearing process, the Commission programmed \$40.0 million in unneeded financing reserves to RM2 Project 37, BART Transit Capital Rehabilitation, and updated the project description to allow for the purchase of replacement BART cars. In total, the RM2 BART Transit Capital Rehabilitation project programmed amount is \$64 million.

This item is a request to add RM2 subproject 37.2, BART Railcar Replacement, and to allocate \$40.0 million in RM2 funds programmed under the BART Transit Capital Rehabilitation Project to BART for progress payments associated with the contract with Bombardier to procure replacement vehicles.

Overall, MTC has committed over \$1.7 billion of regionally-controlled funds for the railcar replacement project. The funding plan below shows MTC's commitment along with other fund sources on the project.

Table 1. BART Railcar Replacement Project Funding Plan Summary

Source	Amount (\$millions)
FTA/FHWA Funds & Financing Proceeds	1,295
BART (incl. LCTOP & STA)	499
BART Car Exchange Account	252
Santa Clara Valley Transportation Authority (VTA)	200
SFO Net Operating Reserves Account	145
California High-Speed Rail Authority	140
Regional Measure 2 Funds	53
Total	\$ 2,584

- Issues:** Following action by the Commission in October 2016, staff has been pursuing financing against future FTA revenues to fund major capital projects in the TCP program. As part of this process, MTC has obtained a Letter of No Prejudice (LONP) from FTA, authorizing the use of about \$1 billion of future FTA formula funds to be used to repay debt service on financing. This is included in Table 1 above. There is a related item on the Bay Area Infrastructure Financing Authority (BAIFA) agenda today, as BAIFA is proposed to be the issuer per the LONP. Staff will return to the Commission in the coming months with more details about this process and to request authorization to proceed.
- Recommendation:** Staff requests that the Commission approve MTC Resolution No. 3823, Revised.
- Attachments:** MTC Resolution No. 3823, Revised.



Therese W. McMillan

Date: September 26, 2007
W.I.: 1255
Referred by: PAC
Revised: 04/23/08-DA
04/22/20-C

ABSTRACT

MTC Resolution No. 3823

This resolution approves the allocation of Regional Measure 2 funds for the Transit Capital Rehabilitation project sponsored and implemented by the Bay Area Rapid Transit District (BART).

This resolution includes the following attachments:

Attachment A - Allocation Summary Sheet

Attachment B - Project Specific Conditions for Allocation Approval

Attachment C - MTC staff's review of BART's Initial Project Report (IPR) for this project

Attachment D - RM2 Complementary Funding Plan for RM2 Allocated Funds

This resolution was revised on April 23, 2008, through Delegated Authority, to allow BART to do a non-proportionate drawdown to spend the \$ 24,000,000 allocated in Regional Measure 2 funds in advance of the other funds on the project.

The resolution was revised on April 22, 2020 to allocate \$40,000,000 to project 37.2 for the procurement of BART rail cars.

Additional discussion of these allocations are contained in the MTC Programming and Allocations Committee Summary Sheet dated September 12, 2007 and the Commission Summary Sheet dated April 22, 2020.

Date: September 26, 2007
W.I.: 1255
Referred by: PAC

Re: Approval of Allocation of Regional Measure 2 funds for the Transit Capital Rehabilitation Project

METROPOLITAN TRANSPORTATION COMMISSION
RESOLUTION No. 3823

WHEREAS, pursuant to Government Code Section 66500 *et seq.*, the Metropolitan Transportation Commission (“MTC”) is the regional transportation planning agency for the San Francisco Bay Area; 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, on March 2, 2004, voters approved Regional Measure 2, increasing the toll for all vehicles on the seven state-owned toll bridges in the San Francisco Bay Area by \$1.00, with this extra dollar funding various transportation projects within the region that have been determined to reduce congestion or to make improvements to travel in the toll bridge corridors, as identified in SB 916 (Chapter 715, Statutes of 2004), commonly referred as Regional Measure 2 (“RM2”); and

WHEREAS, RM2 establishes the Regional Traffic Relief Plan and lists specific capital projects and programs and transit operating assistance eligible to receive RM2 funding as identified in Streets and Highways Code Sections 30914(c) & (d); and

WHEREAS, RM2 assigns administrative duties and responsibilities for the implementation of the Regional Traffic Relief Plan to MTC; and

WHEREAS, BATA shall fund the projects of the Regional Traffic Relief Plan by transferring RM2 authorized funds to MTC; and

WHEREAS, MTC adopted policies and procedures for the implementation of the Regional Measure 2 Regional Traffic Relief Plan on June 23, 2004, specifying the allocation criteria and project compliance requirements for RM 2 funding (MTC Resolution No. 3636); and

WHEREAS, the BART has submitted a request for the allocation of RM 2 funds for the Transit Capital Rehabilitation project; and

WHEREAS, Transit Capital Rehabilitation project is number 37 under RM 2 and is eligible to receive RM 2 funding as identified in Streets and Highways Code Sections 30914(c); and

WHEREAS, BART has submitted an Initial Project Report, as required pursuant to Streets and Highway Code Section 30914(e), to MTC for review and approval; and

WHEREAS, Attachment A to this resolution, attached hereto and incorporated herein as though set forth at length, lists the project and phase for which the BART is requesting RM2 funding and the amount recommended for allocation by MTC staff; and

WHEREAS, Attachment B to this resolution, attached hereto and incorporated herein as though set forth at length, lists the required project specific conditions which must be met prior to execution of the allocation and any reimbursement of RM2 funds; and

WHEREAS, Attachment C to this resolution, attached hereto and incorporated herein as though set forth at length, includes MTC staff's review of BART's Initial Project Report (IPR) for this project; and

WHEREAS, Attachment D attached hereto and incorporated herein as though set forth at length, lists complementary funding for the deliverable/useable RM2 project segment; now, therefore be it

RESOLVED, that MTC approves MTC staff's review of BART's Initial Project Report (IPR) for this project as set forth in Attachment C; and be it further

RESOLVED, that MTC approves the allocation and reimbursement of RM2 funds in accordance with the amount and reimbursement schedule for the phase, and activities as set forth in Attachment A; and, be it further

RESOLVED, that the allocation and reimbursement of RM2 funds as set forth in Attachment A are conditioned upon BART complying with the provisions of the Regional Measure 2 Regional Traffic Relief Plan Policy and Procedures as set forth in length in MTC Resolution 3636; and be it further

RESOLVED, that the allocation and reimbursement of RM2 funds are further conditioned upon the project specific conditions as set forth in Attachment B; and, be it further

RESOLVED, that the allocation and reimbursement of RM2 funds as set forth in Attachment A are conditioned upon the availability and expenditure of any complementary funding as set forth in Attachment D; and be it further

RESOLVED, that a certified copy of this resolution, shall be forwarded to the project sponsor.

METROPOLITAN TRANSPORTATION COMMISSION

/s/ Bill Dodd
Bill Dodd, Chair

The above resolution was entered into by the Metropolitan Transportation Commission at the regular meeting of the Commission held in Oakland, California, on September 26, 2007.

REGIONAL MEASURE 2 PROGRAM Allocation of Funds

Project Title: BART Railcar Replacement
Sponsor: BART
Project Number: 37.2

Allocation No. 37.2-1					
Activities to be funded with Allocation #1:					
Procurement of replacement BART vehicles.					
Allocation Instruction No.	Approval Date	Amount	Phase	Reimbursement Year	Cumulative Total To Date
20382303	22-Apr-20	\$ 40,000,000	CON	FY 2019-20	\$ 40,000,000

REGIONAL MEASURE 2 PROGRAM
Project Specific Conditions

Project Title: BART Railcar Replacement
Sponsor: BART
Project Number: 37.2

The allocation and reimbursement of RM2 funds for the above project are conditioned upon the following:

1. None

RM2 Project Number: 37.2
BART Railcar Replacement

Lead Sponsor	Other Sponsors(s)	Implementing Agency (if applicable)
Bay Area Rapid Transit District		
Legislated Project Description		
Provide local matching funds to BART's fixed guideway rehabilitation and replacement projects funded with federal dollars in FY 06-07 and FY 07-08, and to purchase replacement BART car vehicles.		
RM2 Funding (in \$1,000)		Total Estimated Project Cost (in \$1,000)
Total Overall Funding: \$64,000		\$2,584,000
BART Railcar Replacement: \$40,000		
Project Purpose and Description		
Fund the procurement of new railcars to replace all existing 669 railcars for BART when the cars reach the end of their useful life, plus an additional 106 new railcars for BART expansion, for a total of 775 railcars.		
Funding Description		
Committed Funds: The project is fully funded by RM2 funds, the BART Car Exchange account, federal transit and CMAQ funds, MTC financing, contributions from SFO, VTA, and High Speed Rail, and BART funds.		
Uncommitted Funds: N/A		
Operating Capacity: Upon project completion, BART will be responsible for operating and maintaining all components of this project.		

Overall Project Cost and Schedule

	Scope	Start	End	Cost (in \$1,000)
1	Environmental Document/Preliminary Engineering	N/A	N/A	
2	Designs, Plans, Specs, & Estimates	N/A	N/A	
3	Right-of-Way Acquisition	N/A	N/A	
4	Construction	5/2012	12/2026	\$2,584,000

Total: \$2,584,000

Total Project Funding Plan: Committed and Uncommitted Sources

(Amounts Escalated in Thousands)

Project Title	BART Railcar Replacement	Project No.	37.2
Lead Sponsor	Bay Area Rapid Transit District		

Fund Source	Phase	Prior	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	Future	Total
Committed										
FTA 5307/5337	CON	197,283	75,105	29,593						301,981
CMAQ	CON	26,000	23,800							49,800
STA	CON	10,248								10,248
AB664 Bridge Tolls	CON	12,557								12,557
Car Exchange Account	CON	15,500	220,064							235,564
SFO Net Operating Proceeds	CON								145,000	145,000
MTC Financing Proceeds	CON				299,215	382,059	5,660	12,030	250,887	949,851
VTA Contribution	CON	200,052								200,052
BART Funding	CON	328,962	40,000	50,000	61,807		722	3,358	1,921	486,770
LCTOP	CON	12,179								12,179
RM2	CON		40,000							40,000
High Speed Rail	CON	140,000								140,000
Sub Total:		942,780	398,968	79,593	361,022	382,059	6,382	15,388	397,808	\$ 2,584,000
Uncommitted										
										0
Sub Total:		0	0	0	0	0	0	0	0	\$ -
Total Project Committed and Uncommitted										
		Prior	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	Future	Total
Total:		942,780	398,968	79,593	361,022	382,059	6,382	15,388	397,808	\$ 2,584,000

REGIONAL MEASURE 2 PROGRAM Project Cash Flow Plan

Project: BART Railcar Replacement
Sponsor: BART
RM2 Project Number: 37.2

	PRIOR	2019-20	2020-21	2021-22	2022-23	2023-24	Future	TOTAL
RM2 Funds Total	-	40,000	-	-	-	-	-	40,000
Environmental (ENV)	0	0	0	0	0	0	0	0
								0
Final Design (PS&E)	0	0	0	0	0	0	0	0
								0
Right of Way	0	0	0	0	0	0	0	0
								0
Construction	712,856	177,536	404,746	422,610	412,250	7,105	446,897	2,584,000
FTA 5307/5337	151,816	45,467	75,105	29,593				301,981
CMAQ		26,000	23,800					49,800
STA	10,248							10,248
AB664 Bridge Tolls	12,557							12,557
Car Exchange Account	15,500		219,178	886				235,564
SFO Net Operating Proceeds							145,000	145,000
MTC Financing Proceeds				299,215	382,059	5,660	262,917	949,852
VTA Contribution	41,595	26,069	36,663	31,109	30,191	723	33,701	200,052
BART Funding	328,962	40,000	50,000	61,807		722	5,278	486,769
LCTOP	12,179							12,179
RM2		40,000						40,000
High Speed Rail	140,000							140,000
TOTAL FUNDING								
Environmental	0	0	0	0	0	0	0	0
Final Design (PS&E)	0	0	0	0	0	0	0	0
Right of Way	0	0	0	0	0	0	0	0
Construction	712,856	177,536	404,746	422,610	412,250	7,105	446,897	2,584,000
PROJECT TOTAL	712,856	177,536	404,746	422,610	412,250	7,105	446,897	2,584,000