

Metropolitan Transportation Commission Special Meeting

October 25, 2023

Agenda Item 4a - 23-1336

MTC Resolution No. 4616. BAIFA Financing

Subject:

A request for approval of MTC Resolution No. 4616 approving the financing and refinancing by the Bay Area Infrastructure Financing Authority (BAIFA) of a public capital improvement and making a finding of significant public benefit.

Background:

As brought before the Programming and Allocations Committee on October 11, 2023 and going before the Commission today, the Commission would like to assist the San Francisco Bay Area Rapid Transit District (BART) in obtaining funds to acquire replacement railcars while not delaying other important investments in the region's vehicle fleet and fixed guideway assets.

The details of the contemplated financing are included in the October 11, 2023 staff memo to the Programming and Allocations Committee. Pursuant to California law, in order for a joint powers authority, such as BAIFA, to issue debt, a local agency that is not itself a joint powers authority, within whose boundaries the public capital improvement is to be located, must approve the financing of the public capital improvement and must make a finding of significant public benefit after a public hearing held by such local agency within each county where the public capital improvement is to be located.

MTC Resolution No. 4616 approves of the issuance by BAIFA of debt obligations and finds that the regional transportation financing and refinancing by BAIFA, on behalf of the Commission, and the related regional approach to funding transportation projects like the BART replacement railcar project will provide significant public benefits, and will result in demonstrable savings in effective interest rate, bond preparation, bond underwriting and bond issuance costs for BAIFA, the Commission and BART.

Issues:

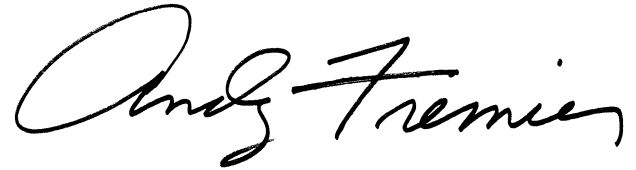
None identified.

Recommendations:

Approve MTC Resolution No. 4616.

Attachment:

- MTC Resolution No. 4616

A handwritten signature in black ink, reading "Andrew B. Fremier". The signature is written in a cursive style with a large initial "A" and "F".

Andrew B. Fremier

Date: October 25, 2023
W.I.: 1512
Referred by: Commission

ABSTRACT
MTC Resolution No. 4616

This resolution approves the financing and refinancing by the Bay Area Infrastructure Financing Authority of a public capital improvement and makes a finding of significant public benefit as required by Section 6586.5 of the Government Code of the State of California with respect to the BART Rail Car Replacement Program.

Discussion of this action is contained in the Executive Director's accompanying Memorandum, dated October 25, 2023.

Date: October 25, 2023
W.I.: 1512
Referred by: Commission

Re: Financing and refinancing by the Bay Area Infrastructure Financing Authority of a public capital improvement and makes a finding of significant public benefit as required by Section 6586.5 of the Government Code of the State of California with respect to the BART Rail Car Replacement Program

METROPOLITAN TRANSPORTATION COMMISSION
RESOLUTION NO. 4616

WHEREAS, the Metropolitan Transportation Commission (the “Commission”) is the regional transportation planning agency for the nine counties of the San Francisco Bay Area (“Bay Area Region”) pursuant to Sections 66500, *et seq.*, of the California Government Code (“Government Code”); and

WHEREAS, the Commission is the designated “metropolitan planning organization” for the Bay Area Region (the “Bay Area MPO”), and is required to prepare, adopt, and periodically revise, pursuant to Sections 66508 and 65080 of the Government Code, a “regional transportation plan” (“RTP”); and

WHEREAS, pursuant to Section 450.300 of Title 23 of the Code of Federal Regulations, the Bay Area MPO is required to carry out a continuing, cooperative, and comprehensive transportation planning process as a condition to receiving federal assistance, resulting in the development of and updates to a “transportation improvement program” (“TIP”) that is consistent with the RTP, and which consists of a comprehensive listing of transportation projects that receive federal funds, including from the Federal Transit Administration (“FTA”), that are subject to a federally-required action, or that are regionally significant; and

WHEREAS, the Commission has been designated by the Governor of the State of California, with concurrence from the FTA, as the designated recipient of certain funds from the FTA (collectively, “FTA Formula Funds”) for certain urbanized areas in the Bay Area Region, which for purposes of the financing and refinancing authorized by the Amended Letter of No Prejudice with respect to the BART Project (as defined herein) received by the Commission from FTA, dated June 9, 2023 (the “MTC LONP”), include the Antioch, Concord-Walnut Creek,

Livermore-Pleasanton-Dublin and San Francisco-Oakland urbanized areas (“Participating UZAs”); and

WHEREAS, pursuant to Section 5303 of Chapter 53 of Title 49 of the United States Code, the Commission receives and apportions FTA Formula Funds in accordance with Section 5336 of Chapter 53 of Title 49 of the United States Code to the Participating UZAs for eligible projects included in the TIP (such projects, the “Eligible Projects”); and

WHEREAS, to carry out the Eligible Projects, the Commission programs FTA Formula Funds apportioned by the FTA to the Participating UZAs for the Eligible Projects and directs transit operators in the Participating UZAs to apply to the FTA for such funds subject to concurrence from the Commission; and

WHEREAS, the San Francisco Bay Area Rapid Transit District (“BART”), through its rail car replacement program, has contracted for the acquisition of up to 669 replacement railcars (the “BART Project”), which is the only Eligible Project authorized to benefit from the financing contemplated by the MTC LONP; and

WHEREAS, as previously expressed in MTC Resolution No. 4123 and MTC Resolution No. 4126, Revised, the Commission desires to assist BART in obtaining funds as required for the BART Project; and

WHEREAS, to meet the delivery schedule for the BART Project, which will, among other things, benefit the transportation network in the Bay Area Region, the Commission desires to make more immediate funding available to BART, which has requested financial assistance for the BART Project; and

WHEREAS, the Commission has requested assistance from the Bay Area Infrastructure Financing Authority (the “Authority”), a public entity duly established and organized under the laws of the State of California, which was created pursuant to a joint exercise of powers agreement (the “Joint Powers Agreement”) entered into by the Commission and the Bay Area Toll Authority, to support the Commission’s regional transportation planning process by

facilitating the financing and refinancing of all or a portion of the costs of the BART Project by providing funds to BART; and

WHEREAS, the Authority desires and intends to assist the Commission and BART by providing financing and refinancing to be used by BART for the BART Project; and

WHEREAS, pursuant to Section 6586.5 of the Government Code, a local agency that is not itself a joint powers authority, within whose boundaries the public capital improvement is to be located, must approve the financing of the public capital improvement (as defined in Government Code Section 6546) and must make a finding of significant public benefit in accordance with the criteria specified in Section 6586 after a public hearing held by such local agency within each county or city and county where the public capital improvement is to be located; and

WHEREAS, the BART Project constitutes a public capital improvement pursuant to Government Code 6546(J) as the rail cars constitute mass transit vehicles; and

WHEREAS, the Commission is a local agency that is not the Authority, and all of BART's replacement rail cars will be located within the boundaries of the Commission; and

WHEREAS, to satisfy the requirements set forth in Section 6586.5 of the Government Code, the Commission is holding the required public hearing required by Section 6586.5 of the Government Code; and

WHEREAS, pursuant to Section 6586.5 of the Government Code, the Commission has caused a public hearing to be held regarding the BART Project, notice of which public hearing was published in a newspaper of general circulation in the Counties of Alameda, Contra Costa, San Francisco, San Mateo and Santa Clara (collectively, the "Counties") at least five (5) days prior to such public hearing; and now therefore be it

RESOLVED, that Metropolitan Transportation Commission (the "Commission") hereby finds and determines that the foregoing recitals are true and correct; and be it further

RESOLVED, that on the date hereof, the Commission held a public hearing and the Commission hereby finds and declares that the regional transportation financing and refinancing to be commenced by the Authority, on behalf of the Commission, and the related regional approach to funding transportation projects like the BART Project will provide significant public benefits, including, without limitation, (i) that the BART Project will result in significant public benefits to the citizens of the five Counties in the Bay Area Region by supporting the acceleration of the delivery schedule for the BART Project, which will offset roadway congestion and help address continuing regional air quality issues and reduce greenhouse gas emissions; and such anticipated enhanced service and savings serves a public purpose, and (ii) the financing and refinancing by the Authority pursuant to the Act will result in demonstrable savings in effective interest rate, bond preparation, bond underwriting and bond issuance costs for the Authority, the Commission and BART within the meaning of Section 6586(a) through (d), inclusive, of the Government Code; and be it further

RESOLVED, that the Chair of the Commission, the Vice Chair of the Commission, the Executive Director, the Chief Financial Officer and other appropriate officers of the Commission, in consultation with the General Counsel, be and they are hereby authorized and directed, jointly and severally, for and in the name and on behalf of the Commission, to do any and all things and take any and all actions that may be necessary or advisable, in their discretion, to effectuate the findings that the Commission has made in this Resolution; and be it further

RESOLVED, that this Resolution shall take immediate effect from and after its adoption.

METROPOLITAN TRANSPORTATION COMMISSION

Alfredo Pedroza, Chair

The above resolution was entered into by the Metropolitan Transportation Commission at a special meeting of the Commission held in the Counties of Alameda, Contra Costa, San Francisco, San Mateo and Santa Clara, California, on October 25, 2023.