BART Car Exchange Account Withdrawal Authorization

Programming and Allocations Committee

April 9, 2025

MTC Res. No. 3738, Revised

METROPOLITAN TRANSPORTATION COMMISSION

BART Fleet Status

- All railcars in revenue service today are new and the fleet is growing
  - 775 replacement cars delivered and in revenue service
  - Production of expansion cars underway; 116 in revenue service as of February 2025
  - Total fleet size will be over 1,000
- Price per car is approximately $3 million

BART Railcar Funding

- Significant MTC action for BART railcar projects:
  - Exchange Account
  - Federal transit funding:
    - Directly programmed to project, over $450 million
    - Financing component, $289 million drawn down to date
  - Regional Measure 3: $500 million for expansion cars
  - Endorsements for state and federal funds

Exchange Account Background

- In 2006, MTC and BART established BART Car Exchange Account to set aside funds for eventual purchase of new railcars
- Minimized impact that railcar replacement would have on region’s other capital needs
- Accrued interest to generate additional funds to replace cars
- Minimized financing charges by accumulating a significant down payment

Account Funding

- MTC programmed FHWA and FTA funds to BART’s Preventive Maintenance program
- BART deposited an equal amount of local funds into Exchange Account
- From FY 2006 through FY 2016, $390 million deposited into account
- Account gained $53 million in interest over time
- Total fund availability of approx. $442 million

Withdrawal Authorization to Date

- To date, Commission has authorized $414.6 million for BART railcars
  - $235.6 million for replacement cars
  - $179 million for expansion cars
- Fully expended
- Balance of account not yet authorized is approx. $27.7 million

Proposed Action

- Staff proposes authorization of $27.7 million for withdrawal for upcoming replacement railcar costs
- Also proposing to authorize any additional interest accrued in the account until it is liquidated
- BART Board of Directors also required to authorize withdrawal; scheduled to do so on April 14, 2025. This action is conditioned accordingly
- This authorization will allow the use of less financing for railcars, saving region in future interest costs

Staff Recommendation

- Refer MTC Resolution No. 3738, Revised to the MTC Commission for approval.