

# BART Car Replacement Funding Framework & Policy Commitment



Programming and  
Allocations Committee

December 8, 2010

## Regional Context – Policy Background

- ▶ Transportation 2035 dedicates \$23 billion to transit capital needs over 25 years
- ▶ Set vehicle replacements as top priority for federal formula funds
- ▶ Ten-Year Capital Improvement Program Projections FY10 - FY19
  - ▶ Plan for funding upcoming vehicle procurements, including first phase of BART car replacement
  - ▶ Created \$150 million Vehicle Procurement reserve to address peaks and valleys in capital needs
  - ▶ Provides for \$115 million annually for fixed guideway needs

# Regional Context: Ten-Year Project Highlights

## Major Transit Vehicle Procurements

- ▶ BART Car Replacement - \$1 billion (Phase 1)
- ▶ Caltrain EMUs - \$500 million
- ▶ SFMTA Trolleys - \$400 million

## Fixed Guideway Replacement and Rehabilitation

- ▶ Track, bridges, train control, traction power, ferry gangways, etc.
- ▶ Policy funds 25% of fixed guideway needs

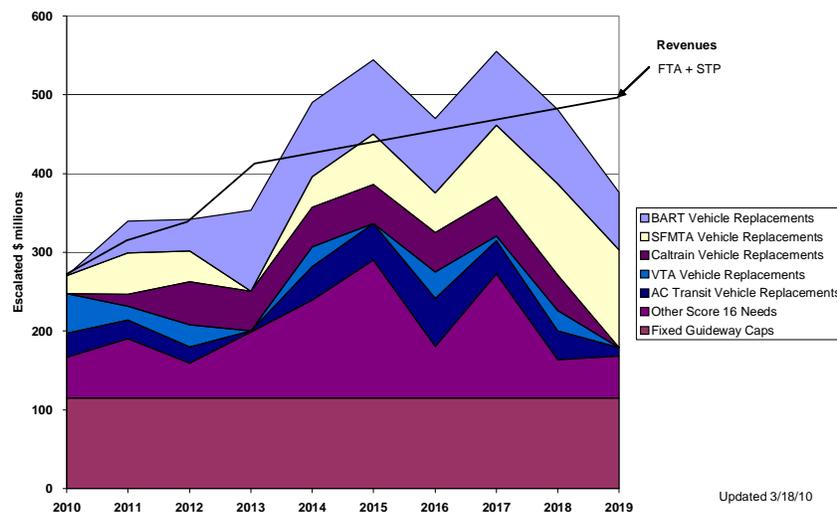
## Projected Funding Transit Capital High-Priority Needs FY10 - FY19

Total \$4.2B



# Regional Context – Ten-Year Transit Needs Are Uneven

Transit Capital Score 16 Needs vs. Revenues FY10 to FY19  
Fixed Guideway Capped



## Regional Context – Transit Programming

- ▶ MTC programs region's FTA formula funds (Sections 5307 & 5309 Fixed Guideway) for transit capital replacement and rehabilitation projects
- ▶ Approximately \$350 million per year
- ▶ Transit Capital Priorities (TCP) policy established for annual programming
- ▶ Commission approved FY10 - FY12 program in May 2009
- ▶ FTA funds supplemented by T2035 discretionary funds for transit capital replacement

## BART Car Replacement Funding Framework & Policy Commitment

### MTC Resolution 3918:

- ▶ Proposes overall funding framework for BART Car Replacement project
- ▶ Establishes policy-level commitment of roughly \$870 million in regional funding for Phase 1 Funding Plan
- ▶ Item also proposes related revisions to MTC Res. 3738, adopted in 2006, which created funding exchange account to set aside funds for future project needs
- ▶ BART Board approved funding framework and Phase 1 Funding Plan in April 2010

## BART Car Replacement Project

- ▶ Replace BART's existing 669 cars
- ▶ Projected cost approximately \$3.2 billion\*
- ▶ Initial procurement of 200 cars with options for remaining 469 cars
- ▶ BART started procurement in September 2009, plans to award contract August 2011
- ▶ Recommended policy-level funding commitment will allow BART to award contract and proceed with initial order

\* Year-of-expenditure dollars

## Overall Project Funding Framework

Proposed funding framework for \$3.2 billion total project costs calls for:

- ▶ MTC to fund approximately \$2.4 billion or 75%
- ▶ BART to fund approximately \$800 million or 25%
- ▶ Commitments limited to specified amounts
- ▶ Ability to substitute other available funding sources for specified funds

**BART Car Replacement Project Preliminary Funding Plan**  
\$ millions, escalated

	No. of cars	Est. Cost	Proposed Approximate Funding Participation		Proposed Approximate % Shares	
			Regional	BART	Regional %	BART %
Total Project	669	\$3,222	\$2,416	\$805	75%	25%
Phase 1	200	1,026	871	155	85%	15%
Phase 2+	469	\$2,196	\$1,545	\$651	70%	30%

## Phase 1 Funding Plan

- ▶ Totals approximately \$1 billion for project development and first 200 cars
- ▶ MTC to program \$730 million in FTA formula funds and \$141 million in STP and/or exchange account earnings through FY 2018-19
- ▶ BART to dedicate \$150 million in state High Speed Rail funds
- ▶ Includes \$108 million previously committed to project

## Issues

Significant Policy and Funding Constraint: Proposed Phase 1 Funding Plan makes 10-year funding commitment that affects future Regional Transportation Plans and Transit Capital Priorities programs

- ▶ Regional funding subject to availability of funds and ability to meet other critical transit capital needs
- ▶ If Funding Plan assumptions, including cost of project, change, framework terms would be re-examined and alternate approach agreed to by MTC and BART

FTA Approvals: Letter of No Prejudice allowing federal reimbursement of expenditures incurred before funds are programmed may be required from FTA

Transit Coordination Condition: Resolution specifies that MTC may withhold Phase 1 funds if BART is not in compliance with MTC Resolution 3866 Clipper implementation milestones