



BayArea **Plan**

Transit Core Capacity Challenge Grant Program

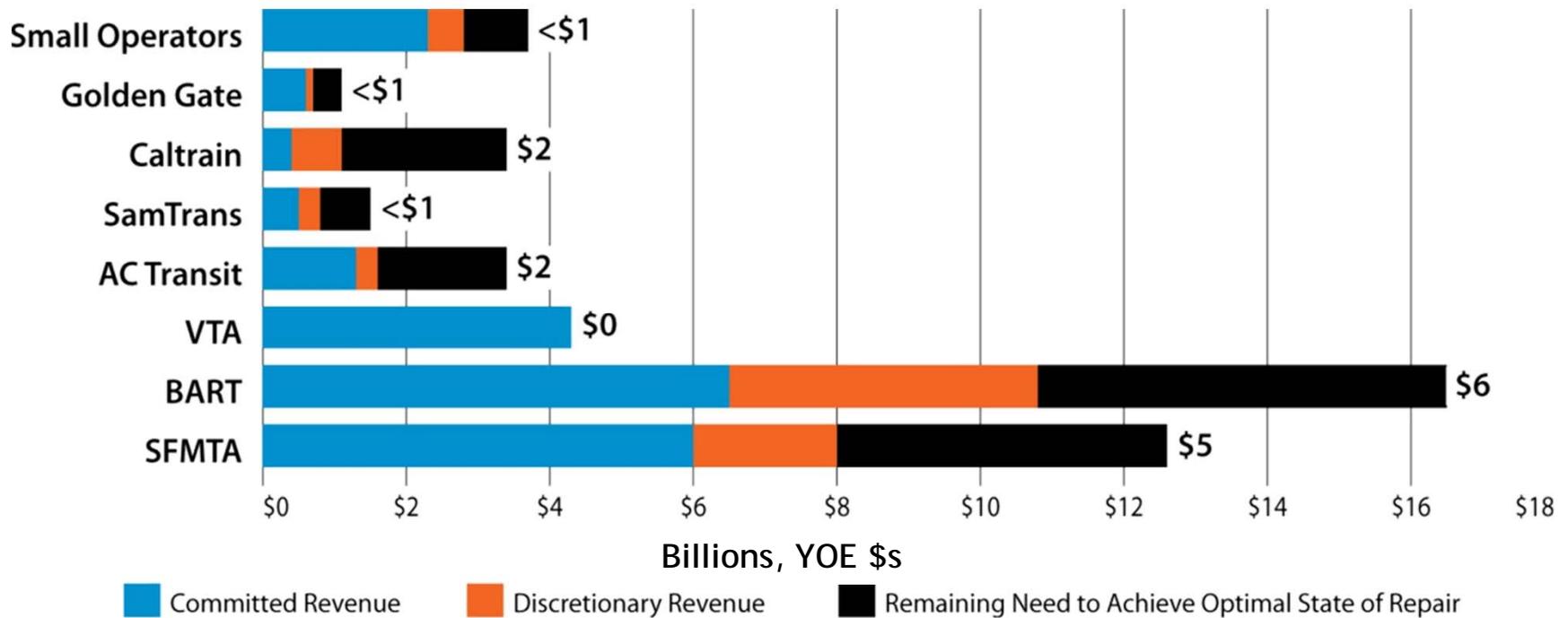
November 13, 2013

Programming &
Allocations Committee

Core Capacity Challenge Grant Proposal: Over \$7 billion Investment Package

- **Focuses on three largest transit operators: San Francisco Municipal Transportation Agency (SFMTA), BART, and AC Transit**
- **Complements major new funding commitments in 2012 to Silicon Valley BART extension and Caltrain improvements**
- **Leverages regional discretionary funds and local contributions, including proposed Cap and Trade revenue**
- **Accelerates and solidifies funding for fleet replacement projects, and identifies new funding for key enhancement projects**
- **Requires participating operators to meet the performance objectives of the Transit Sustainability Project (TSP)**

Responds to Plan Bay Area: Transit Capital Needs and Shortfalls



Responds to Plan Bay Area: Cap and Trade Revenue

- ***“The plan directs a significant portion of the revenue generated from Cap and Trade be dedicated to these unmet transit needs. In addition, promptly after adoption of the plan, MTC will work with the region’s transit operators and other stakeholders to develop a plan to address the gap in funding for transit capital replacement and rehabilitation needs, and to expand the funding available to support future increases in transit service.”***

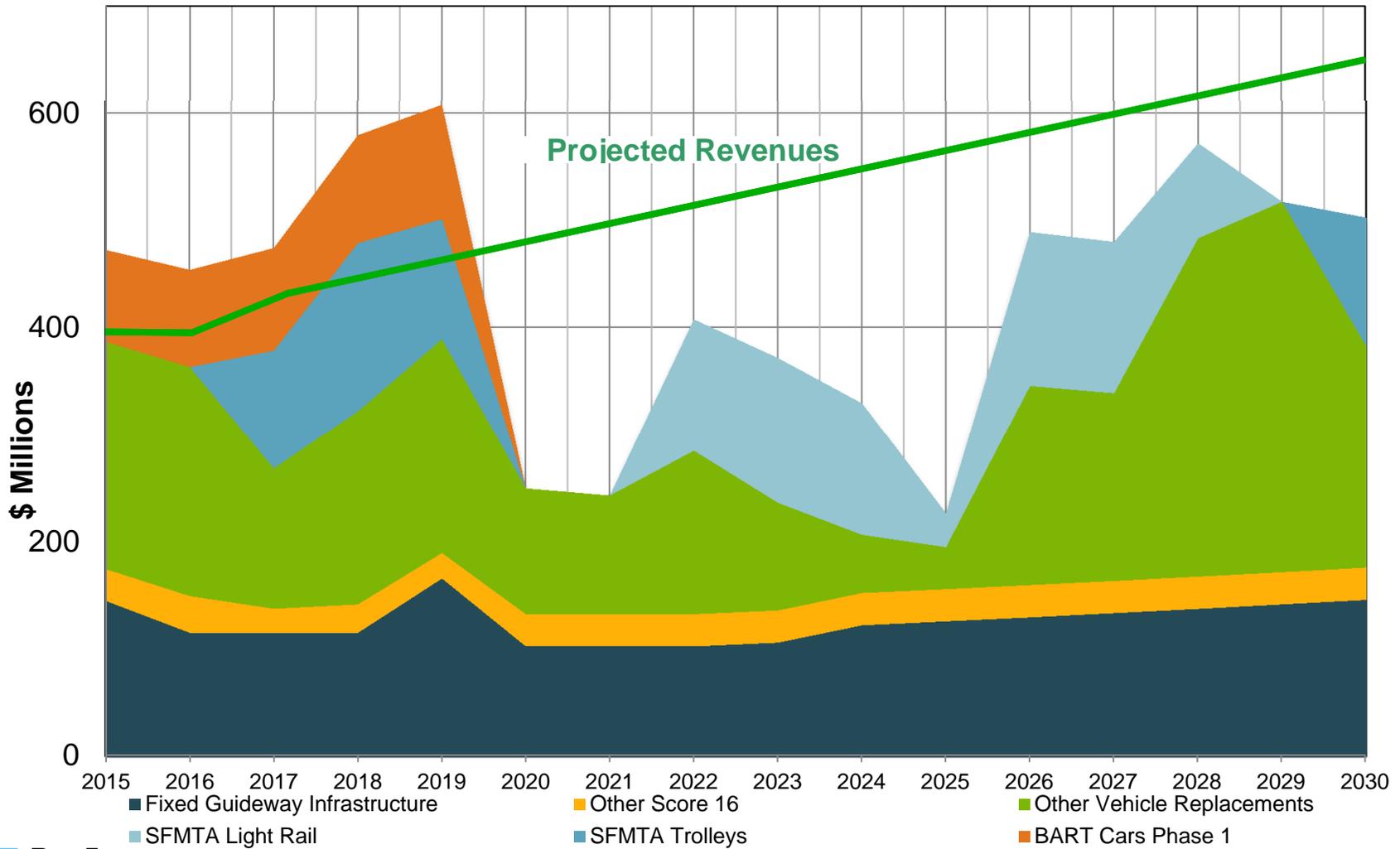
- From Plan Bay Area, July 2013

Builds on Transit Sustainability Project

- **TSP started after 2009 Regional Transportation Plan in response to identified transit capital and operating shortfalls**
- **Proposed Core Capacity Challenge Grant program supports TSP by linking performance targets and providing funding for:**
 - Vehicle replacement, to provide effective and reliable service
 - Fleet expansions, to grow ridership
 - Facilities and systems, to improve productivity and support services

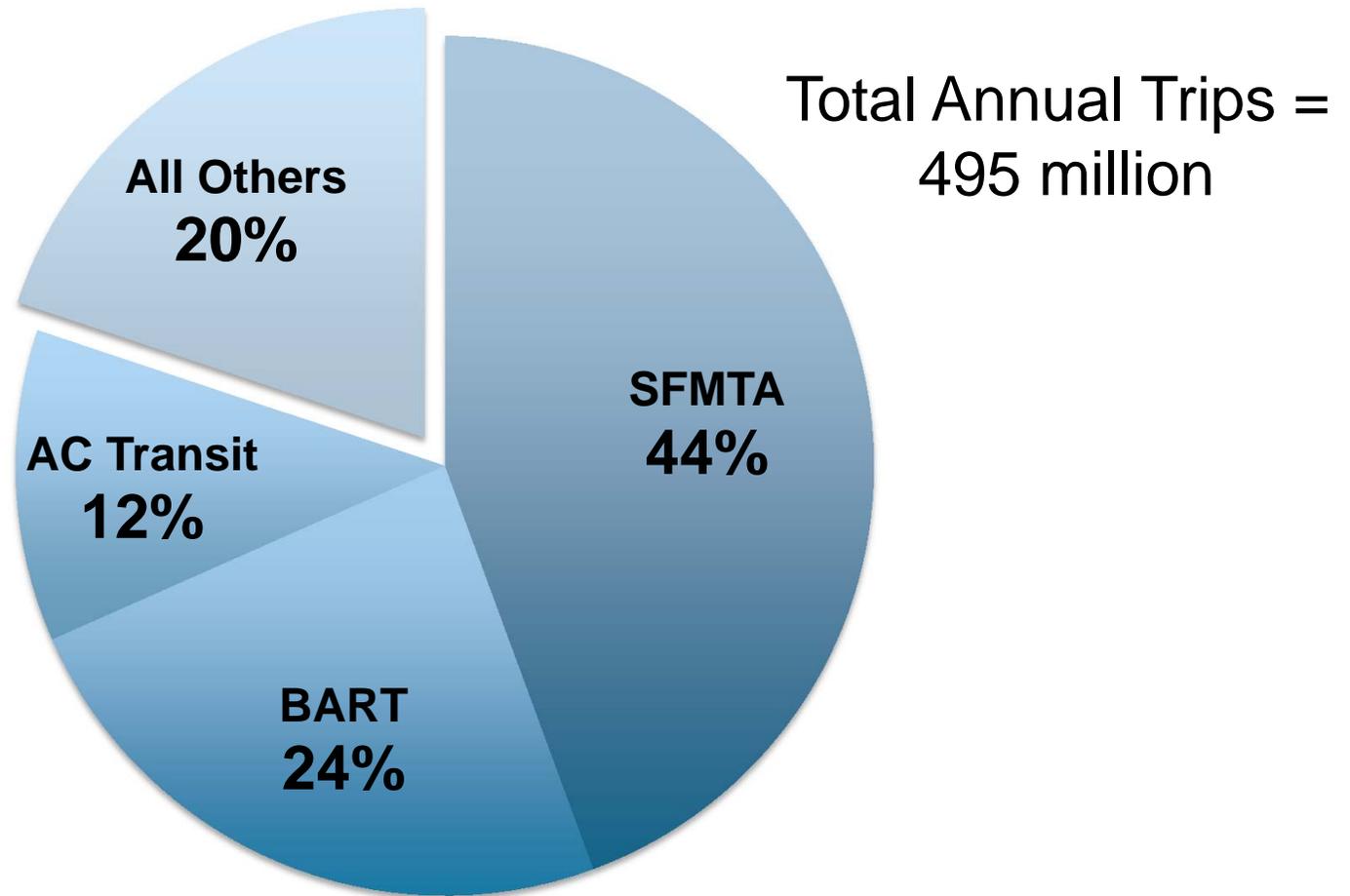


Addresses Mismatch Between Transit Capital Needs and Revenues

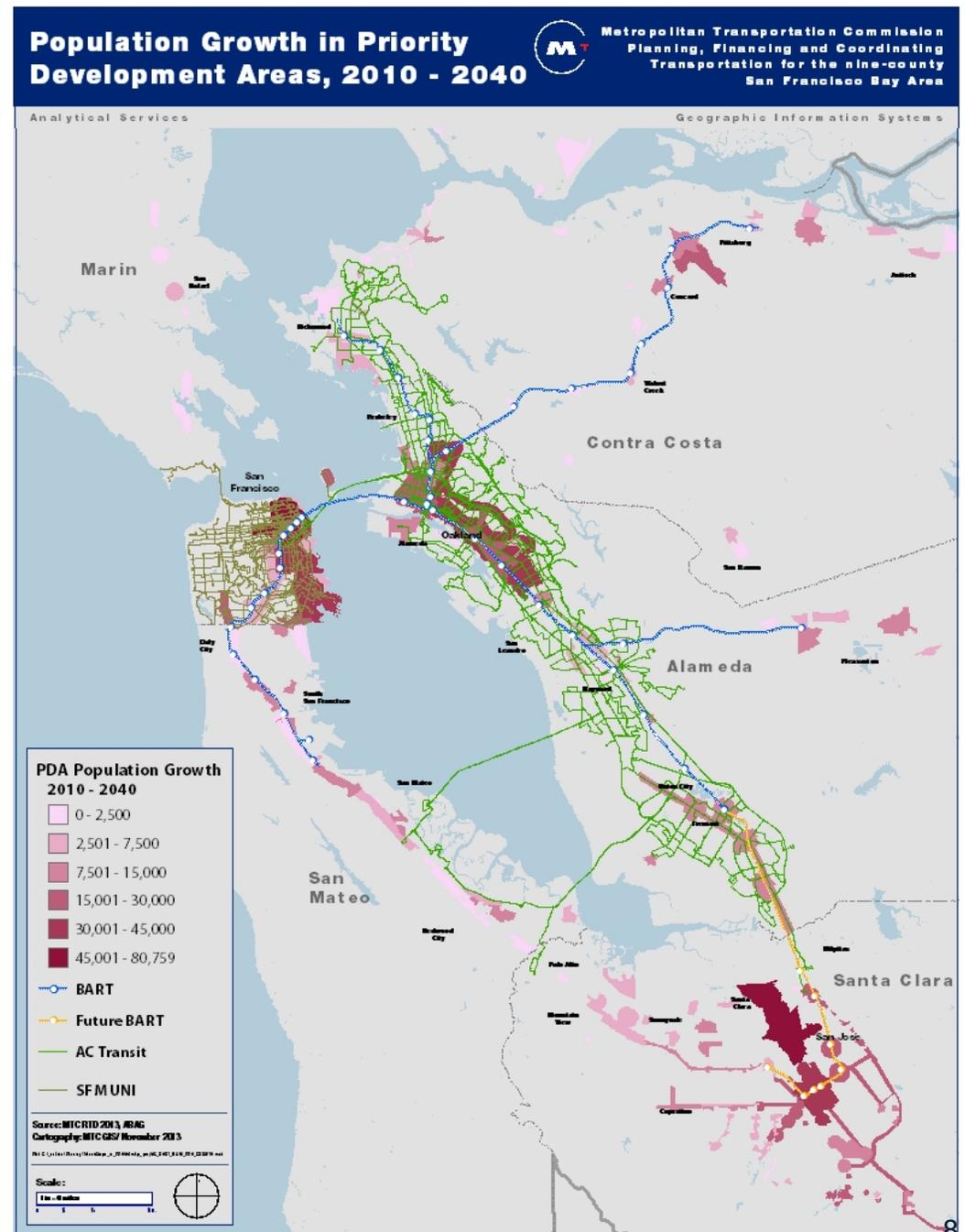


Targets Operators with High Existing Ridership and Future Growth

% of Total Passenger Trips



Targets Investments for Operators in High Growth PDAs



Proposed Investments

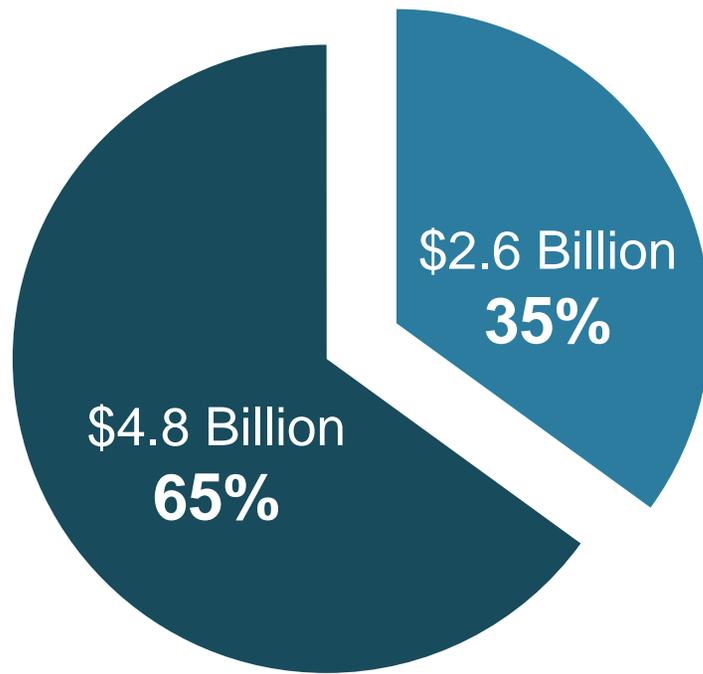
- **\$7.4 Billion investment over 15 years**

| Project | Project Cost |
|--|--------------|
| BART | |
| 850 Rail Cars (440 cars beyond current funding commitment) | 1,446 |
| Train Control Replacement | 700 |
| Hayward Maintenance Center Expansion | 433 |
| SFMTA | |
| Fleet Replacement | 2,624 |
| Fleet Expansion | 670 |
| Facilities Core Improvements | 209 |
| AC Transit | |
| Fleet Replacement | 780 |
| Fleet Expansion | 90 |
| Facility Replacement/Rehabilitation | 268 |
| Financing | 200 |
| TOTAL | 7,420 |

Proposed Program Benefits

- **Solidifies the schedule and accelerates the regional commitment of federal funding and matching bridge toll**
- **Proposes new regional funding to fund projects not typically funded, including facilities and strategic vehicle expansions that are key to the health of the three systems**
- **Establishes a regional advocacy position for a portion of the Federal New Starts program**
- **Leverages local commitments with 35% local match**

Revenue Source Assumptions: Local

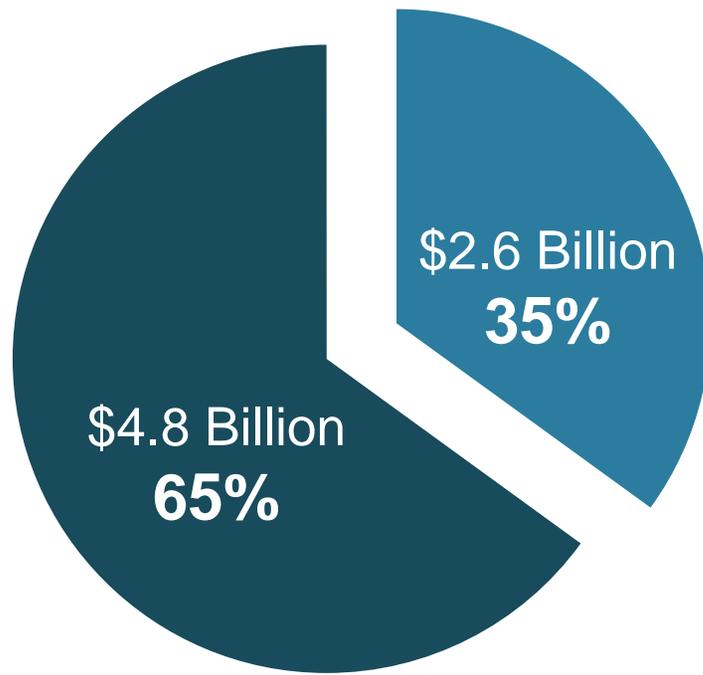


■ Local ■ Regional / Other

| Local Contribution | Amount (In Million \$s) |
|--|----------------------------|
| BART Fares | 918 |
| San Francisco bonds, sales taxes, and VLF | 1,162 |
| Alameda/ Contra Costa/ Parcel Tax | 341 |
| VTA | 175 |
| Total Local Contribution | 2,596 |

**Leverages
approximately 35%
Local Contribution**

Revenue Source Assumptions: Regional / Other

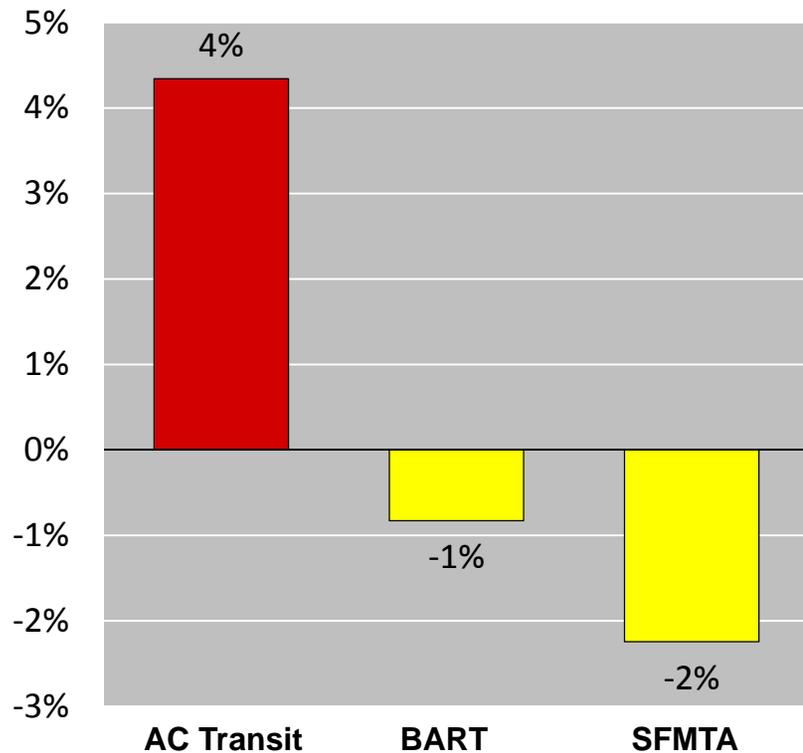


■ Local ■ Regional / Other

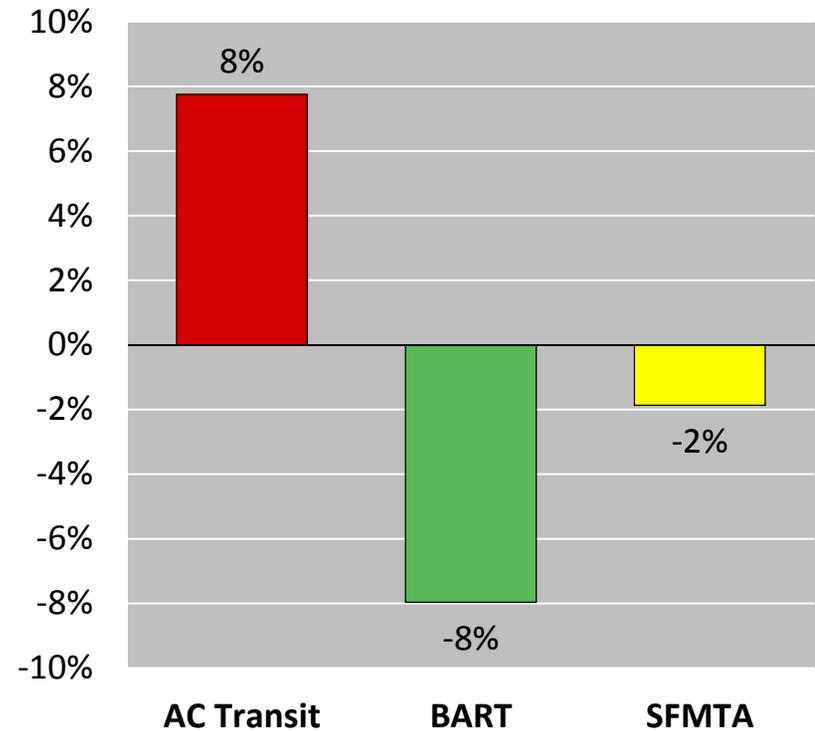
| Regional / Other Funding Source | Amount (In Million \$s) |
|---|-------------------------|
| FTA/STP | 3,333 |
| AB664 | 152 |
| BATA Project Savings | 250 |
| SFO Net Op Revenue | 145 |
| Cap and Trade | 800 |
| Core Capacity New Starts | 144 |
| Total Regional / Other Funding Sources | 4,824 |

Link Core Capacity Challenge Grant to Achieving TSP Performance Requirements

**% Change in Operating Cost
Per Revenue Hour**
Baseline Year to FY2012
Adjusted for CPI — All Modes



**% Change in Operating Cost
Per Passenger Trip**
Baseline Year to FY2012
Adjusted for CPI — All Modes



Strategic Review

- **Review at least every 5 years to monitor operator project delivery and local contributions.**
- **Address changes in the demand for capital projects or the revenue landscape.**

Next Steps

- **Information and discussion this month – seeking feedback from:**
 - Programming and Allocations Committee – November 13
 - Policy Advisory Council – November 13
 - Partnership Technical Advisory Committee – November 18
- **Recommend approval in December to meet project and initiative schedules**