

Transbay Corridor Core Capacity Project

San Francisco Bay Area, California

Core Capacity Project Development (Rating Assigned November 2017)

Summary Description	
Proposed Project:	Heavy Rail Transit 112 Miles, 46 Stations
Total Capital Cost (\$YOE):	\$2,709.52 Million (Includes \$103.5 million in finance charges)
Section 5309 Core Capacity Share (\$YOE):	\$1,250.00 Million (46.1%)
Annual Operating Cost (opening year 2026):	\$40.85 Million
Existing Ridership in the corridor:	294,200 Daily Linked Trips 88,267,800 Annual Linked Trips
Existing Useable Space per Passenger:	5.2 Square Feet
Overall Project Rating:	Medium-High
Project Justification Rating:	Medium-High
Local Financial Commitment Rating:	Medium-High

Project Description: The Bay Area Rapid Transit District (BART) proposes to implement capacity improvements between Oakland and Daly City in South San Francisco. The project includes communication-based train control (CBTC), procurement of 252 heavy rail cars, five additional traction power substations, and expansion of the Hayward Maintenance Complex. Key points along the corridor include San Francisco International Airport, downtown San Francisco and downtown Oakland. BART estimates that when the project is complete, it will increase capacity in the corridor by 37 percent, which exceeds the 10 percent minimum required by law for Core Capacity projects.

Project Purpose: For the past 40 years, BART has enabled the San Francisco Bay Area to grow more densely and compactly, and this has resulted in continually growing ridership. Dense and compact development is particularly evident in downtown San Francisco, where there has been and continues to be substantial growth in employment. The average weekday ridership has increased 13 percent over the last two years. BART has a critical need to increase its ridership capacity. BART currently cannot run more trains through the Transbay segment because it does not have enough vehicles to serve the growing number of riders and it lacks a modernized train control system. BART currently operates 23 trains per hour through the Transbay segment during peak periods. This is the maximum throughput permitted by its current train control system. BART has determined that it can increase its throughput up to 30 trains per hour with this project.

Project Development History, Status and Next Steps: The project entered Core Capacity Project Development in August 2015. BART selected a locally preferred alternative (LPA) in November 2016, and adopted it into the region's fiscally constrained long range transportation plan in July 2017. BART completed the environmental review process with receipt of a Categorical Exclusion from FTA in September 2017. BART anticipates entry into Engineering in 2018, receipt of a Full Funding Grant Agreement in Summer 2019, and completion of the project in late 2026.

Locally Proposed Financial Plan

<u>Source of Funds</u>	<u>Total Funds (\$million)</u>	<u>Percent of Total</u>
Federal:		
Section 5309 Core Capacity	\$1,250.00	46.1%
Metropolitan Transportation Commission (MTC)-administered Transit Capital Priorities (TCP) Program Federal formula funds	\$39.10	1.5%
State:		
Transit and Intercity Rail Program	\$144.49	5.3%
Local:		
Regional Measure 3 Bridge Tolls	\$498.95	18.4%
Measure RR Property Tax Funds	\$448.41	16.6%
MTC TCP Exchange Account funds from BART Revenue	\$179.00	6.6%
BART Capital Allocation Fund	\$149.57	5.5%
Total:	\$2,709.52	100.0%

NOTE: The financial plan reflected in this table has been developed by the project sponsor and does not reflect a commitment by DOT or FTA. The sum of the figures may differ from the total as listed due to rounding.

CA, San Francisco Bay Area, Transbay Corridor Core Capacity Project
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Factor	Rating	Comments
Local Financial Commitment Rating	Medium-High	
Non-Section 5309 Core Capacity Share	+1	The Core Capacity share of the project is 46.1 percent.
Project Financial Plan	Medium	
Current Capital and Operating Condition (25% of local financial commitment rating)	High	<ul style="list-style-type: none"> • The Bay Area Rapid Transit District (BART) does not operate a bus system. Thus, bus fleet age is not a component of the rating. • The most recent bond ratings for BART, issued in May 2017, are as follows: Standard & Poor's Corporation AAA, Moody's Investor's Service Aaa. • BART's current ratio of assets to liabilities as reported in its most recent audited financial statement is 4.28 (FY2016). • There have been no service cutbacks or cash flow shortfalls in recent years.
Commitment of Capital and Operating Funds (25% of local financial commitment rating)	Medium	<ul style="list-style-type: none"> • Approximately 44 percent of the non-Section 5309 Core Capacity funds are committed or budgeted, and the rest are considered planned. Sources of funds include Metropolitan Transportation Commission (MTC)-administered Transit Capital Priorities (TCP) Program Exchange Account funds, MTC-administered TCP Program Federal formula funds, State of California Cap and Trade/Transit and Intercity Rail Capital Program funds, Regional Measure 3 Bridge Tolls, BART capital allocations, and BART general obligation bond revenues funded by Measure RR property tax funds. • Approximately 97 percent of the funds needed to operate and maintain the transit system in the first full year of operation are committed or budgeted, and the rest are considered planned. Sources of funds include State of California State Transit Assistance Program funds, Low Carbon Transit Operations Program funds, Low Carbon Fuel Standard Program funds, BART fare revenues and other sources of system-generated operating revenue, sales tax revenues, property tax revenues, and other sources of local operating assistance.

Reasonableness of Capital and Operating Cost Estimates and Planning Assumptions/Capital Funding Capacity (50% of local financial commitment rating)	Medium-Low	<ul style="list-style-type: none"> • Growth in capital revenue assumptions is optimistic compared to recent historical experience. • The capital cost is reasonable. System State of Good Repair estimates are optimistic compared to BART's stated capital needs in its Capital Improvement Program. • Regarding growth in operating revenue assumptions, farebox collections and sales tax revenue are conservative, and property tax revenues are reasonable compared to recent historical experience. • Operating cost estimates are reasonable compared to recent historical experience. • BART has access to cash reserves and debt to cover cost increases or funding shortfalls equal to at least 15 percent of estimated project cost and 12 percent of annual system wide operating expenses.
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