

Canarsie Line Power and Station Improvements

New York, New York

Core Capacity Project Development

(Rating Assigned November 2015)

Summary Description

Proposed Project:	Heavy Rail Transit 6.0 Miles, 14 Stations
Core Capacity Capital Cost (\$YOE):	\$273.64 Million (Includes \$11.06 million in finance charges)
Section 5309 Core Capacity Share (\$YOE):	\$100.00 Million (36.5%)
Annual Operating Cost (opening year 2022):	\$1.16 Million
Existing Ridership in the Corridor:	346,700 Daily Linked Trips 106,093,300 Annual Linked Trips
Existing Useable Space per Passenger:	5.0 Square Feet
Overall Project Rating:	Medium-High
Project Justification Rating:	Medium-High
Local Financial Commitment Rating:	Medium-High

Project Description: The Metropolitan Transportation Authority (MTA) proposes to implement capacity improvements to the existing Canarsie L Line, operating between South Brooklyn and Manhattan. Improvements include approximately three new power substations, contact rail, circuit breaker houses, and other upgrades needed to increase capacity on the line. The proposed project also includes enhanced and improved station access at the Bedford Avenue and First Avenue Stations. MTA estimates that when the project is complete, it will increase capacity in the corridor by 10 percent, which meets the requirement in law for Core Capacity projects.

Project Purpose: The Canarsie L Line carries more than 300,000 customers on an average weekday, an increase of 98 percent since 1988 according to MTA. To meet growing ridership demand and allow additional trains to operate on the line, MTA completed installation of a new signal system and a communications-based train control (CBTC) system in 2007. Today, 20 trains per hour operate on the Canarsie L Line. Additional trains cannot be added without improvements to the power infrastructure. Severe crowding conditions are also experienced at the Bedford Avenue and First Avenue stations, which result in longer dwell times as large volumes of customers enter and leave the trains. The project will provide additional power so that additional trains can be added and improved station access to provide a more efficient distribution of entering and exiting customers to reduce overcrowding on the station platform.

Project Development History, Status and Next Steps: The project entered Core Capacity Project Development in December 2014. MTA expects to select the Locally Preferred Alternative (LPA) and get it adopted into the region's fiscally constrained long range transportation plan in early 2016, complete the environmental review process in early 2016, and enter the Engineering phase in 2016. MTA anticipates receipt of a Full Funding Grant Agreement in late 2016, and completion of the project in 2022.

Locally Proposed Financial Plan

<u>Source of Funds</u>	<u>Total Funds (\$million)</u>	<u>Percent of Total</u>
Federal: Section 5309 Core Capacity	\$100.00	36.5%
Local: Bond Proceeds and/or Other MTA Generated Cash Fund Sources	\$162.58	59.4%
MTA Operating Revenue Fund Sources	\$11.06	4.1%
Total:	\$273.64	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.

**NY, New York City, Canarsie Line Power and Station Improvements
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Factor	Rating	Comments
Local Financial Commitment Rating	Medium-High	
Non-Section 5309 Core Capacity Share	+1 level	The Core Capacity share of the project is 36.5 percent.
Project Financial Plan	Medium	
Capital and Operating Condition (25% of plan rating)	Medium	<ul style="list-style-type: none"> • The average age of the bus fleet is a combined 7.37 years, which is slightly older than the industry average. • The most recent bond ratings for the Metropolitan Transportation Authority (MTA), issued in August 2015, are as follows: Moody's Investors Service A1, Fitch A and Standard & Poor's Corporation AA-. • MTA's current ratio of assets to liabilities as reported in its most recent audited financial statement is 1.25 (FY2014). • There have been no transit service reductions within the past three years (2011-2013) of reported data.
Commitment of Capital and Operating Funds (25% of plan rating)	Medium	<ul style="list-style-type: none"> • 30 percent of the non-Section 5309 funds are committed or budgeted, and the rest is considered planned. Sources of funds include MTA operating revenue and MTA bond proceeds repaid with general funds and Payroll Mobility Tax (PMT) proceeds. • 40.7 percent of the funds needed to operate and maintain the system in the first full year of operation of the Core Capacity project are committed or budgeted, and the rest is considered planned. Sources of funds include farebox revenues; dedicated State tax sources, including Section 18-b Mass Transportation Trust Fund, Metropolitan Mass Transportation Operating Assistance, and PMT receipts, which are subject to appropriation; NYC and local County reimbursements to MTA; and other revenues, including MTA Bridges and Tunnels Surplus transfers, concessions and vendor payments, Mortgage Recording Taxes, and Urban Taxes, which collectively refer to City transfer taxes on real property.
Capital and Operating Cost Estimates, Assumptions and Financial Capacity (50% of plan rating)	Medium-Low	<ul style="list-style-type: none"> • Growth in revenue assumptions is more conservative than historical experience. • The capital cost estimate is optimistic.

		<ul style="list-style-type: none">• The financial plan shows that MTA has the financial capacity to cover cost increases or funding shortfalls equal to at least 100 percent of estimated project costs.• Assumed farebox collections and tax revenues are conservative compared to historical experience.• Projected cash balances and reserve accounts are negative in some years, but MTA is required to always have a positive cash flow by law, and has a history of funding these gaps.
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