

Transbay Corridor Core Capacity Project
San Francisco Bay Area, California
Engineering
(Rating Assigned November 2018)

The rating reflected in this profile was based on the information submitted by BART in September 2018. Subsequent to the completion of FTA's evaluation in November 2018, FTA discussed with BART an accelerated CIG payment schedule, including an allocation of \$300 million in FY 2018 funding, that results in reduced financing charges, a revised project cost, and a revised CIG share from what is reported in this profile. Those changes cannot be reflected in the project profile until FTA receives a revised submission from BART with its request for an FFGA so the rating can be updated accordingly.

| Summary Description | |
|---|---|
| Proposed Project: | Heavy Rail Transit 112 Miles, 46 Stations |
| Total Capital Cost (\$YOE): | \$2,771.17 Million (Includes \$81.5 million in finance charges) |
| Section 5309 CIG Share (\$YOE): | \$1,250.00 Million (45.1%) |
| 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: | High |
| Project Justification Rating: | Medium-High |
| Local Financial Commitment Rating: | 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. BART estimates that when the project is complete, it will increase capacity in the corridor by 30 percent, which exceeds the 10 percent minimum required by law for Core Capacity projects.

Project Purpose: The project is intended to increase capacity in the Transbay Corridor between the City of Oakland and downtown San Francisco. BART currently operates 22 trains per hour through the Transbay segment during peak periods, and cannot operate more trains because of constraints of the outdated train communication-based train control system (CBTC). BART has determined that it can increase its throughput up to a maximum 30 trains per hour by changing to a new CBTC system, procuring additional vehicles, providing additional vehicle storage, and installing five new traction power substation facilities.

Project Development History, Status and Next Steps: The project entered Core Capacity Project Development in August 2015. BART selected a locally preferred alternative 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 early 2019, receipt of a Full Funding Grant Agreement in December 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 CIG Share | \$1,250.00 | 45.1% |
| Federal Other: MTC administered TCP Federal Formula Funds | \$39.10 | 1.5% |
| State: Transit and Intercity Rail Program | \$114.52 | 4.1% |
| Local: Regional Measure 3 Bridge Tolls | \$499.33 | 18.0% |
| Measure RR Property Tax Funds | \$460.06 | 16.6% |
| BART Capital Allocation Fund | \$200.80 | 7.2% |
| MTC -administered TCP Program Exchange Account Funds from BART Operating and Sales Tax Revenue | \$179.00 | 6.5% |
| Congestion Management Agencies Funds | \$28.36 | 1.0% |
| Total: | \$2,771.17 | 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.

| Factor | Rating | Comments |
|---|--------------------|---|
| Local Financial Commitment Rating | High | |
| Non-Section 5309 CIG Share | +1 | The CIG share of the project is 45.1 percent. |
| Project Financial Plan | Medium-High | |
| Current Capital and Operating Condition (25% of local financial commitment rating) | High | <ul style="list-style-type: none"> • Bay Area Rapid Transit District (BART) does not operate a bus fleet; hence, bus fleet age is not considered in 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 4.42 (FY2017). • 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) | High | <ul style="list-style-type: none"> • Approximately 79 percent of the non-Section 5309 CIG 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 Federal formula funds, State of California Cap and Trade/Transit and Intercity Rail Capital Program funds, MTC-administered TCP Program Exchange Account 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"> • Assumed growth in capital revenue is optimistic compared to recent historical experience. • The Project capital cost estimate is conservative. • 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, sales tax revenue, and property tax revenue 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 20 percent of estimated CIG capital cost and 14.7 percent of annual system wide operating expenses. |
|--|------------|---|

