

Transbay Corridor Core Capacity Project
San Francisco Bay Area, California
Core Capacity Engineering
(Rating Assigned November 2019)

Summary Description	
Proposed Project:	Heavy Rail Transit 112 Miles, 46 Stations
Total Capital Cost (\$YOE):	\$2,705.72 Million (Includes \$0.0 million in finance charges)
Section 5309 CIG Share (\$YOE):	\$1,169.00 Million (43.2%)
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per hour through the Transbay segment during peak periods, and cannot operate more trains because of constraints of the outdated train communication-based train control system (CBTC).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. The Project entered Engineering in June 2019. BART anticipates receipt of a Full Funding Grant Agreement in early 2020, and completion of the project in late 2026.

Significant Changes Since Last Evaluation (November 2018): The capital cost estimate decreased from \$2,771.17 million to \$2,705.72 million due to a decrease in finance charges.

Locally Proposed Financial Plan		
<u>Source of Funds</u>	<u>Total Funds (\$million)</u>	<u>Percent of Total</u>
Federal: Section 5309 Core Capacity	\$1,169.00	43.2%
State: Transit and Intercity Rail Program	\$186.82	6.9%
Local: Regional Measure 3 Bridge Tolls	\$500.00	18.5%
Measure RR Property Tax Funds	\$460.78	17.0%
BART Capital Allocation Fund	\$210.12	7.8%
MTC-Administered Transit Capital Priorities Program Exchange Account Funds	\$179.00	6.6%
Total:	\$2,705.72	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, Transbay Corridor Core Capacity Program
(Rating Assigned November 2019)

Factor	Rating	Comments
Local Financial Commitment Rating	High	
Non-Section 5309 CIG Share	+1 level	<ul style="list-style-type: none"> • The CIG share of the project is 43.2 percent.
Project Financial Plan	Medium-High	
Current Capital and Operating Condition (25% of local financial commitment rating)	High	<ul style="list-style-type: none"> • Bus fleet age is not considered, since Bay Area Rapid Transit District (BART) does not operate a bus fleet. • The most recent bond ratings for BART, issued in August 2019, are as follows: Moody's Aaa and Standard and Poor's AAA. • BART's current ratio of assets to liabilities as reported in its most recent audited financial statement is 4.35 (FY2018). • 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"> • All of the non-Section 5309 CIG capital funds are committed or budgeted. Sources of funds include State Transit and Intercity Rail Capital Program funds, BART capital allocations, Measure RR bond proceeds repaid with property tax revenue, Regional Measure 3 Bridge Toll funds, and Metropolitan Transportation Commission Exchange Account funds. • Approximately 94.8 percent of the operating 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 Transit Assistance Program funds, Low Carbon Transit Operations Program funds, Low Carbon Fuel Standard Program funds, dedicated sales tax revenue, dedicated property tax revenue, farebox revenue, contributions from Alameda County Measure BB and Measure B, Contra Costa County Measure J funds, San Mateo County Measure A funds, and Caltrain funds.

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 assumptions is optimistic compared to recent historical experience. • The capital cost estimate is reasonable. • Regarding growth in operating revenue assumptions, farebox collections are optimistic and BART sales tax and property tax revenues are reasonable compared to recent historical experience. • Operating cost estimates are optimistic compared to recent historical experience. • BART has access to funds via additional debt capacity, cash reserves, or other committed funds to cover cost increases or funding shortfalls equal to at least 10 percent of the estimated CIG capital cost and at least 4.3 percent of annual system-wide operating expenses.
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