



## EXECUTIVE DECISION DOCUMENT

<b>GENERAL MANAGER APPROVAL:</b>		<b>GENERAL MANAGER ACTION REQ'D:</b>		
DocuSigned by: <i>Val Menotti</i> AA8F1409A8F748E...		Approve and forward to the Board of Directors		
<b>DATE:</b> 3/25/2025      4/3/2025		<b>BOARD INITIATED ITEM:</b> No		
<b>Originator/Prepared by:</b> Alexi Chacon <b>Dept:</b> Capital Financial Planning	<b>General Counsel</b>	<b>Controller/Treasurer</b>	<b>District Secretary</b>	<b>BARC</b>
Signed by: <i>Alexi Chacon</i> 3469B536496F432...	DocuSigned by: <i>Amelia Sandoval</i> 2528C067C44147D...	Signed by: <i>Steph Brach</i> 7D9A7C6E7348456...		DocuSigned by: <i>Priya Mathur</i> EFBF9F35F0E6498...
<b>Signature/Date:</b> 4/2/2025	4/2/2025 [ ]	4/2/2025 [ ]	[ ]	4/2/2025 [ ]

### BART Car Replacement Funding Exchange and Reserve Account Withdrawal

#### PURPOSE:

To request Board approval to withdraw \$27,707,000 from the BART Car Replacement Funding Exchange and Reserve Account and any additional interest accrued in the account until the account is fully liquidated to fund the Rail Car Procurement, Phase 1 Project (Project), which procures 775 Fleet of the Future rail cars to replace and expand BART's legacy rail car fleet.

#### DISCUSSION:

In 2006, the Metropolitan Transportation Commission (MTC) and BART signed the BART Car Replacement Funding Exchange and Reserve Account (Exchange Account) Agreement (Agreement) to set aside funds for the eventual purchase of new railcars to replace BART's aging fleet. MTC agreed to program eligible Federal Highway (FHWA) or Federal Transit Administration (FTA) funds to BART's preventive maintenance program in exchange for BART's deposit of an equal amount of local funds into the Exchange Account. Since that time, approximately \$390 million has been deposited into the Exchange Account and approximately \$52.7 million in interest has accrued since the initial deposit. An additional \$300,000 in interest is expected to accrue before the Exchange Account is fully drawn down.

The Board has previously authorized two withdrawals for the Project, \$15.5 million in 2012 and \$220.1 million in 2020. These Exchange Account funds have been fully withdrawn.

In September 2017, MTC adopted Resolution No. 4302, the Exchange Account Agreement Supplemental, which committed up to \$179 million from the Exchange Account to BART for the costs of new railcars planned to be purchased as part of BART's Core Capacity Program (CCP). The Board authorized the withdrawal of \$18 million in 2019 and \$161 million in 2020 from the Exchange Account for the Core Capacity Program, which have now been fully withdrawn.

As of March 12, 2025, \$414.6 million had been withdrawn.

MTC Resolution No. 3738 requires that both the Board and MTC formally approve withdrawals from the Exchange Account. The action proposed today would authorize BART to withdraw \$27,707,000 from the Exchange Account and any additional interest accrued in the account until the account is fully liquidated, which BART would use for payments associated with the procurement of 775 railcars being acquired under the Project. MTC is expected to approve this withdrawal request at the April Commission meeting, as required by the Agreement. Upon approval by the Board and MTC, BART will submit formal requests for reimbursement of funds from the Exchange Account that will outline specific project details, including but not limited to copies of invoices that include defined costs associated with the project.

**FISCAL IMPACT:**

This action authorizes the District to request a withdrawal of \$27,707,000 from the Exchange Account and any additional interest accrued in the account until the account is fully liquidated to cover Project costs.

**ALTERNATIVES:**

Do not authorize the request of a withdrawal of \$27,707,000 from the Exchange Account and any additional interest accrued in the account until the account is fully liquidated. This could negatively impact Project cashflows.

**RECOMMENDATION:**

Adopt the following motion.

**MOTION:**

The Board formally approves the withdrawal of \$27,707,000 from the BART Car Replacement Funding Exchange and Reserve Account and any additional interest accrued in the account until the account is fully liquidated to fund the purchase of railcars under the Rail Car Procurement, Phase 1 Project.