



EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL:		GENERAL MANAGER ACTION REQ'D:	
DocuSigned by: 47000790F2D7463...		Approve and forward to Board of Directors	
DATE: 9/8/2023		BOARD INITIATED ITEM: No	
Originator/Prepared by: Priya Mathur Dept: Capital Financial Planning DocuSigned by: EFBF9F35F0E6498... Signature/Date: 9/20/2023	General Counsel DocuSigned by: F8FD7B3A73E74E8... 9/20/2023 []	Controller/Treasurer DocuSigned by: EE11C8CEEEA04FD... 9/20/2023 []	District Secretary DocuSigned by: 3BB24D65B8724F5... 9/20/2023 []

Resolution of The San Francisco Bay Area Rapid Transit District Declaring Official Intent to Reimburse Certain Expenditures from Proceeds of Indebtedness

PURPOSE:

To request the Board adopt the resolution permitting reimbursement by the District for expenditures related to the Safe, Reliable and Accessible BART Capital Infrastructure Investment Program (the Project) from the proceeds of debt to be issued by BART in the future.

DISCUSSION:

The Safe, Reliable and Accessible BART Capital Infrastructure Investment Program (the Project) attracts riders, stimulates transit-oriented development (TOD) and enhances the safety, security and reliability of the BART system by acquiring, renovating, replacing and upgrading critical capital infrastructure. The Project is comprised of several elements:

- Security investments, such as the acquisition and construction of a new BART Police Department Administrative Headquarters
- Communications and train control improvements, such as the implementation of a new communications-based train control system to replace BART's 50-year old fixed block system, improving service reliability and enabling more frequent trains
- Rail car procurement to expand BART's fleet
- Traction power renovation, replacement and expansion, such as new traction power substations as part of the Core Capacity Program and traction power cable replacement
- Station safety, reliability, access and accessibility improvements, such as the replacement of existing fare gates with Next Generation fare gates to deter fare evasion; the modernization of station elevators to improve reliability and availability of elevators for riders with disabilities, families, cyclists and travelers with luggage; and improvements that support the construction of transit-oriented development near BART stations
- Shop, yard and facility improvements, such as the construction of a new Fleet of the



Future Maintenance Facility to maintain and overhaul rail car components on a regular schedule, rather than running rail cars to failure, and thereby avoiding potential service reliability impacts and preserving the life of the new rail cars

- Electrical and mechanical improvements, such as replacement and installation of uninterruptible power supply
- Track and structures improvements, such as interlocking replacements

BART staff is exploring financing alternatives to support the construction of the Project. The attached resolution authorizes reimbursement of not to exceed \$950M of Project expenditures. The final issuance amount will depend on the need to finance project cashflows in advance of external funding and/or planned operating-to-capital allocations for the Project.

Under IRS rules relating to expenditures made in anticipation of a later tax-exempt financing, the District needs to indicate its intent to be reimbursed for such expenditures prior to or at the time the expenditures are made. This resolution indicates such intent and will assist the tax treatment of debt issuance by BART to finance the Project.

FISCAL IMPACT:

This action allows the District to get reimbursed for expenditures related to the Project made prior to the issuance of debt from such debt proceeds.

ALTERNATIVES:

Do not adopt this resolution therefore the District cannot seek reimbursement for expenditures related to the Project from subsequent debt proceeds.

RECOMMENDATION:

Adopt the following Motion.

MOTION:

The Board adopts the resolution that declares its intent to reimburse certain Project expenditures from future debt proceeds.