



EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL: <div>DocuSigned by: <i>Michael Jones</i> 47000790F2D7463...</div>		GENERAL MANAGER ACTION REQ'D: Approve and forward to Board of Directors		
DATE: 9/2/2025		9/8/2025		BOARD INITIATED ITEM: No
Originator/Prepared by: Priya Mathur Dept: Funding Strategy Signature/Date: <div>DocuSigned by: <i>Priya Mathur</i> EFBF9F35F0E6498... 9/8/2025</div>	General Counsel <div>DocuSigned by: <i>Amelia Sandoval-Smith</i> 2528C067C44147D... 9/8/2025 []</div>	Chief Financial Officer <div>Signed by: <i>Joseph Beach</i> 7D9A7C6E7348456... 9/8/2025 []</div>	District Secretary <div>DocuSigned by: <i>Robert Franklin</i> AFF4529E1F0D45C... 9/9/2025 []</div>	BARC <div>DocuSigned by: <i>Pamela Herlihy</i> 3BB24D65B8724F5... 9/8/2025 []</div>

Authorize the General Manager to Request a Second Transportation Infrastructure Finance and Innovation Act of 1998 (TIFIA) Loan Disbursement in an Amount up to \$394,642,843. Board requested to authorize.

PURPOSE:

To seek Board authorization for the General Manager or his designee to request a second Transportation Infrastructure Finance and Innovation Act (TIFIA) Loan disbursement of up to \$394,642,843.

DISCUSSION:

On October 24, 2024, the BART Board authorized the General Manager to enter into a Transportation Infrastructure Finance and Innovation Act of 1998 (TIFIA) Loan Agreement with the U.S. Department of Transportation. The TIFIA Loan provides BART with up to \$544,642,843 in proceeds to reimburse the District for prior BART funds used in the Rail Car Replacement Project (the Project). TIFIA Loan interest payments commence in FY30 and principal payments commence in FY35.

In its October 2024 action, the BART Board also authorized an initial disbursement of \$150,000,000, which was received on January 2, 2025. In addition, the BART Board directed BART staff to bring any additional disbursement requests to the BART Board for approval. The remaining TIFIA Loan capacity is \$394,642,843. Per the TIFIA Loan Agreement, BART must receive all TIFIA Loan disbursements by November 1, 2025, one year from substantial completion of the Project.

TIFIA Program

The TIFIA program provides credit assistance for qualified projects of regional and national

significance. Through direct loans, loan guarantees, and lines of credit, TIFIA offers flexible financing options with favorable terms (e.g., low cost of capital, payment deferral, subordination). The program aims to leverage limited federal resources to stimulate private and non-federal investment in transportation infrastructure, thereby accelerating the development and improvement of critical transit systems, highways, railways, and intermodal facilities across the United States. As a transit agency, BART is an eligible borrower under TIFIA. The borrower must pledge an identified revenue source such as sales tax. For the BART TIFIA Loan, BART pledged sales tax revenues.

FISCAL IMPACT:

Interest and principal debt service on the bonds will be paid in accordance with the provisions of the Sixth Supplemental Indenture of the 2012 Indenture, Junior Master Indenture and First Supplemental Indenture of the Junior Master Indenture from sales tax revenues via allocation from the District's annual adopted operating budget. Under the terms of the TIFIA Loan Agreement, no debt service payments are required before July 2029 (FY30), so no costs will be budgeted in the FY26 Budget. If approved, staff will include TIFIA Loan debt service payments in all long-term financial projections.

ALTERNATIVES:

The District may elect not to request a second disbursement, which would mean that the District would not be able to reimburse itself with TIFIA Loan Proceeds for up to \$394,642,843 BART funds previously spent on the Project.

RECOMMENDATION:

Adopt the following motion.

MOTION:

The Board authorizes the General Manager or his designee to request a TIFIA Loan disbursement of up to \$394,642,843.