



EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL: DocuSigned by: <i>Michael Jones</i> 47000790F2D7463...		GENERAL MANAGER ACTION REQ'D: Approve and forward to Board of Directors		
DATE: 6/13/2025 6/19/2025		BOARD INITIATED ITEM: No		
Originator/Prepared by: Priya Mathur Dept: Funding Strategy Signature/Date: DocuSigned by: <i>Priya Mathur</i> FEBF9F35F0E8498 6/17/2025	General Counsel DocuSigned by: <i>Amelia Sandoval-Smith</i> 2528C067C44147D... 6/17/2025 []	Chief Financial Officer Signed by: <i>Joseph Beach</i> 7D9A7C6E7348456... 6/18/2025 []	District Secretary DocuSigned by: <i>Robert Franklin</i> AFF4529E1F0D45C... 6/19/2025 []	BARC DocuSigned by: <i>Pamela Herlihy</i> 3BB24D65B8724F5... 6/18/2025 []

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) supports core infrastructure investments that improve system safety, reliability, and accessibility, sustain ridership, and enable future service growth. The Project includes the following major components:

- **Renew Track:** Replace segments of track systemwide to improve reliability. Reprofile track to reduce wear and noise.
- **Renew Power Infrastructure:** Replace 34.5kV cables and power substations to ensure trains have reliable source of electricity.
- **Repair Tunnels and Structures:** Enhance system safety by replacing and reinforcing critical infrastructure.
- **Renew Mechanical Infrastructure:** Improve reliability by replacing third rail, coverboards, and other key track components.
- **Renew Stations:** Modernize station entries, escalators, and overall layouts to improve safety and flow of riders.



- **Train Control Modernization:** Implement Communications Base Train Control to safely run more trains closer together.
- **Relieve Crowding:** Lay groundwork for New Transbay Rail Crossing. Create redundancy with new rail car storage yard.
- **Access Improvements:** Projects that make it easier to walk, bike, and carpool to BART stations.

To support the continued implementation of the Project, staff is evaluating financing strategies for the issuance of the next tranche of general obligation bonds. The attached resolution authorizes reimbursement of up to \$1.44 billion in eligible Project expenditures previously incurred or to be incurred, in accordance with IRS regulations. This action ensures that BART continues to advance critical capital investments.

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.