FY23 Capital Program Priorities Process FY24 Board Engagement Plan

September 22, 2022

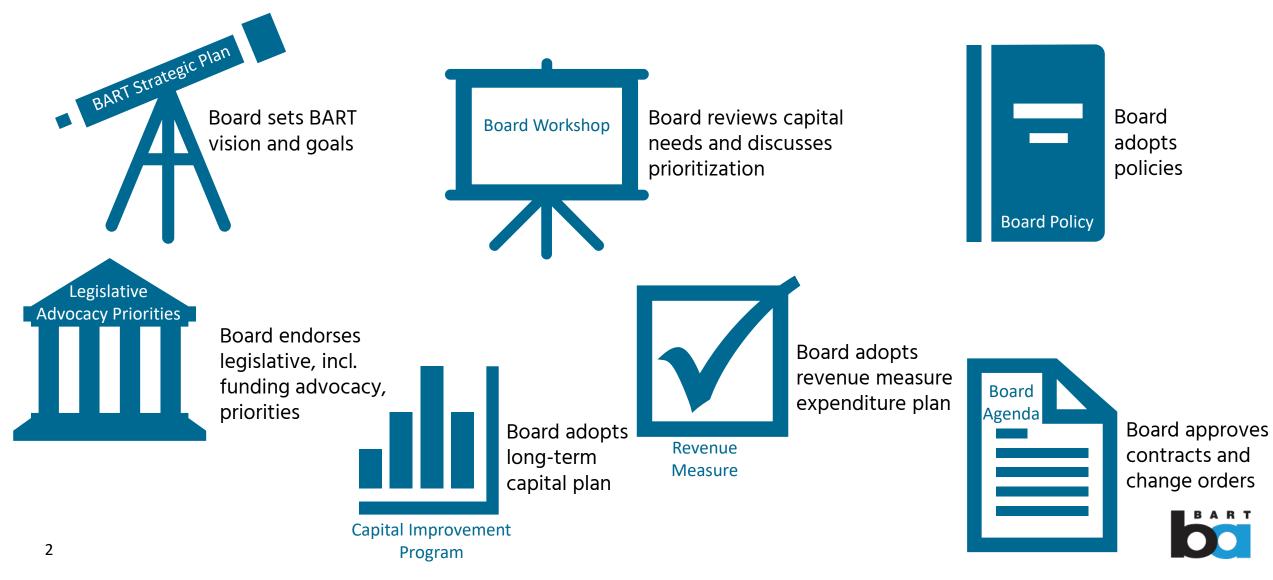


Capital Prioritization Roles

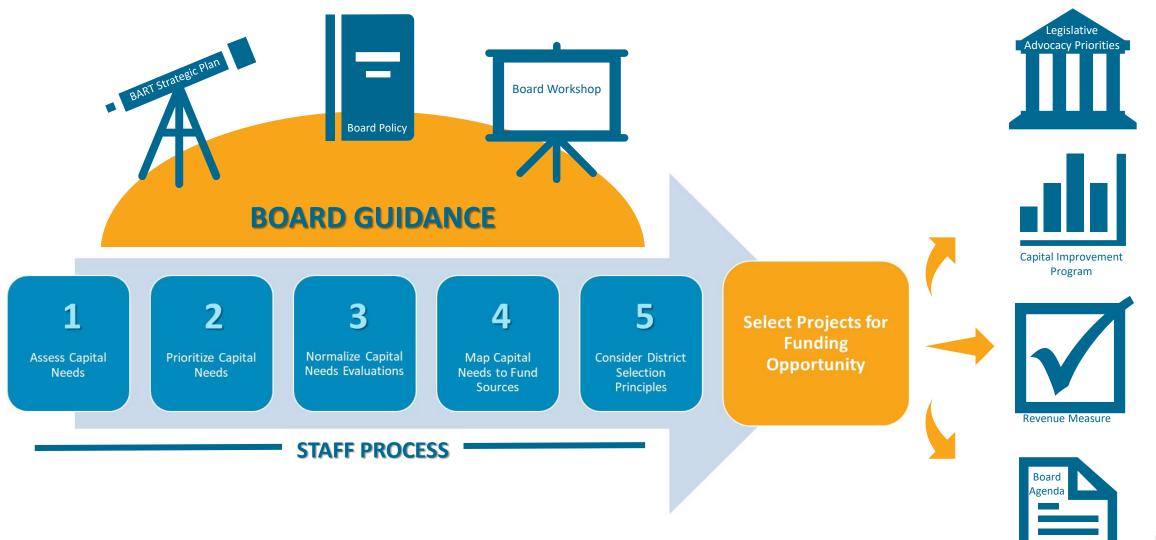
Board	 Vision, Goals & Policy Direction Capital Program Briefings & Public Engagement Capital Improvement Program Adoption Capital Contracts Approval
Executive	 Objectives & Metrics Capital Program Implementation Oversight Capital Program Funding Strategy Interagency Project Delivery & Funding Coordination
Staff	 Asset Management/Risk Register (Safety/Reliability) Capital Project Management & Delivery Capital Program Financial Forecasting, Analysis & Funding Strategy Implementation



Board Engaged in Capital Project Prioritization at Multiple Touchpoints



Capital Project Selection Framework



Step 1: Confirm unfunded or underfunded capital needs

- Capture the full picture of capital needs by Executive Office
- Identify unfunded projects and funding gaps in active projects, including planning and development needs for future capital projects
- Leverage existing data sources, including the Asset Management Plan, Capital Improvement Program (CIP), State of Good Repair (SOGR) Capital Needs Inventory (CNI) and the Strategic Plan



A Step 2: Apply BART Capital Project Prioritization Criteria

- Assess unfunded or underfunded capital needs using capital project prioritization criteria
- Criteria guided by Board adopted
 Strategic Plan
- Base assessment on objective and quantitative data

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		SAFETY										
		WORKFORCE										
		FINANCIAL STABILITY										



A Step 2: Apply BART Capital Project Prioritization Criteria

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Step 3: Normalize Evaluation of Projects

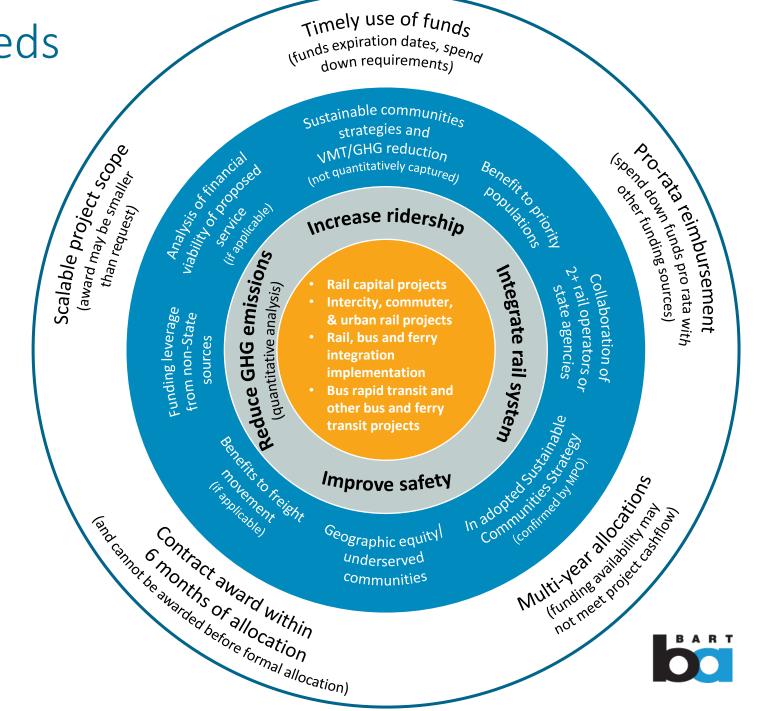
- Ensure consistency of evaluation across all project development and delivery Executive Offices (EOs)
- Advance District-wide priorities

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- EOs submit their projects, identified and scored under Steps 1 and 2
- Aggregate submittals and review and resolve prioritization inconsistencies with EOs
- Review and confirm normalized prioritized project list with EOs

- Funding is not fungible:
 - Eligible projects
 - Primary evaluation criteria
 - Secondary evaluation criteria
 - Funding and project delivery requirements and constraints

EXAMPLE Transit & Intercity Rail Capital Program



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* For illustrative purposes



5337(f)

- BIL created new Rail Car Replacement Program
- FTA \$3B over 3 years with 3-9 awards nationally
- Expect NOFO Fall 2022

SS4A

- BIL created new Safe Streets and Roads for All Program • DOT – \$1B per year for 5 years • Applying for funding to develop a
 - **BART Safety Action Plan**
- Will base future construction grants on SAP strategies

TIRCP

- Many FY23 funding opportunities due to Bipartisan Infrastructure Law and State Budget Surplus



- FEMA funding for hazard mitigation and resiliency • Subapplicant to CalOES
- FEDERAL • Notice of Interest due Fall 2022
 - Reviewing projects for eligibility

DOJ Program

• Applied for \$279M for Crisis

Intervention Specialists

ASAP

BIL created new All Stations

• Reviewing projects for eligibility

Accessibility Program

• \$344M in FY22 nationally

LPP-C

OBAG3

- MTC STP/CMAQ Program
- County applications Summer 2022
- Submitted 11 applications totaling \$91M for Next Gen Fare Gates, Elevator Modernization and

REGIONAL

FSPP

- FRA Program
- Notice of Funding Opp Fall 2022
- CCJPA will apply for Link21 program development



- AHSC

STATE

• MTC issued call for Letters of Interest for Transportation

TE

- MTC plans to create \$40-60M funding program
- Developing LOI



Funding Sources Key

- 5337(f) FTA Rail Car Replacement Program
- SS4A DOT Safe Streets & Roads for All Program
- BRIC FEMA Building Resilient Infrastructure & Communities Program
- HMGP FEMA Hazard Mitigation Grant Program
- ASAP FTA All Stations Accessibility Program
- FSPP FRA Federal-State Partnership Program
- COPS DOJ Community Oriented Policing Services Program
- TIRCP CalSTA Transit & Intercity Rail Capital Program
- LPP-C CTC Local Partnership Program (Competitive)
- AHSC SGC/HCD Affordable Housing & Sustainable Communities Program
- OBAG3 MTC (FHWA Flex Funds) One Bay Area Grant Program Cycle 3
- TE MTC Transportation Electrification Program (under development)



Step 5: Consider District Selection Principles

Optimize Probability of Securing Funding

- Advance projects that best fit guidelines and rules of the funding program
- Package needs into compelling project or program bundles

Seek to Close Funding Gaps on Critical Projects

Prioritize completing the funding plan for projects that are already under contract/construction

• Advance Hard-to-Fund Programs/Projects

• Give preference to projects that are difficult to fund through existing fund sources

Target Programmatic Balance

• A balanced approach across the Capital Improvement Program ensures that the District's many needs get a share of limited funding, when competitive

Ongoing BART Board Engagement

• As the Capital Project Prioritization and Selection Process advances, the Board has several opportunities to engage with the Capital Program.



System Development Policy – September 2022



Legislative Advocacy Priorities – coming in December 2022



Annual Board Workshop – coming in Jan/Feb 2023

The Board will also tour the Hayward Maintenance Complex at its October 27 Board meeting to better engage the Board, funding partners and the public about BART critical capital needs

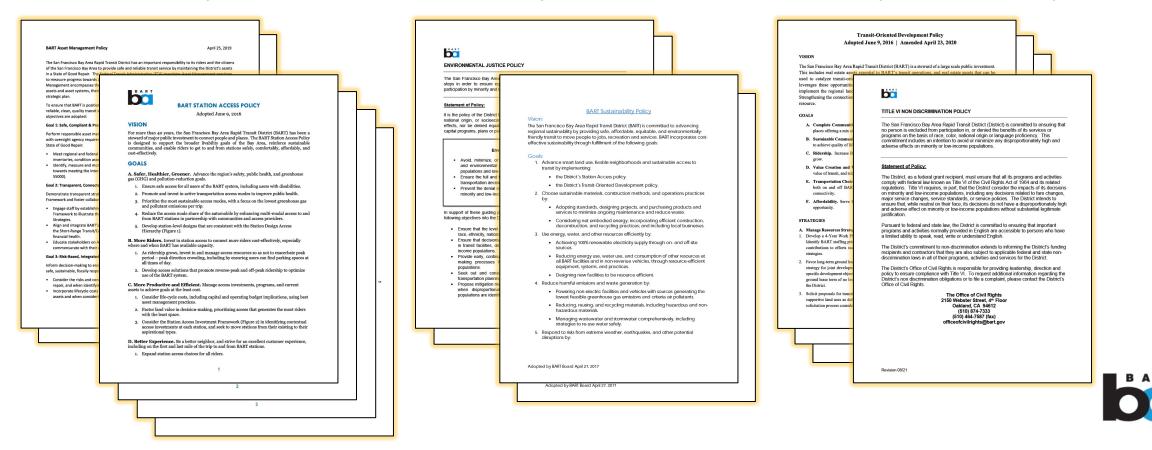


Capital Improvement Program – coming in Spring/Summer 2023

- Major funding priorities take years to fully fund
- Important to stay the course on existing commitments,
- ex. Core Capacity

Policy Adoption

- Periodically, the Board considers and adopts policies related to the Capital Program
- Examples: Asset Management, FTA Title VI Non Discrimination, Environmental Justice, Sustainability, Transit-Oriented Development, Station Access & System Development





- Annual Legislative Advocacy Goals guide the activities of Board, staff and advocates to influence funding programs & seek support for BART capital needs
- 2022 activities included:
 - Advocacy to authorize increased funding for CIG projects with existing grant agreements
 - A regionally coordinated ask for funding within the FY23 State Budget, for projects leveraging state and federal commitments
 - Member budget requests for the FY23 State Budget and FY22 federal appropriations
 - Secured \$5M from for Downtown Berkeley Station Elevator Modernization and \$1M for El Cerrito Plaza TOD Station Access Improvements from FY23 State Budget
 - Secured \$2M in FY22 federal appropriations for the Next Generation Fare Gates Project
 - Securing letters of support for State and federal grant submissions (RAISE, COPS, TSGP)



Financial Overview at Board Workshop

- Financial Overview included periodically in Board Workshop
 - FY23 Board Workshop will include:
 - Review of initial financial assessment of capital program
 - Funding needs for major projects
 - Funding risk analysis
 - Other funding considerations
 - Opportunity for Board discussion of unfunded capital needs and capital project prioritization (5-10 years out)

- Existing major and/or active project capital needs and at-risk funding estimated to total >\$2.5 billion
 - Core Capacity Program
 - Fleet of the Future Maintenance Facility (formerly HMC1 VOHRS)
 - Elevator Modernization Program
 - BPD Headquarters

Capital Improvement Program

- Forecast of BART capital projects, needs and funding sources
- Plan to bring updated SRTP/CIP to Board in 2023
 - CIP update deferred by MTC due to pandemic
 - FY19 CIP adopted October 2018
- Constrained CIP includes:
 - programs and projects underway
 - where funding has been secured or can be reasonably forecast (such as federal formula funds for system reinvestment)
- CIP also includes summary of priority unfunded needs & projects

V Potential Transportation Revenue Measure

- September 9 MTC convened discussion on potential regional funding measure, including regional and operator funding priorities
 - Discussions will continue over coming months

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- BART will need to prioritize operating and capital needs
- Timing of revenue measure may not meet BART operating financial needs in time for fiscal cliff
- MTC acknowledges the need to advocate for potential State funding to bridge the operating financial gap until revenue measure comes online

MTC Major Project Advancement Policy (MAP)

- Purpose: Implement Plan Bay Area 2050 Projects
- Help prioritize \$60B in regional transportation projects (forecast project cost)
- Align projects for federal, state, regional discretionary dollars
- Endorsements and sequencing strategies may be developed for fund sources such FTA CIG and State TIRCP
- Develop MTC role in project monitoring and risk management
- MTC's preliminary criteria for candidate projects:
 - Plan Bay Area 2050 Tier-1 projects with capital costs over \$250 million (year-of-expenditure), or
 - Plan Bay Area 2050 Tier 2 projects with capital costs over \$1 billion (year-of-expenditure) for early phases only
- Projects do not need to be in the MAP to be funded

BART Projects submitted for MAP

From existing MTC priority lists (Transit Capital Priorities, BIL Regional Grant Strategy, RM3, TIRCP Framework, etc.):

- Fleet of the Future Maintenance Facility (formerly HMC 1/ VOHRS; PBA Tier 1)
- Core Capacity Program (PBA Tier 1)
- Seismic Retrofit (PBA Tier 2) Caldecott Tunnel
- BART Electrical/Mechanical Rehab Program (PBA Tier 2)
- Link21 (formerly New SF-Oakland Transbay Rail Crossing; PBA Tier 2) program development

Additional:

• Station Modernization & Transit-Oriented Development Program (PBA Tier 1 & 2)



Looking Ahead

- Continued funding advocacy at regional, state, and federal levels
 - Continue to engage with MTC & operators re: regional transportation funding measure
 - BART will need to prioritize operating and capital needs
 - Engage with MTC on continued development of MAP and updated TIRCP endorsement framework
 - State TIRCP application to support Core Capacity Program and Link21
 - Pursue opportunities within the Bipartisan Infrastructure Law and Inflation Reduction Act

Looking Ahead

- December Board approval of Legislative Advocacy Priorities
 - Opportunity for Board to incorporate Capital Program priorities into legislative advocacy priorities
- Next Year
 - Board Workshop early 2023
 - Long term capital program priorities discussion and strategy
 - Review interplay between capital investment and operating financial impacts
 - Begin discussion of revenue measure priorities
 - Begin discussion of future (in 5-10 years) capital program priorities
 - Capital Improvement Program 2023
 - Forecast long term capital needs and sources
 - Incorporate Board direction and strategy from workshop and policies

