



FY19 DRAFT Short Range Transit Plan/ Capital Improvement Program



BART Board of Directors
September 13, 2018



What is the SRTP/CIP?

- Provides overview of BART's long-term operating and capital financial outlook
- Last published July 2017
- Reflects Plan Bay Area, BART's asset management plans and current operating and financial forecasts





Financial Outlook: Overview

- Operating: \$11 billion total 10-year operating program
 - \$367 million cumulative 10-year deficit (3% of total program)
 - Projected annual shortfalls: \$17 million to \$63 million
- Capital: \$22.4 billion of capital needs over 15 years
 - \$12.4 billion of funding identified
 - \$10.0 billion cumulative unfunded needs





Draft SRTP (FY19 – FY28): Key Issues

- Uncertainty in major sources: ridership, SB1, and economy
- Significant contributions from operating funds to fund new rail cars, Hayward Maintenance Complex and Train Control ('Big 3'), Core Capacity and other high priority capital needs
 - Timing of capital needs increases projected annual operating shortfalls
 - Operating forecast includes costs to operate capital investments in new assets and facilities.
- FY20-FY21 forecast \$100M cumulative operating budget deficit
 - Actions to balance early years could reduce long-term shortfall



SRTP – Sources and Uses Assumptions

Issue	Assumption
Operating sources	<ul style="list-style-type: none">• Existing system ridership: 1.7% annual growth• Sales tax revenue: 3.2% annual growth• Assumes SB1 continues• Continued growth in other operating sources
Fare Policy	<ul style="list-style-type: none">• Assumes CPI-based fare increases continue• Assumes fare increase revenue remains in operating once commitment to “Big 3” and Core Capacity is funded
Operating Expense	<ul style="list-style-type: none">• Includes current labor contracts, assumes 2% wage growth thereafter• Growth in benefit expenses per actuarial forecasts• Includes cost of planned service changes
Allocations	<ul style="list-style-type: none">• Continued allocations to Priority Capital Projects, Station/Access Projects, Sustainability Projects, and MetroCenter Building• New allocation to CalPERS pension funding (\$90M over 10 years)



SRTP – Major Service Assumptions

Fiscal Year	Major Service Change
Recent Changes	<ul style="list-style-type: none">• Warm Springs Extension• BART to Antioch
FY19	<ul style="list-style-type: none">• Begin TBT Seismic Retrofit/5AM Start
FY20	<ul style="list-style-type: none">• Silicon Valley Phase 1 Service Start
FY23	<ul style="list-style-type: none">• Completion of HMC
FY26	<ul style="list-style-type: none">• CBTC/12 minute headways in core
FY27	<ul style="list-style-type: none">• Silicon Valley Phase 2 Service Start
FY28	<ul style="list-style-type: none">• CBTC/12 minute headways system wide



SRTP: Financial Outlook

FY19 SRTP: Annual Financial Result (millions)





FY19 Draft CIP

FY19 CIP: 15-Year Capital Financial Outlook (\$B)

Total Need	\$22.4
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Total Funding	\$12.4
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<i>Secure Funding</i>	<i>\$9.12</i>
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<i>Competitive / Not Secure Funding</i>	<i>\$3.23</i>
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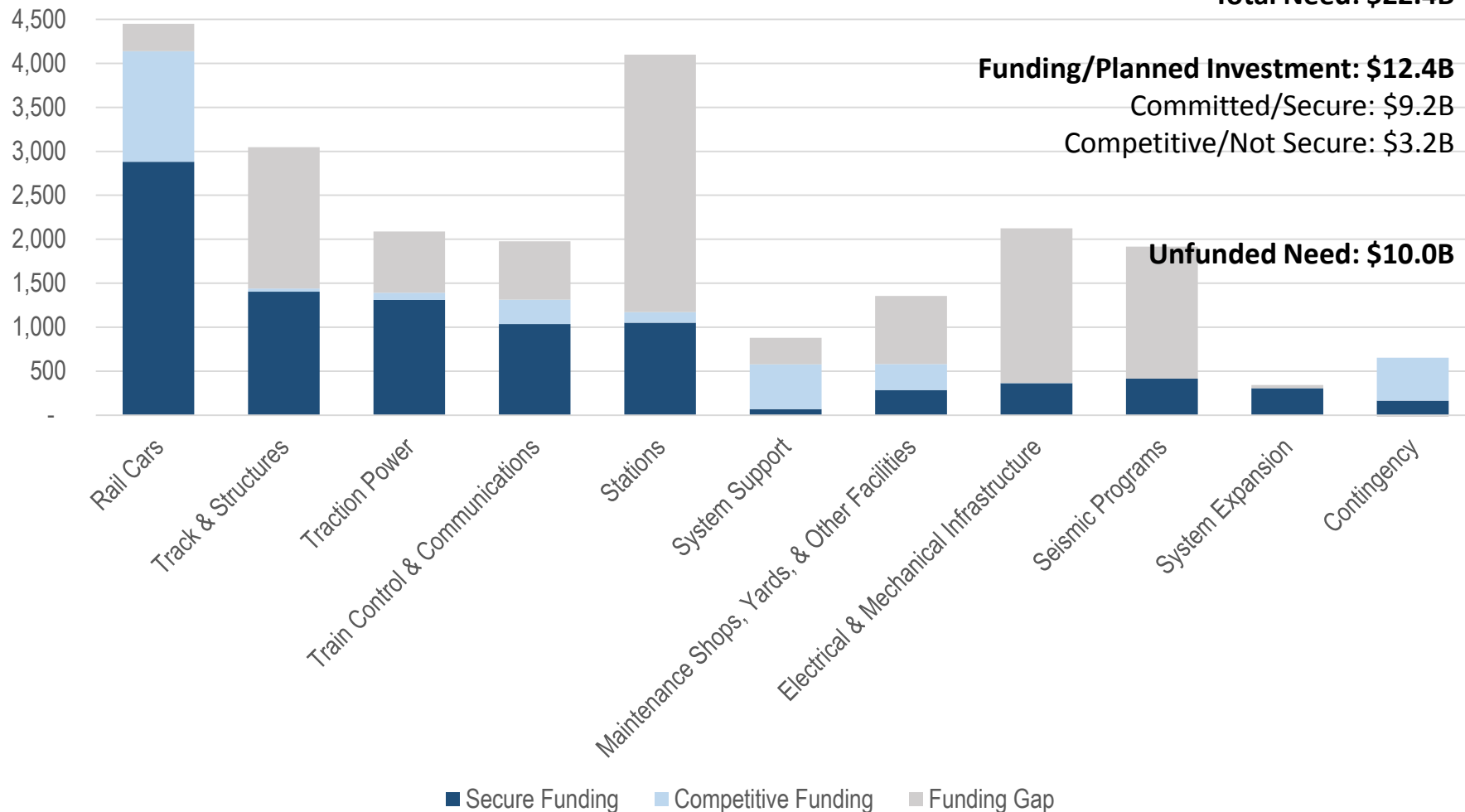
Unfunded Needs	\$10.0
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FY19 Draft CIP

FY19-33 CIP: Funding Status by Program Area

Total Need: \$22.4B

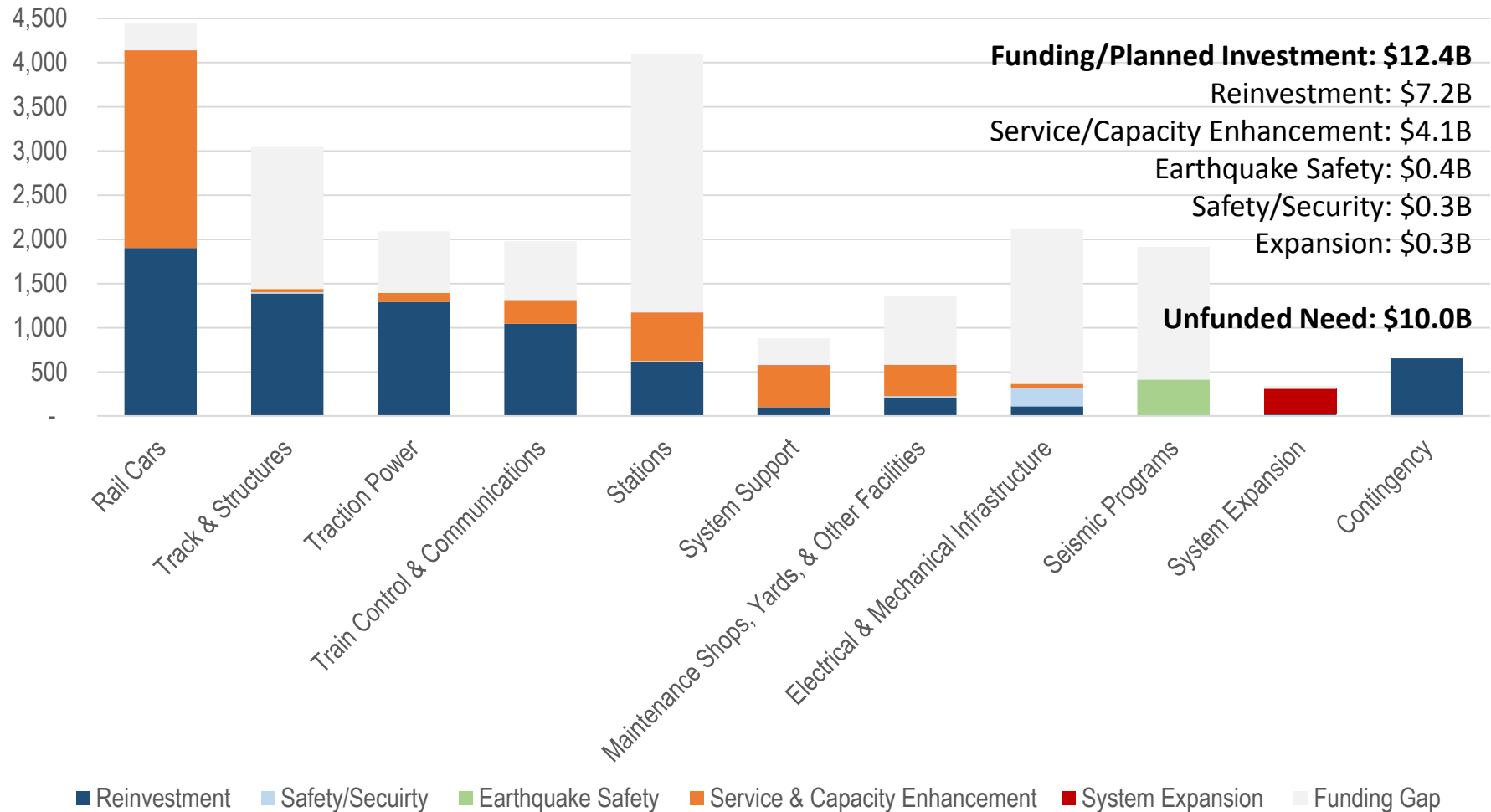




FY19 Draft CIP

FY19-33 CIP: Needs by Purpose (Funded)

Total Need: \$22.4B

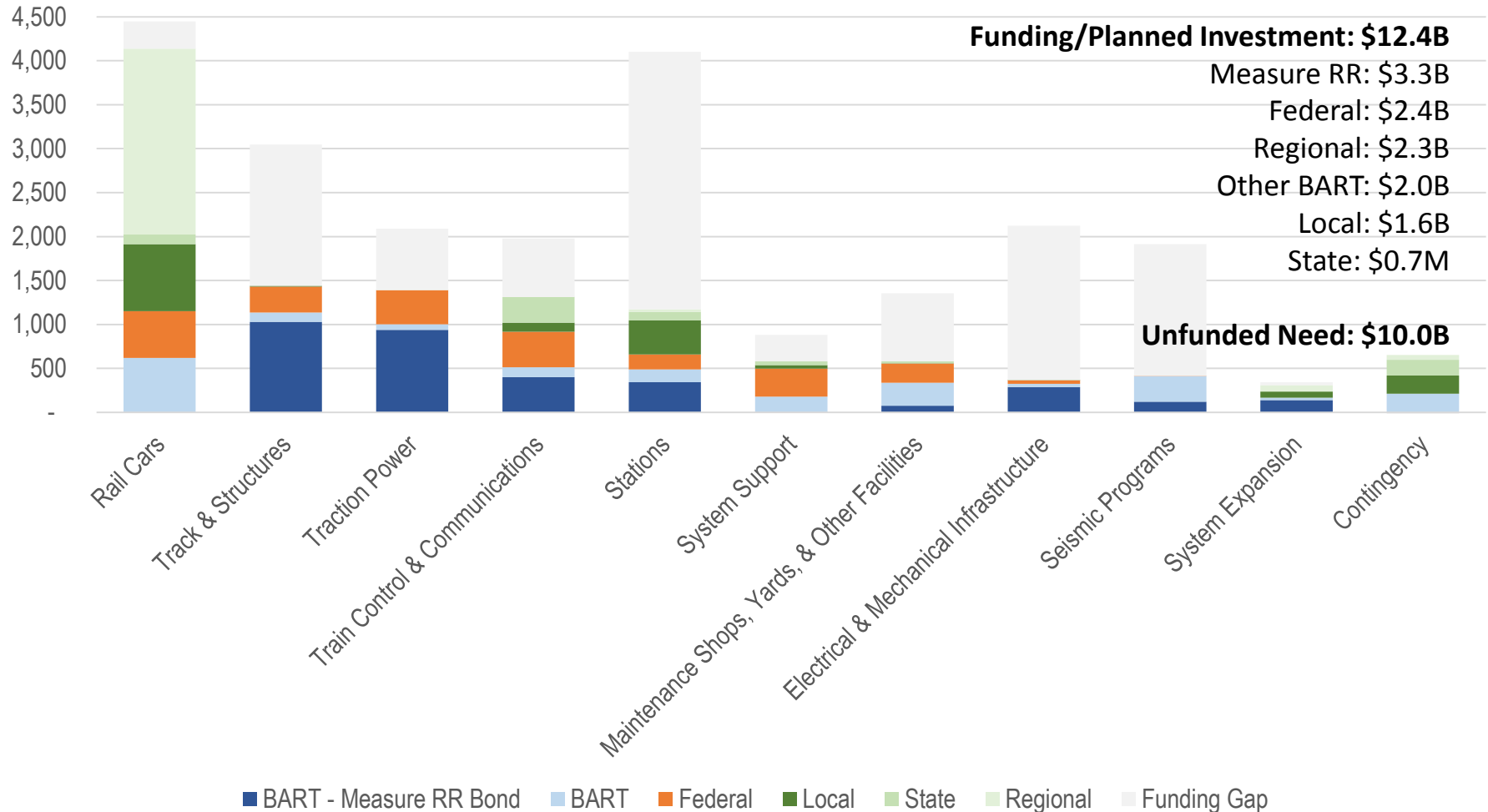




FY19 Draft CIP

FY19-33 CIP: Funding by Category

Total Need: \$22.4B





FY19 CIP: Key Issues

- Commitments to deliver a large & ambitious program
 - Scaling up project delivery
 - Rebuilding the system while operating it
- Resources are available for the most critical renewal and crowding relief projects
 - Measure RR, Federal/MTC funds, BART allocations
- Core Capacity plan requires regional and federal commitments
 - Regional funding partners have proposed potential commitment levels should BART secure federal grant
- Long term - unfunded reinvestment, enhancement, and seismic needs
- Planned new capital assets could drive higher operating & maintenance expense



SRTP/CIP Next Steps

- Continue update of operating and capital long-term outlook
- Develop strategies for operating and capital shortfalls during FY20 budget development
 - Align timing of available funds with funding needs
 - Identify and secure additional funding resources
- Final document anticipated for consideration by the Board in October/November 2018