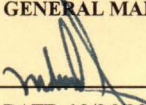
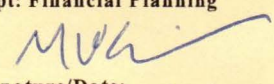
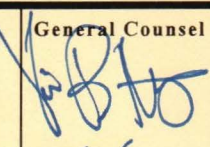
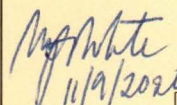
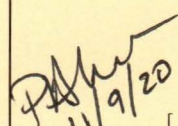




EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL:  11/10/2020		GENERAL MANAGER ACTION REQ'D: Approve and forward to the Board of Directors		
DATE: 10/26/2020		BOARD INITIATED ITEM: No		
Originator/Prepared by: Anais Malinge Dept: Financial Planning  Signature/Date: 11/9/20	General Counsel  11/10/20 []	Controller/Treasurer  11/9/2020 []	District Secretary []	BARC  11/9/20 []

BART Car Replacement Funding Exchange and Reserve Account Withdrawal

PURPOSE:

To request Board approval to withdraw \$161 million from the BART Car Replacement Funding Exchange and Reserve Account to fund the purchase of railcars under the Transbay Corridor Core Capacity Project (Project).

DISCUSSION:

In 2006, the Metropolitan Transportation Commission (MTC) and BART signed the BART Car Replacement Funding Exchange and Reserve Account (Exchange Account) Agreement (Agreement) to set aside funds for the eventual purchase of new railcars to replace BART's aging fleet. MTC agreed to program eligible Federal Highway (FHWA) or Federal Transit Administration (FTA) funds to BART's preventive maintenance program in exchange for BART's deposit of an equal amount of local funds into the Exchange Account. Since that time, approximately \$390 million has been deposited into the account.

In September 2017, MTC adopted Resolution No. 4302, the Exchange Account Agreement Supplemental, which committed up to \$179 million from the Exchange Account to BART for the costs of new railcars included in the Project in order to support the advancement of the Project for funding eligibility under the FTA's Capital Investment Grant (CIG) Program. Since that time, BART has been advanced through the CIG Program and executed a Full-Funding Grant Agreement in September 2020 for the CIG.

The Board has previously authorized three withdrawals, \$15.5 million in 2012, \$18 million in 2019, and \$220.1 million in 2020. As of June 30, 2020, the balance of the account was

\$401.5 million and \$15.5 million had been withdrawn.

MTC Resolution No. 3738 requires that both the Board and MTC formally approve withdrawals from the Exchange Account. The action proposed today would authorize BART to approve the withdrawal of \$161 million from the Exchange Account, which BART would use for payments associated with the procurement of up to 425 railcars being acquired under the Project. MTC is expected to approve this withdrawal request at the December Commission meeting, as required by the Agreement. Upon approval by the Board and MTC, BART will submit formal requests for reimbursement of funds from the Exchange Account that will outline specific project details, including but not limited to copies of invoices that include defined costs associated with the project.

FISCAL IMPACT:

This action authorizes the District to request a withdrawal of \$161million from the Exchange Account as needed by the Project cost cashflow needs.

ALTERNATIVES:

Do not authorize the request of a withdrawal from the Exchange Accountand potentially delay rail car delivery.

RECOMMENDATION:

Adopt the following motion.

MOTION:

The Board formally approves the withdrawal of \$161 million from the BART Car Replacement Funding Exchange and Reserve Account to fund the purchase of railcars underthe Transbay Corridor Core Capacity Project.