Peninsula Corridor Electrification Project Funding Update

Board of Directors
August 6, 2015
Agenda Item 7b

PCEP Milestones *(2020 Revenue Service)*

- **Done**
  - NEPA Complete 2009
  - $1.2 billion 9-party Funding MOU 2012
  - CEQA Complete 2014
  - DB RFP Released 2015

- **To Do**
  - EMU RFP Release - August
  - DB Award November 2015*
  - EMU Award January 2016*

*Note: Aggressive target milestones*
Funding Need

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<tr>
<th>PCEP 2008 Estimate</th>
<th>PCEP 2014 Estimate</th>
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<td>$1,225M</td>
<td>$1,474M - $1,531M</td>
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- Need to update 9-party funding MOU
- Funding gap $431 million
  - $125 million (carry over from existing MOU)
  - $306 million (2014 cost update)
- Project cost subject to change

Funding Strategy

- Rely on Grants
- No JPB Financing / TIFIA Loan
  - Continued structural deficit
  - Unable to add to annual shortfall
- No Fare Surcharge
  - Assuming 7.5% fare increase biennially
  - Fare increase needed to cover Operations / Maintenance
  - Continued annual shortfall
Funding Sources

- FTA Core Capacity ($220 million)
- HSR Cap & Trade ($113 million)
- Caltrain Cap & Trade ($9 million)
- MTC Regional Measures 1 & 2 ($29 million)
- Additional Local Agencies ($60 million)

Next Steps

- Fall 2015
  - MTC / Local Partner Funding Update
  - $600 million HSR funding agreement
- Winter 2016
  - Additional HSR agreements (timed with contracts)
  - Increase JPB cash flow capacity
  - FTA Core Capacity Rating / Letter of No Prejudice
- Spring 2016
  - FTA Core Capacity Full Funding Grant Agreement
  - Assess JPB cash flow capacity