

TIRCP Funding Plan & FY2025 Capital Budget Amendment

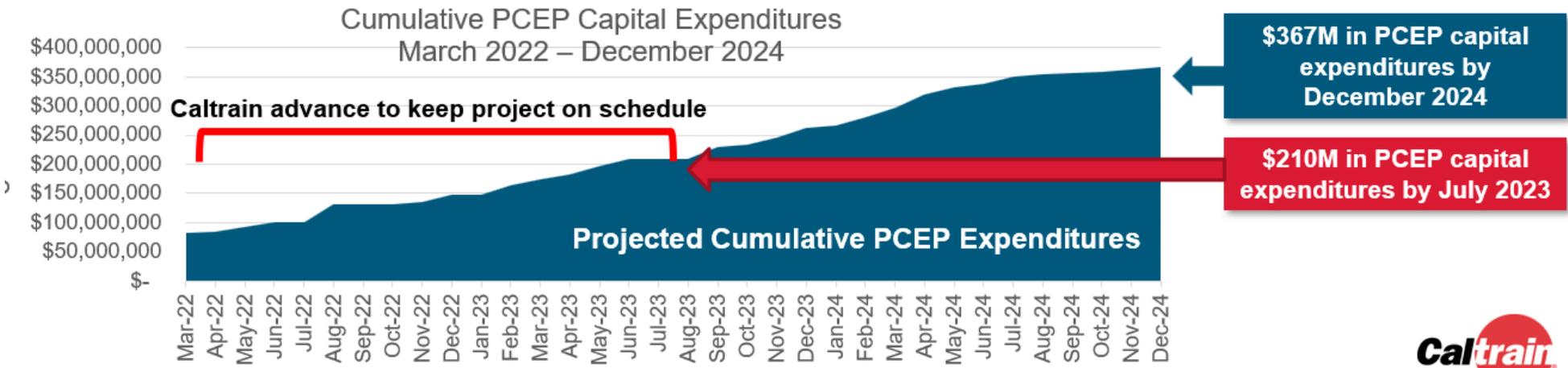
Finance Committee Meeting

July 22, 2024



History of PCEP Funding Shortfall

- **In December 2021, JPB adopted a PCEP budget of \$2.44B with a \$410M funding shortfall**
 - The initial funding plan for the \$410M shortfall included \$150M of sales tax bonds, \$60M of Measure RR sales tax funds and \$200M of unidentified funding.
 - The bond proceeds, along with the \$60M in Measure RR funds, and \$100M in tax-exempt Line of Credit, were essential for the cash flow needs of PCEP to keep the project on schedule while Caltrain sought additional funding.
 - The bond proceeds were spent from March 2022 through May 2023.



History of PCEP Funding Shortfall

\$410M grant awards from the following funding sources fully closed the PCEP funding gap:

- **In 2022, \$43M was secured from FTA, including \$33M of Capital Investment Grants (CIG) and \$10M in Community Project Requests from Senators Feinstein and Padilla**
- **On January 31, 2023, Caltrain received \$367M of Transit and Intercity Rail Capital Program (TIRCP) funds from the State**
 - 100% of the \$367M in TIRCP funds will be spent on the PCEP.
 - Allows Caltrain to reimburse itself for the \$210M of funds advanced from the Measure RR funds (\$60M) and the 2022 Measure RR Bonds (\$150M).

Taking a Balanced Approach

Staff recommends a balanced approach to help address both Caltrain's operational and capital needs with the TIRCP reimbursement for the Measure RR (\$60M) and the 2022 Measure RR Bond proceeds (\$150M):

- **\$60M Measure RR funds are available for operating:**
 - \$36.2M of the \$60M is included in the FY25 Budget
- **The \$150M reimbursement of the 2022 Measure RR Bond proceeds have legal restrictions consistent with the original bond:**
 - Can only be spent on capital projects
 - Funds need to be spent by approximately March 2027 target date
 - Capital assets with an aggregate useful life of 16.5 years



Recommended Plan for the \$150M

Given the expected reimbursement of 2022 Measure RR Bond proceeds from TIRCP, staff has been working over the last few months to develop a capital project list that meets the following criteria:

- Identifying high priority projects related to safety, mandatory requirements or as critical for the launch of the electrified services
- Freeing up existing committed funding for either operating or other general capital needs, if possible
- Meet all legal restriction consistent with the original Measure RR Bond proceeds

Recommended Plan for the \$150M

At the June 2024 Board Meeting, the Board approved an allocation of \$30.5M of projects against the \$150M TIRCP reimbursed bond proceeds.

For the upcoming August 2024 Board Meeting, Staff recommends allocation of the remaining \$119.5M of the \$150M TIRCP reimbursed bond proceeds to identified capital projects

- Fund Swap of up to \$44.4M that will free up funds for critical operating and other capital needs
- Allocate \$47.5M to satisfy prior funding commitments with the anticipation of TIRCP funds
- Capital Budget Amendment of \$27.6M, increasing the FY25 Capital Budget from \$105.1M to \$132.7M

Projects with Urgent Funding Needs

Project Name	Fund Swap	Prior Funding Commitment*	Funding Shortfall	TIRCP Reimbursed Bond Proceeds
Guadalupe Bridge Replacement	\$21,534,704	-	-	\$21,534,704
FY2019 Broadband Communication	\$16,315,586	-	-	\$16,315,586
EMUs Option 1 (37 EMUs)	-	\$2,635,234	-	\$2,635,234
EMUs Option 2 (28 EMUs)	-	\$44,000,000	-	\$44,000,000
Next Gen Visual Message Sign (VMS)	\$2,700,000	-	-	\$2,700,000
Predictive Arrival and Departure (PADS) New	-	-	\$4,536,455	\$4,536,455
Predictive Arrival and Departure (PADS) Gap Coverage	\$2,100,000	-	-	\$2,100,000
Mini High Platform	\$1,762,000	-	\$578,000	\$2,340,000
Broadband Wireless Communication System (Diesel Trains)	-	-	\$3,967,571	\$3,967,571
VoIP (Radio Dispatch System)	-	-	\$971,000	\$971,000
MP-36 Overhaul	-	-	\$622,888	\$622,888
CEMOF Modifications	-	-	\$4,212,035	\$4,212,035
San Francisquito Creek Emergency Bank Stabilization	-	-	\$2,520,347	\$2,520,347
San Francisquito Creek Bridge Conceptual Design and Community Engagement	-	-	\$3,472,074	\$3,472,074
San Francisquito Creek Bridge Acoustic Monitoring System	-	\$857,638	\$1,171,066	\$2,028,704
San Mateo Parking Track OCS	-	-	\$5,512,000	\$5,512,000
TOTAL	\$44,412,290	\$47,492,872	\$27,563,436	\$119,468,598

*Prior funding commitment with the anticipation of TIRCP funds.

Action Needed Today

Staff recommends approval and recommendation to the Board of the following:

- Allocation of the remaining \$119.5M TIRCP reimbursed bond proceeds to identified capital projects which includes a fund swap of \$44.4M and use of \$47.5M to satisfy prior funding commitments
- Addition of \$27.6M to the FY25 Capital Budget

FOR MORE INFORMATION

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