

**Board of Commissioners Special Study Session Agenda
June 13, 2022, 3:30 p.m.**



Virtual Meeting Participation Information:

Dial: 1-253-215-8782 Meeting ID No. 83981936042,

Webinar link: <https://us02web.zoom.us/j/83981936042>

Physical Meeting Location:

Pierce Transit Training Center

3720 96th Street SW

Lakewood, WA 98499

The Regular Board meeting will be held after this meeting at 4:00 p.m.

Call to Order

Roll Call

Review/Discussion

1. Review of Financial Plan for Pierce Transit's Major Capital Projects

Mike Griffus
Chief Executive Officer
&
Chris Schuler
Chief Financial Officer

Executive Session – None Scheduled

Adjournment



**Pierce
Transit**

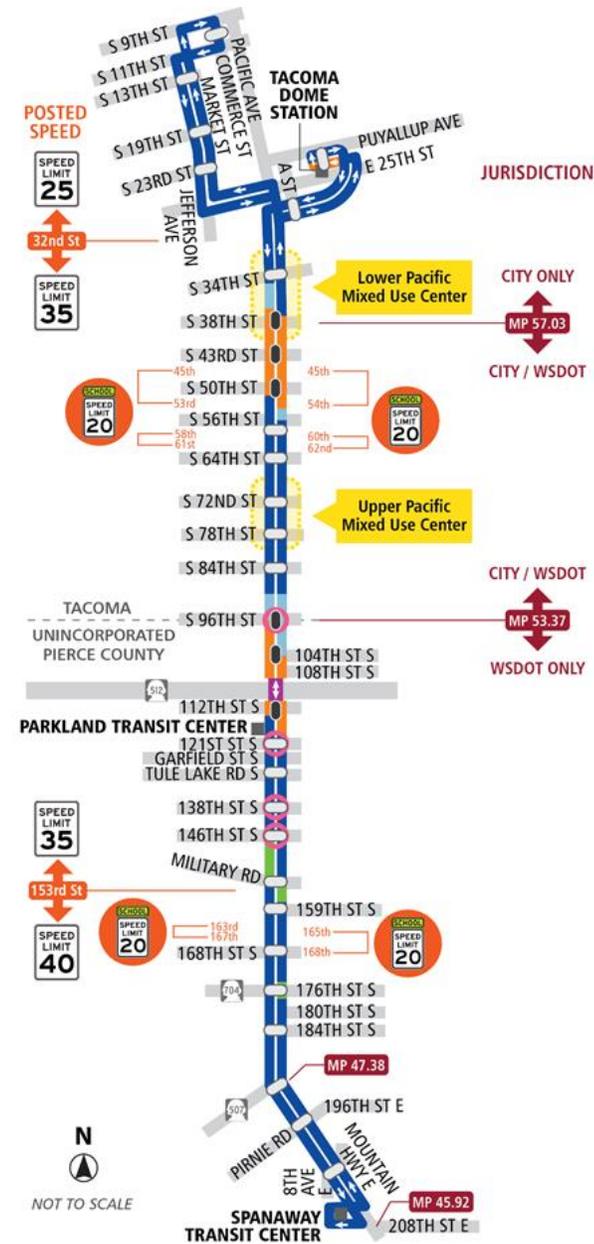
**Major Project
Financial Plan Overview**

524

Pierce Transit

WASHINGTON
C4313C

SR-7 Bus Rapid Transit (BRT)



LEGEND

- Curbside BRT Stations
- Median BRT Stations
- Roundabout
- BRT in Right Lane Mixed Traffic
- Business Access Transit (BAT) Lane
- BRT Exclusive Median Lane
- BRT in Left Lane Mixed Traffic
- BRT Exclusive Bidirectional Lane



Project Timeline

2017-2019

Assess corridor conditions

Develop project purpose & need

Mode selection

Develop alternatives

Select locally preferred alternative

Begin FTA Small Starts application

Conduct Additional traffic analysis

Begin initial environmental review

Begin design

Launch BRT Community Committee

2020-2021

30% Design

Finalize NEPA environmental review

Partners agree to TIA Rerun

Utilities Coordination

2022

TIA update continues

TIA Concurrence

Downtown Tacoma Traffic Analysis

Identify addition project funding

Project Recommended for Small Starts Funding

2023

60% Design

Begin property acquisition

NEPA Reevaluation

SEPA Checklist Issued

Utility & Critical Agreements

Advance Utility Relocation

2024-2027

Finalize Design

Continue property acquisition

BRT Vehicle Procurement

Begin construction

Open to service

BRT Budget

Previous estimate was **\$222 million**.

Due to:

- Traffic analysis re-run.
- 8% assumed inflation through 2023.
- Revenue service date pushed to 2026.
- Third party utility costs.

New estimate is. **\$241.4 million**.

Due to:

- Revenue service date pushed to 2027.
- Recently received risk analysis (major risk elements include ADA requirements, sewer relocations under stations).
- 65% probability cost required by FTA.

There is now a **\$66 million** funding gap.



BRT Budget

- Requesting an increase to the FTA award up to 49 percent of current budget, or \$119 million.
- Will not receive confirmation until after FTA risk assessment in Q3/Q4 of 2023. In the meantime:
 - Agency will submit a funding plan prior to beginning re-rating in August.
 - Plan will include the increased ask to FTA.
 - Asking board to authorize local funding for the difference, \$21.5 million.
 - Depending on FTA decision, we may need to return to request additional local funding to fill the gap.



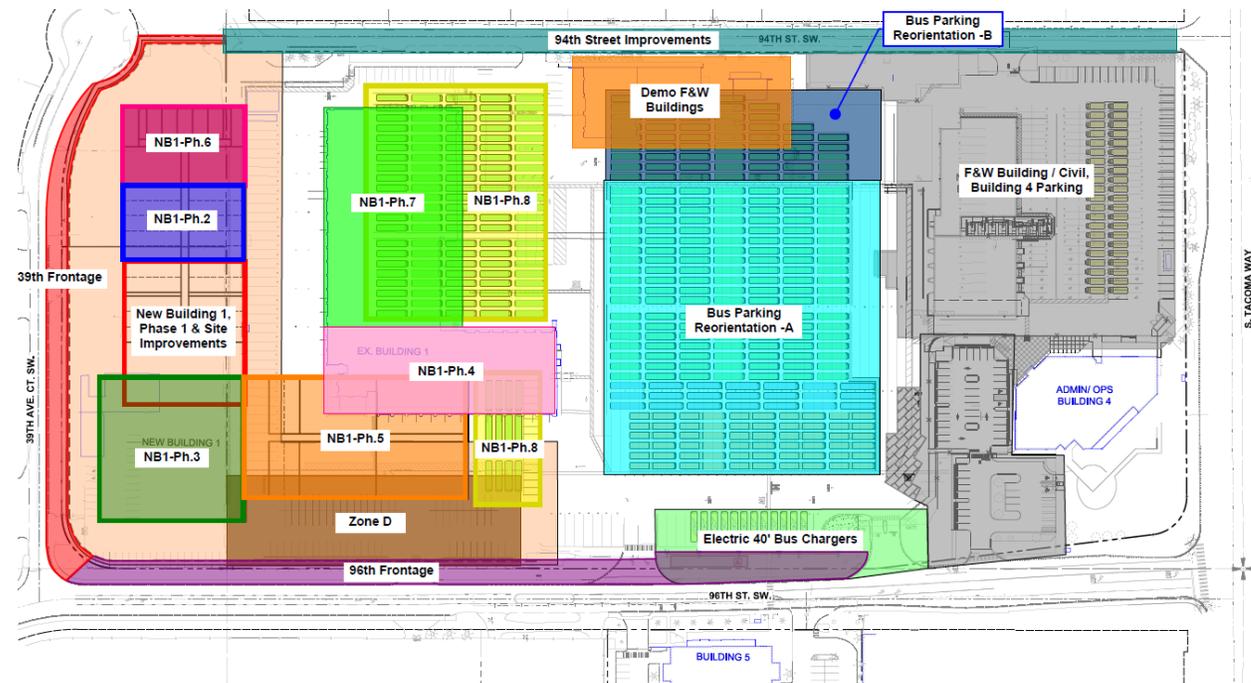
BRT Funding

- \$118,973,960 Federal 5309 Small Starts Funds
 - \$8,440,000 FTA 5307
 - \$6,293,652 FTA Congestion Mitigation Air Quality (CMAQ)
 - \$26,200,275 State of Washington
 - \$60,000,000 Sound Transit
 - \$21,492,113 Pierce Transit General Fund
-
- \$241,400,000 Total Project Budget



MOBI (Maintenance Operations Base Improvements)

- History
- Relationship to BRT
- Budget



MOBI (Maintenance Operations Base Improvements)

	Projections									
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2022 - 2030 TOTAL
MOBI Fuel & Wash	31,608,490									31,608,490
MOBI Reorient Bus Parking	5,362,260									5,362,260
MOBI West Base Infill & Utilities	3,784,780	2,037,280								5,822,060
MOBI Building 6 Tenant Improvements	888,800									888,800
MOBI Building 1 Phase 1	21,084,100	38,792,550								59,876,650
MOBI Building 1 Phase 2		1,647,700	15,919,840							17,567,540
MOBI Building 1 Phase 3			3,611,410	34,810,640						38,422,050
MOBI Building 1 Phase 4			296,460	2,736,690						3,033,150
MOBI Building 1 Phase 5				4,421,350	42,714,110					47,135,460
MOBI Building 1 Phase 6					1,694,830	16,396,180				18,091,010
MOBI Building 1 Phase 7					329,970	3,167,840				3,497,810
MOBI Building 1 Phase 8						933,580	8,979,520			9,913,100
MOBI Construction Management	1,958,900	854,510	834,130	880,000	740,920	860,790	741,200	605,850	256,410	7,732,710



Financial Status Update



Path Forward

To proceed with BRT, we will need to show the funding plan before the FTA re-rates the project this summer. This will require us using local funds to fill the gap and we will need board direction on funding other pending projects.

Option 1

- Apply for a **TIFIA loan** to complete MOBI, the Spanaway Transit Center, and other open projects.

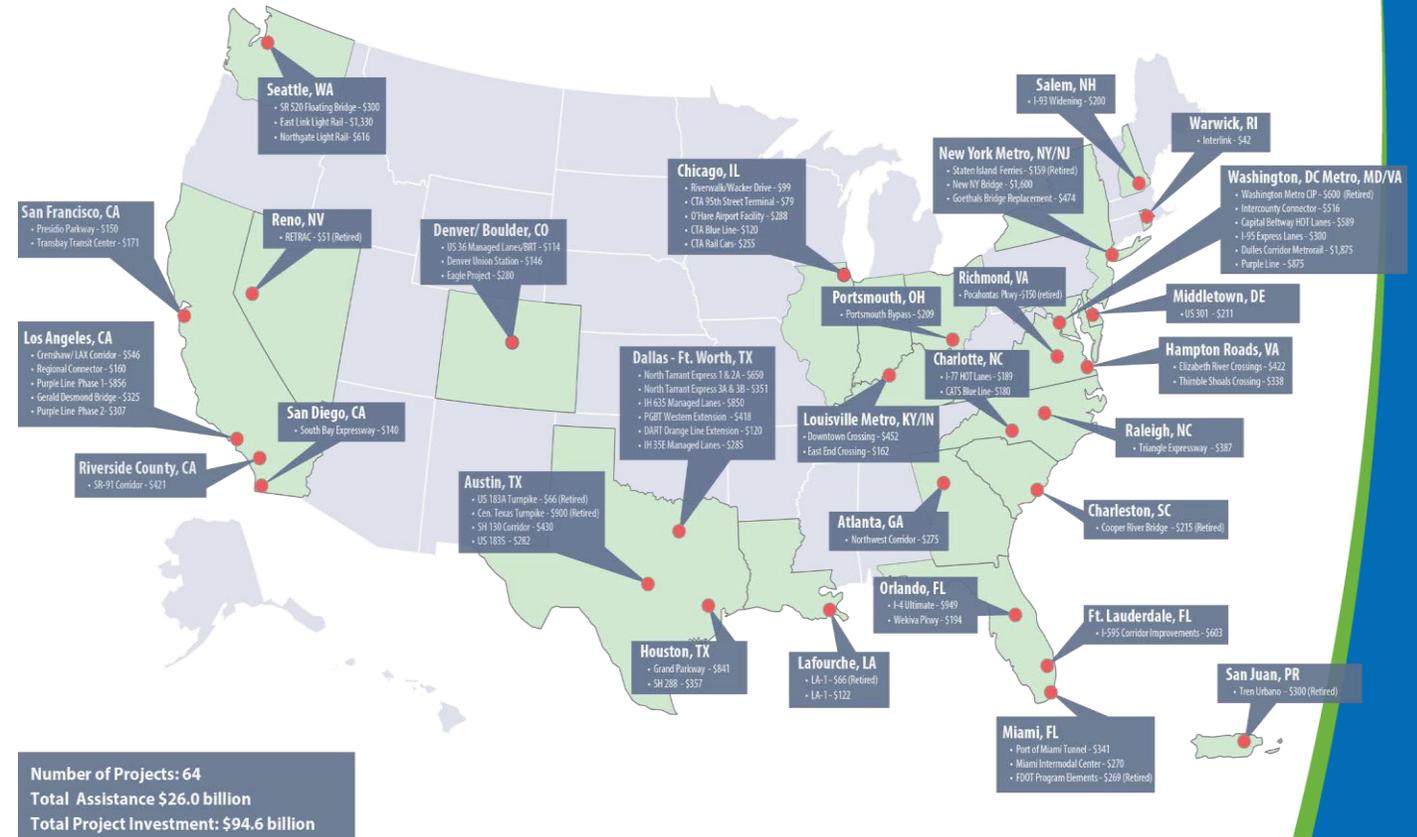
Option 2

- **Pause the MOBI project** after building 1 phase 3 and halt any further expenditures related to the project for a period.

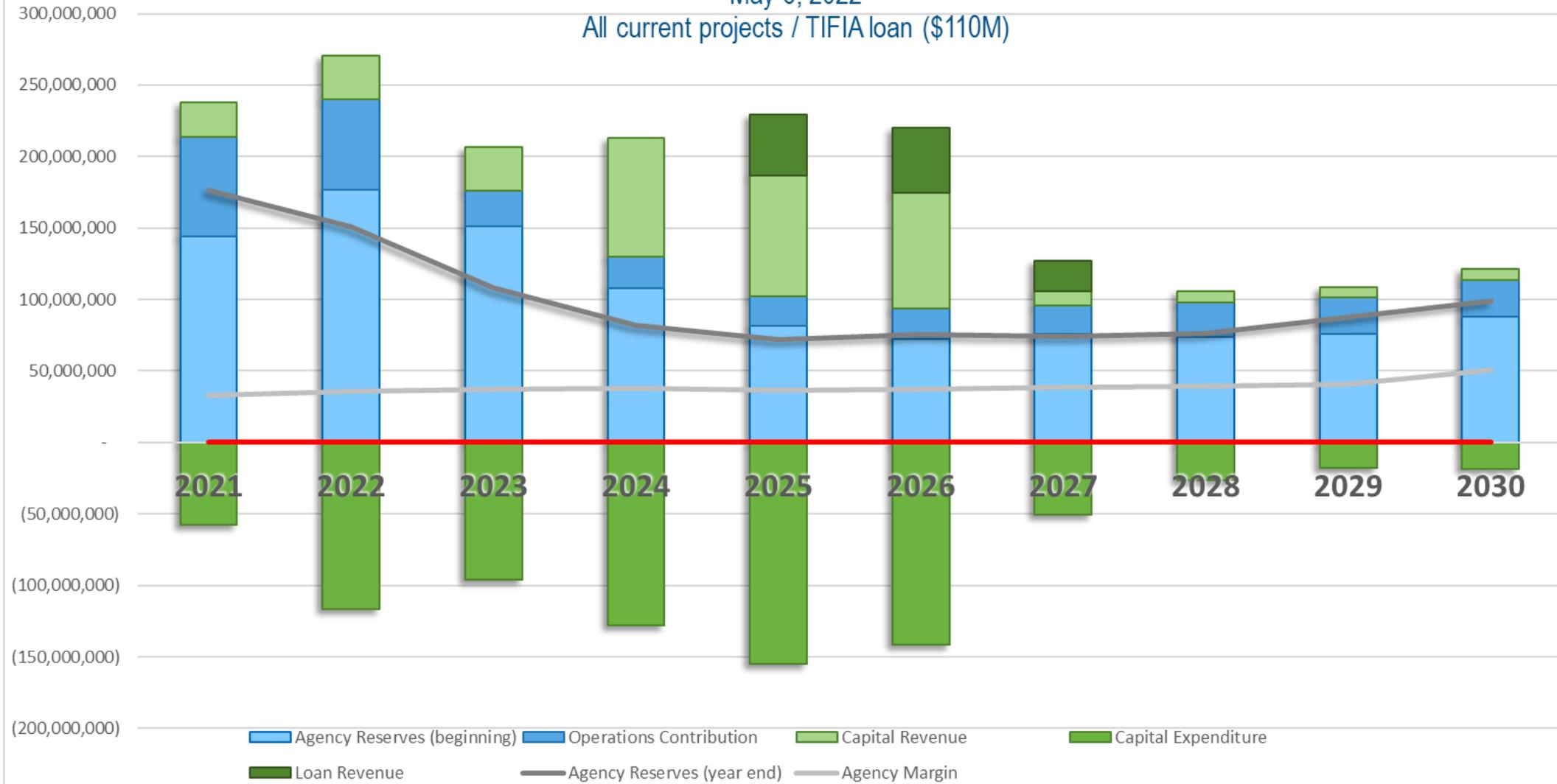


Transportation Infrastructure Finance and Innovation Act (TIFIA)

- Loans typically at Treasury yield rate.
- Up to 35-year term.
- Limited to 33 percent of reasonably anticipated eligible project costs (unless the sponsor provides a compelling justification for up to 49 percent).
- Must reimburse DOT for the costs of the outside advisors who advise TIFIA on the transaction (generally \$400,000 to \$700,000).
- Annual Loan Servicing Fee of approximately \$13,000.
- Repayment can begin up to 5 years after substantial project completion.



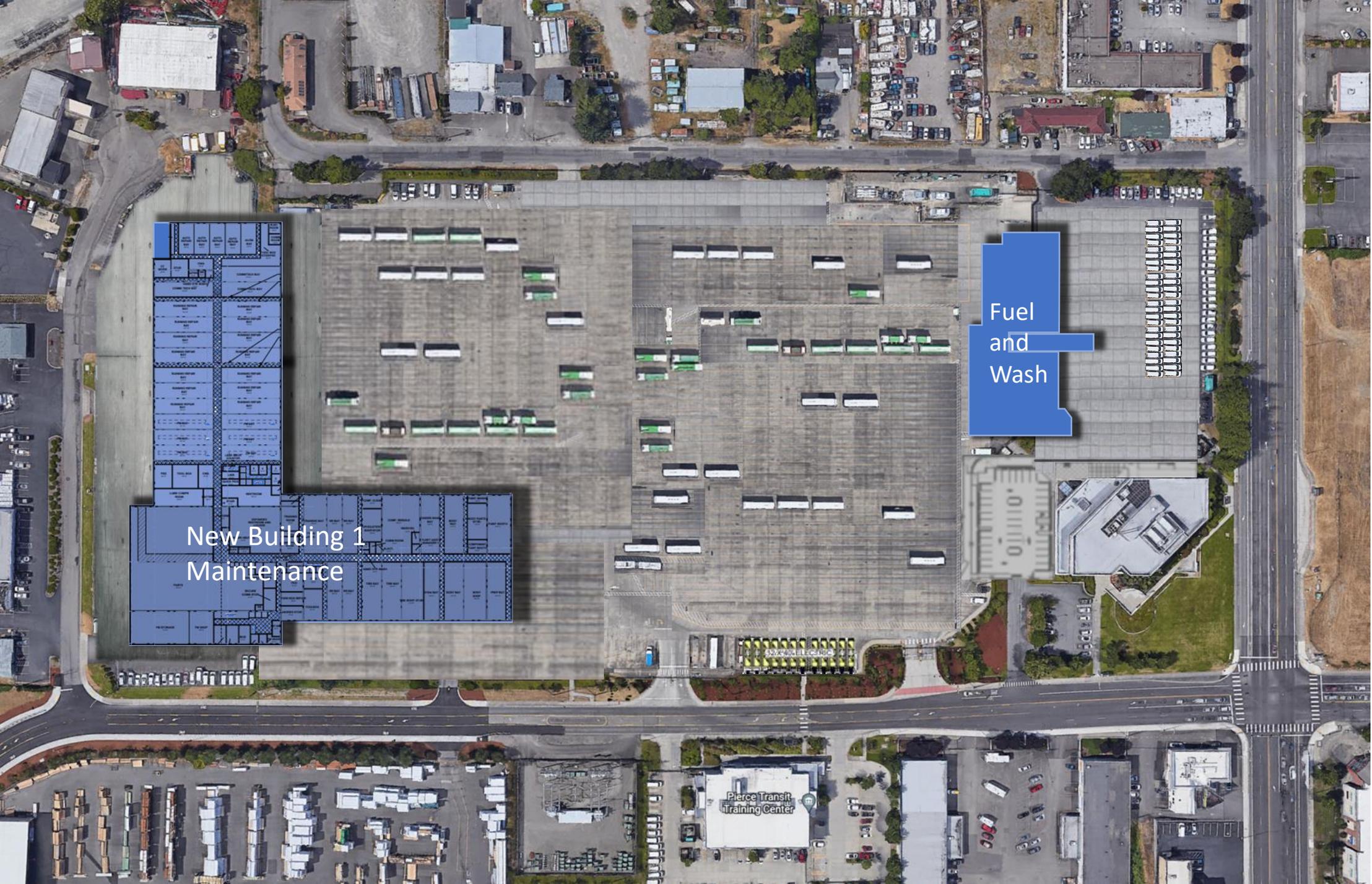
Operating Contribution, Reserves and Capital Expenditure
 May 6, 2022
 All current projects / TIFIA loan (\$110M)





Pierce Transit
Training Center



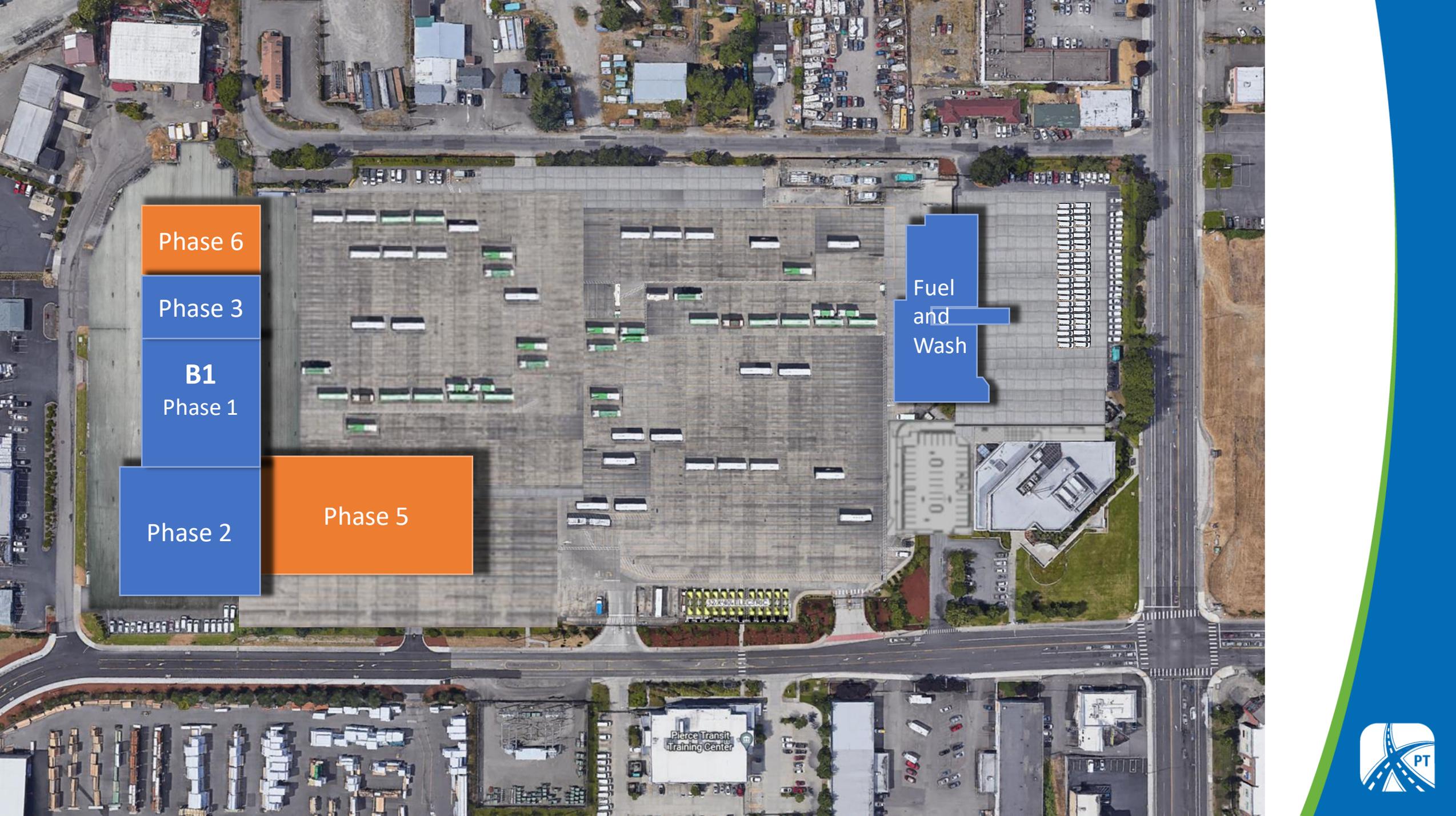


New Building 1
Maintenance

Fuel
and
Wash

Pierce Transit
Training Center





Phase 6

Phase 3

B1
Phase 1

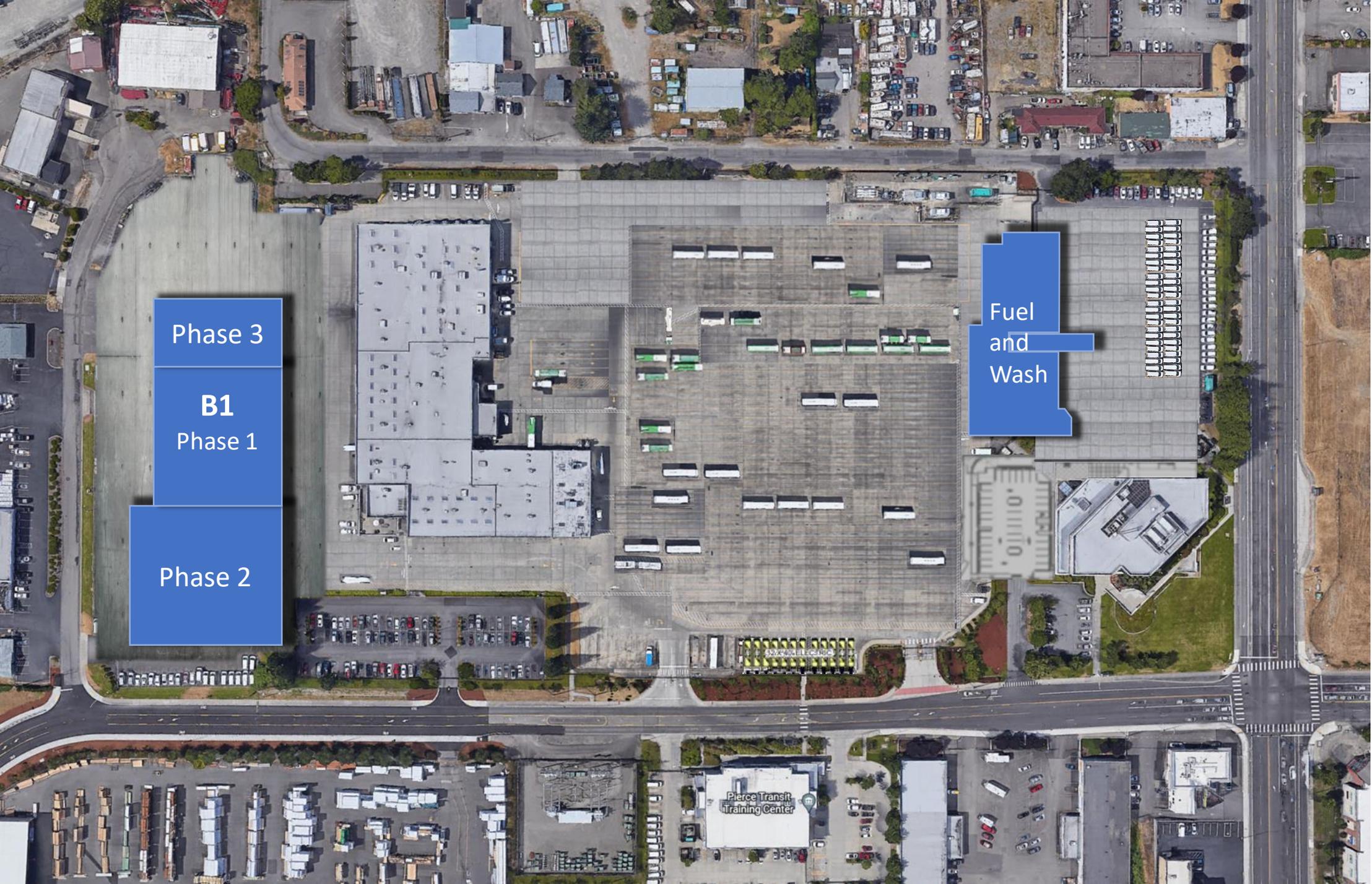
Phase 2

Phase 5

Fuel
and
Wash

Pierce Transit
Training Center





Phase 3

B1
Phase 1

Phase 2

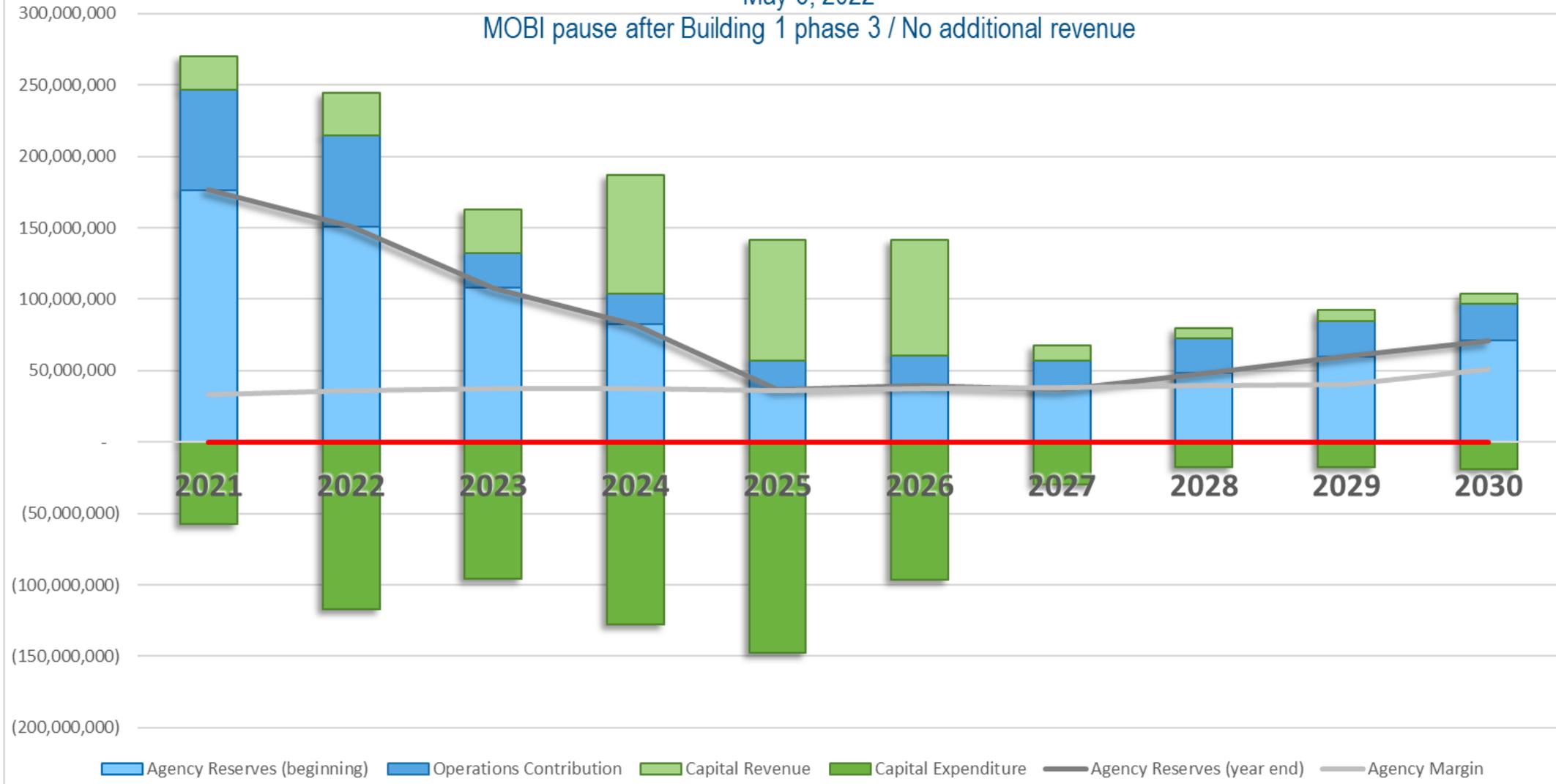
Fuel
and
Wash

Pierce Transit
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Operating Contribution, Reserves and Capital Expenditure
 May 6, 2022

MOBI pause after Building 1 phase 3 / No additional revenue



Recommendations & Next Steps

