

# Staff Summary

<b>Subject</b> MTA 2015-2019 Capital Program Amendment
<b>Department</b> Capital Programs
<b>Department Head Name</b> Don Spero 
<b>Department Head Signature</b> 
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<b>Date</b> May 24, 2017
<b>Vendor Name</b>
<b>Contract Number</b>
<b>Contract Manager Name</b>
<b>Table of Contents Ref #</b>

Board Action					
Order	To	Date	Approval	Info	Other
1	Board	5/24			

Internal Approvals			
Order	Approval	Order	Approval
4	Interim Executive Director 		
3	Chief of Staff 		
2	Chief Financial Officer 		
1	Legal 		

**Narrative**

**Purpose:**

To obtain MTA Board approval of the proposed \$32.457 billion MTA 2015-2019 Capital Program amendment and to authorize the MTA to submit the \$29.517 billion Capital Program Review Board (CPRB) portion of the capital program amendment to the CPRB for its review and approval, in accordance with Public Authorities Law § 1269-b.

**Discussion:**

*Proposed 2015-2019 Capital Program Amendment:* This amendment increases the current capital program from \$29.575 billion to \$32.457 billion to further incorporate the introduction of key priority and regional mobility projects and to reflect additional funding requirements for network expansion projects, while maintaining the agencies' commitment to a state of good repair (SGR). Agency core programs have been rebalanced to address critical customer-oriented priority projects such as station enhancement work, bus fleet amenities, and Open Road Tolling (ORT) at B&T facilities. A new \$1.950 billion project is established to promote regional mobility through the LIRR Expansion Project. The amendment also includes additional required funding for Second Avenue Subway Phase 2 (\$700 million). There are \$464 million of East Side Access (ESA) and related investments being administratively transferred to the 2010-2014 Capital Program with no resulting changes to the overall multi-capital program budgets for either ESA or Regional Investments. MTA agencies have also updated requirements for existing projects.

The proposed capital program amendment includes the following three sections:

**CPRB Core Program: \$22.382 billion.** Agencies continue to make investments that renew and enhance the networks of NYCT, the LIRR, Metro-North, the MTA Bus Company and MTA Interagency. The net increase is \$618 million. Changes include:

- Expanding customer-focused station enhancements at NYCT, the LIRR, and Metro-North;
- Pursuing a cleaner bus fleet by purchasing electric and electric hybrid buses;
- Phasing NYCT's R211 and related carborne equipment purchases to reflect the production and delivery of the new fleet;
- Adjusting LIRR and Metro-North rolling stock purchases based on the timing of each railroad's M-3 replacement deliveries and the need to expand Metro-North's M-8 fleet;
- Increasing investment in new "contactless" fare payment technology;
- Providing train arrival information through countdown clock investments at stations on NYCT's B Division lines;
- Initial investments by NYCT and the LIRR to accommodate future La Guardia access to existing stations; and
- Consolidating the MTA mentoring program support in MTA Interagency by transferring \$45 million from the core agencies' budgets and \$12 million from Network Expansion and B&T.

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CPRB Network Expansion Program: \$7.135 billion. Network expansion increases from \$4.956 billion to \$7.135 billion due to the following changes:

- Additional funding of \$700 million to support early local match requirements of the full funding grant agreement application for Phase 2 of the full length Second Avenue Subway;
- A new initiative to expand the LIRR's Main Line and enhance regional mobility is being added. This project will commence with a \$1.950 billion budget (including \$450 million of DOT work to address grade crossings);
- A total of \$464 million in administrative transfers are being made to ESA (\$270 million); Regional Investments (\$117 million) and the ESA Rolling Stock Reserve (\$78 million). These transfers are being made to consolidate similar budgets in the 2010-2014 Capital Program with no change to the overall multi-capital program budgets for ESA (\$10,178 million) and Regional Investments (\$758 million); and
- A transfer of \$7 million to MTA Interagency for mentoring program support.

B&T (non-CPRB): \$2.940 billion. B&T's program increases from \$2.856 billion to \$2.940 billion. The increase is due to a review and re-organization of agency needs and adjusts the program to reflect new, high priority initiatives, principally related to the implementation of ORT, while ensuring that all other critical 2015-2019 work moves forward. Key changes include:

- Transitioning all bridge and tunnel operations to ORT;
- A \$90 million transfer of funding from the 2010-2014 Capital Program to support ORT;
- Revised sequencing for some projects while ensuring the most critical needs are addressed; and
- A transfer of \$6 million to MTA Interagency for mentoring program support.

This proposed 2015-2019 Capital Program amendment continues to reflect an ongoing commitment to improving capital program investment strategies and business practices including:

- Continuing to build on the successes of the MTA's mentoring or Small Business Development Program (SBDP);
- Exploring opportunities for innovative design-build procurements;
- Updating design standards to be more resilient by incorporating lessons learned from Superstorm Sandy;
- Continuing component replacement programs that quickly target critical renewal needs; and
- Improving investment planning and transparency through processes including: "Gates" reviews at key stages to make sure projects remain on track to deliver intended benefits at the lowest cost; Capital Program Dashboard reporting; and data-driven Enterprise Asset Management practices.

## **Impacts on Funding:**

The proposed amendment increases the 2015-2019 funding envelope by \$2.882 billion to \$32.457 billion. The proposed increase in funding includes additional CMAQ funding from NYSDOT, MTA bonds and PAYGO generated through lower debt service expenses and other operating expense savings (to support regional mobility, Second Avenue Subway Phase 2 and the core capital program), State capital funding to support LIRR station and system connectivity projects, and the transfer of B&T funds from 2010-2014 Capital Program to support ORT projects. This amendment also includes an administrative funding swap between federal formula/flexible funds and MTA local funding to match actual/planned fund source usage by program.

## **Alternatives:**

There are no viable alternatives. The amendment is critical to continue renewing, enhancing and expanding the MTA's network to meet the mobility needs of the region. Pursuant to the Public Authorities Law, program element increases exceeding 10% require CPRB approval. Without CPRB approval of the changes, certain work may not proceed.

## **Recommendation:**

That the MTA Board approve the proposal to amend the MTA 2015-2019 Capital Program as described and authorize the \$29.517 billion CPRB portion of the program to be submitted to the CPRB for its review and approval.