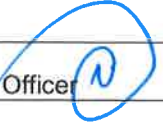





# Staff Summary

<b>Subject</b> MTA 2020-2024 Capital Program Amendment
<b>Department</b> MTA C&D
<b>Department Head Name</b> Tim Mulligan, Deputy Chief Development Officer
<b>Department Head Signature</b> 
<b>Project Manager/Division Head</b> Stephen A. Berrang, Director C&D Program Oversight
<b>Project Manager/Division Head Signature</b> 

<b>Date</b> July 27, 2022
<b>Department</b> MTA HQ Financial Services
<b>Department Head Name</b> Patrick McCoy, Deputy Chief, Financial Services
<b>Department Head Signature</b> 
<b>Project Manager/Division Head</b> Stephanie DeLisle, Director Capital Funding Management
<b>Project Manager/Division Head Signature</b> 

Board Action					
Order	To	Date	Approval	Info	Other
1	Board	07/27			

Internal Approvals			
Order	Approval	Order	Approval
5	Chair and CEO		
4	Chief of Staff		
3	Chief Development Officer		
2	Chief Financial Officer		
1	Legal		

**Purpose:**

To obtain MTA Board approval of the proposed amendment to the MTA 2020-2024 Capital Program that increases the total funding to \$55.442 billion and to authorize the MTA to submit the \$52.116 billion Capital Program Review Board (CPRB) portion of it to the CPRB for its review and approval, consistent with the recommendations of the Crowe Forensic Audit and in accordance with the Public Authorities Law §1269-b.

**Discussion:**

Proposed MTA 2020-2024 Capital Program Amendment (Amendment #2). This amendment increases the current capital program by \$108 million from \$55.334 billion to \$55.442 billion. The program was last amended in December 2021 (Amendment #1) when the plan increased by \$535 million from \$54.799 billion to \$55.334 billion. The current proposal includes new projects, additional support for existing projects, reflects changes to project budgets based on refined scope, timing and cost estimates and identifies elements in the CPRB portion of the program that have 10% budget issues and require CPRB approval to advance critical work. Also included in the program is the MTA Bridges and Tunnels program (B&T) which remains unchanged at \$3.327 billion and includes changes to project budgets. B&T does not require CPRB approval to amend its program.

**CPRB Core Program: \$42.703 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. Overall, the Core Program decreases from \$43.674 billion to \$42.703 billion and includes changes already approved in Amendment #1. The proposed amendment reflects the following notable changes:

**New York City Transit (NYCT).** NYCT's program is reduced by \$779 million since the originally approved 2020-2024 Capital Program in December 2019. The principal change presented in this amendment is a re-sequencing of signal modernization projects (CBTC) and related changes to investments in subway cars and power infrastructure to focus on state of good repair signaling projects and not capacity related signal improvements. This amendment also includes adjustments to reflect refined project scopes and cost estimates, bid experiences, schedule changes, and market conditions since the last update to the Board including cost increases in station improvements and structural projects and rescheduled rolling stock purchases. This amendment also includes the addition of new projects to address emerging needs including implementing recommendations of the Track Trespassing Task Force and to mitigate stormwater flooding at various locations throughout the system. In addition to these changes, nearly \$800 million was transferred from NYCT's budgets to support Penn Station Access in both Amendment #1 and the current amendment to the program.

**Long Island Rail Road (LIRR).** The LIRR's program is reduced by \$114 million since the originally approved 2020-2024 Capital Program in December 2019. Notable increases include additional signaling needs, four additional ADA stations identified leaving only five non-ADA accessible stations after this program and more support for the Hall Interlocking project as part of Jamaica Capacity Improvements. Decreases include a reduction to work locomotives in this plan to reflect market and vendor constraints and the deprogramming of the Central Branch's proposed electrification from this program to support core LIRR state of good repair efforts. In addition to these changes, a portion of the locomotive purchase budget was transferred from the LIRR to support MTA Expansion's Penn Station Access project in both Amendment #1 and the current amendment to the program.

# Staff Summary

**Metro-North Railroad (Metro-North).** Metro-North's program is reduced by \$101 million since the originally approved 2020-2024 Capital Program. Important changes included in this amendment include accelerating support for the first phase of the Park Avenue Viaduct Replacement which now include additional scope for additional segments which had been assumed to be addressed in the future 2025-2029 program. Reductions to the planned locomotive purchase have been made to support other SGR and system expansion needs. The amendment also includes a new \$40 million project to address state of good repair needs on the Port Jervis branch. Budget has been added from the Connecticut Department of Transportation to support administrative assets in Metro-North's program. The amendment also includes several project budget reductions in the Grand Central Terminal element which reflect the timing of investments which are assumed to be advanced in the future 2025-2029 program. The amendment includes other scope, estimate and timing adjustments to Metro-North's program. Finally, the net reduction reflects budget support made available to the Penn Station Access project.

**MTA Expansion Program: \$9.413 billion.** The MTA Expansion program has been altered to reflect additional budget revisions for the Penn Station Access project and to create a new capital program element and projects to support the State of New York's Penn Reconstruction project. These changes increase the MTA Expansion budget by \$697 million.

**Penn Station Access.** The design-build contract was awarded in December 2021 and an amendment to the capital program (Amendment #1) was approved by the Board and CPRB to address the \$921 million initial budgetary needs at award. As a part of this amendment the MTA is adding \$385 million to support the New Rochelle Yard and \$312 million to support initial fleet acquisition needs for Metro-North to support service on this new line. The total increase of \$697 million comes from NYCT, the LIRR and Metro-North.

**Penn Reconstruction.** The State of New York is advancing a new project to address the reconstruction of Penn Station. In this amendment there is a new project to support the general engineering contract award which is anticipated to be awarded in the Fall of 2022. The State of New York will be providing funding to support this award.

Overall budgets for East Side Access, 2<sup>nd</sup> Avenue Subway Phase 2 and Regional Investments remain unchanged.

**CPRB 10% Element Issues.** This amendment also identifies capital program elements that require CPRB approval to advance work in elements where the budget has increased greater than 10% from the last CPRB approved level. Elements are identified in the body of the book. CPRB approval is required to advance work in these elements.

**B&T: \$3.327 billion.** Overall, B&T's budget remains unchanged since the originally approved 2020-24 Capital Program. There have been budget adjustments within the program to reflect the timing of awards, refinement of scope and some new projects. In addition, a project for a shared use bicycle path on the Henry Hudson Bridge is added to this program as well as additional support for rehabilitation of the RFK Bridge's suspended span. The \$503 million budget for the Central Business District Tolling program is broken out from a larger miscellaneous category but remains unchanged since its award in late 2019. B&T's program does not require CPRB approval.

### **Impacts on Funding:**

The funding envelope for the 2020-2024 Capital Program increases by \$108 million to \$55.442 billion. (The program was last amended in December 2021, when the funding increased by \$535 million from \$54.799 billion to \$55.334 billion.)

This increase is due to the \$100 million from the State of New York for initial design efforts supporting the Penn Station Reconstruction effort, as well as an additional \$8 million from the Connecticut Department of Transportation (CDOT) for MNR Administrative Assets.

The most notable funding change is the \$1.7 billion increase to our prior federal formula funding projection, due to the passage of the 2021 Infrastructure Investment and Jobs Act (IIJA). Other funding changes reflect the \$7 million contribution from the City of New York for SIM 23/24 bus purchases, \$63 million from Federal discretionary grants, \$10.5 million in MTA funds transferred from the 2010-2014 Program in exchange for Federal formula funds of equal value, and \$3.3 million in operating-to-capital transfers. In total, these funding changes allow for a \$1.755 billion reduction in the amount of MTA Bonds/PAYGO previously projected for the 2020-2024 Program.

### **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 including 4<sup>th</sup> Quarter commitments for SGR and Penn Station Access which require additional funds and/or ten percent adjustments.

### **Recommendation:**

That the MTA Board approve the proposed amendment to the MTA 2020-2024 Capital Program that increases it to \$55.442 billion and authorize the MTA to submit the \$52.116 billion CPRB portion to the CPRB for its review and approval.