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

The Regular Board meeting will be held after this meeting at 4:00 p.m.
Major Project
Financial Plan Overview
SR-7 Bus Rapid Transit (BRT)
<table>
<thead>
<tr>
<th>2017-2019</th>
<th>2020-2021</th>
<th>2022</th>
<th>2023</th>
<th>2024-2027</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assess corridor conditions</td>
<td>Conduct Additional traffic analysis</td>
<td>30% Design</td>
<td>60% Design</td>
<td>Finalize Design</td>
</tr>
<tr>
<td>Develop project purpose &amp; need</td>
<td>Begin initial environmental review</td>
<td>Finalize NEPA environmental review</td>
<td>Begin property acquisition</td>
<td>Continue property acquisition</td>
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<tr>
<td>Mode selection</td>
<td>Begin design</td>
<td>Partners agree to TIA Rerun</td>
<td>Downtown Tacoma Traffic Analysis</td>
<td>NEPA Reevaluation</td>
</tr>
<tr>
<td>Develop alternatives</td>
<td>Launch BRT Community Committee</td>
<td>Utilities Coordination</td>
<td>Identify addition project funding</td>
<td>SEPA Checklist Issued</td>
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<tr>
<td>Select locally preferred alternative</td>
<td>Conduct Additional traffic analysis</td>
<td>Begin initial environmental review</td>
<td>Project Recommended for Small Starts Funding</td>
<td>Utility &amp; Critical Agreements</td>
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<tr>
<td>Begin FTA Small Starts application</td>
<td>Conduct Additional traffic analysis</td>
<td>Begin initial environmental review</td>
<td>Project Recommended for Small Starts Funding</td>
<td>Advance Utility Relocation</td>
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BRT Budget

Previous estimate was $222 million.
Due to:
- Traffic analysis re-run.
- 8% assumed inflation though 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)

<table>
<thead>
<tr>
<th>Projections</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
<th>2028</th>
<th>2029</th>
<th>2030</th>
<th>2022 - 2030 TOTAL</th>
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<tbody>
<tr>
<td>MOBI Fuel &amp; Wash</td>
<td>31,608,490</td>
<td>31,608,490</td>
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<td>MOBI Reorient Bus Parking</td>
<td>5,362,260</td>
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<td>MOBI West Base Infill &amp; Utilities</td>
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<td>MOBI Building 6 Tenant Improvements</td>
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<td>MOBI Building 1 Phase 1</td>
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<td>MOBI Construction Management</td>
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<td>741,200</td>
<td>605,850</td>
<td>256,410</td>
<td>7,732,710</td>
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Financial Status Update
Path Forward

To proceed with BRT, we will need to show the funding plan before the FTA 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
MOBI pause after Building 1 phase 3 / No additional revenue
Recommendations & Next Steps