

REPORT
TO THE MBTA ADVISORY BOARD

**MBTA Capital Investment Program
FY2008 – FY2012**

Submitted by the

MBTA Advisory Board Capital Planning Committee

April 3, 2007

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PREFACE

The MBTA Advisory Board Capital Planning Committee transmits the enclosed report for your consideration.

The committee wishes to thank MBTA staff for their efforts in responding to requests for supporting documentation and attending committee meetings.

The committee also acknowledges the work of the Advisory Board staff who has provided invaluable analysis for the Committee.

MBTA CAPITAL INVESTMENT PROGRAM FY2008-FY2012

INTRODUCTION

The law defines the Capital Investment Program (CIP) in part as the implementation arm of the plans contained in the Program for Mass Transportation (PMT). The PMT is the long-range plan for future investments in the MBTA. It is intended to be a practical investment plan for the next few years that defines the immediate future of transit in Eastern Massachusetts. Whereas the PMT establishes a universe of potential transit capital projects regardless of funding availability, the CIP is financially constrained.

State law requires the CIP to address specific concerns. The law says that the Authority needs to evaluate projects for inclusion in the CIP based on: "...an evaluation of the impact of each proposed capital investment on the effectiveness of the Commonwealth's transportation system, service quality standards, the environment, health and safety, operating costs, the prevention or avoidance of deferred maintenance, and debt service costs. Capital investments that result in the greatest benefits with the least cost, transit commitments made in connection with the central artery project, so-called, capital improvements required under the Americans with Disabilities Act, and capital expenditures for an ongoing schedule of maintaining the equipment and mass transportation facilities of the authority, shall receive the highest priority under said capital investment program and plans."

The current FY07 – FY12 CIP draft programs a total of \$3.8 billion. Since the final version of this CIP will only focus on the five-year period from FY08 – FY12, all numbers and comparisons in this document relate to this five-year period and may therefore differ from the totals in the draft CIP, which takes into account FY07. The CIP currently under review authorizes projected spending in FY08 through FY12 at \$3.1 billion. Of that, \$569 million represents state funding for the expansion and improvement projects listed under Statewide Transportation Improvements or private funding. The remaining \$2.55 billion break down into 94.2% or about \$2.4 billion for maintenance and improvement of the existing infrastructure and 5.8% or about \$147 million for system expansion. The expansion projects that are funded in this CIP are limited to the continued construction of the Greenbush line and the completion of Silver Line Phase I and II. The expansion category also includes a capital reserve for Silver Line Phase II and funds for a variety of study and planning efforts. A detailed breakdown of all FY07-FY12 spending is attached.

The MBTA anticipates that approximately \$1.43 billion of revenue bonds will be issued to fund the CIP expenditures from FY2007 – FY2012. \$1.62 billion will be funded through federal grants and the balance will be paid for with pay-as-you-go capital funds, state funds and project financing.

The federal funding is based on a recent increase in the MBTA's formula apportionments under SAFETEA-LU (Safe, Accountable, Flexible, Efficient Transportation Equity Act:

A Legacy for Users). This recent authorization provides funding through the 2009 fiscal year and the MBTA assumes the same level of funding to continue through its fiscal year 2012.

The Advisory Board supports the maintenance of the existing system as the highest capital priority. The Authority selects these maintenance projects based on the “State of Good Repair” database, which tracks and rates the condition of all of the Authority’s assets and a further ranking based on the five criteria listed below.

Projects that receive the highest priority are those with the greatest benefit and the least cost, as prioritized by the following five criteria:

- **Factor One: Safety, Health, and the Environment.** Proposed projects must correct an existing deficiency for passengers and/or employees in safety, health, and/or the environment.
- **Factor Two: State of Good Repair.** This criterion measures the degree to which the proposed project improves the condition of the Authority’s existing infrastructure (see above).
- **Factor Three: Cost/Benefit.** Projects receive scores based on the number of passengers affected by the proposed project, its net operating cost, and the debt service necessary to support its capital
- **Factor Four: Operational Impact.** This will measure the extent to which proposed projects are deemed operationally critical, as well as projects’ ability to improve the effectiveness of the Commonwealth’s transportation network in general.
- **Factor Five: Legal Commitments.** To qualify for points in this area, projects must demonstrate a legal obligation for the MBTA, such as fulfilling the Authority’s Key Station Plan in compliance with the Americans with Disabilities Act (ADA).

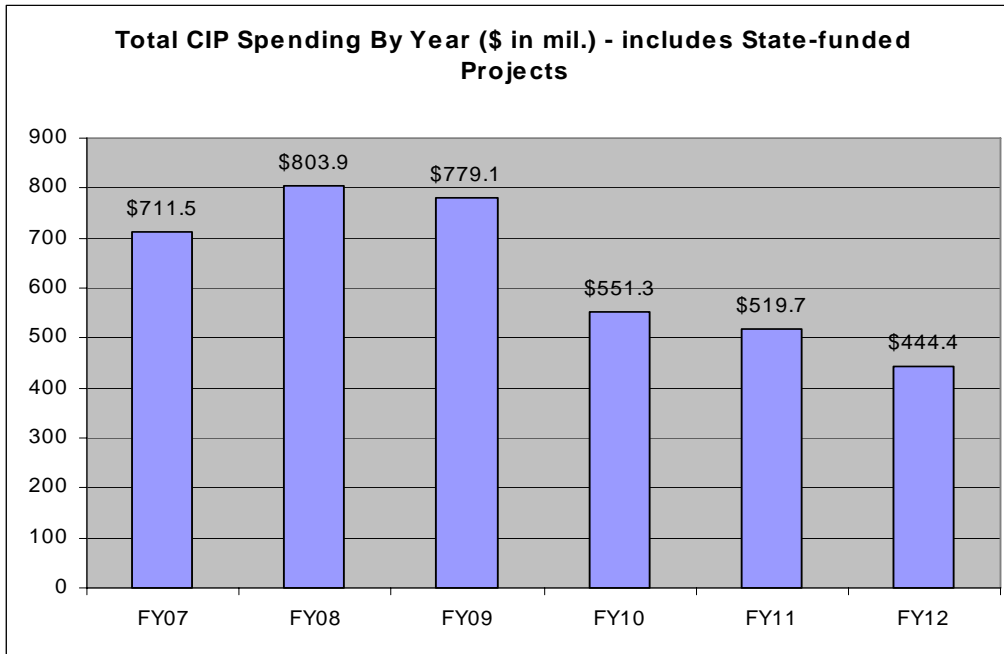
The MBTA also considers environmental justice in its capital investment decision-making process. The MBTA has worked with the Central Transportation Planning Staff (CTPS) and the Boston Metropolitan Planning Organization (MPO) to ensure that minority and low-income communities are treated equitably regarding the delivery of transportation services.

Source: MBTA FY07-FY12 CIP

OVERVIEW OF THE CAPITAL INVESTMENT PROGRAM

The 5-year CIP programs a total of \$3.1 billion in capital funds for infrastructure, accessibility, system expansion, enhancement and other projects. Since \$548 million of the total is anticipated to be funded by the Commonwealth of Massachusetts, the MBTA is responsible for funding \$2.55 billion of projects over the five-year time frame. This compares to a total of \$2.64 billion programmed for the FY07-FY11 CIP approved last year.

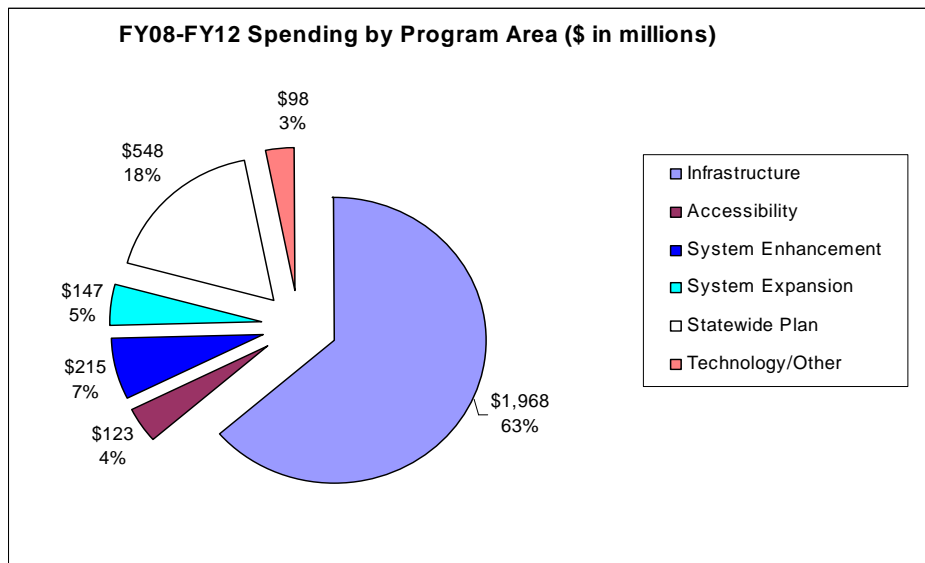
The proposed spending breaks out as follows by year:



The FY08-FY12 CIP assigns capital spending to 6 program areas: Infrastructure, Accessibility, System Enhancement, System Expansion, Technology and Other and Statewide Plan. MBTA financed System Expansion makes up 4.7% of the proposed spending, compared to 12% in last year's CIP. The bulk of the programs falls into the State of Good Repair category which focuses on maintaining and enhancing the existing system. The Statewide Plan category includes funding for projects that were included in the Governor's Long-Range Transportation Plan. Funding for these projects is expected to come from the Commonwealth of Massachusetts.

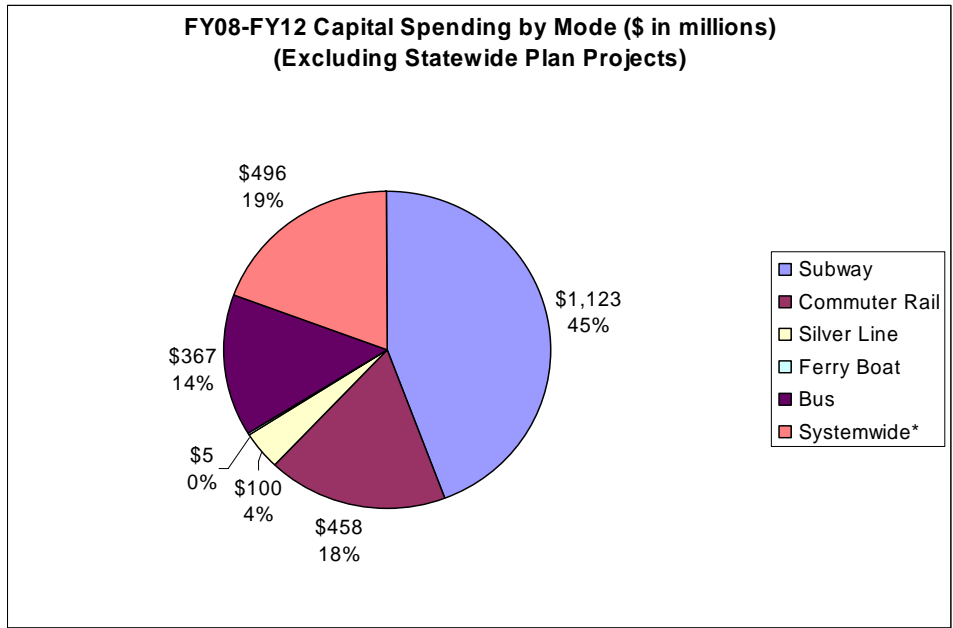
Program Area	FY07-FY11		FY08-FY12	
	\$ in mil.	%	\$ in mil.	%
Infrastructure	\$2,010	74.4%	\$1,968	63.5%
Accessibility	\$112	4.1%	\$123	4.0%
System Enhancement	\$195	7.2%	\$215	6.9%
System Expansion	\$254	9.4%	\$147	4.7%
Statewide Plan*	\$34	1.3%	\$548	17.7%
Technology/Other	\$97	3.6%	\$98	3.1%
Total	\$2,701	100.0%	\$3,098	100.0%

*Statewide Plan projects will not be financed with MBTA funds



The chart below details the proposed spending by Mode, including subway, bus, commuter rail, Silver Line and systemwide spending that cannot be assigned to a single mode.

Spending by Mode	FY07-FY11		FY08-FY12	
	\$ in mil.	%	\$ in mil.	%
Subway	\$1,294	48.4%	\$1,123	44.0%
Commuter Rail	\$688	25.7%	\$458	18.0%
Silver Line	\$96	3.6%	\$100	3.9%
Ferry Boat	\$5	0.2%	\$5	0.2%
Bus	\$341	12.8%	\$367	14.4%
Systemwide*	\$248	9.3%	\$496	19.5%
Total	\$2,673	100.0%	\$2,550	100.0%
*Excludes Statewide Plan Projects				



The total CIP spending is projected to be almost \$400m higher than the amount programmed for the 5-year period from FY2007 to FY2011. However, since \$548m are expected to be funded by the Commonwealth, the amount of MBTA funding dedicated to the current 5-year CIP is slightly lower than that programmed in last year's plan. The current CIP includes a variety of new capital projects which include among others:

- Green Line Accessibility Projects: Science Park, Longwood, Kenmore Square
- Accessibility study/design: Hynes/Symphony and Wollaston, Auburndale Station
- Red Line Parking Garage Rehabilitation
- AFC Phase II (Commuter Rail and Ferry Boat)
- E Line Track improvements
- Subway Power upgrades
- Fitchburg Track improvements
- Rockport Station Study
- Salem/Beverly station improvements
- Tunnel vent and station security projects

The CIP also includes a few new statewide plan projects (to be funded by the Commonwealth):

- Yawkey Station Enhancements
- Assembly Square Station
- Red/blue connector study
- Kenmore Surface improvements
- Longwood & Fenway improvements

Funding the Capital Investment Program

The MBTA anticipates that approximately \$1.43 billion of revenue bonds will be issued to fund the CIP expenditures for the 6-year time frame of FY2007-FY2012. \$1.62 billion are expected to be funded through federal grants and the balance, approximately \$200m, will be paid for with pay-as-you-go capital funds, state funds and project financing.

An important source of federal funding is the formula apportionment under SAFETEA-LU. The MBTA expects to receive a total of \$316m in FY2007 alone: \$19.0m for accessibility projects, \$3.4m for enhancement projects, \$289.6m for infrastructure reinvestment and \$4m for expansion.

As the Commonwealth of Massachusetts is expected to provide \$21.5m for Statewide Plan project in FY2007, this leaves \$374.4m to be funded with MBTA bond funds or other funds during this fiscal year.

THE PUBLIC HEARING PROCESS

The Authority released the draft FY2007-FY2012 CIP on November 20, 2006 and held a series of nine public hearings to solicit public input. They were held between November 29th and December 14th and Advisory Board staff attended all hearings. The Capital Planning Committee thanks the MBTA for providing transcripts from its public hearings and copies of letters and e-mails submitted to the Authority.

The nine public hearings were located in accessible sites throughout the MBTA district. The meetings were well advertised, but attendance was lower than in the previous year. Comments were thoughtful and mostly aimed at the capital program although there were some comments regarding service issues and the new automated fare collection system and the fare increase. Proponents of system expansion and increased service frequency were present at all meetings. The outline below covers only the main issues raised at each meeting.

Public Meeting Comments

Newton, November 29, 2006

- Invest in customer communications equipment (message signs, etc.)

Lowell, November 30, 2006

- no attendees

South Attleboro, December 4, 2006

- South Attleboro needs station improvement and improvement around station

Quincy, December 5, 2006

- Support for blue line to Lynn

- Does not support Silver Line III
- Address flooding problem at Wollaston Station
- Support upgrading Quincy Center station and parking to deal with crowding issues

Mattapan, December 6, 2006

- no attendees

Worcester, December 7, 2006

- Support for increase in Worcester service, cleaner cars

Salem, December 12, 2006

- Salem Station needs to be upgraded (incl. handicap station access, signage)
- Support for a parking garage at Salem Station
- Silver Line III should not be built
- Blue Line extension to Lynn should be funded
- Support for North-South rail link

Cambridge, December 12, 2006

- Complaints about layout of Copley station
- Complaints about layout of Charles MGH station (not pedestrian-friendly, should have overpasses)

Boston, December 14, 2006

- Support for Science Park Accessibility project
- Better ventilation needed at Back Bay station
- Support for Green Line to Tufts and beyond
- Support for Fitchburg improvements
- Build Urban Ring instead of Silver Line III
- Start Orient Heights station upgrade as soon as possible
- Include bicycle parking when stations are being redone and have a few subway cars that are designed to accommodate bicycles
- Bring back commuter rail service to Cape Cod, expand to Springfield and Pittsfield
- Support for north-south rail link
- Bus stations could use upgrades
- Several reports of malfunctioning fare gates, fare vending machines and bus fareboxes

Comments via Letters and E-mails

Parking

- More parking needed (Alewife, Quincy, Braintree), poor state of garages
- Bike parking at stations

Subway and Bus

- Support for red-blue connector & green line extension to Somerville, Urban Ring
- Orient Heights station needs to have funding allocated for improvements
- More shelter requested at Lynn bus & commuter rail station
- Blue line platform lengthening should be completed by FY2008, yet funds are programmed beyond that till FY2010.

Commuter Rail

- More shelter requested at Lynn bus & commuter rail station
- Advance timeline for all Indigo line stations, as 3 of the stations must be completed by 2011.
- Endorsing use of DMUs on Indigo line
- Support Worcester/Framingham line improvements
- Support for and suggestion to advance Fitchburg improvements
- Funds needed for Ruggles commuter rail platform repair, particularly elevator/escalator (incl. emergency communication device)
- Complaints about Back Bay station diesel fumes, general state of station
- Support for Fall River/New Bedford

THE MBTA ADVISORY BOARD REVIEW PROCESS

The Capital Investment Program was delivered to the Advisory Board on November 20 and the Capital Planning Committee began its review of the plan. The Advisory Board feels that a proper review of the Program should:

- Ensure that the Capital Investment Program meets the standard in the law,
- Provide adequate opportunity for the communities of the MBTA District, their constituents and members of the general public to comment and make recommendations on the plan as written,
- Report to the Authority any recommendations or proposed changes that the members support, and,
- Open an ongoing dialogue between the Advisory Board and the Authority on capital issues, progress made on the projects contained in the Capital Investment Program and the development of the Program for Mass Transportation.

The Capital Planning Committee held its meeting on January 29 at 1pm at the MBTA Advisory Board office. Representatives from the communities of Boston, Sharon, Wayland, Milton and Saugus were present and committee members from Cambridge and Wareham sent in written comments. MBTA staff attended to answer questions from committee members.

RECOMMENDATIONS TO THE MBTA BOARD OF DIRECTORS

The Capital Investment Program as submitted to the Advisory Board meets the standard set forth in Chapter 161A Section 5. The plan reflects the priorities to focus on the existing system and to keep commitments to federal law and to the Central Artery/Tunnel Projects outlined in the interagency Consent Decree. The MBTA Advisory Board supports the MBTA's decision to dedicate a large percentage of its funding to State of Good Repair projects. Additionally, the Advisory Board has a number of items to recommend to the MBTA Board of Directors to consider in the final Capital Investment Program:

- The MBTA should continue a dialogue with EOT, the Governor's Office and the Legislature to review and reduce the overall debt burden of the MBTA which can have a significant negative effect on not only future Capital Programs but on the daily operation of the MBTA system. The MBTA Advisory Board recommends that the Commonwealth take over the debt incurred by the Commonwealth and backed by its full faith and credit before Forward Funding and handed over to the MBTA.
- The City of Boston supports the Fairmont project, the Urban Ring EIR/S, the extension of Silver Line service south of the current service area and the North Allston-South Station Rail Shuttle.
- The Massachusetts Executive Office of Transportation is currently examining the feasibility of reestablishing commuter rail service to Wareham/Buzzards Bay. The Town of Wareham supports this study and urges the MBTA to add this project to the anticipated future efforts in the System Expansion category.
- The Town of Saugus and a number of other communities support the inclusion of the Red Line – Blue Line connector to the Blue Line to Lynn expansion project which is listed as one of the high priority statewide plan projects.
- The City of Cambridge would like to see the Urban Ring project moved forward and funds allocated for a bus facilities analysis that would examine the facilities necessary for the Urban Ring to be operated. The City is pleased to see the improvements at Kendall Station and requests that similar waterproofing efforts be made in Central Square Station.