PRESENTATION TO BOARD OF DIRECTORS

**CAPITAL ASSET INVENTORY &
STATE OF GOOD REPAIR**

08 | 03 | 2010 | SAN FRANCISCO, CALIFORNIA

OVERVIEW
- Started in 2006 as part of regional inventory effort
- First comprehensive inventory of SFMTA capital assets
- Asset renewal based on useful life, later phase to add condition information
- Produce SFMTA State of Good Repair Report in Aug. 2010

CURRENT STATUS
- Initial Inventory Complete:
  – Revenue & non-revenue vehicles
  – Infrastructure: track, overhead, signals
  – Systems: communication, fare collection
  – Facilities: operating & passenger
  – Equipment/IT
- MTC initiating Phase 2 of Regional Transit Capital Inventory project in July

CURRENT ACTIVITIES
- Reviewing lifecycle and cost assumptions
- Converting inventory into capital projects
- Grouping individual assets by component type or geographic location
- Linking project prioritization criteria to Agency goals and objectives
- Bringing stakeholders from all divisions to prioritize the Agency's needs

TRANSPORTATION ASSET MANAGEMENT FRAMEWORK

Steps:
1. Agency Goals and Objectives
2. Asset Inventory
3. Capital Projects
4. Condition Assessment and Investment Needs Modeling
5. Tradeoff Analysis/Investment Prioritization
6. Short-and Long-Range Plans Programs Implementation
7. Budget Allocations
8. Maintenance Management
9. Performance Monitoring

Relationship Between Steps:
Agency Goals and Objectives feeds into Condition Assessment and Investment Needs Modeling.
Asset Inventory and Capital Projects feed back and forth.
Asset Inventory and Capital Projects feed into Condition Assessment and Investment Needs Modeling.
Condition Assessment and Investment Needs Modeling feeds into Tradeoff Analysis/Investment Prioritization.
Tradeoff Analysis/Investment Prioritization feeds into Short-and Long-Range Plans Programs Implementation.
Short-and Long-Range Plans Programs Implementation feeds into Budget Allocations and Maintenance Management.
Budget Allocations feed back to the Tradeoff Analysis/Investment Prioritization or Agency Goals and Objectives.
Maintenance Management feeds into Performance Monitoring and Budget Allocations.
Performance Monitoring feeds back to Agency Goals and Objectives and Condition Assessment and Investment Needs Modeling.

PRELIMINARY FINDINGS

- Current replacement value over $11 billion
- Most assets are currently within design life
- $1.9 billion backlog of deferred investment
- Replacing & overhauling vehicles is 33% of total needs over 20 years
- Average annual SGR need is $455 million

VALUE OF ALL SFMTA ASSETS

Current replacement value over $11 billion

Value	Percentage
Vehicles	20%
Facilities	23%
Overhead	34%
Utilities	0%
Track	7%
Systems	7%
Street Assets	3%
Parking	6%

CURRENT CONDITIONS

- Most assets are currently within design life

Percent of Assets at SGR in 2010

Assets	Percentage
Utilities	100%
Train Control	100%
Traction Power	32%
Track	87%
Substation	81%
Street Assets	100%
Stations	72%
Revenue Vehicles	100%
Restroom	96%
Parking	61%
Overhead	93%
Non-Revenue Vehicles	23%
Maintenance Facilities	82%
ITS	98%
Fare Collection	100%
Communications	76%
Administrative Facilities	95%

CURRENT BACKLOG BY ASSET TYPE

- **Significant backlog of deferred investment exists ($1.9 billion)**

Asset	Amount
Vehicles	$167
Facilities	$620
Overhead	$312
Parking	$346
Street Assets	$6
Systems	$283
Track	$131

Total Backlog: $1.86 bn

FUTURE NEEDS BY ASSET CLASS

- Total 20-Year SGR Needs = $9.1 billion

Asset Class	Percentage
Vehicles	33%
Facilities	17%
Overhead	21%
Utilities	0%
Track	7%
Systems	12%
Street Assets	3%
Parking	7%

FUTURE NEEDS BY ASSET CLASS
- **Average annual investment of $455M needed to eliminate backlog and maintain state-of-good-repair**

SFMTA State of Good Repair Unconstrained Needs (in millions)

Asset Type	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Facilities	114	368	368	140	94	50	8	8	19	29	29	70	107	9	19	37	51	28	21	17
Overhead	51	146	152	100	59	65	49	79	132	61	80	107	137	102	52	86	97	108	116	87
Parking	40	148	134	41	42	38	8	10	8	10	4	10	0	1	1	19	42	36	9	12
Street Assets	6	17	25	15	20	22	14	14	14	14	14	14	14	14	14	14	14	14	14	14
Systems	28	100	141	103	96	167	67	21	-	1	4	3	5	23	32	58	60	88	63	46
Track	43	65	124	45	27	-	9	7	4	1	9	29	24	50	1	38	31	62	7	17
Vehicles	42	113	218	222	204	200	173	137	105	84	118	123	114	160	220	225	207	144	88	123

FUTURE NEEDS BY MODE
- **Rail service drives 40% of capital needs**

SFMTA State of Good Repair Unconstrained Needs (in millions)

Mode	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Cable Car	10	34	51	47	29	2	1	1	1	1	2	1	1	3	7	2	1	2	4	6
Light Rail	151	485	568	117	70	57	45	49	75	62	133	248	273	198	122	205	230	225	95	32
Motor Coach	15	55	121	120	113	52	24	50	49	38	21	18	12	49	113	118	100	52	25	53
Paratransit	0	1	-	-	-	0	1	-	-	-	0	1	-	-	-	0	1	-	-	-
Street Car	-	0	1	4	21	33	42	-	0	1	-	-	-	-	-	-	0	1	4	21
Systemwide	111	236	255	249	187	259	94	50	42	49	52	30	25	38	45	92	115	118	91	80
Trolley Coach	38	145	166	130	123	140	121	126	114	48	51	57	92	70	51	60	55	82	99	124

NEXT STEPS/SCHEDULE FOR YEAR 2010

June 2010
• Complete Initial Asset Inventory
July 2010
• Finalize list of capital projects
• Begin Rating All Capital Projects
August 2010
• Scenario Testing/Analyze Results
• Submit SGR Report to FTA
• Submit Revised Asset Inventory to MTC
September 2010
• Submit 20 year Financial Plan to FTA
October 2010
• Present CIP Update to SFMTA Board