

FY 2010/11 – FY 2011/12 CAPITAL BUDGET

Introduction and Framework

Overview

- **What is the Capital Budget?**
- **Previously Adopted Capital Budget**
- **Recent Capital Program Accomplishments**
- **Preliminary FY 2011 and FY 2012 Capital Budget**
- **Next Steps**



Capital Budget

- **The Capital Budget is a two year document**
- **Last adopted in June 2008**
- **Prepared in accordance with Prop A (Sect. 8A.106)**
- **Demonstrates Agency's ability to make substantial progress in meeting Prop A performance standards (Sect. 8A.103)**
- **Establishes capital expenditure limits**
- **Documents the capital projects that will be prioritized to receive capital funding**

Previously Adopted Capital Budget

	FY 2009	FY 2010	Total
Adopted Budget	\$762M	\$353M	\$1,115M
Expenditures *	\$88M	\$157M	\$245M

* FY 2010 projected based on actuals through Jan. 2010

- **The adopted budget included total funding of \$1.1 billion**
- **FY 2009 included \$353M in carry forward funding**
- **Budget assumed over \$200M in transfers from the Operating budget that did not materialize**
- **Despite shrinking funding, staff still able to obtain grants totaling \$192M in FY 2009 and \$226M in FY 2010 (year-to-date)**

Financial Crisis Impacts

- **State Infrastructure Bonds (Prop 1B) reduced and delayed**
- **Central Subway full funding grant agreement timeline pushed**
- **Local sales tax revenues down**
- **Repackaged large projects to fit within funding constraints**
- **Operating budget deficits**

Major Project Expenditures and Status

Project	FY 09 Budget Revenues	FY 09 Budget Expenditures	FY 09 Actual Expenditures	Project Challenges and Status
Central Subway	\$192.2 M	\$23.1 M	\$13.0 M	FTA Full Funding Agreement and State I-Bond funding delayed. Operating budget crisis impacted staffing and design schedule. Several large contracts pending.
Rail Replacement	\$ 20.8 M	\$43.2 M	\$ 3.1 M	Building funds needed to award contracts. 2 large contracts recently awarded and 1 close to advertising.
Third Street LRT/MME	\$ 45.7 M	\$56.1 M	\$ 8.7 M	Construction contract completed and spent soon after end of FY 09.
LRV Overhaul	\$ 25.4 M	\$18.7 M	\$ 0.1 M	Due to funding shortfall, project needed to be resized, with contract awarded in FY 10.
Islais Creek	\$ 51.2 M	\$11.7 M	\$ 0.8 M	I-bond loss led to project rescoping. Contract advertised and bids received in FY 10.

Signs of a Turnaround

- **Refined project scope to match available funding**
- **Establish revised implementation schedule to account for funding delays**
- **Reorganized to ensure staffing for critical programs**
- **FY 2010 estimated expenditures of \$157M**
- **Many projects under contract or soon to be, leading to higher expenditures projected for FY 2011 and FY 2012**

Capital Program Accomplishments: State of Good Repair

- **Capital Asset Inventory Initiated**
- **Transit Vehicle Rehabilitation**
- **Radio Replacement**
- **Transit Infrastructure Replacement**
- **Traffic Signal Upgrades**

Capital Program Accomplishments: Enhancement/Expansion

- **Central Subway: Initiated Final Design & Utility Relocation, Groundbreaking (Feb. 2010)**
- **Metro East Light Rail Facility: Opened (Sept. 2008)**
- **SFgo: Phase 1 completed**
- **SFpark: Pilots initiated**
- **Bicycle Plan: 9 bike lane projects, bike parking and sharrows citywide**
- **Citywide Traffic Calming and Pedestrian Projects**

Preliminary Budget Highlights

- **Propose expenditure limits of \$375M in FY 2011 and \$377M in FY 2012**
- **Based on recent annual averages, plus several large, maturing projects:**
 - Central Subway
 - Central Control & Communications (C3)
 - Radio Communication System
 - Islais Creek
 - Automatic Fare Collection Program
 - Fleet Procurement
- **Funding has been awarded or is committed**

Proposed Capital Budget: State of Good Repair

Project/Program	FY 2011	FY 2012	Total
Fleet Procurements & Rehab	92.0 M	39.0 M	131.0 M
C3 (Central Control & Communications)	22.0 M	35.0 M	57.0 M
Islais Creek	31.2 M	20.8 M	52.0 M
Radio Communications System	19.0 M	26.0 M	45.0 M
Transit Infrastructure	20.0 M	20.0 M	40.0 M
Automatic Fare Collection Equipment	16.0 M	12.0 M	28.0 M
SFgo	10.0 M	10.0 M	20.0 M
Transit Facilities	4.5 M	4.5 M	9.0 M
Transit Equipment	1.0 M	1.0 M	2.0 M
Subtotal State of Good Repair	\$215.7 M	\$168.3 M	\$384.0 M

Proposed Capital Budget: Enhancement/Expansion

Project/Program	FY 2011	FY 2012	Total
Central Subway	138.0 M	185.0 M	323.0 M
Pedestrian, Bike, Traffic Calming, Signals	17.0 M	17.0 M	34.0 M
Van Ness BRT	1.5 M	4.2 M	5.7 M
TEP Implementation	1.8 M	1.0 M	2.8 M
Other Projects	1.0 M	1.0 M	2.0 M
Subtotal Enhancement/Expansion	\$159.3 M	\$208.2 M	\$367.5 M
Subtotal State of Good Repair	\$215.7 M	\$168.3 M	\$384.0 M
TOTAL	\$375.0 M	\$376.5 M	\$751.5 M

Next Steps

- **April 20: Submit Capital Budget for adoption**
- **Capital Investment Plan (CIP):**
 - Coordinated with Central Subway Financial Plan
 - Utilize new data management systems
 - Quantitative analysis to establish Agency priorities
 - Better match funding opportunities to capital projects
 - Late Spring: Review Prioritization Approach
 - Fall: Present CIP Update