



**Massachusetts Bay  
Transportation Authority**

# **One-Time Investment Opportunities Plan**

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January 20, 2022

# Background

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- During the COVID-19 pandemic, the MBTA received nearly \$2 billion in one-time Federal relief funds (CARES, CRRSAA and ARPA).
- Federal stimulus funds allowed the MBTA to maintain pre-COVID service levels, and balance its operating budget in FY21 and FY22, despite significant reductions in fare revenues.
- Federal relief funds continue to be applied to eligible operating expenses, freeing up other revenues on a one-time basis.
- Fiscally responsible options for using one-time revenues include saving for future operating gaps and/or identifying one-time investment opportunities.
  - Using the money for one-time costs reduces the risk of initiating programs that will prove unsustainable in the future
- The MBTA has identified up to \$500M which can be allocated to critical one-time investments, while still ensuring a balanced budget through FY23.



# One-Time Investments | Overview

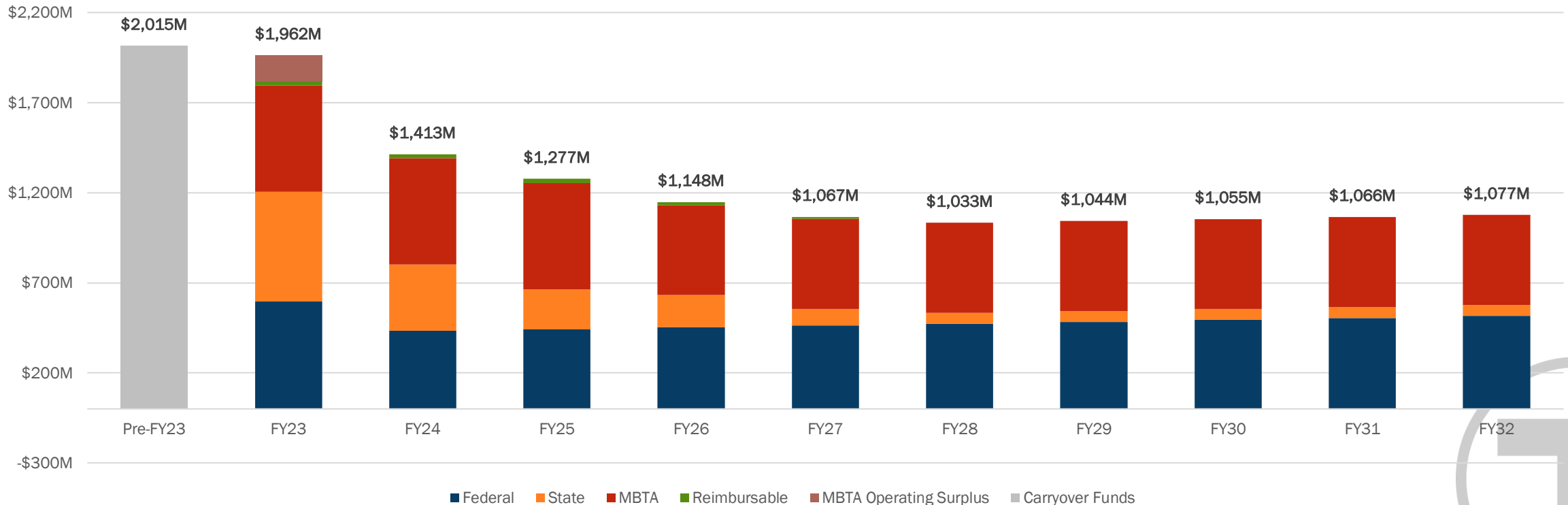
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- To address a significant state of good repair backlog, the MBTA has dramatically increased overall capital investment
  - FY21 output exceeded the goal and hit a record \$1.9B in spending
- Significant capital investments, in motion since 2015, have produced real improvements to the condition of the MBTA's assets. A number of major capital programs are on a trajectory for success and major transformation programs are in flight
- Several of the MBTA's major capital programs have identified significant future funding needs, and an analysis of asset condition indicates that current investment levels will need to be sustained in order to maintain or improve overall asset condition
- The MBTA has an opportunity to reallocate up to \$500M in one-time operating funds to support critical and timely investments
- One-time funds will allow the MBTA to (1) accelerate key capital investments in safety, (2) advance key employee recruitment and retention initiatives, (3) advance key shovel-ready and shovel-worthy projects, (4) advance key investments in bus, (5) prepare for additional Federal formula funding, and (6) preserve the existing capital program



# Capital Source Assumptions | 10 Year Outlook

- Current out-year source assumptions reflect a downward trend driven largely by the planned spend of Federal carryover funds and the wrapping up of existing state funded programs
- Funding needs for capital investments continue to exceed available funds (even with the passage of BIL), which will limit the MBTA's ability to invest in the overall capital program at a rate that sustains current investment levels, or that addresses all the known state of good repair and transformational investment needs



# Breakdown of Key Investments

## Accelerate Key Safety Investments \$67M

- Accelerate the schedule of the **Green Line Train Protection Project (P0370)**
- Provide additional funds to support increased **inspections at MBTA stations and facilities**
- Provide funds to address identified safety and non-code compliant concerns at the **Lynn Parking Garage**

## Employee Recruitment and Retention Initiatives \$20M

- Advance key employee focused initiatives including **pandemic pay for front line employees** and the **expansion of the HR staffing program**.
- Establish an **employee recruitment and retention program** with opportunities to extend hiring bonuses and referral bonuses for key positions at the MBTA.

## Key Shovel-Ready / Shovel-Worthy Investments \$70M

- Advance the **Newton Commuter Rail Station** project to 100% design
- Expand the **Codman Yard Expansion and Improvements project (P0679)** to include building and power infrastructure improvements
- Program funds for potential **near-term real estate opportunities** and **advance infrastructure planning** for future electrification of the CR network

## Advance Key Investments in Bus \$109M

- Advance key bus investments including **Arborway Bus Facility (design)**, **Blue Hill Ave Transit Priority Corridor** and the **North Cambridge Bus Facility**
- Additional funds needed to support the **Quincy Bus Maintenance Facility (P0671a)** and the procurement of **60 New Flyer Bus Overhaul (P0860)** project

## Prepare for Additional Federal Formula Funding \$145M

- Funds identified provide the **20% match needed to program anticipated new Federal formula funds**, as identified in the Bipartisan Infrastructure Law (BIL)
- New funds including match will be programmed through the FY23-27 CIP development process

## Preserve the Existing Capital Program \$89M

- Additional funds needed to support the **Franklin Double Track and Signal (P0214)** and **ATC Implementation (P0606)** projects
- The MBTA will also replenish the **surplus/contingency fund** to support any future COVID related (materials and labor) cost increases
- Advance the full scope of the **Tower 1 Interlocking Early Action project (P0889)**

# Appendix



# Breakdown of Key Investments | Slide 1

One-time funds will allow the MBTA to (1) accelerate key capital investments in safety, (2) advance key employee recruitment and retention initiatives, (3) advance key shovel-ready and shovel-worthy projects, (4) advance key investments in bus, (5) prepare for additional Federal formula funding, and (5) preserve the existing capital program

CIP Project	Total Authorized Budget (FY22 CIP)	Additional Amount Needed	Mode
<b>Accelerate Key Safety Investments</b>			
Green Line Train Protection (P0370)	\$170,228,620	\$46,000,000	Rapid Transit
Safety and/or Facilities On-Call (new)	\$0	\$10,000,000	Systemwide
Lynn Parking Garage (new)	\$0	\$11,000,000	Commuter Rail
<b>Employee Recruitment and Retention Initiatives</b>			
Front Line Employee - Pandemic Pay	N/A	\$6,600,000	Operating
HR Staffing Program Expansion	N/A	\$5,700,000	Operating
Employee Recruitment and Retention Reserve	N/A	\$7,700,000	Operating
<b>Key Shovel-Ready and Shovel Worthy Investments</b>			
Newton CR Station Design	\$5,561,917	\$7,000,000	Commuter Rail
Infrastructure planning for future electrification of the CR (new)	N/A	\$3,000,000	Commuter Rail
Potential real estate opportunities	N/A	\$40,000,000	Systemwide
Codman Yard Expansion and Improvements (P0679)	\$79,000,000	\$20,000,000	Rapid Transit
<b>SUBTOTAL:</b>		<b>\$157,000,000</b>	



# Breakdown of Key Investments | Slide 2

CIP Project	Total Authorized Budget (FY22 CIP)	Additional Amount Needed	Mode
<b>Key Investments in Bus</b>			
Quincy Bus Maintenance Facility (P0671a)	\$371,876,200	\$30,194,414	Bus
60 New Flyer Bus Overhaul (P0860)	\$28,235,931	\$13,000,000	Bus
North Cambridge Bus Facility (new)	\$0	\$25,000,000	Bus
Arborway Bus Facility - Design Funding (new)	\$0	\$36,000,000	Bus
Blue Hill Ave Transit Priority Corridor (new)	\$6,200,000	\$5,000,000	Bus
<b>Future Federal Formula Funding</b>			
Local Match	N/A	\$145,000,000	Systemwide
<b>Preserve Existing Capital Program</b>			
ATC Implementation (P0606)	\$368,750,000	\$48,000,000	Commuter Rail
Franklin Double Track and Signal (P0214)	\$40,000,000	\$4,000,000	Commuter Rail
Tower 1 Interlocking Early Action (P0889)	\$82,367,690	\$2,240,000	Commuter Rail
Replenish surplus/contingency fund	N/A	\$15,233,359	System-wide
<b>SUBTOTAL:</b>		<b>\$343,000,000</b>	
<b>TOTAL:</b>		<b>\$500,000,000</b>	

