

Washington Metropolitan Area Transit Authority  
**Board Action/Information Summary**

Action  Information

MEAD Number:  
201724

Resolution:  
 Yes  No

**TITLE:**

Authorization to Execute One-Year CFA Extension

**PRESENTATION SUMMARY:**

Staff is seeking Board authorization for the General Manager/Chief Executive Officer (GM/CEO) to execute a one-year extension of the current Capital Funding Agreement (CFA) among WMATA and the Contributing Jurisdictions to support WMATA's capital program.

**PURPOSE:**

Staff is seeking Board authorization for the General Manager/Chief Executive Officer (GM/CEO) to execute a one-year extension of the current Capital Funding Agreement (CFA) among WMATA and the Contributing Jurisdictions to support WMATA's capital program.

**DESCRIPTION:**

**Key Highlights:**

- Metro's current Capital Funding Agreement (CFA), which covers the six-year period between FY2011 and FY2016, will expire on June 30, 2016.
- Metro and the jurisdictions agree that Metro needs to 'reset' the capital program before a new six-year funding agreement can be reached. An extension of the current CFA for one year, with key terms unchanged, will allow this reset to occur.
- The CFA extension will reflect an FY2017 capital budget of approximately \$900-\$950 million, a reduction from the original proposed FY2017 budget of \$1.1 billion.
- An updated Capital Needs Inventory (CNI) will form the basis for a new six-year FY2018-FY2023 Capital Funding Agreement.

**Background and History:**

The Capital Funding Agreement (CFA) is the legal agreement between Metro and the Contributing Jurisdictions that provides the funding commitment for Metro's ongoing capital program. The CFA includes a commitment from the jurisdictions to match federal funds received by Metro for capital projects and to annually review each jurisdiction's ability to provide additional capital funds (either as 'system performance' funds or through the issuance of long-term debt) for additional capital projects.

The current CFA was executed in 2010 and covers the six-year period from FY2011 through FY2016. The current CFA expires on June 30, 2016, and an extension, renewal, or replacement of that agreement is needed by that date in order to ensure the

continued progress of Metro's capital program, including the ability to enter into multi-year contractual agreements.

**Discussion:**

Metro staff and the legal and financial representatives of the Contributing Jurisdictions have been jointly negotiating a renewal of the current CFA for over a year. During that time, significant progress has been made on agreeing to updates to the legal language of the agreement. However, consensus could not be reached on the estimated program cost of the initial six-year capital program that would be included in a renewed agreement.

Recently, all parties have agreed that Metro needs to 'reset' its capital program before a new six-year funding agreement can be finalized. To facilitate this reset, Metro and the Contributing Jurisdictions have agreed in principle to a one-year extension of the CFA under the current terms.

The CFA extension will support an updated FY2017 capital budget. The capital program has underspent every year for the last ten years. Metro now estimates that \$900 to \$950 million of the \$1.1 billion originally proposed in December is achievable in FY2017. The final CIP that the Board will be asked to approve in April will have expense forecasts aligned with realistic project schedules without shifting priorities away from safety projects.

Following approval of a one-year extension, discussions and negotiations over a full renewal of the CFA will continue. In particular, two key issues need to be addressed in the coming months:

- Metro will complete an updated Capital Needs Inventory (CNI). The CNI is key to a robust capital planning and project prioritization process and will identify those projects for funding that are most critical to safe, reliable, and high quality transit service. This CNI will form the basis for a new FY2018-FY2023 funding agreement and six-year CIP.
- Loudoun County must be incorporated into the CFA as a Contributing Jurisdiction ahead of the planned opening of Silver Line Phase 2.

**FUNDING IMPACT:**

There is no direct funding impact from the authorization to execute the renewal of the CFA. The Capital Funding Agreement (CFA) is the legal agreement between Metro and the Contributing Jurisdictions that provides the funding commitment for Metro's ongoing capital program.	
Project Manager:	Thomas J. Webster
Project Department/Office:	CFO/OMBS

**TIMELINE:**

<b>Previous Actions</b>	2010 - Approval of FY2011-FY2016 Capital Funding Agreement
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<b>Anticipated actions after presentation</b>	April - June 2016: Approval of one-year CFA extension by governing bodies of the Contributing Jurisdictions (no later than June 30) April 2016 - Adoption of the FY2017-2022 CIP
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**RECOMMENDATION:**

Recommend that the Board authorize the GM/CEO to execute a one-year extension of the CFA among WMATA and the Contributing Jurisdictions to support WMATA's capital program.

**PRESENTED AND ADOPTED: March 24, 2016**

**SUBJECT: APPROVAL OF FIRST AMENDMENT TO CAPITAL FUNDING AGREEMENT  
AND DISTRICT OF COLUMBIA LOCAL CAPITAL FUNDING AGREEMENT**

**2016-13**

**RESOLUTION  
OF THE  
BOARD OF DIRECTORS  
OF THE  
WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY**

WHEREAS, The Washington Metropolitan Area Transit Authority (WMATA) and its jurisdictional funding partners have entered into an agreement on the scope of the Capital Improvement Program (CIP) for the six-year period beginning Fiscal Year (FY)2011; and

WHEREAS, That agreement includes a process for determining the scope of future year CIPs, as well as a process for continuing the agreement with the consent of all parties; and

WHEREAS, The parties wish to extend, for one-year, this agreement, which is known as the Capital Funding Agreement (CFA); and

WHEREAS, The jurisdictional funding required for the FY2017 CIP has been agreed to on a not-to-exceed basis; and

WHEREAS, The First Amendment to the CFA is appended hereto as Attachment A; and

WHEREAS, The jurisdictional funding partners are submitting the First Amendment to the CFA in the form appended as Attachment A to their appropriate legislative bodies for approval and authority to execute; and

WHEREAS, The jurisdictional funding partners have requested that WMATA execute the document in advance of presenting the First Amendment to their legislative bodies; and

WHEREAS, To address certain concerns specific to the District of Columbia, WMATA and the District of Columbia have agreed upon the terms of the First Amendment to the District of Columbia Local Capital Funding Agreement (LCFA), appended hereto as Attachment B; and

WHEREAS, The District of Columbia is submitting the District of Columbia's LCFA to the Council of the District of Columbia for approval; now, therefore be it

*RESOLVED*, That the Board of Directors approves the terms of the First Amendment to the CFA and the First Amendment to the District of Columbia's LCFA; and be it further

**Motioned by Mr. Goldman, seconded by Ms. Harley**

**Ayes: 8 – Mr. Evans, Ms. Harley, Mr. Corcoran, Mr. Downey, Mr. Price, Mr. Goldman, Mrs. Hudgins and Ms. Tregoning**

*RESOLVED*, That the General Manager/Chief Executive Officer is authorized to execute on behalf of WMATA, the CFA and the District of Columbia's LCFA, appended as Attachments A and B hereto, or such documents that are substantially the same as those appended hereto; and be it further

*RESOLVED*, That in order to meet the request from WMATA's contributing jurisdictions that WMATA execute the document in advance of local jurisdictional approvals, this Resolution shall be effective immediately.

Reviewed as to form and legal sufficiency,



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Mark R. Pohl  
Acting General Counsel

WMATA File Structure No.:  
4.3.2 Jurisdictional Funding Agreements

**FIRST AMENDMENT TO THE  
CAPITAL FUNDING AGREEMENT**

**Among**

**The State of Maryland;**

**The District of Columbia;**

**Arlington County, Virginia;**

**Fairfax County, Virginia;**

**The City of Alexandria, Virginia;**

**The City of Fairfax, Virginia;**

**The City of Falls Church, Virginia;**

**And**

**The Washington Metropolitan Area Transit Authority**

**Effective Date: \_\_\_\_\_**

**FIRST AMENDMENT TO THE  
CAPITAL FUNDING AGREEMENT**

THIS FIRST AMENDMENT TO THE CAPITAL FUNDING AGREEMENT (Amendment) is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2016, by and among **the Washington Metropolitan Area Transit Authority (WMATA)**, a body corporate and politic created by interstate compact between Maryland, Virginia, and the District of Columbia; **the State of Maryland, acting by and through the Washington Suburban Transit District and the Department of Transportation; the District of Columbia; Arlington County, Virginia; Fairfax County, Virginia; the City of Alexandria, Virginia; the City of Fairfax, Virginia; and the City of Falls Church, Virginia (Contributing Jurisdictions):**

**RECITALS**

1. The Parties to this Amendment desire to extend the term of that Capital Funding Agreement entered into by the Parties as of July 1, 2010 (CFA).
2. The Parties to this Amendment desire to continue the funding and work of WMATA on the same terms and conditions currently in place under the CFA for an additional year (the Extension Term).
3. The Parties will continue to negotiate in good faith toward a longer-term capital funding agreement during the Extension Term.

NOW, THEREFORE, in consideration of the mutual promises and obligations hereinafter set forth, the Parties hereby agree as follows:

## **SEC. 1 DEFINITIONS**

Unless defined otherwise in this Amendment all terms used in this Amendment shall have the same meaning as is found in the CFA.

## **SEC. 2 EXTENSION OF TERM AND AMENDMENT OF LONG TERM DEBT OBLIGATIONS**

Pursuant to Section 11 of the CFA, the Parties agree to extend the term of the CFA for one additional year, from July 1, 2016 through June 30, 2017 (FY2017) on the same terms and conditions agreed to under the CFA. The maximum amount of long-term debt authorized for issuance in FY2017 (before June 30, 2017) to be used in support of the Capital Improvement Program shall not exceed \$58,300,000. Each of the Parties acknowledge and agree that this debt issuance must be approved by the respective Jurisdictions pursuant to the opt-out provisions of the CFA, subject to appropriations and the limitations stated in § 4(b)(3) of the CFA and § 4(b)(3) of the DCLFA. In the event that WMATA desires to issue additional debt during FY2017, WMATA shall follow the processes established for such issuance in the CFA.

## **SEC. 3 CAPITAL IMPROVEMENT PROGRAM**

A. As is contemplated by the CFA, it is anticipated that the WMATA Board of Directors will adopt a new Fiscal Year 2017 Capital Budget on or before June 30, 2016. It is the intent of the Parties that the CFA is amended to incorporate the FY2017 Annual Work Plan as adopted by the Board so long as the amounts to be billed to the Contributing Jurisdictions in FY2017 shall not exceed \$247,800,000, excluding Passenger Rail and Improvement Act (PRIIA) funding, as shown in Attachment A.

B. Attachment A contains the proposed budget funding plan, including PRIIA funding.



C. The District of Columbia's Allocated Contribution to the FY2017 Annual Work Plan shall not exceed \$92,100,000, excluding PRIIA funding, and this amount shall be added to the amount contained in Section 4(b)(1)(C)(i) of the CFA to constitute the new limitation on required Allocated Contributions for the District of Columbia in the total maximum amount not to exceed \$489,414,000, excluding PRIIA funding, to be paid from the District of Columbia Capital Funds.

#### **SEC. 4 CONTINUING EFFECT**

This First Amendment amends certain terms and conditions of the CFA. All other terms and conditions of the CFA that are not modified by this First Amendment shall remain in full force and effect. Should there be any conflict between the terms and conditions in this First Amendment and the CFA the terms and conditions of this First Amendment, and in the case of the District of Columbia the First Amendment to the Local Capital Funding Agreement, shall control.

#### **SEC. 5 COUNTERPARTS**

This Amendment may be executed in identical counterparts, each of which shall constitute an original and all of which shall constitute, collectively, one agreement. The counterpart with the most recent date shall determine the date of entry of this Agreement by the Parties.

IN WITNESS WHEREOF, WMATA and the Contributing Jurisdictions have executed this Amendment by their representatives' signatures below.

WASHINGTON METROPOLITAN AREA  
TRANSIT AUTHORITY

Attest:

By:

\_\_\_\_\_  
Secretary

\_\_\_\_\_[Seal]  
Paul J. Wiedefeld  
General Manager/Chief Executive Officer

Dated: \_\_\_\_\_

Approved as to Form and Legal Sufficiency:

By: \_\_\_\_\_  
Office of General Counsel

[signatures continued on following page]

STATE OF MARYLAND

acting by and through the Washington Suburban Transit District and the Department of Transportation

MARYLAND DEPARTMENT OF TRANSPORTATION

Attest:

\_\_\_\_\_  
Witness

By: \_\_\_\_\_ [Seal]  
Secretary

and

WASHINGTON SUBURBAN TRANSIT DISTRICT

Attest:

\_\_\_\_\_  
Witness

By: \_\_\_\_\_ [Seal]  
Chairman

Approved as to Form and Legal Sufficiency:

By: \_\_\_\_\_  
Assistant Attorney General

Date: \_\_\_\_\_

[signatures continued on following page]

DISTRICT OF COLUMBIA

Attest:

\_\_\_\_\_  
Witness

By: \_\_\_\_\_ [[Seal]  
Mayor

Approved as to Form and Legal Sufficiency:

By: \_\_\_\_\_  
Attorney General

Dated: \_\_\_\_\_

[signatures continued on following page]

COUNTY BOARD OF ARLINGTON  
COUNTY, VIRGINIA

Attest:

\_\_\_\_\_  
Clerk to the County Board

By: \_\_\_\_\_ [Seal]  
Chair  
County Board  
Arlington County, Virginia

Approved as to Form and Legal Sufficiency:

By: \_\_\_\_\_  
Arlington County Attorney

Dated: \_\_\_\_\_

[signatures continued on following page]

FAIRFAX COUNTY, VIRGINIA

Attest:

\_\_\_\_\_  
Clerk to the Board of Supervisors

By: \_\_\_\_\_ [Seal]  
County Executive  
Fairfax County, Virginia

Approved as to Form and Legal Sufficiency:

By: \_\_\_\_\_  
County Attorney

Dated: \_\_\_\_\_

[signatures continued on following page]

CITY OF ALEXANDRIA, VIRGINIA

Attest:

\_\_\_\_\_  
City Clerk

By: \_\_\_\_\_ [Seal]  
City Manager

Approved as to Form and Legal Sufficiency:

By: \_\_\_\_\_  
City Attorney

Dated: \_\_\_\_\_

[signatures continued on following page]

CITY OF FAIRFAX, VIRGINIA

Attest:

\_\_\_\_\_  
City Clerk

By: \_\_\_\_\_ [Seal]  
Mayor

Approved as to Form and Legal Sufficiency:

By: \_\_\_\_\_  
City Attorney

Dated: \_\_\_\_\_

[signatures continued on following page]



CITY OF FALLS CHURCH, VIRGINIA

Attest:

\_\_\_\_\_  
City Clerk

By: \_\_\_\_\_[Seal]  
City Manager

Approved as to Form and Legal Sufficiency:

By: \_\_\_\_\_  
City Attorney

Dated: \_\_\_\_\_



# Washington Metropolitan Area Transit Authority

Revised FY2017 Capital Improvement Program (CIP) Proposed Budget

## ATTACHMENT A

Revised State/Local Contributions and Debt Opt-Out Allocation									
# in millions	Total	District of Columbia	State of Maryland	City of Alexandria	Arlington County	City of Fairfax	Fairfax County	City of Falls Church	Commonwealth of Virginia
Federal	469.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Non-Federal	33.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
State and Local	338.1	119.9	115.4	8.5	15.8	0.5	27.8	0.6	49.5
Debt (Opt-Out)	58.3	21.7	20.3	2.6	4.9	0.2	8.5	0.2	0.0
<b>Total</b>	<b>\$898.9</b>	<b>\$141.6</b>	<b>\$135.7</b>	<b>\$11.1</b>	<b>\$20.7</b>	<b>\$0.7</b>	<b>\$36.3</b>	<b>\$0.8</b>	<b>\$49.5</b>

**FIRST AMENDMENT TO THE  
LOCAL CAPITAL FUNDING AGREEMENT**

**By and Between**

**The District of Columbia**

**And**

**The Washington Metropolitan Area Transit Authority**

**FIRST AMENDMENT TO THE  
LOCAL CAPITAL FUNDING AGREEMENT**

THIS FIRST AMENDMENT TO THE LOCAL CAPITAL FUNDING AGREEMENT (First Amendment) is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2016, by and between **the Washington Metropolitan Area Transit Authority (WMATA)**, a body corporate and politic created by interstate compact between Maryland, Virginia, and the District of Columbia; **and the District of Columbia**, a municipal corporation (**District of Columbia**).

**RECITALS**

1. The Parties to this Amendment desire to extend the term of that Local Capital Funding Agreement entered into by the Parties as of July 1, 2010 (DC LFA).
2. The Parties to this Amendment desire to continue the funding and work of WMATA on the same terms and conditions currently in place under the DC LFA for an additional year (the Extension Term).
3. The Parties will continue to negotiate in good faith toward a longer-term capital funding agreement during the Extension Term.

NOW, THEREFORE, in consideration of the mutual promises and obligations hereinafter set forth, the Parties hereby agree as follows:

**SEC. 1 DEFINITIONS**

Unless defined otherwise in this Amendment all terms used in this Amendment shall have the same meaning as is found in the DC LFA.

**SEC. 2 EXTENSION OF TERM AND AMENDMENT OF LONG TERM DEBT OBLIGATIONS**

Pursuant to Section 11 of the DC LFA, the Parties agree to extend the term of the DC LFA for one additional year, from July 1, 2016 through June 30, 2017 (FY2017) on the same terms and conditions agreed to under the DC LFA. The maximum amount of long-term debt authorized for issuance in FY2017 in support of the Capital Improvement Program shall not exceed \$58,300,000. The Parties acknowledge and agree that this debt issuance must be approved by the District of Columbia pursuant to the opt-out provisions of the CFA, subject to appropriations and the limitations stated in § 4(b)(3) of the CFA and § 4(b)(3) of the DC LFA. In the event that WMATA desires to issue additional debt during FY2017, WMATA shall follow the processes established for such issuance in the CFA.

### **SEC. 3 CAPITAL IMPROVEMENT PROGRAM**

- A. As is contemplated by the DC LFA, it is anticipated that the WMATA Board of Directors will adopt a new FY2017 Capital Budget on or before June 30, 2016. It is the intent of the Parties that the DC LFA is amended to incorporate the FY2017 Annual Work Plan as adopted by the Board so long as the amounts to be billed to the Contributing Jurisdictions in FY2017 shall not exceed \$247,800,000, excluding Passenger Rail and Improvement Act (PRIIA) funding, as shown in Attachment A.
- B. Attachment A contains the proposed budget funding plan, including PRIIA funding.
- C. The District of Columbia's Allocated Contribution to the FY2017 Annual Work Plan shall not exceed \$92,100,000, excluding PRIIA funding, and this amount shall be added to the amount contained in Section 4(b)(1)(C)(i) of the DC LFA to constitute the new limitation on required Allocated Contributions for the District of Columbia in the total maximum amount not to exceed \$489,414,000, excluding PRIIA funding, to be paid from the District of Columbia Capital Funds.

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This Amendment may be executed in identical counterparts, each of which shall constitute an original and all of which shall constitute, collectively, one agreement. The counterpart with the most recent date shall determine the date of entry of this Agreement by the Parties.

IN WITNESS WHEREOF, WMATA and the District of Columbia have executed this Amendment by their representatives' signatures below.

IN WITNESS WHEREOF, WMATA and the District of Columbia have executed this Agreement on this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

WASHINGTON METROPOLITAN AREA  
TRANSIT AUTHORITY

Attest:

By:

\_\_\_\_\_  
Board Corporate Secretary

\_\_\_\_\_[Seal]  
Paul J. Wiedefeld  
General Manager/Chief Executive Officer

Dated: \_\_\_\_\_

Approved as to Form and Legal Sufficiency:

By: \_\_\_\_\_  
Office of General Counsel

[signatures continued on following page]

DISTRICT OF COLUMBIA

Attest:

\_\_\_\_\_  
Witness

By: \_\_\_\_\_ [Seal]  
Mayor

Approved as to Form and Legal Sufficiency:

By: \_\_\_\_\_  
Attorney General

Dated: \_\_\_\_\_





# Washington Metropolitan Area Transit Authority

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