

Washington Metropolitan Area Transit Authority
Board Action/Information Summary

☒ Action ☐ Information

MEAD Number:
201974

Resolution:
☒ Yes ☐ No

TITLE:

One Year Extension of Capital Funding Agreement

PRESENTATION SUMMARY:

Staff recommends Board approval of a one year extension of the current Capital Funding Agreement (CFA) among WMATA and the jurisdictions to support WMATA's FY2019 capital budget.

PURPOSE:

Board approval of a one year extension of the current Capital Funding Agreement (CFA) among WMATA and the jurisdictions to support WMATA's FY2019 capital budget.

DESCRIPTION:

Key Highlights:

- The current CFA among WMATA and the funding jurisdictions expires on June 30, 2018.
- As the region continues to work toward establishing dedicated revenue for WMATA's ongoing capital needs, WMATA and the funding jurisdictions require an additional one year extension of the existing agreement to support the FY2019 capital budget.

Background and History:

A financial agreement, the CFA provides the framework for jurisdictional investment in the Capital Improvement Program (CIP), including match to federal formula and discretionary grants, additional state and local contributions, and Metro's short- and long-term debt strategies. The CFA was originally established in calendar year 2010 for the FY2011-2016 CIP. WMATA and the jurisdictions previously executed two, one year extensions of the CFA for FY2017 and FY2018. The current CFA expires on June 30, 2018.

Discussion:

WMATA and the funding jurisdictions require an additional one year extension of the existing agreement to support the FY2019 capital budget. The one year

extension will fund the jurisdictions' share of the \$1.279 billion FY2019 capital budget and authorize a WMATA debt issuance requested by the jurisdictions to support the CIP. All other terms and conditions of the underlying agreement remain unchanged.

Each of the contributing jurisdictions have requested to participate in a WMATA long-term debt strategy for FY2019 and each has provided a not-to-exceed amount to include in the proposed CFA extension. The total debt strategy amount requested by all jurisdictions for FY2019 is \$384 million. The requested amounts by jurisdiction are detailed in attachments to both the CFA amendment and the updated proposed FY2019 budget resolution also scheduled for Board adoption on March 22. Each jurisdiction will have an opportunity to opt-out of all or a portion of the requested debt principal amount prior to the debt issuance, in accordance with the terms of the underlying CFA.

FUNDING IMPACT:

Approval of this action will extend the current CFA an additional year to support the FY2019 capital budget.

TIMELINE:

Previous Actions	Spring 2010 - Approval of the CFA for FY2011-2016
	Spring 2016 - Approval of one year extension of CFA for FY2017
	Spring 2017 - Approval of second one year extension of CFA for FY2018
Anticipated actions after presentation	Spring 2018 - WMATA and jurisdictions execute third one year extension for FY2019

RECOMMENDATION:

Staff recommends Board approval of a one year extension of the current Capital Funding Agreement (CFA) among WMATA and the jurisdictions to support WMATA's FY2019 capital budget.

SUBJECT: APPROVAL OF THIRD AMENDMENT TO CAPITAL FUNDING AGREEMENT
AND TO THE DISTRICT OF COLUMBIA LOCAL CAPITAL FUNDING
AGREEMENT

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

WHEREAS, Under Resolution 2011-30, the Board of Directors is required to approve all capital funding agreements; and

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 known as the Capital Funding Agreement (CFA); and

WHEREAS, To address certain concerns specific to the District of Columbia, WMATA and the District of Columbia have agreed into a supplementary agreement known as the District of Columbia Local Capital Funding Agreement (LCFA); and

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

WHEREAS, The funding required for the FY2019 CIP has been agreed to on a not-to-exceed basis and is shown on Attachment A; and

WHEREAS, WMATA and the jurisdictional funding partners wish to extend the CFA for one additional year (WMATA FY2019); and

WHEREAS, WMATA and the District of Columbia also wish to extend the LCFA for the same time period as the CFA; and

WHEREAS, The Third Amendment to the CFA and the Third Amendment to the LCFA are appended hereto as Attachments B and C, respectively; and

WHEREAS, The jurisdictional funding partners are submitting the Third Amendment to the CFA (and in the case of the District of Columbia the LCFA in addition to the CFA) 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 Third Amendment to their legislative bodies; NOW, THEREFORE, be it

RESOLVED, That the Board of Directors approves the terms of the Third Amendment to the CFA and the Third Amendment to the LCFA; and be it further

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

RESOLVED, That the Chief Financial Officer is authorized to temporarily use any lawfully available capital program funds for any CIP project expense in order to reduce the cost of financing the projects in the CIP; and be it finally

RESOLVED, That in order to meet the request from WMATA's contributing jurisdictions that WMATA execute the document in advance of local jurisdictional votes and have the Third Amendment for each document effective prior to July 1, 2018, this Resolution shall be effective immediately.

Reviewed as to form and legal sufficiency,


for Patricia Y. Lee
General Counsel

WMATA File Structure No.:
4.3.2 Jurisdictional Funding Agreements

ATTACHMENT A:
FY2019 Capital Improvement Program (CIP) Financial Plan

<i>\$ in Millions</i>	Total	District of Columbia	State Maryland	City of Alexandria	Arlington County	City of Fairfax	Fairfax County	City of Falls Church	DRPT CMAQ Match	Commonwealth of Virginia
Direct Jurisdictional Contributions	253.5	75.7	108.8	4.4	23.5	0.3	40.0	0.8		
Debt Strategy (Opt-In Principal Amounts)	383.5	151.2	111.0	26.0	35.0	1.5	57.8	1.0		
Subtotal - CFA Allocated State & Local Contributions	637.0	226.9	219.8	30.4	58.5	1.8	97.8	1.8	-	-
PRIIA Match	148.5	49.5	49.5							49.5
Other State and Local (CMAQ Match)	1.5								1.5	
Federal	459.3									
MWAA	27.5									
Other (Including Jurisdictional Reimbursable Projects)	5.3									
Subtotal - Other CIP Funding	642.1	49.5	49.5	-	-	-	-	-	1.5	49.5
Total	1,279.1	276.4	269.3	30.4	58.5	1.8	97.8	1.8	1.5	49.5

**THIRD 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: _____

THIRD AMENDMENT TO THE CAPITAL FUNDING AGREEMENT

THIS THIRD AMENDMENT TO THE CAPITAL FUNDING AGREEMENT (Third Amendment) is made and entered into this ____ day of _____, 2018, 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 and, collectively with WMATA, the Parties):**

RECITALS

1. The Parties to this Third Amendment desire to extend the term of that Capital Funding Agreement entered into by the Parties as of July 1, 2010 and previously extended to include WMATA Fiscal Year 2018 (CFA).

2. The Parties to this Third Amendment desire to continue the funding and work of WMATA on the same terms and conditions currently in place under the CFA as amended by the Second Amendment to 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, and with the intent to be bound, the Parties hereby agree as follows:

SEC. 1 DEFINITIONS

Unless defined otherwise in this Third Amendment all terms used in this Third 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, 2018 through June 30, 2019 (FY2019) on the same terms and conditions agreed to under the CFA as amended by the First and Second Amendments to the CFA. The maximum amount of long-term debt authorized for issuance in FY2019 in support of the FY2019 Capital Improvement Program shall not exceed \$384 million plus the costs of issuance. Each of the Parties acknowledge and agree that this debt issuance will be approved by the Jurisdictions pursuant to the opt-out provisions of the CFA. In the event that WMATA desires to issue additional debt during FY2019, WMATA shall follow the processes established for such issuance in the CFA.

SEC. 3 CAPITAL IMPROVEMENT PROGRAM

A. As is contemplated by the CFA as amended by the First and Second Amendments to the CFA, it is anticipated that the WMATA Board of Directors will adopt a new Fiscal Year 2019 Capital Budget on or before June 30, 2018. It is the intent of the Parties that the CFA be automatically amended to incorporate the FY2019 Annual Work Plan as adopted by the

Board exclusive of funds to be used to repay the debt service on previously issued bonds as shown in Attachment A.

- B. Attachment A contains the FY2019 Capital Budget Financial Plan.
- C. The cash portion of the District of Columbia's Allocated Contribution to the FY2019 Annual Work Plan shall not exceed \$75,700,000 million and this amount shall be added to the amounts contained in Section 4(b)(1)(C)(i) of the CFA and the First and Second Amendments to the CFA to constitute the new limitation on required Allocated Contributions for the District of Columbia in the total maximum amount not to exceed \$641,214,000 to be paid from the District of Columbia Capital Funds.
- D. It is the intent of the Parties that to the extent that WMATA undertakes multi-year projects in the FY2019 Annual Work Plan, adopted by this Third Amendment, such projects shall be continued in accordance with the provisions of Section 2(e) of the CFA.

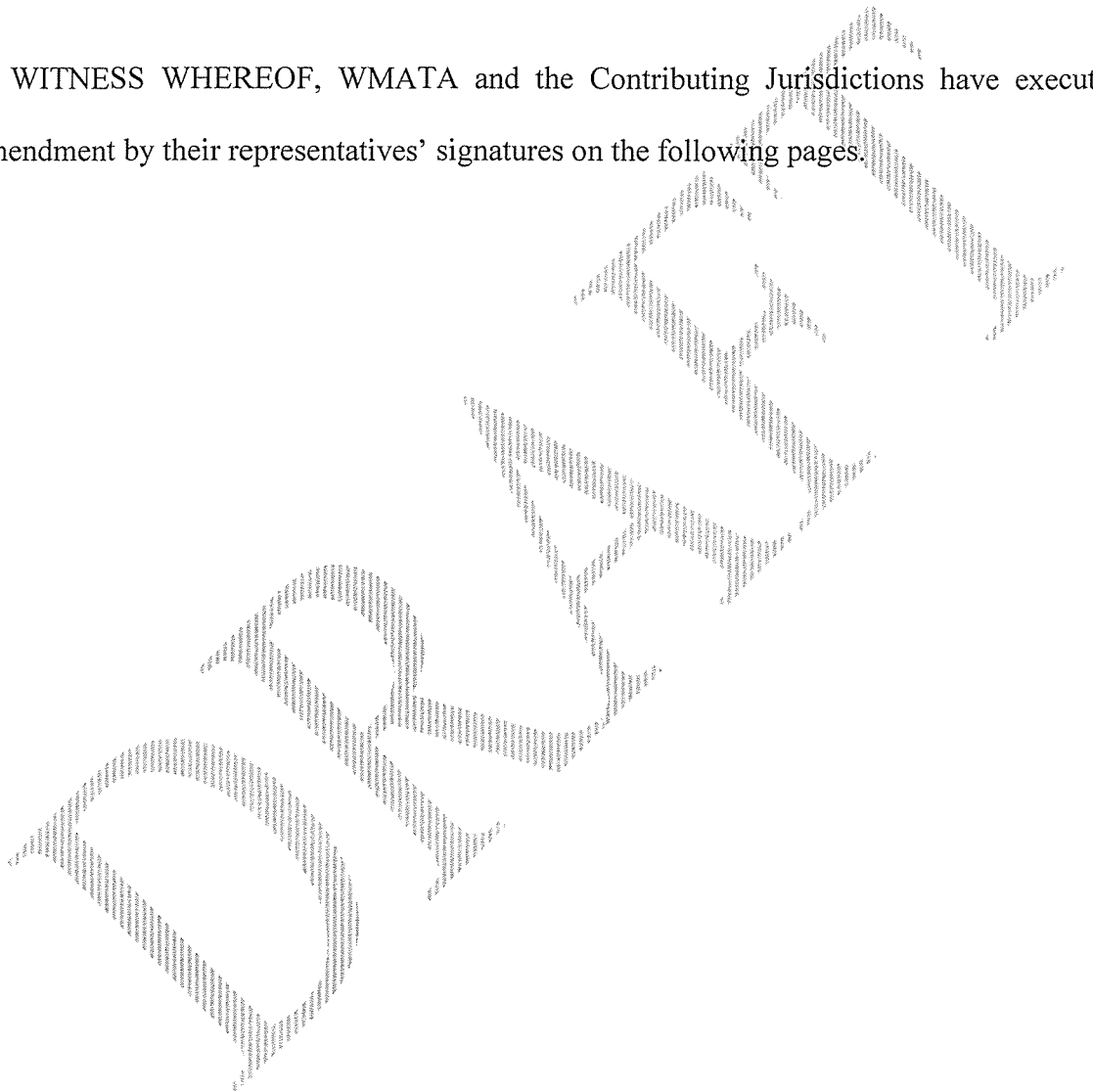
SEC. 4 CONTINUING EFFECT

This Third Amendment amends certain terms and conditions of the CFA. All other terms and conditions of the CFA as amended by the First and Second Amendments to the CFA that are not modified by this Third Amendment shall remain in full force and effect. Should there be any conflict between the terms and conditions in this Third Amendment and the CFA as amended by the First and Second Amendments to the CFA; the terms and conditions of this Third Amendment, and in the case of the District of Columbia the Third 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 on the following pages.



WASHINGTON METROPOLITAN AREA
TRANSIT AUTHORITY

Attest:

By:

Secretary

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

and

WASHINGTON SUBURBAN
TRANSIT DISTRICT

Attest:

Witness

Approved as to Form and Legal Sufficiency:

By: _____
Assistant Attorney General

Date: _____

By: _____ [Seal]
Secretary

By: _____ [Seal]
Chairman

[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:

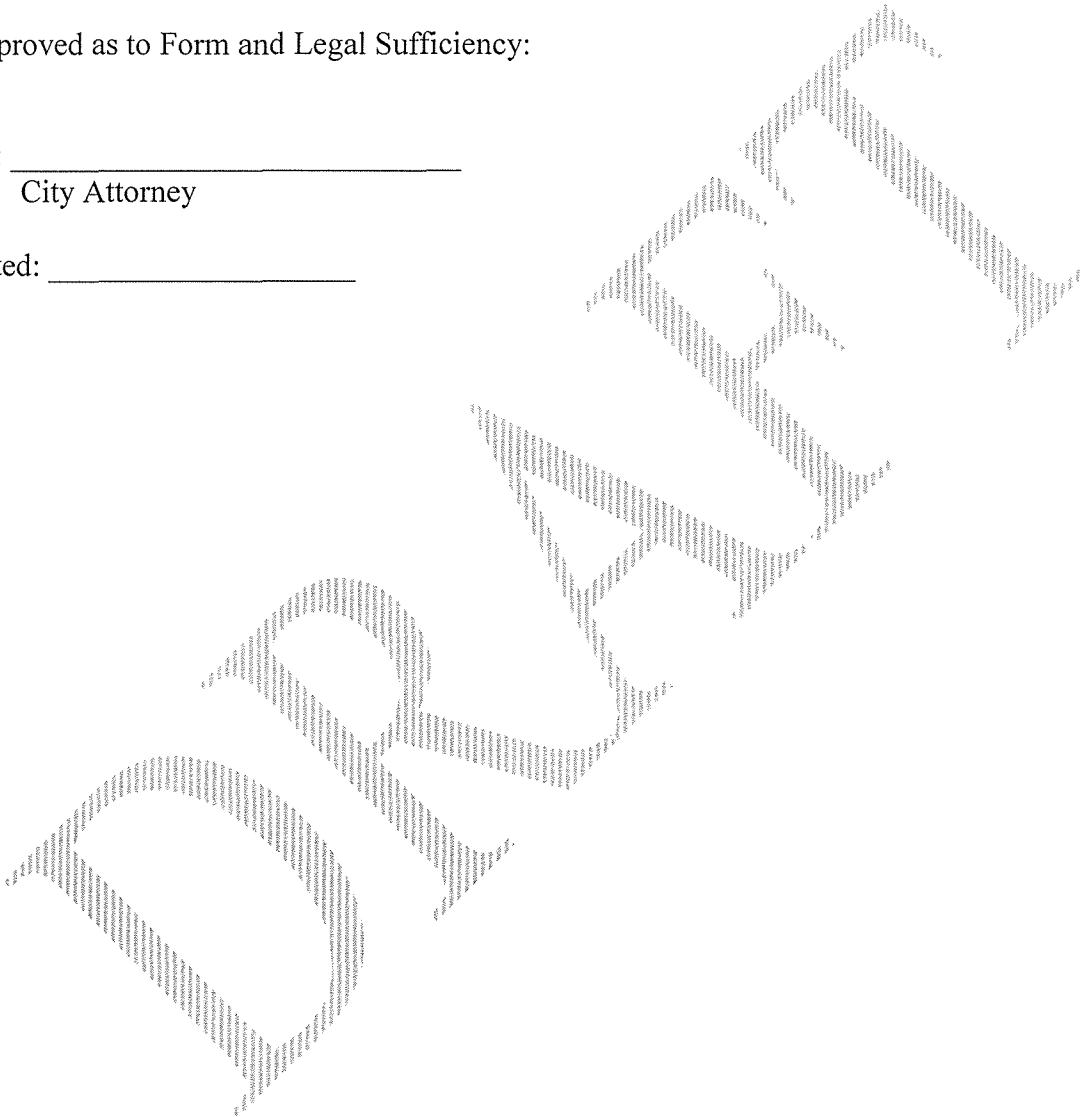
City Clerk

By: _____ [Seal]
City Manager

Approved as to Form and Legal Sufficiency:

By: _____
City Attorney

Dated: _____



ATTACHMENT A:
FY2019 Capital Improvement Program (CIP) Financial Plan

<i>\$ in Millions</i>	Total	District of Columbia	State Maryland	City of Alexandria	Arlington County	City of Fairfax	Fairfax County	City of Falls Church	DRPT CMAQ Match	Commonwealth of Virginia
Direct Jurisdictional Contributions	253.5	75.7	108.8	4.4	23.5	0.3	40.0	0.8		
Debt Strategy (Opt-In Principal Amounts)	383.5	151.2	111.0	26.0	35.0	1.5	57.8	1.0		
Subtotal - CFA Allocated State & Local Contributions	637.0	226.9	219.8	30.4	58.5	1.8	97.8	1.8	-	-
PRIIA Match	148.5	49.5	49.5							49.5
Other State and Local (CMAQ Match)	1.5								1.5	
Federal	459.3									
MWAA	27.5									
Other (Including Jurisdictional Reimbursable Projects)	5.3									
Subtotal - Other CIP Funding	642.1	49.5	49.5	-	-	-	-	-	1.5	49.5
Total	1,279.1	276.4	269.3	30.4	58.5	1.8	97.8	1.8	1.5	49.5

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

By and Between

The District of Columbia

And

The Washington Metropolitan Area Transit Authority

THIRD AMENDMENT TO THE LOCAL CAPITAL FUNDING AGREEMENT

THIS THIRD AMENDMENT TO THE LOCAL CAPITAL FUNDING AGREEMENT (Third Amendment) is made and entered into this ____ day of _____, 2018, 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, and with the intent to be bound, 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, 2018 through June 30, 2019 (FY2019) on the same terms and conditions agreed to under the DC LFA. The maximum amount of Long-Term Debt authorized for issuance in FY2019 in support of the Capital Improvement Program shall not exceed \$384,000,000 plus the costs of issuance. 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 FY2019, WMATA shall follow the processes established for such issuance in the CFA and the DC LFA.

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 FY2019 Capital Budget on or before June 30, 2018. It is the intent of the Parties that the DC LFA is amended to incorporate the FY2019 Annual Work Plan as adopted by the Board so long as the amounts to be billed to the Contributing Jurisdictions in FY2019 shall not exceed \$637.0 million, excluding Passenger Rail and Improvement Act (PRIIA) funding and Jurisdictional Reimbursable Projects, as shown in Attachment A, containing the proposed budget funding plan, including PRIIA funding.
- B. The cash portion of the District of Columbia's Allocated Contribution to the FY2019 Annual Work Plan shall not exceed \$75,700,000 million, excluding PRIIA and Jurisdictional Reimbursable Project funding, and this amount shall be added to the amount contained in Section 4(b)(1)(C)(i) of the DC LFA as amended by the First and Second Amendment to constitute the new limitation on required Allocated Contributions for the

District of Columbia in the total maximum amount not to exceed \$641,214,000, to be paid from the District of Columbia Capital Funds.

SEC. 4 CONTINUING EFFECT

This Third Amendment amends certain terms and conditions of the DC LFA. All other terms and conditions of the DC LFA that are not modified by this Third Amendment shall remain in full force and effect. Should there be any conflict between the terms and conditions in this Third Amendment and the DC LFA as amended by the First and Second Amendments to the DC Local Capital Funding Agreement, the terms and conditions of this Third Amendment to the DC LFA 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 District of Columbia have executed this Amendment by their representatives' signatures on the following pages.

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]

FINAL FOR EXECUTION

DISTRICT OF COLUMBIA

Attest:

Witness

By: _____ [Seal]
Mayor

Approved as to Form and Legal Sufficiency:

By: _____
Attorney General

Dated: _____

ATTACHMENT A:
FY2019 Capital Improvement Program (CIP) Financial Plan

<i>\$ in Millions</i>	Total	District of Columbia	State Maryland	City of Alexandria	Arlington County	City of Fairfax	Fairfax County	City of Falls Church	DRPT CMAQ Match	Commonwealth of Virginia
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Subtotal - Other CIP Funding	642.1	49.5	49.5	-	-	-	-	-	1.5	49.5
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