



Major Project Advancement Policy and Transit and Intercity Rail Capital Program Framework

Programming and Allocations Committee
Item 3a, Attachment A
October 12, 2022

MAP Overview

- The MAP is intended to support implementation of Plan Bay Area 2050 and is aimed at delivering the Bay Area's major transportation projects
- For large, regionally significant projects in Plan Bay Area 2050, the MAP will seek to achieve regional consensus on project sequencing and coordination on federal, state, and regional discretionary funding requests
- Preserve funding opportunities for smaller, high performing projects and for projects that fall within programmatic categories, the advancement of which are Plan Bay Area 2050 priorities
- Develop MTC's role in risk management and ensuring consistency with regional policies in coordination with existing FTA and project sponsor risk management programs

MAP Timing

- October 2022 – Initial adoption of funding endorsements and update to MTC TIRCP Framework in advance of TIRCP Fall 2022 Augmentation Call for Projects
- Beginning Fall 2022: Ongoing refinement of programmatic categories and incorporating results of parallel planning and prioritization efforts into the MAP
- Fall 2022 – Spring 2023: TIRCP Augmentation 1 call for projects expected Nov. 15th with applications due in winter and award announcements early 2023
- Winter 2022-23 – Adoption of Policy Reinforcements and Risk Management Principles – potentially as part of a stage gate process; Endorsement Table refresh following first round of BIL and TIRCP Augmentation grant awards
- Annual Updates – Refine and update Endorsement Table as federal and state funding rounds award grants, as new funding rounds become available, and to maintain alignment with long range plan projects and priorities
- Adjustments may be required to balance funding plans based on federal or state awards or changes to the funding landscape

MAP Funding Priorities

- Deliver Megaprojects including:
 - Level 1: Caltrain Electrification, BART Core Capacity, BART to Silicon Valley II
 - Level 2: Caltrain Downtown Extension, Valley Link Rail Project IOS
- Deliver high performing, low-cost smaller projects to improve local and regional transit networks and multi-modal facilities
- Transition the transit fleet to Zero Emission consistent with state policies and mandates

MAP Level Definitions

Projects placement in MAP levels based on Readiness and Funding Commitments

- Plan Bay Area 2050 Tier 1
 - Level 1 – Projects In, or Nearing, Construction
 - More than 50% committed funding and construction start by 2028*; **or**
 - Transit Megaproject with approved FTA Capital Investment Grants (CIG) Full Funding Grant Agreement or FTA Letter of Intent issued for funding in the Expedited Project Delivery (EPD) pilot program
 - Level 2 – Projects Emerging from Project Development and Ready for Construction
 - More than 30% committed funding and construction start by 2035
 - Level 3 – Pipeline Projects in Development
 - Less than 30% committed funding
- Optional Tier 2/Level 4/Future Projects Level: Tier 2 PBA 2050 project competing for Project Development funding only

**based on expectation that projects receiving BIL funds in the initial 5-year period would start construction by 2028*

TIRCP Framework Update

- In October 2022, MTC staff will recommend updating the TIRCP Framework (MTC Resolution No. 4130, Revised) to include the funding recommendations in the MAP endorsement matrix
- TIRCP funding forecast is aspirational and assumes Cap and Trade legislation does not sunset in 2030
- TIRCP funding targets in the MAP and recommended TIRCP framework update includes:
 - **TIRCP Augment 1 (\$1.3B):** Identified in the FY2022-23 State budget – call for projects expected Nov. 15th with applications due in winter
 - **TIRCP Augment 2 (\$0.8B):** Identified in the FY2022-23 State budget but for which funding is not yet guaranteed, expected to be distributed over the next few years and requires further state approval
 - **TIRCP Baseline (\$2.5B):** ongoing 2-year TIRCP funding cycles – baseline through 2040

Proposed MAP Funding Endorsement Table (\$ Billions)

In \$Billions

Project/Program Title	Sponsor	Cost	Funding Gap	CIG	Other Federal	TIRCP Base	TIRCP Augment 1	TIRCP Augment 2	SB1	Other State	Other Local/Regional	Anticipated	Total Endorsement
Revenue Envelope:				\$ 5.8	\$ 8.8	\$ 2.5	\$ 1.30	\$ 0.8	\$ 2.3	\$ 2.1	\$ 3.8	\$ 10.6	\$ 38.1
Level 1 -- Projects In, or Nearing Construction													
Peninsula Corridor Electrification Project	Caltrain	\$ 2.4	\$ 0.4	\$ 0.05	\$ 0.06	\$ -	\$ 0.30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.4
BART Core Capacity Program	BART	\$ 4.4	\$ 0.7	\$ 0.06	\$ -	\$ -	\$ 0.25	\$ 0.35	\$ -	\$ -	\$ -	\$ -	\$ 0.7
BART to Silicon Valley Phase II	VTA	\$ 9.0	\$ 4.9	\$ 2.1	\$ -	\$ -	\$ 0.45	\$ 0.30	\$ -	\$ -	\$ 2.1	\$ -	\$ 4.9
Level 1 Megaprojects Contingency	N/A	\$ 0.5	\$ 0.4	\$ -	\$ 0.05	\$ -	\$ -	\$ 0.10	\$ -	\$ -	\$ -	\$ 0.3	\$ 0.4
Level 1 ZEB Projects		\$ 1.3	\$ 1.3	\$ -	\$ 1.11	\$ 0.10	\$ 0.10	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1.3
Level 1 BRT Projects		\$ 0.4	\$ 0.4	\$ 0.3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.3
Transit Service Improvements and Modernization		\$ 1.3	\$ 0.8	\$ -	\$ 0.31	\$ 0.35	\$ -	\$ -	\$ 0.1	\$ -	\$ -	\$ -	\$ 0.8
Grade Separations		\$ 0.3	\$ 0.1	\$ -	\$ 0.05	\$ -	\$ 0.1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.2
Express Lanes Projects		\$ 1.0	\$ 1.0	\$ -	\$ 0.10	\$ -	\$ -	\$ -	\$ 0.3	\$ -	\$ -	\$ 0.6	\$ 1.0
Other Roadway/ATP Projects Under \$250 M		\$ 0.3	\$ 0.3	\$ -	\$ 0.10	\$ -	\$ -	\$ -	\$ 0.1	\$ 0.1	\$ -	\$ -	\$ 0.3
Level 1 Subtotal		\$ 20.9	\$ 10.1	\$ 2.4	\$ 1.7	\$ 0.5	\$ 1.2	\$ 0.8	\$ 0.4	\$ -	\$ 2.1	\$ 0.8	\$ 9.8
Level 2 -- Projects Ready for Construction													
Revenue Envelope:				\$ 3.4	\$ 7.1	\$ 2.0	\$ 0.1	\$ 0.1	\$ 1.9	\$ 2.1	\$ 1.7	\$ 9.8	\$ 28.3
Caltrain Downtown Extension (DTX)*	TJPA	\$ 6.5	\$ 4.2			\$ 0.50	\$ 0.06						\$ -
Valley Link Rail Project - Initial Operating Segment	Valley Link	\$ 1.9	\$ 1.2			\$ 0.30	\$ 0.04						\$ -
Level 2 Megaprojects Contingency	N/A	\$ 0.4	\$ 0.4										\$ -
Level 2 ZEB Projects		\$ 1.3	\$ 1.3			\$ 0.10		\$ 0.05					\$ -
Level 2 BRT Projects		\$ 0.3	\$ 0.3										\$ -
Transit Service Improvements and Modernization		\$ 1.0	\$ 0.7			\$ 0.30							\$ -
Grade Separations		\$ 0.8	\$ 0.7										\$ -
Express Lanes Projects		\$ 1.0	\$ 1.0										\$ -
Goods Movement		\$ 0.6	\$ 0.3										\$ -
Roadway-Other		\$ 0.7	\$ 0.7										\$ -
Level 2 Subtotal		\$ 14.4	\$ 10.7	\$ -	\$ -	\$ 1.2	\$ 0.1	\$ 0.1	\$ -	\$ -	\$ -	\$ -	\$ -

= Likely future endorsement areas

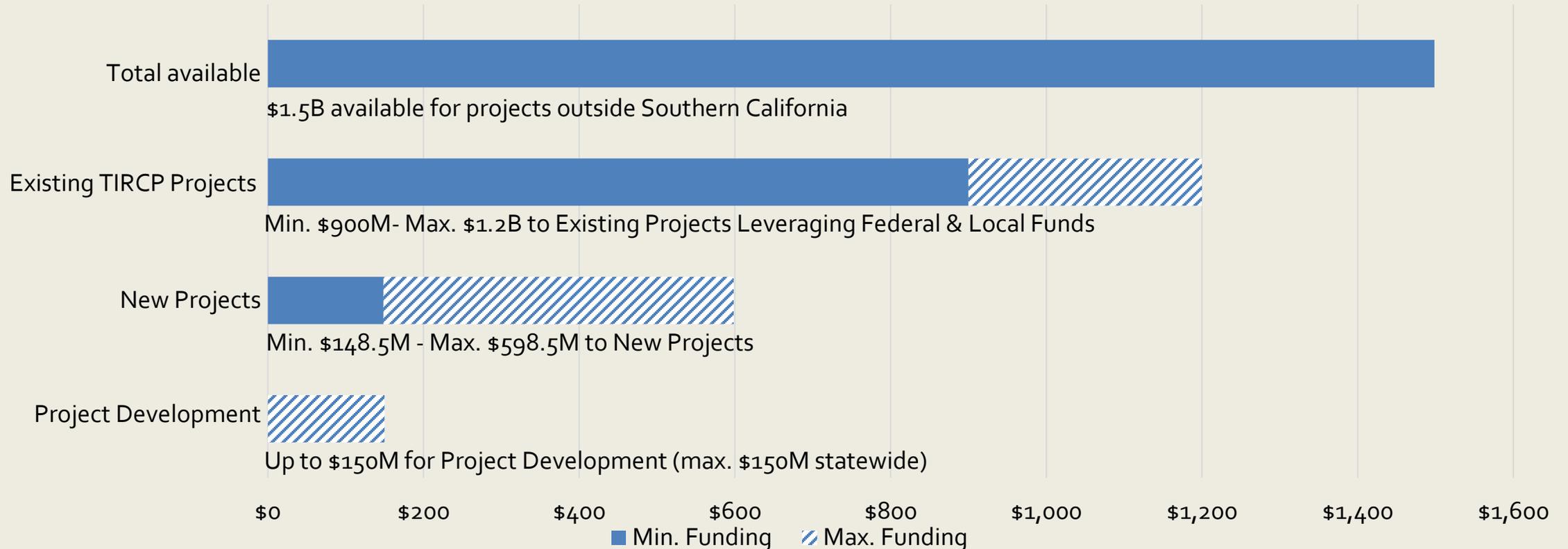
Proposed TIRCP Framework

Agency	Project/Category	TIRCP Framework Amount – Remaining Need (\$ millions)	Augment 1 (FY 22-23)	Augment 2 (FY23-24 & FY24-25 – requires further state action)	Base (Through 2040 – requires further state action to extend Cap and Trade)
BART	Transbay Corridor Core Capacity and Facilities	600	250	350	
SFMTA	Fleet Expansion, ZEB Transition, Facilities, Core Capacity Projects/BRT	515			515
AC Transit	Fleet Expansion and ZEB Transition, Facilities, Major Corridors	325			325
VTA	BART to Silicon Valley Phase II	750	450	300	
Caltrain	Electrification and EMUs	300	300		
TJPA	Downtown Rail Extension	560	60		500
TVSJVRRRA	Valley Link	340	40		300
Multiple Operators	Grade Separations; Zero-Emission Transition Projects; TBD Transit Modernization, Expansion, TOD Projects; Regional Contingency	1,210	200	150	860
Region Total		\$4.6B	\$1,300	\$800	\$2,500

Augment 1 Funding Parameters

Based on CalSTA TIRCP Draft Guidelines

Funding Available to Bay Area Projects for TIRCP Augment 1 (Cycle 6)*



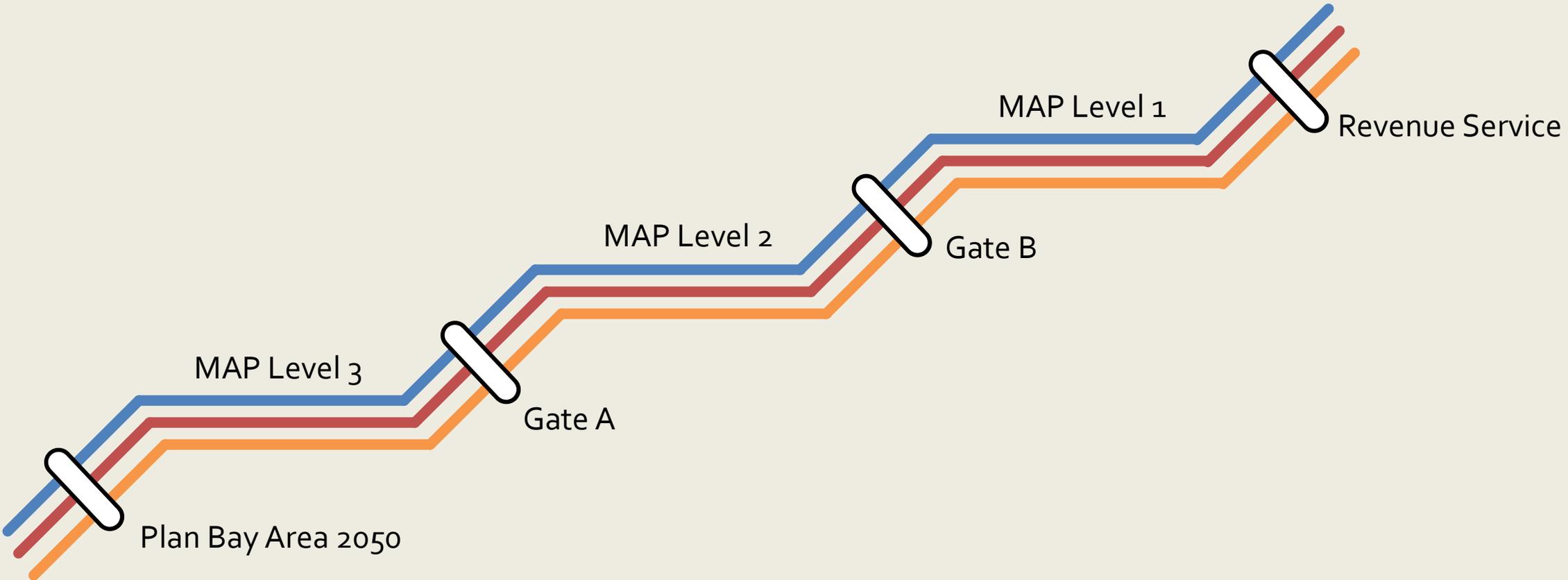
*Funding available but limited to Southern California projects is not included in this chart.

Source: 2022 TRANSIT AND INTERCITY RAIL CAPITAL PROGRAM DRAFT GUIDELINES FOR GENERAL FUND AUGMENTATION - SEPTEMBER 30, 2022

Policy and Risk Components

- The policy reinforcement and risk management components are still under development but may include:
 - Evaluation of progress on Plan Bay Area 2050 commitment letters
 - Additional criteria for projects requesting to move between levels
 - Risk assessment and management program for some or all MAP projects
 - Terms and conditions for discretionary funding endorsements to ensure consistency with policy and risk management
- Staff expect to recommend amendments to the MAP to incorporate these components in late 2022

Moving Through the MAP



Proposed Process for Moving Between Levels

- 1) Projects are initially assigned MAP Levels based on level definitions
- 2) Project sponsor or MTC may initiate a request to review the project's level assignment in response to changes to project
- 3) MTC staff will review funding, policy, and risk thresholds; may recommend reassigning project into a different level (requiring amendment to the MAP)
 - Review of projects defined by Gates, detailed on the next slide

Future movement between levels will be informed by the Risk Management Program and Policy Reinforcements, once these are adopted into the MAP.

Proposed MAP Gates

- Gate A: Moving from Level 3 to Level 2
 - Evaluate project with respect to funding (capital and operations), Plan Bay Area 2050 guiding principles, risk management, other aspects such as engagement.
 - MTC may request changes to scope, funding plan, or other details before approving a move through Gate A.
- Gate B: Moving from Level 2 to Level 1
 - Assess project fundamentals as outlined in Gate A and confirm funding, policy, and risk commitments and expectations.
 - MTC may rely on other agencies' oversight processes or coordinated oversight processes to determine when a project should move into Level 1.

Considerations

- Even with unprecedented funding, demand outstrips financial envelope. Success in moving projects forward will require sequencing – proposed in MAP leveling approach – and regional unity in advocacy.
- MAP funding endorsements are assigned for reasonably-expected funding sources up to the funding gap for each project. Regular updates to the MAP endorsement strategy will reflect actual awards and adjustments to remaining endorsements.
- Transit capital expansion will result in new transit operating expense - sponsors must demonstrate sustainable operating plans for while addressing fiscal cliffs for existing service.
- Staff will monitor the intersection of new capital expenses, transit operating sustainability, and transit ridership as part of the MAP risk element.