



October 11, 2022

Programming & Allocations Committee
Metropolitan Transportation Commission
375 Beale Street
San Francisco, CA 94105

Re: Agenda Item 3a. Major Projects Advancement Policy and Transit and Intercity Rail Capital Program Framework.

Dear Chair Rabbitt, Vice Chair Pappan and Committee Members:

We applaud the Commission and staff for working to take on the complex issues of project selection and delivery and for building consensus around high-priority projects. As the Bay Area's MPO, MTC has an interest in ensuring that the flow of non-local transportation dollars to the region is maximized, efficiently deployed, and used toward projects that further the goals of the regional transportation plan and associated regional policies. And, as both the Bay Area's MPO and a funding entity in its own right, MTC has an interest in ensuring that regionally significant projects advance on-time, on-budget and in a manner that achieves their promised scope and performance.

Our comments are not directed at the funding endorsement framework. Our comments focus on the policy reinforcements, risk management framework, and the broader relationships to the severe and imminent funding challenges that transit is facing, the regional transportation plan, and the Transit Transformation Action Plan.

We encourage MTC to consider the major project advancement policy not only as an implementation tool to deliver regional priorities identified in Plan Bay Area, but also as a way of making sure that the projects that we build and how we build them meet the strategic, social, economic and environmental benefits to the public as a whole and works to meet more of the region's needs - both in total and relative to the amount of public funds invested.

As MTC develops the policy and risk management components of the MAP, we encourage MTC and project sponsors to boldly grapple with the following challenges:

1. The total costs of capital projects far exceeds available resources, even with generous capital funding from the federal and state government. This implies the need for rigorous

stage gates and high standards for advancement to be implemented through policy reinforcements and risk management strategies.

2. The Bay Area is just starting to understand how regional travel is changing. We encourage MTC to work with operators and project sponsors to foster a collective understanding of these shifts and use it to inform the policy reinforcements and risk management framework.
3. The MAP has bearing on other workstreams, and it will be helpful to consider and make explicit the ways in which future regional transportation plan processes, the Connected Network Plan, and the MAP will interact over time.
4. There should be a strong linkage between capital funding and operations, in order to avoid accidentally favoring capital projects over operating needs and to ensure that there is adequate operating funding to effectuate the project's goals.
5. The stage gate process has been used to great success on capital programs throughout the world and we support MTC's incorporation of this methodology into the MAP. At the same time, we note that the effectiveness of the phase gate process in this context will be directly related to how it is ultimately organized, resourced and linked to critical project milestones, as well as through its recognition of the risk management roles of other project funders.

We hope these challenges will be reflected in the boldness of the policy reinforcements and risk management framework.

Finally, we recommend that a follow-up and related effort is needed to determine how MTC and project sponsors can fully fund relatively low-cost, high-benefit projects and programs, which may be more resilient to changing travel patterns in the near future. Many projects that do not fit the criteria of "major projects" still fail to arrive in a timely manner. We hope that MTC can work with project sponsors to identify ways to prioritize and accelerate these smaller, but no less critical, projects.

We appreciate the opportunity to provide comments and discuss the MAP progress and appreciate staff's outreach.

Sincerely,

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