

Metropolitan Transportation Commission Programming and Allocations Committee

June 8, 2016

Item Number 3c

Cap and Trade – Endorsements for Transit Capital 2016 Programming Round

Subject: Regional Support of Bay Area Projects for the State’s Cap and Trade Transit and Intercity Rail Capital Program 2016 Programming Cycle

Background: The Transit and Intercity Rail Capital Program (TIRCP) is a statewide competitive program to fund capital and operational improvements to modernize California’s transit systems and reduce emissions of greenhouse gases.

In April 2016, the Commission adopted revisions to the region’s Cap and Trade Framework (MTC Resolution 4130, Revised), including increasing the region’s Cap and Trade 25-year target amount for the TIRCP category from \$875 million to \$3 billion. Recognizing the TIRCP potential to also fund smaller projects, the framework included an endorsement policy for smaller transit expansion projects in high ridership corridors not otherwise identified in the framework conditioned on consistency with the region’s long range plan.

Project applications for the 2016 funding round (FY2016-17 and FY2017-18) were due to the California State Transportation Agency (Cal STA) on April 5, 2016. Attachment A lists all Bay Area projects submitted to Cal STA totaling \$848 million in requests. Staff recommends endorsing eleven projects for a total of \$451 million. Five of the major projects are listed in the framework, representing \$412 million in endorsements, and six others would qualify under the endorsement policy for smaller projects, totaling \$39 million. Additionally, staff recommends a joint endorsement with the Sacramento Area Council of Governments for the Capital Corridor Improvements as it relates to goods movement and passenger rail improvements for the Northern California megaregion. Attachment B lists the region’s adopted framework for the TIRCP category.

Recommended for Regional Endorsement (\$ millions)

Large Projects	\$412
Small Projects	\$39
Total Recommended	\$451

Issues: *Uncertain Program Funding Amount:* The Spring 2016 funding cycle includes an estimate of \$440 million statewide. Outcomes of legislative proposals and the approved FY2016-17 state budget could increase this amount to a total of \$1.3 billion. Cal STA will announce awards in August, it is possible that the program amount will not be known until that time. This uncertainty makes an endorsement strategy somewhat more challenging. At \$451 million, the Bay Area request could be 103% of the available funding (if \$440 million available statewide) or 35% (if \$1.3 billion available statewide). Additionally, the latest quarterly auction for Cap and Trade allowances fell well below expectations, providing just

\$10 million for Cap and Trade programs instead of the forecasted \$500 million. Staff is working with various state agencies to understand the effects of this dip in revenues on the current and future funding rounds.

Potential Range of 2016 TIRCP Funding Cycle

(\$ millions)	CalSTA Estimate	May Revise	Maximum
Statewide Available	\$440	\$840	\$1,300
Regional Endorsement Recommendation as % of Statewide Available (\$451M endorsement)	103%	54%	35%

Greenhouse Gas (GHG) Reduction Calculations: Attachment A includes the GHG reduction calculations that agencies submitted to Cal STA. Staff has observed potential inconsistencies between projects, and agencies may be required to clarify methodologies with Cal STA or the Air Resources Board.

BART to Silicon Valley Phase 2 Extension Project: The Santa Clara Valley Transportation Authority submitted a \$750 million TIRCP application, of which \$150 million is requested in the current funding cycle (FY2016-17 and FY2017-18). The remaining \$600 million request is in future years. It is not clear how CalSTA will address this multi-year request. State law expressly permits CalSTA to enter into multi-year agreements, beginning with next year's funding cycle.

Peninsula Corridor Electrification Project: The Federal Transit Administration is considering a Peninsula Corridor Joint Powers Board request for \$647 million in federal Core Capacity program funding. Staff recommends endorsing a TIRCP request for the Electrification Project for \$20 million, consistent with the seven-party supplement to the 2012 Memorandum of Understanding under agenda item 3a. If the federal Core Capacity funds are not secured, then staff would consider revising this recommendation. Furthermore, staff recommends not supporting the \$125 million requested for Electric Multiple Unit train cars (EMUs) at this time, as the additional EMU, beyond the base purchase amount are part of a future phase of the Electrification project.

Recommendation: Staff recommends that the Committee refer the Cap and Trade Transit Capital (TIRCP) 2016 endorsement list to the Commission for approval.

Attachments: Attachment A – TIRCP Allocation Requests and recommended endorsements
Attachment B – Regional Cap and Trade Framework for TIRCP category

Attachment A: FY 2016-17 & FY 2017-18 Transit and Intercity Rail Capital Program - Regional Proposals

Agency	Project Title	TIRCP Request (\$ millions)	GHG Reduction (metric tons)*	Claiming Disadvantaged Communities Benefit	Listed in MTC Framework	Recommended Endorsement Amount (\$ millions)
San Francisco Municipal Transportation Agency (SFMTA)	Light Rail Modernization and Expansion Program	\$ 155.8	963,071	Yes	X	\$ 155.8
Santa Clara Valley Transportation Authority (VTA)	BART Silicon Valley Phase II Extension ¹	\$ 150.0	82,939	Yes	X	\$ 150.0
San Francisco Bay Area Rapid Transit (BART)	Expanding BART Peak Period Trains via Construction of a Vehicle Overhaul Heavy	\$ 50.0	135,505	Yes	X	\$ 50.0
AC Transit	Purchase of Forty-two Buses to Support AC Transit's New Service Expansion Plan and Transbay Service	\$ 36.2	21,800	Yes	X	\$ 36.2
Peninsula Corridor Joint Powers Board (Caltrain)	Peninsula Corridor Electrification Project ²	\$ 225.0	2,098,107	Yes	X	\$ 20.0
City of Fairfield	Fairfield/Vacaville Intermodal Station ³	\$ 12.0	157,858	No		\$ 10.0
Golden Gate Bridge, Highway and Transportation District	Purchase Seventy (70) 40-Foot Diesel-Electric Hybrid Buses	\$ 10.0	17,986	No		\$ 10.0
Transbay Joint Powers Authority (TJPA)	Bus Storage Facility	\$ 10.0	46,541	Yes		\$ 10.0
Livermore-Amador Valley Transit Authority (LAVTA)	LAVTA ZEB Commuter Bus Lines Project	\$ 5.5	11,248	No		\$ 5.5
Western Contra Costa Transit Authority (WestCAT)	Addition of Three Double-Decker Buses to WestCAT's LYNX Route	\$ 2.6	53,983	Yes		\$ 2.6
Contra Costa Transportation Authority	Bay Area Fair Value Commuting Pilot Project ⁴	\$ 0.7	4,454	No		\$ 0.7
Sonoma-Marin Area Rail Transit District (SMART)	SMART Rail Extension North to Windsor ⁵	\$ 38.3	54,054	No		\$ -
San Joaquin Regional Rail Commission	ACE Near-Term Capacity Improvement Program ⁶	\$ 102.7				\$ -
Capitol Corridor Joint Powers Authority	Sacramento to Roseville Third Mainline Track Project, Phase 1, and Northern California Passenger Rail Schedule, Fleet Maintenance Optimization and Capital Projects Program ⁶	\$ 49.2	28,990	Yes		See note 6
Total	14 projects	\$ 848.0				\$ 450.8

* GHG reduction estimates are metric tons over the life of the project. These figures were estimated by the project sponsor and have not been verified by MTC staff or the Air Resources Board (ARB).

Project Notes

1. VTA submitted a \$750 million TIRCP application, of which \$150 million is requested in the current funding cycle.
2. Staff recommends endorsing the Caltrain Electrification project for \$20 million in TIRCP funding, consistent with the Seven Party Supplement to 2012 Memorandum of Understanding. If federal Core Capacity funds are not secured, staff recommends revising the endorsement to \$100 million in TIRCP funds.
3. Consistent with the adopted MTC framework related to smaller projects, staff recommends endorsing TIRCP request of \$10 million.
4. CCTA's application is for a smaller-scale non-capital demonstration project, as provided for in the program guidelines. Caltrans has advised that for these projects, MPO confirmation of consistency with Sustainable Communities Strategy is not needed.
5. Staff does not recommend endorsing this project as it is not identified in the adopted framework and a \$10 million small project endorsement would not result in a useable segment.
6. The CCJPA application is a scalable Mega-Region project with significant elements located in the Bay Area, or used for Bay Area service (e.g., train cars). Consistent with MTC framework, staff recommends endorsing this project at \$10 million, provided there is a companion endorsement from SACOG. The ACE project is not being acted upon by SJCOG so no recommendation is made for that project.

Attachment B

Regional Cap and Trade Framework for TIRCP Category (Adopted April 2016)

Agency	Project/Category	Amount (\$ millions)
BART	Train Control	250
	Hayward Maintenance Center	50
	Fleet Expansion	200
	<i>BART Total</i>	500
SFMTA	Fleet Expansion	481
	Facilities	67
	Core Capacity Study Projects/ BRT	237
	<i>SFMTA Total</i>	785
AC Transit	Fleet Expansion	90
	Facilities	50
	Major Corridors	200
	<i>AC Transit Total</i>	340
VTA	BART to San Jose	750
Caltrain	Electrification*	100
	EMUs	125
	<i>Caltrain Total</i>	225
Multiple Operators	TBD Expansion Projects: High Rider-ship Bus, Rail and Ferry Corridors	400
Region Total		\$ 3,000

*Assumes an equal or greater contribution from Cap and Trade High Speed Rail category, and an FTA Core Capacity Commitment of \$447 million.