

REGIONAL MEASURE 3 ANNUAL REPORT TO THE LEGISLATURE

December 2024



Regional Measure 3 Projects

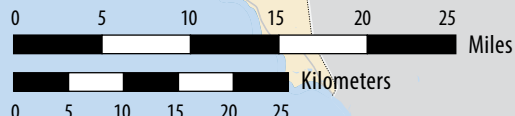
Bus Project	BART Project
Rail Project	BART existing
Light Rail Project	BART extension under construction
Ferry Project	Existing Light Rail
Highway Project	
Existing Commuter Rail	



Projects Not Mapped

Regionwide Projects	
New BART Cars	
Next Generation Clipper Transit Fare Card	
Competitive Programs	
Corridor Express Lanes	
Goods Movement and Mitigation	
Bay Trail/Safe Routes to Transit	
Regional Express Bus	

RM3_projects.pdf | MTC Graphics.ms — 12.2023



Map is for illustration only, showing planned projects and does not depict a commitment of funds. Exact projects and project limits to be funded are subject to design and environmental review and approvals.



Regional Measure 3 Annual Report to the California Legislature

November 2024



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December 2, 2024

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Local Government Services*

To Our State Legislators:

The Bay Area Toll Authority is pleased to deliver this annual report on the projects and programs funded by Regional Measure 3 (RM 3), which was authorized by Senate Bill 595 (Beall, 2017) and approved by voters in 2018 to finance a comprehensive suite of highway and transit improvements known as the Bay Area Traffic Relief Plan through a three-step increase in tolls at the region's seven state-owned toll bridges. The first of these \$1 hikes went into effect on Jan 1, 2019, followed by another \$1 boost on Jan 1, 2022. The final RM 3 toll increase is set for January 2025. At the time this report was finalized, BATA was considering a separate toll increase strictly for bridge preservation which would be phased in over five years, starting in January 1, 2026.

Fiscal Year 2023-24 has been the first full fiscal year since the RM 3 toll funds were released from escrow and the Metropolitan Transportation Commission began allocating RM 3 dollars for operating and capital programs and projects. This report provides updates on the RM 3 expenditure plan, allocations and expenditures, projects and programs that received RM 3 funds, the formation and activities of the RM3 Independent Oversight Committee, and other updates related to the implementation and administration of RM3.

Prior RM 3 Reports to the Legislature have been prepared on a calendar-year schedule. To align with the Bay Area Toll Authority's (BATA) and Metropolitan Transportation Commission's (MTC's) financial and other reporting schedules, the timing of the RM 3 Annual Report to the Legislature has been shifted to cover the fiscal year, July 1 to June 30, and will be delivered by mid-December of each year so that the report reflects final audited bridge toll revenues. Because of this change in schedule, this FY 2023-24 report includes some RM 3 activities that were previously reported in the 2023 calendar year report.

We at the Bay Area Toll Authority and Metropolitan Transportation Commission look forward to continuing to partner with you to keep our region moving. If we can be of assistance on RM 3 or any other matter, please contact Rebecca Long, Director of Legislation and Public Affairs at rlong@bayareametro.gov or by phone at 415-778-5289.

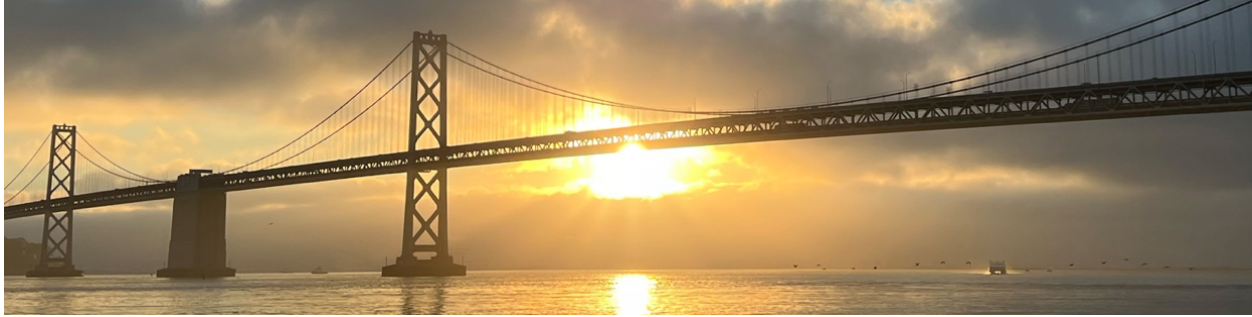
Sincerely,

Andrew B. Fremier
Executive Director

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The West Span of the San Francisco-Oakland Bay Bridge at sunrise with ferry on the glistening waters below. Photo: Wally Charles, MTC.

This report is the Fiscal Year 2023-2024 (FY 2023-24) Regional Measure 3 (“RM 3”) Annual Report to the Legislature on the status of projects and programs funded by the RM 3 bridge toll increase authorized by the Legislature by Senate Bill 595 (Beall, 2017) and approved by the voters in June 2018. This report is submitted pursuant to Streets and Highways Code (“SHC”), Section 30923(i).

1. Toll Implementation and Revenue Collection

The Bay Area Toll Authority (BATA) adopted the toll schedule incorporating the three-dollar RM 3 phased-in toll increase for the Bay Area’s state-owned toll bridges on December 19, 2018, pursuant to SHC Section 30916(c)(1). The first dollar increase took effect January 1, 2019 and the second dollar increase took effect January 1, 2022. The third dollar increase will take effect January 1, 2025. The toll schedule also incorporates the FasTrak[®] Electronic Toll Collection RM 3 Toll Discount for vehicles crossing more than one bridge on the same calendar day during commute hours and updates the high-occupancy vehicle toll rates to incorporate RM 3 increases.

RM 3 generated \$213,445,286 during FY 2023-24.

2. Capital Allocations and Expenditures to Date

MTC allocates funding to projects and programs consistent with the RM 3 Expenditure Plan and reimburses sponsors for actual expenditures consistent with the funding allocations. As of June 30, 2024, approximately \$1.6 billion in RM 3 funds have been allocated from the \$4.45 billion capital program, representing 35 percent of the total program, and \$191 million have been reimbursed to project sponsors. A summary of the capital allocations made to date is included as Attachment C, RM 3 Capital Allocations Summary.

RM3 capital allocations may be requested by project sponsors listed in the RM 3 Expenditure Plan or by an implementing agency designated by the sponsor for scope consistent with the project description in the Expenditure Plan. For capital projects in which MTC or BATA is a sponsor or co-sponsor and that need further definition or distribution between multiple sponsors prior to allocation, MTC can program the funds via MTC Resolution No. 4411, Revised, included as Attachment D. In FY 2023-24, MTC programmed \$130 million in RM 3 funding for Dumbarton Corridor Improvements to eight projects in Alameda and San Mateo counties. Prior RM 3 programming by MTC includes the Goods Movement and Mitigation, Bay Area Corridor Express Lanes, and North Bay Transit Improvements categories.



A WETA ferry carries state officials, BATA staff and others on an inspection tour of the Benicia-Martinez Bridge.
Photo: Mark Jones, MTC

3. Transit Operations Funding

As specified in the RM 3 statute, the RM 3 Operating program is funded with up to \$60 million or 16% of the RM3 bridge toll revenues generated each year. The RM 3 Operating Program annually disburses:

- 8% of RM3 Operating Program revenue (up to \$5 million) to the Transbay Joint Powers Authority (TJPA) for the operation of the Transbay Terminal
- 34% of RM3 Operating Program revenue (up to \$20 million) for Regional Express Bus Services, distributed for bus service in the bridge corridors
- 58% of RM3 Operating Program revenue (up to \$35 million) to the San Francisco Bay Area Water Emergency Transportation Authority (WETA) for ferry service¹

In FY 2023-24, MTC approved \$23 million in RM 3 Operating Program allocations, and disbursed \$20.7 million to sponsors as reimbursement for actual expenses. Major disbursements included:

- Transbay Joint Powers Authority (Transbay Terminal/Salesforce Transit Center): \$2.7 million.
- Regional Express Bus Services: \$11.5 million distributed to bus services on the bridge corridors, as detailed in Attachment B
- WETA Ferry Services: \$6.5 million for ferry service operations.

See Attachment B for the total RM3 operating allocations and disbursements to date.

¹ The RM3 statute specifies funding levels for WETA starting at \$10 million per year and escalating in each year of allocation through year five, with WETA receiving 58% of RM3 Operating Program revenue beginning in year six. Due to pandemic-related impacts to bridge traffic and associated toll revenue, MTC and WETA agreed that WETA would receive 58% of RM3 Operating Program revenue for years one through five, in order to ensure that RM3 Operating Program revenue is available for the other operating program categories specified in the RM3 statute.



MTC in 2024 was added as joint project sponsor for RM 3-eligible improvements to State Route 37.
Photo: Karl Nielsen, MTC

From FY2018-19 through FY2021-22, the RM 3 operating program accrued approximately \$24 million in undisbursed funds due to legal challenges. Post-litigation, these funds were allocated to address operators' fiscal shortfalls and support transit sustainability in alignment with RM 3 statutory requirements.

SHC Section 30914.7(c) provides that, to the extent that funds made available for the ferry component of the RM 3 operating program are not requested for expenditure by the WETA in a given year, the funds will be held in a reserve account, until such time that WETA requests these funds for an operating or capital purpose. As of June 2024, the WETA Operating Reserve account is approximately \$75 million. The first disbursement from the WETA Operating Reserve is expected in FY 25 for additional ferry service operations.

4. Updates to the Expenditure Plan

SHC Section 30914.7(e) gives MTC discretion to approve changes to the scope of projects within the RM3 expenditure plan or reassign funds to another project within the same bridge corridor, provided MTC consults with the program or project sponsor and holds a public hearing. In December 2023, MTC held a public hearing to amend the RM 3 Capital Program to:

- Redirect \$16.7 million from the Solano County I-80/I-680/SR-12 Interchange Project (RM 3 project #21) to the Solano I-80 Express Lanes (Toll System) project – part of the Bay Area Corridor Express Lanes suite of projects (RM 3 project #2).
- Modify scope of the SMART project (RM 3 project #7) to clarify eligibility of the multi-use pathway along SMART right-of-way.
- Modify scope of Highway 101-Marin/Sonoma Narrows (RM 3 project #20) to extend the project limits approximately 4.5 miles from Petaluma Blvd. South to Petaluma Blvd. North in Petaluma and approximately three miles from Atherton Ave. to State Route 37 in Novato.
- Add the Metropolitan Transportation Commission (MTC) as a joint project sponsor to State Route 37 Improvements (RM 3 project #23).

After the public hearing, these changes were adopted by MTC in January 2024 (see Attachment A, MTC Resolution No. 4621).

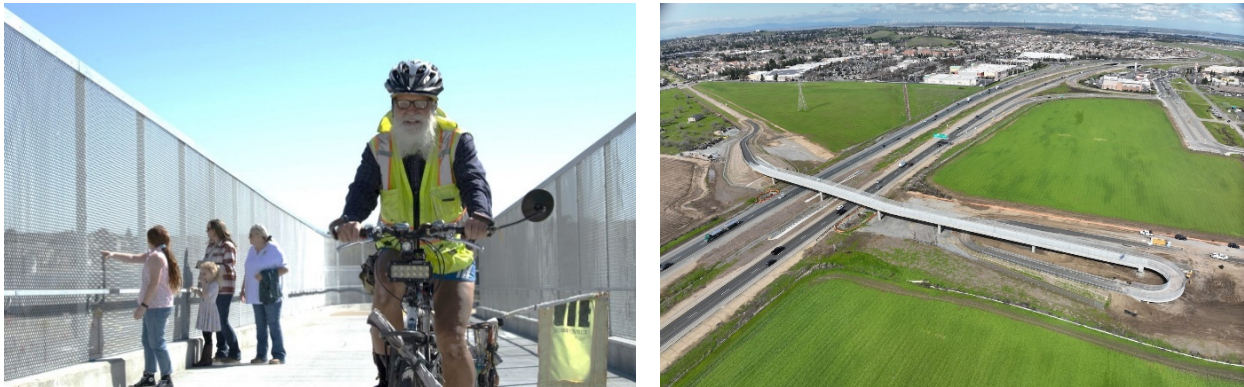
5. Capital Project Reporting and Highlights

As required by the RM 3 policies and procedures, MTC semi-annually requests an update on the progress of each ongoing RM 3 capital project that received an allocation. Staff provide an update to MTC's Programming and Allocations Committee based on updates submitted by project sponsors. The most recent RM 3 semi-annual update was presented in June 2024 and is included as Attachment E to this report.

Project highlights from FY 2023-24 include completion of the Mokelumne Trail Bicycle/Pedestrian Overcrossing of State Route 4, connecting Antioch and Brentwood; the Napa Vine Transit Maintenance Facility; the County Connection Bus Replacements project; and the first RM 3-funded construction package for the I-80/I-680/SR-12 Interchange project in Solano County.



County Connection buses purchased with RM 3 funds.
Photos: County Connection



Mokelumne Trail Bicycle/Pedestrian Overcrossing of State Route 4.
Photos: Contra Costa Transportation Authority



First RM3-funded construction package for the I-80/I-680/SR-12 interchange in Fairfield.
 Photo: Caltrans



Napa Vine Transit Maintenance Facility.
 Photos: Napa Valley Transportation Authority

Construction began on the Santa Clara Valley Transportation Authority’s long-planned Eastridge to BART Regional Connector project, a 2.4-mile-long light rail extension, and on the AC Transit Telegraph Rapid and Quick Build Transit Priority Projects. Finally, three regional megaprojects – the BART expansion car project, The Portal/Caltrain Downtown Extension, and the San Jose Diridon Station – received RM 3 allocations.



VTA Eastridge to BART Regional Connector. Left: project rendering. Right: construction photo.
 VTA images

6. Independent Oversight Committee Activities

BATA established the RM 3 Independent Oversight Committee (RM 3 IOC) on June 26, 2019, pursuant to SHC Section 30923(h), and filled its roster for the requisite four-year term as appointees were received from county boards of supervisors. ([Attachment F, BATA Resolution No. 131, Revised](#)). The RM 3 IOC did not meet for the entire term of July 2019 to June 2023 due to the lengthy litigation challenging RM 3, which resulted in RM 3 funds being held in escrow.

After the litigation was resolved in BATA's favor, BATA released RM 3 toll funds for allocation in 2024, and updates to the RM 3 IOC membership were referred to the Authority for approval in November 2023. These appointees are listed in Attachment A to the resolution and can be found on our website at mtc.ca.gov/funding/regional-funding/regional-measure-3. As appointments are received for committee vacancies (as of this report, two each from Contra Costa and Santa Clara counties, and one from San Francisco County), BATA Resolution No.131 will be updated.

The RM 3 IOC met twice in FY 2023-24 and began work to fulfill its mandate to annually review the expenditure of RM 3 funds and to prepare and submit a report to the Legislature summarizing its findings. The first RM 3 IOC Annual Report is expected to be submitted to the Legislature concurrent with or shortly after the submittal of this report, as the information in this report will assist the RM 3 IOC in conducting their review.

7. Update of Policies and Procedures

The RM 3 Policies and Procedures, adopted by MTC on December 18, 2019, and revised in May 2023, provide guidance to project sponsors requesting funding from the RM 3 capital and operating programs ([Attachment G, MTC Resolution No. 4404](#)). The RM 3 Policies and Procedures were updated in October 2023 to introduce new procedures for the ferry component of the RM 3 transit operating program and to revise procedures for operating agreements.



View from below of the Alfred Zampa Memorial span of the Carquinez Bridge.
Photo: © Chris LaBasco Photography, Getty Images/iStock.

Attachments

- A. MTC Resolution No. 4621 (Amendments to the Regional Measure 3 Program)
- B. RM 3 Operating Program Summary
- C. RM 3 Capital Allocations Summary
- D. MTC Resolution No. 4411, Revised (Programming of Regional Measure 3 Capital Projects)
- E. RM 3 Semi Annual Update, June 2024
- F. BATA Resolution No. 131, Revised (RM 3 Independent Oversight Committee establishment and membership)
- G. MTC Resolution No. 4404, Revised (RM 3 Policies and Procedures)



Bay Area Toll Authority

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