

Date: October 26, 2022
W.I.: 1512
Referred by: PAC
Revised: 10/25/23-C

ABSTRACT

Resolution No. 4537

This resolution adopts MTC's Major Project Advancement Policy (MAP). The MAP consists of a set of principles and definitions guiding project selection and assignment of funds, a project list consistent with Plan Bay Area 2050, a funding endorsement matrix assigning discretionary funding to major projects, and terms and conditions to which these endorsements will be subject.

This resolution includes the following attachments:

Attachment A – MAP Principles

Attachment B – MAP Definitions

Attachment C – MAP List of Projects and Programs

Attachment D – MAP Funding Endorsement Matrix

Attachment E – MAP Terms and Conditions

This resolution was revised via Commission action on October 25, 2023 to update the MAP Funding Endorsement Matrix in Attachment D, and incorporate the Stage Gate Policy and Procedures in Attachment E.

Further discussion of these actions is contained in the Programming and Allocations Committee MTC Executive Director's Memoranda dated October 12, 2022 and October 11, 2023.

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RE: Major Project Advancement Policy

METROPOLITAN TRANSPORTATION COMMISSION
RESOLUTION NO. 4537

WHEREAS, the Metropolitan Transportation Commission (MTC) is the regional transportation planning agency for the San Francisco Bay Area pursuant to Government Code Section 66500 *et seq.*; and

WHEREAS, MTC has articulated goals and objectives for the region's transportation system through its current Regional Transportation Plan (RTP)/Sustainable Communities Strategy (SCS) entitled Plan Bay Area 2050, which was adopted in October 2021; and

WHEREAS, Plan Bay Area 2050 includes a list of transportation projects and programs to be advanced over the life of the Plan that will maintain and expand the region's transportation system consistent with the goals of Plan Bay Area 2050; and

WHEREAS, local, regional, state and federal discretionary funds will continue to be required to finance the transportation programs and projects identified in Plan Bay Area 2050, including those funds which are reasonably expected to be available under current conditions, and new funds which need to be secured in the future through advocacy with state and federal legislatures and the electorate; and

WHEREAS, MTC recognizes that coordinated regional priorities for transportation investment will best position the Bay Area to compete for limited discretionary funding sources now and in the future; and

WHEREAS, the Major Project Advancement Policy was developed through a process of regional coordination to identify funding priorities, policy reinforcements, and a risk management approach for delivery of the transportation capital projects identified in Plan Bay Area 2050 by; now, therefore, be it

RESOLVED, that MTC establishes principles to guide identification of projects and assignment of funding sources through the Major Project Advancement Policy (Attachment A), attached hereto and incorporated herein as though set forth at length; and, be it further

RESOLVED, that MTC establishes eligibility, funding types, and levels for prioritizing projects through Major Project Advancement Policy Definitions (Attachment B), attached hereto and incorporated herein as though set forth at length; and, be it further

RESOLVED, that MTC adopts the Major Project Advancement Policy List of Projects and Programs (Attachment C), consistent with the transportation project list adopted in Plan Bay Area 2050, attached hereto and incorporated herein as though set forth at length; and, be it further

RESOLVED, that MTC adopts the Major Project Advancement Policy Funding Endorsement Matrix (Attachment D), assigning funding as defined in Attachment B to projects identified in Attachment C, attached hereto and incorporated herein as though set forth at length; and, be it further

RESOLVED, that the discretionary funding assignments included in the funding matrix are subject to the terms and conditions outlined in Attachment E, including specific conditions for funding sources, policy reinforcements, and risk management, attached hereto and incorporated herein as though set forth at length.

METROPOLITAN TRANSPORTATION COMMISSION

Alfredo Pedroza, Chair

The above resolution was entered into by the
Metropolitan Transportation Commission
at a regular meeting of the Commission held
in Oakland, California, on October 26, 2022

Major Project Advancement Policy
Proposed Funding Endorsement Table
October 2023

In \$Billions

| Project/Program Title | | Sponsor | Cost | Committed (including RM3) | Funding Gap | CIG | Other Federal | TIRCP Base | TIRCP Augment 1 Award* | TIRCP Augment 2 | SB1 | Other State | Other Local/Regional | Anticipated | Total Endorsement | | | | | | | | | | |
|--|--|-----------------------------------|---------|---------------------------------|----------------|--------|---------------|------------|------------------------------|--------------------|--------|-------------|-------------------------|-------------|----------------------|------|------|------|------|------|------|------|------|------|------|
| Revenue Envelope: | | | | | | \$ | 3.4 | \$ | 8.8 | \$ | 2.5 | \$ | 1.30 | \$ | 0.8 | \$ | 2.3 | \$ | 2.1 | \$ | 3.8 | \$ | 10.6 | \$ | 35.7 |
| Level 1 -- Projects In, or Nearing Construction | | | | | | | | | | | | | | | | | | | | | | | | | |
| Peninsula Corridor Electrification Project | | Caltrain | \$ 2.4 | \$ 2.1 | \$ - | \$ - | \$ - | \$ - | \$ 0.37 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| BART Core Capacity Program | | BART | \$ 5.1 | \$ 3.7 | \$ 1.4 | \$ - | \$ - | \$ - | \$ 0.25 | \$ 0.35 | \$ - | \$ - | \$ 0.1 | \$ 0.91 | \$ 1.4 | | | | | | | | | | |
| BART to Silicon Valley Phase II | | VTA | \$ 12.2 | \$ 4.8 | \$ 7.4 | \$ 5.5 | \$ - | \$ - | \$ 0.38 | \$ 0.375 | \$ - | \$ - | \$ 1.5 | \$ - | \$ 7.4 | | | | | | | | | | |
| Level 1 Megaprojects Contingency | | N/A | \$ 0.5 | \$ - | \$ 0.4 | \$ - | \$ 0.05 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 0.3 | \$ 0.3 | | | | | | | | | | | |
| Level 1 ZEB Projects | | | \$ 1.3 | \$ - | \$ 1.3 | \$ - | \$ 1.11 | \$ 0.10 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1.2 | | | | | | | | | | |
| Level 1 Transit Expansion Projects | | | \$ 0.9 | \$ 0.4 | \$ 0.5 | \$ 0.3 | \$ 0.03 | \$ 0.2 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 0.5 | | | | | | | | | | |
| Transit Networks, Modernization, and SOGR | | | \$ 0.8 | \$ 0.2 | \$ 0.6 | \$ - | \$ 0.28 | \$ 0.20 | \$ - | \$ - | \$ 0.1 | \$ - | \$ - | \$ - | \$ - | | | | | | | | | | |
| Grade Separations | | | \$ 0.3 | \$ 0.2 | \$ 0.1 | \$ - | \$ 0.05 | \$ - | \$ 0.07 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 0.1 | | | | | | | | | | |
| Express Lanes Projects | | | \$ 1.0 | \$ 0.0 | \$ 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 | | | \$ 24.8 | | \$ 12.9 | \$ 5.8 | \$ 1.6 | \$ 0.5 | \$ 1.1 | \$ 0.73 | \$ 0.4 | \$ - | \$ 0.6 | \$ 1.7 | \$ 8.7 | | | | | | | | | | |
| Level 2 -- Projects Ready for Construction | | | | | | | | | | | | | | | | | | | | | | | | | |
| Revenue Envelope: | | | | | | \$ | (2.4) | \$ | 7.2 | \$ | 2.0 | \$ | 0.2 | \$ | 0.1 | \$ | 1.9 | \$ | 2.1 | \$ | 3.2 | \$ | 8.9 | \$ | 29.4 |
| The Portal (Caltrain Downtown Extension)** | | TJPA | \$ 8.3 | \$ 2.1 | \$ 6.1 | | | \$ 0.50 | \$ 0.06 | | | | | | | | | | | | | | | \$ | - |
| Valley Link Rail Project - Initial Operating Segment | | Valley Link | \$ 1.9 | \$ 0.7 | \$ 1.2 | | | \$ 0.30 | \$ 0.03 | | | | | | | | | | | | | | | \$ | - |
| Level 2 Megaprojects Contingency | | N/A | \$ 0.4 | \$ - | \$ 0.4 | | | | | | | | | | | | | | | | | | | \$ | - |
| Level 2 ZEB Projects | | | \$ 1.3 | \$ - | \$ 1.3 | | | \$ 0.10 | | \$ - | | | | | | | | | | | | | | \$ | - |
| Level 2 Transit Expansion Projects | | | \$ 0.6 | \$ 0.1 | \$ 0.5 | | | \$ 0.2 | | | | | | | | | | | | | | | | \$ | - |
| Transit Networks, Modernization, and SOGR | | | \$ 0.8 | \$ 0.2 | \$ 0.6 | | | \$ 0.12 | | | | | | | | | | | | | | | | \$ | - |
| Grade Separations | | | \$ 0.8 | \$ 0.1 | \$ 0.7 | | | | | | | | | | | | | | | | | | | \$ | - |
| Express Lanes Projects | | | \$ 1.0 | \$ 0.0 | \$ 1.0 | | | | | | | | | | | | | | | | | | | \$ | - |
| Goods Movement | | | \$ 0.6 | \$ 0.2 | \$ 0.3 | | | | | | | | | | | | | | | | | | | \$ | - |
| Roadway-Other | | | \$ 0.7 | \$ - | \$ 0.7 | | | | | | | | | | | | | | | | | | | \$ | - |
| Level 2 Subtotal | | | \$ 16.3 | | \$ 12.8 | \$ - | \$ - | \$ 1.2 | \$ 0.1 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | | | | | | | | \$ | - |
| | | = Likely future endorsement areas | | | | | | | | | | | | | | | | | | | | | | | |

* TIRCP Augment 1 (also known as Cycle 6) awards for have been announced and are included in the Committed Funding column, and no longer included in the Total Endorsement column.

**The DTX project cost includes the construction cost (\$729M) for the trainbox under the Salesforce Transit Center that was completed in 2018.

MAP Terms and Conditions

E-1: Funding

a. Financial Forecasts and Specific Conditions by Funding Source

Federal and state-managed funding sources are subject to the guidelines and requirements of the funding agency. MTC's role is detailed in the table below.

| Funding Source | Basis for Financial Forecast | MTC Role and Conditions |
|--|---|---|
| Federal | | |
| CIG-New Starts/Core Capacity/Expedited Project Delivery | Assumes 10% bay area share plus additional funds from assumed FY23 appropriation and non-Bay Area contribution for megaregion projects | <p>FTA discretionary grant program</p> <p>MTC has identified priorities through the adopted BIL Strategy. Future priorities will be identified through future MAP updates.</p> <p>MTC will endorse applications based on the adopted BIL framework and MAP.</p> |
| CIG -Small Starts | 10% Bay Area share of Small Starts program | <p>FTA discretionary grant program</p> <p>MTC may identify priority Small Starts projects through future MAP updates.</p> <p>MTC will consider endorsing applications for MAP Level 1 and Level 2 projects.</p> |
| Intercity Passenger Rail | Assumes 50% of program will be directed to High-Speed Rail expenditures. Bay Area share of remaining 50% is approximately 13% and is sized to estimates of endorsed project competitiveness | <p>FRA Discretionary Grant Program</p> <p>MTC has identified priorities through the adopted BIL Strategy. Future priorities will be identified through future MAP updates.</p> |

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| Funding Source | Basis for Financial Forecast | MTC Role and Conditions |
|--|---|--|
| | | MTC will endorse applications based on the adopted BIL framework and MAP. |
| Consolidated Rail Infrastructure and Safety Improvements (CRISI) | Approximately 6% of total program due to Bay Area positive train control needs | <p>FRA Discretionary Grant Program</p> <p>MTC's adopted BIL framework prioritizes grade separations and high-performing goods movement projects for these funds, and identifies specific priority grade separation projects.</p> <p>Additional prioritization of grade separation projects will be handled by future updates of the MAP or other regional processes.</p> |
| Railroad Crossing Elimination Program | Assumes 50% of program will be directed to freight only expenditures. Bay Area share of remaining 50% is based on proportion of Amtrak ridership. | <p>FRA Discretionary Grant Program</p> <p>MTC's adopted BIL framework prioritizes grade separations and high-performing goods movement projects for these funds, and identifies specific priority grade separation projects.</p> <p>Additional prioritization of grade separation projects will be handled by future updates of the MAP or other regional processes.</p> |
| MEGA (National Infrastructure Project Assistance) – Large and Small | Forecast assumes Bay Area will be competitive for two high-cost projects of approximately \$100M each | <p>USDOT Discretionary Grant Program</p> <p>MTC has identified priorities through the adopted BIL Strategy. Future priorities will be identified through future MAP updates.</p> <p>MTC will endorse applications based on the adopted BIL framework and MAP.</p> |

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| Funding Source | Basis for Financial Forecast | MTC Role and Conditions |
|--|---|---|
| Bridge Investment Program | | <p>FHWA Discretionary Grant Program</p> <p>MTC has identified priorities through the adopted BIL Strategy. Future priorities will be identified through future MAP updates.</p> <p>MTC will endorse applications based on the adopted BIL framework and MAP.</p> |
| INFRA | Forecast assumes Bay Area will be competitive for three high-cost projects of approximately \$100M each | <p>USDOT Discretionary Grant Program</p> <p>MTC has identified priorities through the adopted BIL Strategy. Future priorities will be identified through future MAP updates.</p> <p>MTC will endorse applications based on the adopted BIL framework and MAP.</p> |
| Rural Surface Transportation Program | Bay Area share of TIGER grants from 2009-2015 (2.51%). | <p>USDOT Discretionary Grant Program</p> <p>MTC has identified priorities through the adopted BIL Strategy. Future priorities will be identified through future MAP updates.</p> <p>MTC will endorse applications based on the adopted BIL framework and MAP.</p> |
| Protect (Surface Transportation Resilience) | Bay Area share estimated at 10% due to region's competitiveness in local match availability and planning emphasis | <p>FHWA Discretionary Grant Program</p> <p>MTC has identified priorities through the adopted BIL Strategy. Future priorities will be identified through future MAP updates.</p> <p>MTC will endorse applications based on the adopted BIL framework and MAP.</p> |

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| Funding Source | Basis for Financial Forecast | MTC Role and Conditions |
|---|---|---|
| Low- and Zero-Emission Bus Program | Midpoint of Bay Area share of 5307 and 5337 (~5%) | FTA Discretionary Grant Program Future priorities and endorsements to be determined by the regional zero-emission transition strategy (in progress as of Sept 2022) |
| Bus and Bus Facilities Discretionary | Midpoint of Bay Area share of 5307 and 5337 (~5%) | FTA Discretionary Grant Program Future priorities and endorsements to be determined by the regional zero-emission transition strategy (in progress as of Sept 2022) |
| Transit Capital Priorities | Assumes 1/3 of total FTA formula funds available for MAP expenditures, including an increase in FY21 funding levels due to BIL | Federal formula funds and other regional revenues programmed by MTC MTC programs TCP revenues for transit capital maintenance and rehabilitation. TCP is programmed by MTC in coordination with the Transit Finance Working Group, and each programming cycle may include multiple years of funding. |
| State | | |
| TIRCP | Augmentation 1: \$1 billion for previous TIRCP grantees plus \$200 million for other projects including \$100 million from the Project Development Reserve. Assumes Bay Area share is 80% of the \$1.5 billion total funding for non-Southern California regions, plus 30% of the statewide set-aside for Grade Separations. Augmentation 2: Assumes Bay Area population share of ~20% of \$4B over a two-year period. | CalSTA discretionary grant program MTC identifies regional priorities for TIRCP through the TIRCP Framework (found within the regional Cap and Trade framework, MTC Resolution No 4130, Revised) MTC endorses projects based on the adopted TIRCP framework.. Endorsement amounts will be specific to Augmentation and baseline funding rounds. |

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| Funding Source | Basis for Financial Forecast | MTC Role and Conditions |
|--------------------------------------|---|---|
| | TIRCP Baseline: 30% Bay Area share of \$2.9B/year Cap and Trade auction proceeds plus SB1 revenue. Assumes no sunset to Cap and Trade proceeds. | |
| SB1 SCCP | 30% Bay Area share of forecast consistent with Plan Bay Area 2050 | CTC discretionary grant program MTC and Caltrans are responsible for nominating Bay Area projects for the program. MTC staff works in partnership with the Bay Area County Transportation Agencies (BACTAs), transit operators, Caltrans, and the applicable state agencies to develop nomination prioritization principles and project nominations (MTC Resolution No. 4533). |
| SB1 TCEP | 20% Bay Area share of forecast consistent with Plan Bay Area 2050 | CTC discretionary grant program MTC is responsible for compiling Bay Area project nominations (MTC Resolution No. 4534) and confirming consistency with MTC's adopted Regional Transportation Plan/Sustainable Communities Strategy. |
| State Bridge Formula | 20% Bay Area share of forecast consistent with Plan Bay Area 2050 | Distributed via a statewide process. |
| Active Transportation Program | Forecast is consistent with Plan Bay Area 2050. Includes both state and regional sub-programs. Assumes %15 Bay Area share of state sub-program | State funded discretionary grant program; some funds distributed to MTC via regional formula. MTC administers the region's share of the State's Active Transportation Program (ATP) by establishing guidelines (MTC Resolution No. |

| Funding Source | Basis for Financial Forecast | MTC Role and Conditions |
|---------------------------|--|--|
| | | 4487) and a competitive selection process every two years. |
| Regional/Local | | |
| Regional Measure 3 | Assumes availability of RM3 funds for allocation during the MAP time period. | <p>Regional voter-approved measure. MTC does not anticipate approving any allocations of RM3 funds until and unless the ongoing legal challenge has reached a final, non-appealable resolution in favor of RM3.</p> <p>The investment plan including amounts for each project are identified in statute. Some programmatic categories will be programmed by MTC and/or listed project sponsors through a regional process.</p> |

b. Operating Funding

Projects in the MAP assigned regional discretionary funds or endorsed for state or federal discretionary funds will be responsible for fully funding operations of the project. Assignment of capital funds by MTC in the MAP does not represent a commitment to fund operating costs for any project.

In addition to funding the capital projects in the MAP, transit operators with expansion projects in the MAP are expected to sustain levels of core services to Equity Priority Communities. Should the transit operator's financial stability deteriorate, or the expansion project in question experience significant cost increases, these financial capacity determinations will be considered a reevaluation of the project's MAP Level and funding assignments.

c. Cost Increases

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Commitment of regional discretionary funds are capped at the amounts shown in Attachment D in year of expenditure dollars, unless they are increased via a Commission-approved update to the MAP. In general, project sponsors are responsible for funding any cost increases (including financing costs) above the estimates shown in in Attachment D from other sources. If a cost increase results in a funding shortfall, the project may be reevaluated against the Level criteria and funding, risk management, and policy reinforcement conditions before MTC will consider assigning additional regional discretionary funds, consistent with the Stage Gate process defined below.

E-2 Stage Gate Policy and Procedures

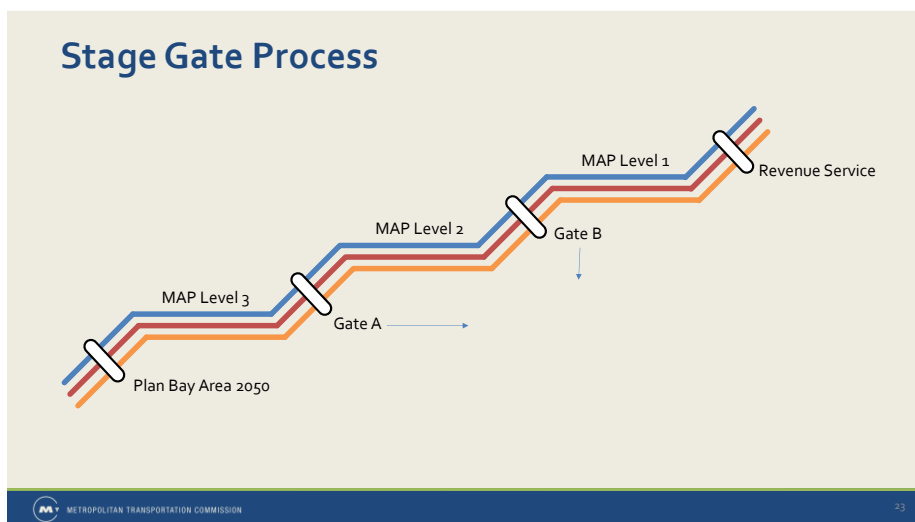
Evaluation Framework:

Stage Gate evaluations will focus on the following:

1. Cost and Funding: an evaluation of the cost and funding plan including assessments of contingency, escalation rates, overall cost estimates versus similar recent projects, assessment of capital and operating plans focused on non-committed funding sources.
2. Adherence to Plan Bay Area and Regional Policies: an assessment of adherence to Plan Bay Area and other policies including Transit Oriented Communities, Clipper/Fare Integration/Discount Fares, the Regional Express Lane Strategic Plan, Vision Zero and other policies as a result of Regional Plan updates or other approved Commission policies.
3. Project Readiness: an assessment of governance, procurement, delivery and operating model and other areas relevant to the successful delivery and operation of the project.

Process:

The MAP process includes two stage gates, GATE A and GATE B, as seen in the diagram below.



The evaluation process is purposefully scalable and flexible to address the different types, cost, opportunities, risk, and challenges facing MAP projects and program. The evaluation process includes the following steps:

1. Evaluation initiated by project sponsor's request to be reassigned levels within the MAP or MTC staff's identification of a project that cannot remain in the current map level due to delivery obstacles. Stage Gate evaluations on projects over \$1 billion, require Commission approval before commencement of process.
2. MTC staff, with the support of a consultant with relevant expertise, define the type of assessment to be used based on project risk/complexity and project cost. Projects with lower costs and/or a reduced risk profile could be evaluated through a rapid or basic assessment, whereas moderate and detailed assessments would be used when risk/complexity and/or project costs are higher.
3. The Rapid, Basic, Moderate or Detailed assessment is performed based on the three components of the Evaluation Framework.
4. Based on the assessment, the project will receive a confidence score of low, medium or high to be incorporated into a staff recommendation to the Commission. The recommendation could include:
 - a. Advance the project to the next MAP Level without conditions.
 - b. Advance the project to the next MAP Level with conditions or recommendations.
 - c. Do not advance the project to the next MAP Level until specific conditions are met or further assessments are performed.
 - d. Reassignment of the project to a lower MAP Level until specific conditions are met.