Meeting Agenda

Bay Area Partnership Board

Kate Miller, Chair
Carolyn Gonot, Vice Chair

Monday, June 6, 2022	10:00 AM	REMOTE

In light of Governor Newsom's State of Emergency declaration regarding COVID-19 and in accordance with Assembly Bill 361's (Rivas) provisions allowing remote meetings, this meeting will be accessible via webcast, teleconference, and Zoom for all participants.

A Zoom panelist link for meeting participants will be sent separately to Board Members.

**The meeting webcast will be available at http://mtc.ca.gov/whats-happening/meetings
Members of the public are encouraged to participate remotely via Zoom at the following link or phone number. Board Members and members of the public participating by Zoom wishing to speak should use the "raise hand" feature or dial *9. When called upon, unmute yourself or dial *6. In order to get the full Zoom experience, please make sure your application is up to date.**

**Attendee Link: https://bayareametro.zoom.us/j/86255411019
iPhone One-Tap US: +13462487799,,86255411019# or +12532158782,,86255411019#
Join by Telephone (for higher quality, dial a number based on your current location) US: +1 669 900 6833 or +1 408 638 0968 or +1 346 248 7799 or +1 253 215 8782 or +1 646 876 9923 or +1 301 715 8592 or +1 312 626 6799 or 888 788 0099 (Toll Free) or 877 853 5247 (Toll Free)
Webinar ID: 862 5541 1019
International numbers available: https://bayareametro.zoom.us/u/kdsUQHOLdA
Detailed instructions on participating via Zoom are available at:
https://mtc.ca.gov/how-provide-public-comment-board-meeting-zoom**

Members of the public may participate by phone or Zoom or may submit comments by email at info@bayareametro.gov by 5:00 p.m. the day before the scheduled meeting date. Please include the committee or board meeting name and agenda item number in the subject line. Due to the current circumstances there may be limited opportunity to address comments during the meeting. All comments received will be submitted into the record.

1. Call Meeting to Order / Roll Call / Confirm Quorum

Quorum: A quorum of this committee shall be a majority of its regular voting members (23).

2. Welcome - Kate Miller, Chair

3. Approval

3a.   22-0909   Approval of the Bay Area Partnership Board Minutes of the March 30, 2022 Meeting

Action: Board Approval

Attachments: 03a_03-30-2022_Bay_Area_Partnership_Board_Meeting_Minutes_Draft.pdf

4. Information

4a.   22-1006   Major Project Advancement Policy (MAP) Update

Summary of the anticipated MAP financial envelope and overall project funding need based on recent sponsor project submittals; update on the MAP policy foundation, timeline, and upcoming decision opportunities; and request for input on an initial project evaluation approach.

Action: Information

Presenter: Kenneth Folan, MTC

Attachments: 4ai_Major_Project_Advancement_Policy_Update_Cover_Summary_Sheet.pdf

4aii_PAC-5a-22-0936-Major_Project_Advancement_Policy.pdf

4aiii_PAC-5a-22-0936-PowerPoint_Major_Project_Advancement_Policy.pdf

5. Board Member Wrap-Up / Next Steps

An opportunity for Board Members to provide additional input / direction to staff on priorities and future meeting topics.

6. Public Comment / Other Business

Board Members and members of the public participating by Zoom wishing to speak should use the "raise hand" feature or dial *9. When called upon, unmute yourself or dial *6.

7. Adjournment / Next Meeting

The next meeting of the Bay Area Partnership Board will be held at a time and location to be duly noticed.

Public Comment: The public is encouraged to comment on agenda items at Committee meetings by completing a request-to-speak card (available from staff) and passing it to the Committee secretary. Public comment may be limited by any of the procedures set forth in Section 3.09 of MTC's Procedures Manual (Resolution No. 1058, Revised) if, in the chair's judgment, it is necessary to maintain the orderly flow of business.

Meeting Conduct: If this meeting is willfully interrupted or disrupted by one or more persons rendering orderly conduct of the meeting unfeasible, the Chair may order the removal of individuals who are willfully disrupting the meeting. Such individuals may be arrested. If order cannot be restored by such removal, the members of the Committee may direct that the meeting room be cleared (except for representatives of the press or other news media not participating in the disturbance), and the session may continue.

Record of Meeting: Committee meetings are recorded. Copies of recordings are available at a nominal charge, or recordings may be listened to at MTC offices by appointment. Audiocasts are maintained on MTC's Web site (mtc.ca.gov) for public review for at least one year.

Accessibility and Title VI: MTC provides services/accommodations upon request to persons with disabilities and individuals who are limited-English proficient who wish to address Commission matters. For accommodations or translations assistance, please call 415.778.6757 or 415.778.6769 for TDD/TTY. We require three working days' notice to accommodate your request.

可及性和法令第六章：MTC 根據要求向希望來委員會討論有關事宜的殘疾人士及英語有限者提供服務/方便。需要便利設施或翻譯協助者，請致電 415.778.6757 或 415.778.6769 TDD / TTY。我們要求您在三個工作日前告知，以滿足您的要求。

Acceso y el Titulo VI: La MTC puede proveer asistencia/facilitar la comunicación a las personas discapacitadas y los individuos con conocimiento limitado del inglés quienes quieran dirigirse a la Comisión. Para solicitar asistencia, por favor llame al número 415.778.6757 o al 415.778.6769 para TDD/TTY. Requerimos que solicite asistencia con tres días hábiles de anticipación para poderle proveer asistencia.

Attachments are sent to Committee members, key staff and others as appropriate. Copies will be available at the meeting.

All items on the agenda are subject to action and/or change by the Committee. Actions recommended by staff are subject to change by the Committee.

Bay Area Metro Center
375 Beale Street
San Francisco, CA 94105

Meeting Minutes - Draft

Bay Area Partnership Board

Kate Miller, Chair
Carolyn Gonot, Vice Chair

Wednesday, March 30, 2022	**1:00 PM**	**REMOTE**

1. Call Meeting to Order / Roll Call / Confirm Quorum

Present: 23 - Board Member Krieg, Board Member Mulligan, Board Member Tree, Board Member Whelan, Board Member Kranda, Chair Miller, Board Member Smith, Board Member Woldesenbet, Board Member McMillan, Board Member Ristow, Board Member Russo, Board Member Tellis, Board Member Richman, Board Member Dagang, Board Member Albee, Board Member Chang, Board Member Tumlin, Board Member Bouchard, Board Member El-Tawansy, Board Member Mau, Vice Chair Gonot, Board Member Cumins, and Board Member Churchill

Absent: 20 - Board Member Ede, Board Member Halls, Board Member Hoevertsz, Board Member Goldzband, Board Member Corey, Board Member Sanchez, Board Member Mammano, Board Member Powers, Board Member Feinstein, Board Member Omishakin, Board Member Wan, Board Member Lengyel, Board Member Adams, Board Member Broadbent, Board Member Hursh, Board Member Mitch, Board Member Haile, Board Member Charpentier, Board Member Moran, and Board Member Van de Water

Kaki Cheung acted as a delegate and voting member of the Board in place of Sean Charpentier, City/County Association of Governments of San Mateo County. Actions noted below as "Charpentier" were taken by Cheung.

Peter Engel acted as a delegate and voting member of the Board in place of Tim Haile, Contra Costa Transportation Authority. Actions noted below as "Haile" were taken by Engel.

Richard Fuentes acted as a delegate and voting member of the Board in place of Robert Powers, Bay Area Rapid Transit District. Actions noted below as "Powers" were taken by Fuentes.

Nila Gonzales acted as a delegate and voting member of the Board in place of Adam Van de Water, Transbay Joint Powers Authority. Actions noted below as "Van de Water" were taken by Gonzales.

Robert Guerrero acted as a delegate and voting member of the Board in place of Daryl Halls, Solano Transportation Authority. Actions noted below as "Halls" were taken by Guerrero.

2. Welcome

3. Approval

3a.   [22-0375]   Approval of the Bay Area Partnership Board Minutes of the December 7, 2021 Meeting

Action: Board Approval

Attachments: [03a_12-07-2021_Bay_Area_Partnership_Board_Meeting_Minutes_Draft.pdf](#)

Upon the motion by Board Member Kranda and the second by Board Member Smith, the Minutes of the December 7, 2021 Meeting were approved. The motion carried by the following vote:

Aye: 23 -   Board Member Krieg, Board Member Mulligan, Board Member Tree, Board Member Whelan, Board Member Kranda, Chair Miller, Board Member Smith, Board Member Woldesenbet, Board Member McMillan, Board Member Powers, Board Member Ristow, Board Member Russo, Board Member Tellis, Board Member Richman, Board Member Dagang, Board Member Albee, Board Member Chang, Board Member Tumlin, Board Member Bouchard, Board Member El-Tawansy, Board Member Mau, Board Member Haile and Board Member Van de Water

Absent: 16 -   Board Member Ede, Board Member Hoevertsz, Board Member Goldzband, Board Member Corey, Board Member Sanchez, Board Member Mammano, Board Member Feinstein, Board Member Omishakin, Board Member Wan, Board Member Lengyel, Board Member Adams, Board Member Broadbent, Board Member Hursh, Board Member Mitch, Vice Chair Gonot and Board Member Moran

Abstain: 4 -   Board Member Halls, Board Member Charpentier, Board Member Cumins and Board Member Churchill

Vice Chair Gonot arrived after the approval of the Consent Calendar.

4. Information

4a.   [22-0425]   Update on Bay Area Zero-Emission Bus Fleet Transition

Information on regional transit operator's zero-emission fleet transition plans, compliance with Innovative Clean Transit rule, and funding issues and opportunities.

Action: Information

Presenter: Craig Bosman, MTC

Attachments: [04a_Zero_Emission_Transition_Strategy.pdf](#)

The following individuals spoke on this item:
Rich Hedges;
Howard Wong;
Aleta Dupree; and
Gerry Glaser.

4b.   22-0611   Sonoma County Transit Integration and Electrification Proposal

Overview, by Sonoma County Transportation Authority (SCTA) staff, of their Transit Integration and Electrification project proposal.

Action: Information

Presenter: Suzanne Smith, Sonoma County Transportation Authority

Attachments: 04b_Sonoma_County_Transit_Integration_and_Electrification_Proposal.pdf

David Sorrell spoke on this item.
Aleta Dupree spoke on this item.

4c.   22-0424   Funding Advocacy Update

Update on state and federal funding opportunities and relationship to the Major Projects Advancement Policy (MAP).

Action: Information

Presenter: Rebecca Long, MTC and Kenneth Kao, MTC

Attachments: 04c_Funding_Advocacy_Update.pdf

4d.   22-0610   Major Project Advancement Policy Overview

Update on development of the region's Major Project Advancement Policy (MAP) and the call for projects to be included in the MAP.

Action: Information

Presenter: Theresa Romell, MTC

Attachments: 04d_Major_Project_Advancement_Policy_Overview.pdf

5. Board Member Wrap-Up / Next Steps

6. Public Comment / Other Business

Aleta Dupree was called to speak.

7. Adjournment / Next Meeting

The next meeting of the Bay Area Partnership Board will be held at a time and location to be duly noticed.

Bay Area Partnership Board

June 6, 2022   **Agenda Item 4a**

Major Project Advancement Policy (MAP) Update

Subject:

Summary of the anticipated MAP financial envelope and overall project funding need based on recent sponsor project submittals; update on the MAP policy foundation, timeline, and upcoming decision opportunities; and request for input on an initial project evaluation approach.

Background:

Bay Area Partnership Board Agenda Item 4a, MAP Update, is attached. The report will be presented to the Programming and Allocations Committee meeting as an information item on June 8, 2022.

Staff will be at your June 6 meeting to deliver and discuss this presentation.

The MAP was previously presented at the following meetings:

- [March 30, 2022 - Bay Area Partnership Board (Agenda Item 4d)](#)
- [April 13, 2022 - Programming and Allocations Committee (Agenda Item 4a)](#)
- [May 11, 2022 - Programming and Allocations Committee (Agenda Item 4a)](#)
- [May 11, 2022 – Policy Advisory Council (Agenda Item 11)](#)

Issues:

None identified.

Recommendations:

Information only

Attachments:

- Attachment A: Major Project Advancement Policy (MAP) Update from the June 8, 2022, Programming and Allocations Committee meeting

Major Project Advancement Policy (MAP) Funding Framework

Subject:

Staff will provide an overview of the MAP funding framework and report on discussions held and feedback received at the May 25-26 Commission Workshop.

Background:

Following the recent adoption of Plan Bay Area 2050, there is a need and an opportunity for regional coordination to meet the funding and project delivery challenges of the current and future set of major transportation projects in the region. The Commission and the Blue Ribbon Transit Recovery Task Force (BRTRTF) have noted the importance of regional leadership and coordination to support development and delivery of large and regionally-significant transportation projects across all modes. To further this regional coordination, MTC is developing the Major Project Advancement Policy (MAP).

The MAP will be a regional policy to support implementation of Plan Bay Area 2050, aimed at delivering the next round of major transportation projects, building off the Bay Area's previous Regional Transit Expansion Program, MTC Resolution No. 3434. For large, regionally significant projects in Plan Bay Area 2050, the MAP will seek to achieve regional coordination on federal, state, and regional discretionary funding requests and develop MTC's role in risk management and ensuring consistency with regional policies.

The MAP will consist of three components:

- Funding Strategy: Develop full funding plans for projects in the MAP. Identify appropriate discretionary funding sources and prioritize or sequence funding requests. Endorsements and sequencing strategies may be developed for fund sources such as Federal Transit Agency Capital Investments Grant program (New Starts, Small Starts and Core Capacity) and programs of the federal Bipartisan Infrastructure Law, state sources such as the Transit and Intercity Rail Capital Program, Senate Bill 1 programs, general state budget augmentations and other state sources. Other non-local fund sources may also be considered for endorsement and sequencing strategies.

- Policy Reinforcements: Monitor project progress and consistency with policy commitments in Plan Bay Area 2050 and other regional policies. The policy areas covered may include benefit/cost ratios, equity, land use, and connected mobility.

- Risk Management: Develop a regional risk management approach to evaluate and monitor risks throughout project lifecycles, from early project development and network coordination through construction.

Stakeholder Engagement

The MTC Programming and Allocations Committee received staff updates and provided direction in April and May 2022 on MAP development. Additionally, the MAP was discussed at the May MTC Policy Advisory Council. Further information on the MAP, including updated information from sponsors and the project evaluation was presented on Day 2 of the Commission Workshop Staff is seeking further Commission and public input on the MAP in the coming months.

Key Dates for Public/Partner/Stakeholder Engagement and Input (other opportunities may be added):

March 30	Partnership Board*
April/May/June	Outreach to Partnership Board, Transit Agencies, County Transportation Agencies, Federal and State and Local funding partners
April/May/June	Targeted outreach to transit agencies, funding partners, and stakeholders
April 6	Partnership Transit Finance Working Group
April 13	MTC Programming and Allocations Committee*
May 11	MTC Programming and Allocations Committee*
May 11	MTC Policy Advisory Council*
May 25-26	MTC Commission Workshop*
June 8	MTC Programming and Allocations Committee*
July 13	MTC Programming and Allocations Committee*
September 14 and 28	MAP Recommendations to MTC Programming and Allocations and Commission for Approval*

*Denotes opportunity for public comment

MAP Funding Envelope

Staff are in the process of developing estimates for the Bay Area share of major state and federal funding sources, referred to as the "funding envelope" to use in developing the MAP and prioritizing projects for funding. The estimates are based on the Plan Bay Area 2050 financial forecast, adjusted with assumptions of funding that could be available from the Bipartisan Infrastructure Law and State budget surplus. The envelope also includes $10.6 billion in anticipated/unspecified funding as a proxy for future new funding streams or programs. The table below summarizes the currently projected funding envelope by transportation mode. The funding envelope estimate is lower than what had been shared at the Commission Workshop in May. The previous estimate had contained some fund sources that are primarily intended for expenditure on state of good repair, not new capital projects. The revised estimate below has been adjusted to remove those funds. The estimated funding envelope could change again depending on what transpires with regard to additional transportation funding that may be included in the FY 2022-23 State Budget.

Project Type/Mode	FY 2022 – FY 2035 Funding Forecast
Total	**$30.5 billion**
Transit	$12. billion
Multi-Modal	$13 billion
Roads/Bridges	$5 billion
Bike/Ped	$0.5 billion

Summary of Project Information

In April 2022, MTC collected information from project sponsors about projects eligible to be included in the MAP.

Eligible Tier 1 projects are in the first time period, or "bin", of Plan Bay Area 2050—to be completed by 2035—and have a total cost of $250 million or more. The table below shows the number of projects and capital cost that were anticipated to be in this category based on the Plan Bay Area 2050 project list, and the total eligible projects submitted by project sponsors. The

table does not include a few projects that were submitted but are not in Plan Bay Area 2050. Still, the funding need for major tier-1 projects is larger than the forecasted funding envelope.

	Anticipated Based on PBA2050 Project Listing	Eligible MAP Project Submittals
Number of Projects	33	65
Total Project Cost	$33 billion	$50 billion
Funding Gap	~$12 billion	$35 billion

Eligible Tier 2 projects are in the second time period, or "bin", of Plan Bay Area 2050—to be completed in 2036 or later—and have a total cost of $1 billion or more. Tier 2 projects are at a minimum several years away from entering construction and are not the focus of the MAP, but may be listed in the MAP for early project phases only. The table below shows the number of projects and capital cost that were anticipated to be in this category based on the Plan Bay Area 2050 project list, and the total eligible projects submitted by project sponsors.

	Anticipated Based on PBA2050 Project Listing	Eligible MAP Project Submittals
Number of Projects	12	18
Total Project Cost	$59 billion	$68 billion

Evaluation Process and Criteria

Staff have begun developing an evaluation of the projects to inform sequencing of projects for oversubscribed funding programs. The evaluation will consist of scoring across several criteria, including metrics consistent with the five focus areas of Plan Bay Area 2050, which aim to make the Bay Area more affordable, connected, diverse, healthy and vibrant. The proposed evaluation criteria include funding, schedule, project dependency/connectivity metrics as well as PBA 2050 metrics (Benefit-Cost, Equity Score, and Guiding Principles Assessment). Scoring is subject to change with project progression and changes.

Summary of May Commission Workshop on Project Delivery

On May 25th and 26th, the Commission held a workshop titled Delivering the Next Generation of Transit Major Projects: Setting the Bay Area up for Success, with an objective of understanding the importance and specifics of major transit projects to achieving PBA2050 goals as well as the significant time, effort, funding, and risk associated with delivering mega projects. Expert panelists discussed best practices, lessons learned, and risk management approaches and potential MTC regional value-add in project delivery. Finally, the Commission discussed how the Major-project Advancement Policy (MAP) will bring together a funding strategy, policy reinforcements, and risk management toward successful project delivery of the Next Generation of Transit for the Bay Area.

A key take-away from the Commission included direction that MTC should expand its Risk Management role for major transportation projects, specifically focused early in the project delivery pipeline and in a way that does not duplicate current project oversight efforts done by the Federal Transit Administration, project sponsors, and others. The MTC role could focus on some of the following:

- Sponsor cost estimates throughout the project development and construction phases are consistently underestimated. As part of the Plan Bay Area process and at certain points throughout the project development process, independent cost reviews would serve the region well in assigning and endorsing discretionary funding sources to projects.
- Establishing appropriate contingencies, at the project or portfolio level, demonstrated early in the funding plan development are important to avoid cost increases during construction.
- Establishing project schedules that reflect the complexities of project development and construction to avoid escalation.

Additionally, project delivery governance and management structures, as well as existing and future capabilities to deliver projects was discussed. Staff noted that results from the Regional

Rail Partnership study could further inform these discussions. A final report from this study is expected in Summer 2022.

In light of Commissioner comments at the workshop staff are considering the following questions related to the MAP:

1. How can the MAP incorporate the risk of upward cost pressure on projects given the stage the project is in— i.e., design, environmental, construction, etc.—and how might that risk impact project sequencing and/or the level of contingency funding projects are required to assume?
2. Should the Risk Management component of the MAP include the development of a stage-gate process that requires project sponsors to demonstrate specific project readiness requirements at key milestones prior to receiving MTC funding endorsement in the MAP for the next project phase?
3. Should the MAP be updated at regular intervals, or as needed, based on specific "triggers" or milestones? If updated at regular intervals, how often?

Further direction from Commissioners on the questions above is requested. As noted in the schedule above, staff intends to bring forward recommendations on the MAP Risk Management Program and Policy Reinforcements for Committee and Commission review in late 2022.

Issues:

None identified.

Recommendations:

Information

Attachments:

Major Project Advancement Policy Presentation

Alix P. Bockel

_____
Alix Bockelman

Major Project Advancement Policy (MAP) Funding Framework

Programming and Allocations Committee

Item 5a

June 8, 2022

MAP Components

Funding Strategy

Full funding plans for MAP projects

Identify and prioritize discretionary funding requests

Policy Reinforcements

Benefit/cost

Equity

Land use

Connected mobility

Risk Management

Evaluate and monitor risks from early project development through construction including risks related to network coordination

MAP Funding Envelope *(Updated June, 2022)*

- Based on PBA 2050 Financial Forecast

- Adjusted for recent BIL and State Budget surplus funding assumptions. Subject to change with State Budget adoption

- Includes $10.6B in "Anticipated/ Unspecified" funding as proxy for future new funding streams/programs

Project Type/Mode	FY 2022 - FY 2035 Funding Forecast
Total	**$30.5B** (~$20B net of Anticipated funding)
Transit	$12B
Multi-Modal	$13B
Roads/Bridges	$5B
Bike/Ped	$0.5B

Tier 1 MAP Project Submittals

- Eligible Tier 1 Projects are in the first time period or "bin" of PBA2050 and have a total cost of $250M or more

- MAP funding need is significantly larger than forecasted funding envelope especially when accounting for "Anticipated" funding

	Anticipated Based on PBA2050 Project Listing	Eligible MAP Project Submittals
# of Projects	33	65
Total Project Cost	$33B	$50B
Funding Gap	~$12B	$36B

Tier 2 MAP Project Submittals

- Eligible Tier 2 projects are in the second time period or "bin" of PBA2050 and have a total cost of $1B or more

- Tier 2 projects are not expected to enter the construction phase until after 2035 and are therefore not the focus of the MAP

- Tier 2 projects may be listed in the MAP for early project phases only

	Anticipated Based on PBA2050 Project Listing	Eligible MAP Project Submittals
# of Projects	12	18
Total Project Cost	$59B	$68B

Evaluation Approach

- Development of proposed evaluation criteria underway

  - Funding commitment levels and magnitude of funding gap – percentage of capital cost secured, remaining need, and <u>screening of proposed operating funding plan</u>

  - Schedule

  - Plan Bay Area 2050 benefit-cost ratios and equity scores – assessed in three distinct futures to identify investments that are resilient to uncertain future conditions

  - Alignment with Plan Bay Area 2050 Guiding Principles – affordable, connected, diverse, healthy and vibrant.

  - Project dependencies impacting network connectivity

  - Potential other criteria tailored to programmatic categories

Draft Evaluation Criteria

- Evaluation will inform sequencing of projects for over-subscribed funding programs in the MAP

- Criteria weighting and scoring methodology still under development

- Scoring is subject to change with project progression / changes

Funding Commitment	Funding Gap Magnitude	Schedule	PBA2050 Benefit-Cost Ratio	PBA2050 Equity Score	PBA2050 Guiding Principles Assessment	Project Dependencies/ Connectivity
More than 75% Committed	Less than $250M	Construction start date within 5 years	Greater than 1 in at least 2 of 3 futures	Advances equity in at least 2 of 3 futures	0 Guiding Principles flags	0 Dependency/ Connectivity Conflicts
Between 50% and 75% Committed	Between $250M and $1B	Construction start date 5-10 years away	Between 0.5-1 in at least 2 of 3 futures	Even equity effects in at least 2 of 3 futures	1 Guiding Principles flag	1 -2 Dependency/ Connectivity Conflicts
Under 50% Committed	Over $1B	Construction start date over 10 years away	Less than 0.5 in at least 2 of 3 futures	Challenges equity in at least 2 of 3 futures	2 or more Guiding Principles flags	Greater than 2 Dependencies

Draft Framework – Endorsement Table

- Proposed adoption in September 2022 to inform near-term federal and state grant opportunities

- Focus on PBA 2050 Tier 1
  - Named projects greater than $1 Billion
  - Programmatic Categories to Support Investments and Initiatives less than $1B
    - Grade Separations
    - Rapid Bus Initiatives
    - Zero Emission Bus Transition
    - Regional Express Lane Network
    - Transportation Modernization

- Identification of PBA 2050 Tier 2 – Project Development Activities
  - Projects or programs greater than $1B
  - Potential updates based on project development schedules

METROPOLITAN TRANSPORTATION COMMISSION

Draft Framework – Sample Endorsement Table

(in Billions $)				REGIONAL DISCRETIONARY TARGETS		
PROJECT or Category	**Project Cost**	**Committed Funding**	**Uncommitted Funding**	**Federal**	**State**	**Other**
Tier 1 - Megaprojects						
Caltrain Electrification	2.4	2.0	0.4			
BART Core Capacity	3.8	3.3	0.6			
BART to Silicon Valley - Phase 2	7.3	4.3	3.1			
Caltrain Downtown Extension	5.0	0.8	4.2			
Valley Link - Bay Area Segment	1.9	0.7	1.2			
Tier 1 – Programmatic Categories						
Grade Separation Program	5.0	0.5	4.5			
Rapid Bus Program	2.5	0.2	2.3			
Zero Emission Bus Transition Program	5.0	0.0	5.0			
Regional Express Lanes Network	3.3	0.3	3.0			
Other Transportation Modernization	6.5	1.0	5.5			
Other Programs - TBD	TBD	TBD	TBD			
TOTAL TIER 1	**50**	**14**	**36**	**19**	**7**	**11**
TIER 2 - PROJECT PHASES - UNDER DEVELOPMENT	**TBD**	**TBD**	**TBD**			

Under Development

- Regional discretionary target columns will be expanded to include specific funding categories and may contain estimated amounts or ranges.

Funding Targets – Under Development

- Establish Ambitious but Realistic Targets
  - TIRCP/State Funding second stage
  - Federal BIL Funding
  - Regional and/or Local Transportation Revenue initiatives
- Establish Priority and Sequencing Strategies for Oversubscribed Funding Sources
- Continue Advocacy and Revise as Appropriate

Risk Management – New Thinking

- MTC past practice has included project oversight and policies aimed at prudent investment of regional funds and meeting regional goals
  - e.g. Resolution 3434 and Regional Measure 2 policies and procedures

- Focused efforts have taken a more involved role, usually prompted by a funding or other delivery challenge
  - e.g. SMART IOS Review; Transit Center and DTX Cost Reviews; and Transit Center Cracked Beam Peer Review

- As part of the MAP, staff is proposing to develop a regional risk management approach to evaluate and monitor risks throughout project lifecycles, from early project development and network coordination through construction

- Staff is exploring whether the approach should follow past practice or consider a deeper role and looks forward to Commissioner input

Risk Management – Example Concept

Definitions:

- **Stage Gates** are key points or milestones in the development of a project

- A **stage gate process** identifies key actions that need to be taken at important milestones

- A regional risk management overlay could include implementation of a "**stage gate process**" that identifies key actions that need to be taken at major milestones in order to minimize and mitigate risk

- The stage gates could determine readiness to proceed with funding. Stage gate examples related to risk include:

  - Has the project undergone a *peer review* of cost and design alternatives?

  - Does the project have a reasonable and sustainable *operating plan*?

  - Is there a *stable project governance structure* with required agreements in place?

Policy Reinforcements – Under Development

- Intent of the Policy component of the MAP is to monitor project progress and consistency with policy commitments in Plan Bay Area 2050 and other regional policies such as:
  - Land use / TOC
  - Blue Ribbon Action Plan implementation
  - Participation in equity programs
  - Other

- Project endorsement/funding could be conditioned on alignment with regional policies

Workshop Summary – Key Takeaway

- May 25-26 Commission workshop on Major Projects included discussion of proposed MAP approaches

- **Key Takeaway:** MTC should expand risk management role for major transportation projects
  - Focused early in the delivery pipeline
  - Do not duplicate current oversight by FTA, project sponsors, and others
  - Facilitate independent cost reviews
  - Establish appropriate contingencies at the project or portfolio level
  - Establish schedules that reflect project complexities

Workshop Summary – Additional Questions

1. How can the MAP incorporate the risk of upward cost pressure on projects given the stage the project is in— i.e., design, environmental, construction, etc.—and how might that risk impact project sequencing and/or the level of contingency funding projects are required to assume?

2. Should the Risk Management component of the MAP include the development of a stage-gate process that requires project sponsors to demonstrate specific project readiness requirements at key milestones prior to receiving MTC funding endorsement in the MAP for the next project phase?

3. Should the MAP be updated at regular intervals, or as needed, based on specific "triggers" or milestones? If updated at regular intervals, how often?

Timeline and Engagement Strategy

- **Today**: Programming and Allocations Committee update (to seek input from public and Commissioner direction)

- Ongoing engagement with transit operators and County Transportation Authorities

- Engagement with federal, state and local funding partners and sponsors. Additional engagement and outreach to be developed.

- **MAP funding framework** expected to be presented for information in **July** and approval in **September**

- Recommendations on **Policy and Risk components** to be presented in **late Fall 2022** and proposed for inclusion in MAP