

# Regional Measure 3 Program Update

**Programming and Allocations Committee**

**May 10, 2023**

**Raleigh McCoy**



**METROPOLITAN  
TRANSPORTATION  
COMMISSION**

# RM3 Background

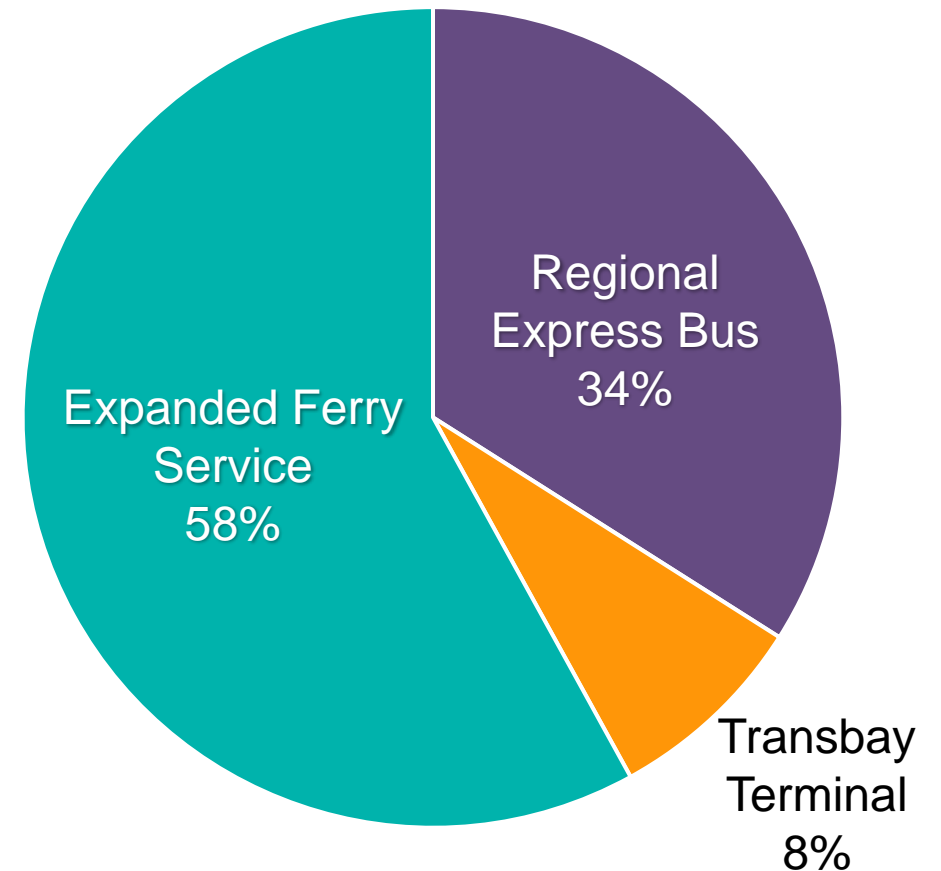
- Voters approved a \$3 toll increase on state-owned bridges to be phased in over six years starting January 1, 2019
- RM3 Expenditure Plan identified capital and operating investments to improve transportation system regionwide
- Legal challenges delaying release of RM3 funds were dismissed in early 2023

# RM3 Operating Program Update

# Operating Program Overview

- Maximum of 16% of RM3 revenues annually for operating assistance
- Three components and their funding levels listed in statute
- Statute identifies sponsors for Transbay Terminal (TJPA) and Expanded Ferry Service (WETA), but not for Regional Express Bus
- Supports existing, more frequent, or new operations

RM3 Operating Program  
(16% Annual RM3 Revenue)



# RM3 Operating Program Policies and Procedures

## – Recommended Updates

- RM3 Policies and Procedures (P&Ps) for the Operating Program will largely mirror the Policies and Procedures for RM2
- New additions to the RM3 P&Ps for the Operating Program are required in statute and include:
  - Guidance for operating agreements between MTC and sponsors
  - Interim performance measures for Transbay Terminal and regional express bus elements
  - Interim criteria to identify FY2022-23 Express Bus funding levels
- Updates to the Policies and Procedures related to Expanded Ferry Service are pending development of an Operating Plan by WETA in consultation with MTC

# RM3 Operating Program Policies and Procedures – Express Bus Prioritization Criteria

- As FY2022-23 funds do not carry over, staff propose an interim methodology to identify Express Bus funding levels for this fiscal year only
- Proposed FY2022-23 Express Bus funding levels are based on recent RM2 operating program revenue reductions plus ridership
- Future funding distributions will consider factors including ridership, equity, regional connectivity, and alignment with regional policies

*Staff recommend referral of MTC Resolution No. 4404, Revised to the Commission for adoption.*

# RM3 Operating Program FY2022-23 Summary

Operating Program Sponsor	Amount
<b>Regional Express Bus</b>	
AC Transit	\$5,528,407
County Connection	\$74,253
Golden Gate Transit	\$1,923,398
LAVTA	\$486,187
Napa Vine	\$262,159
SolTrans	\$1,840,625
Tri Delta Transit	\$239,613
WestCAT	\$1,145,359
<b>Regional Express Bus Subtotal</b>	<b>\$11,500,000</b>
<b>Transbay Terminal</b>	
TJPA (FY2022-23 Operating Assistance)	\$2,700,000
TJPA (FY2019-20 through FY2021-22 Operating Assistance)	\$4,776,650
<b>FY2022-23 Operating Program Total</b>	<b>\$18,976,650</b>

*Staff recommend referral of MTC Resolution Nos. 4579 and 4580 to the Commission for adoption of FY2022-23 programming and allocations.*

# RM3 Capital Program Update



# RM3 Capital Expenditure Plan Overview

Capital Program	Amount (in \$Millions)
Regional Programs	\$1,550
Central (San Francisco-Oakland Bay Bridge)	\$780
South (San Mateo-Hayward, Dumbarton)	\$985
North (Richmond-San Rafael, Benicia-Martinez, Carquinez, Antioch)	\$1,135
<b>Capital Program Total</b>	<b>\$4,450</b>

# RM3 Capital Program Policies and Procedures – Recommended Updates

- Staff recommend revising the RM3 Policies and Procedures (P&Ps), originally adopted in December 2019, to include:
  - MTC Policies adopted since December 2019 (Plan Bay Area 2050, TOC Policy, Complete Streets Policy and Active Transportation Network, MAP) and reference to the Regional Network Management and Fare Integration Business Case Studies
  - New RM3 allocation request forms
  - New allocation and reimbursement rules related to timing of allocations and reimbursements to help manage RM3 cash flow

*Staff recommend referral of MTC Resolution No. 4404, Revised to the Commission for adoption.*

# RM3 Capital Allocation and Reimbursement “Guardrails”

The RM3 P&Ps include protections and discretion for MTC in reviewing and approving capital allocation requests, including:

- Staff review of allocation requests against RM3 statute and P&Ps
- Project sponsor resolution of compliance with RM3 statute and P&Ps
- Allocation on reimbursable basis, requiring invoicing of eligible costs incurred after allocation approval
- List of allocation principles to be considered in allocation decisions
- Timely use of funds, including allocation expiration date based on project cash flow plan

# RM3 Capital Allocation Request Timeline

- Staff recommend beginning the allocation process on the following timeline:
  - June PAC/Commission: Consider approving allocations for projects with LONPs that have begun expending funds or expect to by the end of FY23; with limited flexibility for other projects with immediate expenditure expectations
  - July PAC/Commission: Consider approving allocations for any other projects ready for RM3 funds, subject to RM3 P&Ps and guardrails discussed on earlier slides
  - Future months: Continue to consider allocations as requested by sponsors
  - RM3 P&Ps require sponsors to submit materials 60 days prior to requested allocation date. Staff will exercise flexibility on this requirement for June and July allocations

# RM3 Capital Program – Repayment Mechanism for Select LONPs

- In 2021, MTC advanced ~\$140M in federal OBAG 3 funds in place of RM3 for two SB1 projects:
  - Marin US-101 Marin-Sonoma Narrows (Sponsor: Transportation Authority of Marin)
  - Solano I-80 Express Lanes (Sponsor: Solano Transportation Authority)
- MTC will work with TAM and STA to convert LONPs to allocations, and to invoice against expended funds.
- MTC will be repaid the advanced federal funds with RM3, which will make the OBAG 3 program whole.

# Questions?

## Staff Contacts

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### RM3 Operating Program

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