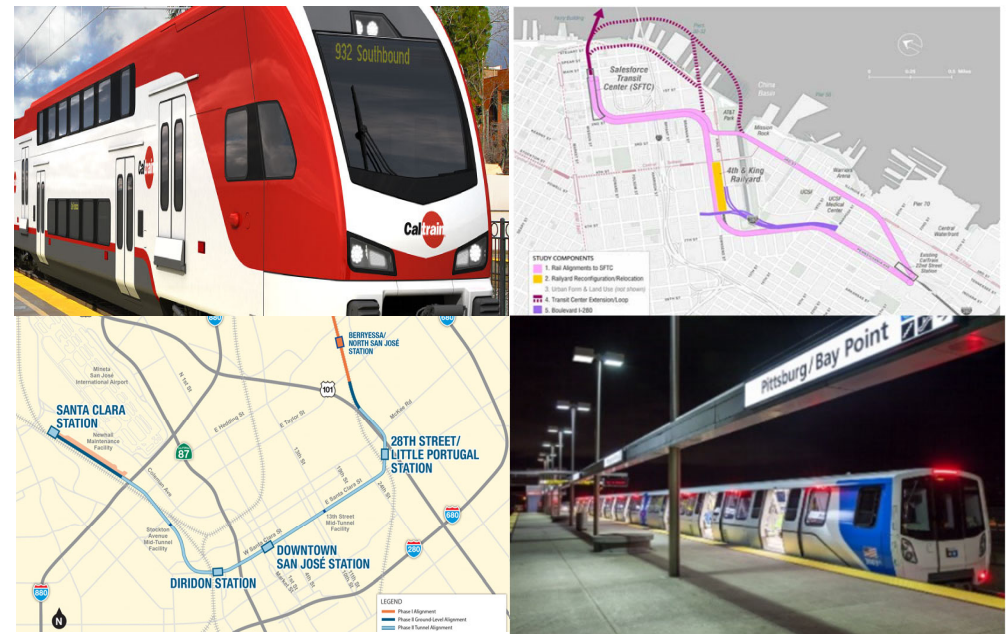


# FTA-Funded Bay Area Mega Project Update and Funding Framework Next Steps



# Introduction

- Current set of transit megaprojects experiencing delays and project delivery challenges.
- Funding landscape evolving with opportunities and constraints.
- Commission and BTRTF have noted the importance of regional leadership and coordination for megaprojects.
- Upcoming adoption of PBA2050 is an opportunity to define strategies to successfully deliver current and next generation of mega-projects.

## Megaprojects in the Bay Area – Focus on FTA Discretionary Funds

Project	Status	Notes	Estimated Cost (\$ millions)	Year of FFGA
Caltrain Electrification	Construction	Cost increase and delay recently announced	2,313	2017
BART Core Capacity	Construction	FTA FFGA executed	3,500	2020
BART to San Jose Phase 2	Design	In project development for FTA Expedited Delivery Pilot Program	6,941	2021 (expected)
Caltrain Downtown Extension	Design	Sponsor seeking entry into FTA New Starts CIG	3,940	N/A (in project development)

# Caltrain Electrification

- Construction and train car fabrication on-going but delayed. Revenue service originally planned for 2022 at a cost of \$1.98 billion
- On June 3<sup>rd</sup>, 2021 the Caltrain Board received a staff update announcing a \$333 million cost increase and ~2-year delay, based on an FTA Risk Assessment
  - The cost increase includes \$161M of known costs and a reserve of \$172M
  - Caltrain staff outlined an initial funding plan to address the cost increase including:
    - American Rescue Plan funding; Debt issuance backed by Measure RR; Additional member contributions if needed and potential \$200M “Super Contingency” that was required by FTA and committed to by 3 member agencies and MTC (MTC Resolution 4267)
- MTC Considerations
  - Work with partners to complete project
  - Project challenges demonstrate need for more work in the areas of Risk Management and Project Oversight
  - MTC’s Rail Governance Study will examine governance and project delivery structures on this corridor and the region as a whole



# BART Core Capacity

- \$3.5 billion program consisting of multiple projects including procuring expansion rail cars, train control modernization, the Hayward Maintenance Complex expansion, and additional traction power substations
- FTA Core Capacity FFGA secured for \$2.7 billion subset of the project that is CIG-eligible
- The components of the project are under construction or entering the construction phase
  - Delivery of rail cars is on hold due to reliability issues, but once resolved the long-term schedule impacts are expected to be minor
- MTC Considerations
  - \$500 million included in RM3 expenditure plan; awarded \$426 million in state TIRCP funds



## BART to San Jose Phase 2

- Currently in design and envisioned to open in 2030, \$6.9 billion BART extension from Berryessa to downtown San Jose
- Currently in project development for FTA Accelerated Delivery Pilot Program
  - Hoping to secure FFGA in 2021
- MTC Considerations
  - \$375 million included in RM3 expenditure plan; awarded \$750 million in state TIRCP funds
  - One of multiple projects seeking major federal investment
  - Importance of coordinating with other key planning efforts including BART Core Capacity, Diridon Station, Caltrain, High Speed Rail



## Caltrain Downtown Extension

- Envisioned to open in 2030-31 at a cost of \$3.94B (based on a 2016 cost estimate), the project includes a new Fourth and Townsend Street Caltrain station and completion of the Salesforce Transit Center train station
- Project development underway based on a project partner MOU including MTC, TJPA, Caltrain, CAHSR, the City and County of San Francisco and SFCTA
  - Proposed entry into FTA New Starts pipeline in Fall 2021
  - Project development expected continue into FY24 and estimated to cost \$54 million
- Considerations for MTC
  - \$325M included in RM3 expenditure plan
  - Importance of coordination with other key planning and project efforts including BART's Link 21, High Speed Rail, Caltrain, and San Jose's Diridon Station
  - One of multiple projects seeking major state and federal investment

# Transit and Intercity Rail Capital Program (TIRCP)

- State grant program funded by Cap and Trade and SB1.
- Commission approved framework in 2016 identifying priority projects for TIRCP funds over the lifetime of Plan Bay Area.
- 58% of the MTC framework has already been awarded.
- Round 5 call for projects expected to be released in Fall 2021 with applications due in early 2022. A minimum of \$500-600M in new funding will be available statewide.
- Recommend updating the framework by the end of 2021 to be consistent with Plan Bay Area 2050, once approved, and aligned with the broader megaproject policy work - in advance of upcoming TIRCP funding round.



# Transit and Intercity Rail Capital Program (TIRCP)

	MTC Res. 4130 Framework 2015-2040	Rounds 1-4 Award Total	Framework Balance after Round 4
<b>Priority TIRCP Projects</b>			
BART Train Control	250	174	76
BART Hayward Maintenance Center	50	-	50
BART Fleet Expansion	200	252	Awarded
<i>BART subtotal</i>	<i>500</i>	<i>426</i>	<i>74</i>
SFMTA Fleet Expansion	481	113	368
SFMTA Facilities	67	-	67
SFMTA Core Capacity Study Projects/BRT	237	42	195
<i>SFMTA subtotal</i>	<i>785</i>	<i>155</i>	<i>630</i>
AC Transit Fleet Expansion	90	14	76
AC Transit Facilities	50	-	50
AC Transit Major Corridors	200	-	200
<i>AC Transit subtotal</i>	<i>340</i>	<i>14</i>	<i>326</i>
Caltrain Electrification	100	20	80
Caltrain EMUs	125	165	Awarded
<i>Caltrain subtotal</i>	<i>225</i>	<i>185</i>	<i>40</i>
VTA BART to San Jose	750	750	Awarded
<b>Priority TIRCP Projects subtotal</b>	<b>2,600</b>	<b>1,529</b>	<b>1,071</b>
<b>Other TIRCP Projects subtotal</b>	<b>400</b>	<b>206</b>	<b>194</b>
<b>Full Framework Total</b>	<b>3,000</b>	<b>1,735</b>	<b>1,265</b>

# Approach for Megaproject Advancement

- Plan Bay Area and predecessor long-range plans established a long-term vision for transit expansion.
- Building on this vision, Resolution 3434 provided a focused framework and strategy to deliver the last generation of major transit capital project.
- Modernization and replacement of Resolution 3434 is needed to bridge Plan Bay Area and discretionary funding decisions and endorsements
- Staff will work with partners towards agreement on *multi-modal* strategies and sequencing of projects to better advocate for federal and state funding

## Next Steps

- Staff seeks direction on next steps:
  1. **Plan Bay Area 2050 Adoption – October 2021:** *Establishes long-term vision and baseline projects for transit expansion*
  2. **Transit and Intercity Rail Capital Program (TIRCP) Framework Update – December 2021:** *Revise and expand Commission endorsement framework for key state funding source to inform 2022 state project selection process*
  3. **Roadmap to Megaproject Advancement Policy – Spring 2022:** *With partner and stakeholder input, develop Bay Area's Megaproject Advancement Policy to modernize and replace Resolution 3434 and establish a strategy to sequence and deliver key megaprojects*
  4. **Adopt Region's Megaproject Advancement Policy – Summer 2022**