

**Metropolitan Transportation Commission
Programming and Allocations Committee**

December 11, 2024

Agenda Item 2g-24-1474

MTC Resolution 4677.

Subject:

Allocation of \$4.2 million in Regional Measure 3 (RM3) Operating Reserve Account funds to the San Francisco Bay Area Water Emergency Transportation Authority (WETA) to support ferry service operations and capital projects.

Background:

Regional Measure 3 (RM3) is a funding initiative passed by voters on June 5, 2018, through a ballot measure in the San Francisco Bay Area. It raised tolls on seven state-owned bridges in the region by \$3, phased in through one-dollar increments in 2019, 2022, and 2025. The toll increase aims to generate revenue for transportation projects that alleviate congestion and improve travel within the Bay Area's toll bridge corridors.

RM3 establishes an expenditure plan for both capital and operating projects, identified in the California Streets and Highways Code, to enhance regional mobility. It is governed and implemented by the Bay Area Toll Authority (BATA) and the Metropolitan Transportation Commission (MTC).

Under the RM3 program, WETA is allocated a dedicated portion of these funds annually to bolster its operations. According to Section 30914.7(c) of the California Streets and Highways Code (S&HC), up to 16 percent, or \$60 million of the annual toll revenues generated by RM3, are allocated for operational assistance. In particular, 58% of this operational assistance funding, capped at \$35 million, is specifically allocated each year for Expanded Ferry Service.

As stipulated in S&HC Section 30914.7(c)(2)(B)(ii), any annual RM3 funds designated for WETA's Expanded Ferry Service that are not spent within the fiscal year are retained by BATA in a reserve account. These unexpended funds, along with any accrued interest, remain accessible to WETA for both capital and operating needs. To access these funds, WETA must submit a request to the Metropolitan Transportation Commission (MTC), clearly outlining how the requested funds will further RM3 objectives.

This allocation represents WETA's inaugural drawdown from its Regional Measure 3 (RM3) reserve account, which is overseen by the Bay Area Toll Authority (BATA). The proposed allocation of \$4.2 million can be accommodated with the current balance in WETA's RM3 reserve account, which stood at \$77 million as of the close of the 2023-24 fiscal year. This drawdown aims to bridge revenue shortfalls and balance the operating budget while addressing rising operating costs, including inflation, increased staffing, and additional cost burdens associated with service electrification.

Issues:

None.

Recommendations:

Refer MTC Resolution No. 4677 to the Commission for approval.

Attachments:

- MTC Resolution No. 4677
 - Attachment A



Andrew B. Fremier