



Major Projects Advancement Policy and Transit and Intercity Rail Capital Program Framework

Programming and Allocations Committee

October 11, 2023

MAP Overview

- The Major Project Advancement Policy (MAP) was adopted in October 2022 to support implementation of Plan Bay Area 2050 and deliver the Bay Area's major transportation projects.
- The adopted MAP includes a project list and funding endorsement table with funding details for Level 1 megaprojects.
- Ongoing updates are required to assist in funding, developing, and delivering MAP projects. Updates will further develop MTC's role in risk management and ensure consistency with regional policies in coordination with existing FTA and project sponsor risk management programs.

2023 MAP Action Schedule

Proposed October 2023 MAP Action

1. Adopt Updated MAP and TIRCP Funding Table
 - Updates to projects costs and inclusion of new funding
 - Re-balancing of TIRCP Augment 2 endorsements
2. Adopt Stage Gate Evaluation Policy and Procedure

Proposed November 2023 MAP Action

- Consider updates to the region's project list for certain federal Bipartisan Infrastructure Law (BIL) Categories

Megaproject Cost Increases

Project	October 2022 Cost as listed in MTC MAP Endorsement Table	October 2023 Cost
BART Core Capacity	\$4.4B	\$5.1B
VTA BART to Silicon Valley Phase II	\$9.0B	\$12.2B
TJPA – The Portal	\$6.5B	\$8.25B

- Cost increases based on project sponsor and FTA Project Cost/Risk Reviews
- Major cost increase factors include adjusted escalation rates, project schedules, labor and materials cost increases, and financing costs
- Increasingly, project sponsors throughout the country are requesting FTA Capital Investment Grant funding equal to 50% of project costs, which creates a demand for this federal source above the available and projected funding levels.

Current Considerations for MAP Endorsement

- MTC prioritized the BART Core Capacity and the VTA BART to Silicon Valley Phase II projects for TIRCP Augment 2 funding in original MAP.
- The FY2023-24 State Budget and subsequent trailer bills direct an estimated \$770M over two years to MTC for TIRCP Augment 2 (expanding eligibility to include transit operations), subject to certain reporting and short-term financial planning requirements.
- In October 2023, staff proposed maintaining the TIRCP Augment 2 funding commitments to these two projects in the MAP and reserving the remaining funds for transit operations.

October 2023 TIRCP – Staff Recommendation

- Consistent with MTC advocacy since 2022, prioritize existing MTC commitments, leveraging nearly \$6 billion in federal matching funding
- Use estimated \$45 million remaining for operating needs

Agency	Project	Estimate based on FY2023-24 State Budget and SB 125	Notes
BART	Core Capacity: <ul style="list-style-type: none"> • Rail Cars and Storage • Traction Power • Train Control System 	\$350 Million	Continued funding for key elements of BART system
VTA	BART to Silicon Valley Phase II	\$375 Million	Funding commitment reinforces FTA New Starts Request
TBD	TBD	\$45 Million	TBD Transit Operations
Total		\$770 Million	

MTC Megaproject Oversight: Stage Gate Evaluation Policy and Procedure

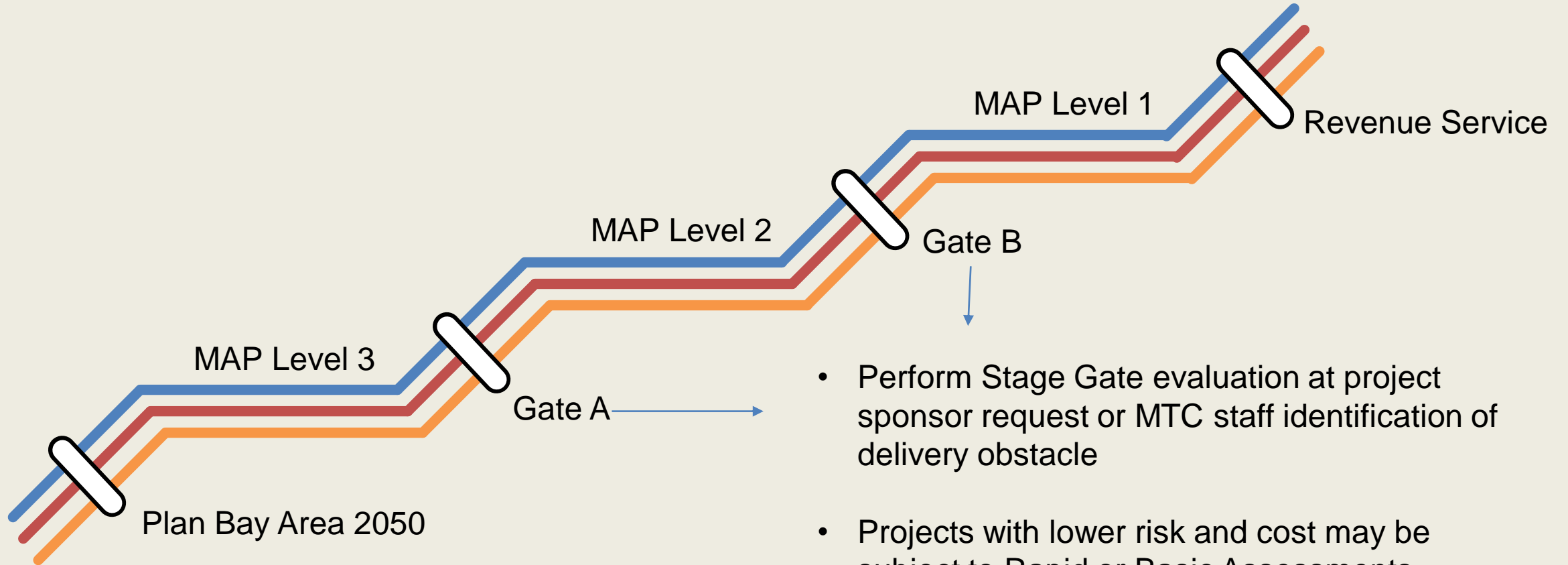
- **Establish framework for evaluations of Bay Area megaprojects focused on:**

- Cost and Funding
- Adherence to Plan Bay Area and regional policies
- Readiness (Including: assessment of governance, procurement, delivery and operating model)

- **Establish process for evaluations**

- Requests for entry into MAP or movement between MAP Levels – process allows for projects to move up or down MAP Levels
- For projects above \$1 billion, Commission approval of evaluation required
- Conduct evaluation
- Recommendations to Commission for action

Stage Gate Process



- Perform Stage Gate evaluation at project sponsor request or MTC staff identification of delivery obstacle
- Projects with lower risk and cost may be subject to Rapid or Basic Assessments.
- Projects with higher risk and cost may be subject to more detailed assessments.

Adopted MAP Level Definitions – October 2022

Projects are placed in MAP levels based on Readiness and Funding Commitments

** based on expectation that projects receiving BIL funds in the initial 5-year period would start construction by 2028*

Plan Bay Area 2050 Tier 1

- **Level 1 – Projects In, or Nearing, Construction**
 - More than 50% committed funding and construction start by 2028*; **or**
 - Transit Megaproject with approved FTA Capital Investment Grants (CIG) Full Funding Grant Agreement (FFGA) or FTA Letter of Intent issued for funding in the Expedited Project Delivery (EPD) pilot program
- **Level 2 – Projects Emerging from Project Development and Ready for Construction**
 - More than 30% committed funding and construction start by 2035
- **Level 3 – Pipeline Projects in Development**
 - Less than 30% committed funding

Evaluation Focus Areas for Project Level-Setting

Policy

- Adherence to Plan Bay Area and regional policies such as Transit Oriented Communities, Clipper/Fare Integration/Discount Fares, Express Lane Strategic Plan, Vision Zero, Complete Streets, Mapping/Wayfinding.

Cost/Funding

- Assessment of contingency, escalation rates, and overall cost estimates versus recent peer projects. Assessment of capital and operating funding plan for non-committed fund sources.

Readiness Evaluation

- Assessment of governance, procurement, delivery and operating model

Define Type of Assessment Based on Project Risk/Complexity and Cost

Evaluation components:

Stage Gate Evaluation

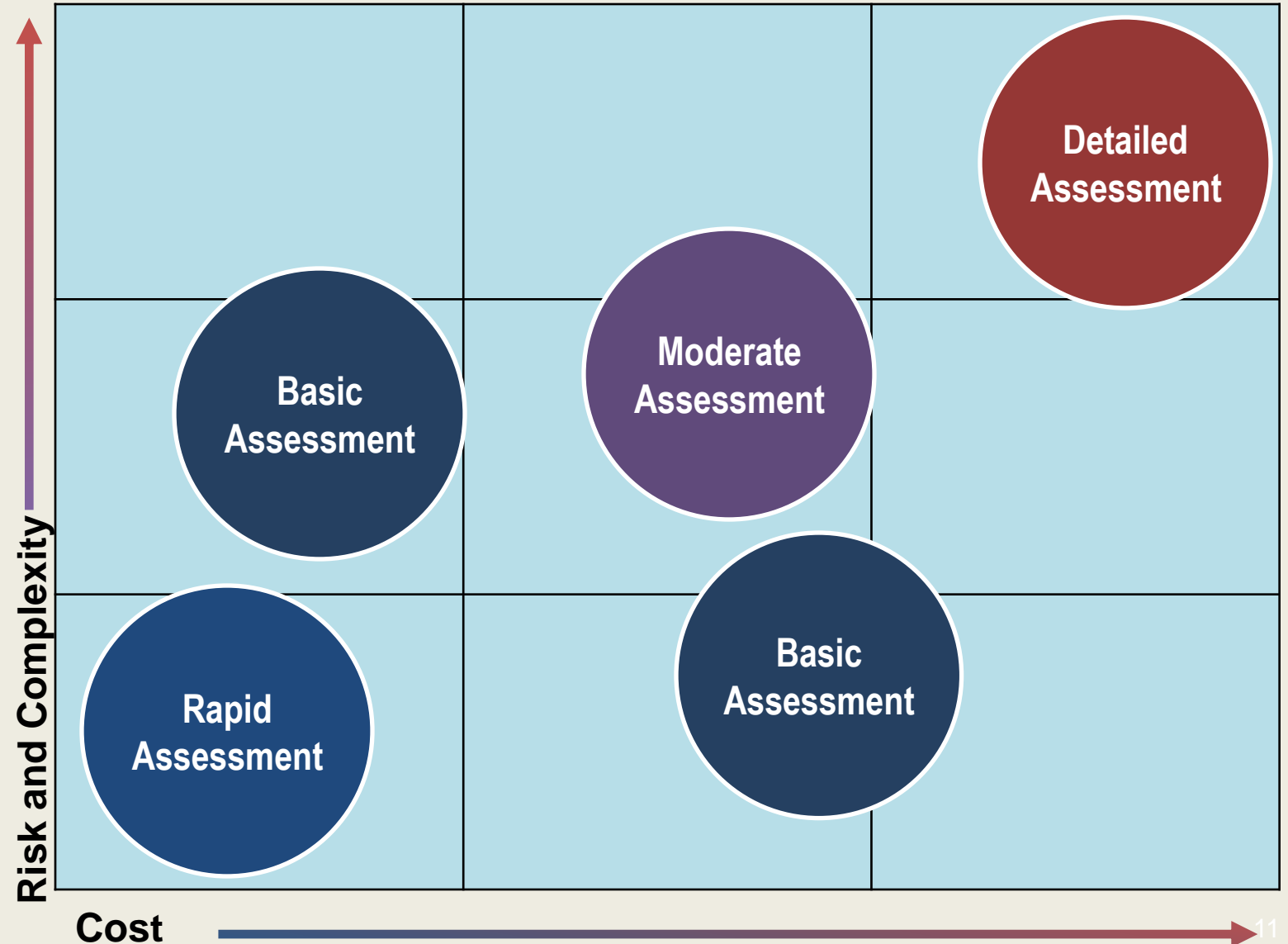
- Assess a project's readiness to move to the next MAP level

Health Check Reviews

- Regular reviews of project development to make Stage Gate Evaluations more efficient and identify any issues that should be addressed prior to evaluation

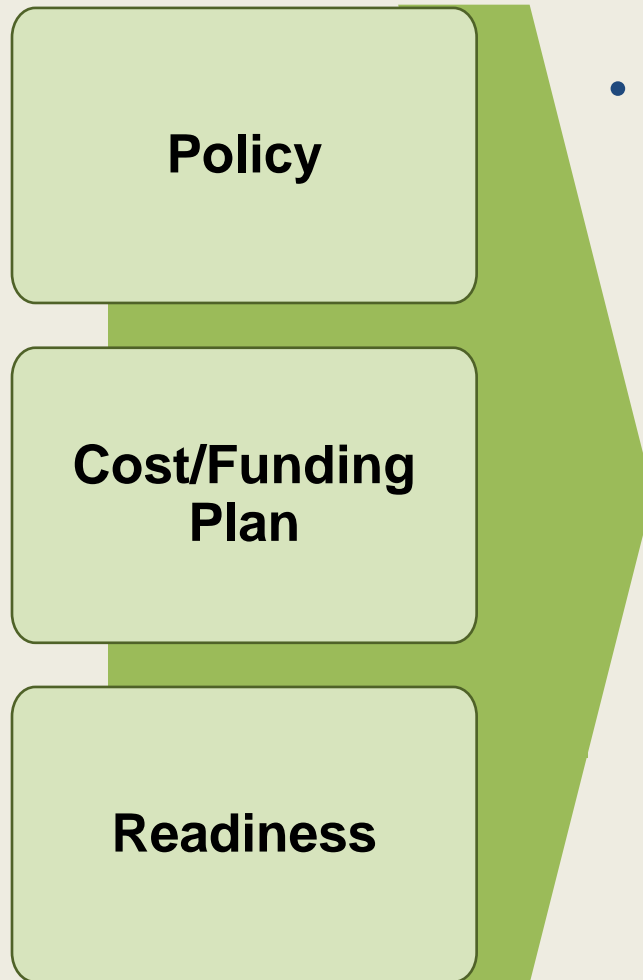
Deep Dive Reviews

- Focused assessment of core issues that may be triggered during a Stage Gate Evaluation or Health Check
- Enhance project's performance or minimize risks



Summarizing the Evaluation

Assess the project based on three considerations



- **Based on the three considerations, the project receives a confidence score (low, medium, high) and set of recommendations derived from the three considerations.**
- MTC staff presents the evaluation to the Commission with a recommendation that may include:
 1. Advance the project to the next level without conditions.
 2. Advance the project to the next level with specific conditions.
 3. Do not advance the project until specific conditions are met or further assessment is performed.
 4. Reassignment of the project to a lower MAP Level until specific conditions are met.

Proposed Programmatic Categories Update

Proposed Categories (Changes in bold)	Status/Next Step	Establish Levels in MAP
Express Lanes	Develop Regional Strategic Plan	Late 2023
Grade Separations	Assign Projects to MAP Levels in Summer 2023 – Consistent with BIL Strategy	Late 2023
Zero Emission Transit Transition	Develop Regional Strategic Plan – Identify Level 1 projects for 2023 federal funding cycle	Late 2023
Transit Expansion	Continue to work with transit operators to identify projects for FTA Small Starts and other funding opportunities	TBD
Transit Priority, Networks, and State of Good Repair	February 2023 – MTC to award \$21 million for transit priority projects through Transit Priority Initiative program 2023–2024 – Inventory and identify additional projects and develop MAP Levels	Late 2023
Goods Movement	Assign Projects to MAP Levels in March 2023 – Consistent with BIL Strategy	Late 2023
Other Roadway	Assign Projects to MAP Levels in March 2023 – Consistent with BIL Strategy	Late 2023

Bipartisan Infrastructure Law Regional Endorsement List

- Adopted by Commission in 2022 for major categories of the BIL
- Developed in coordination with partners for larger scale projects of regional and national significance
- Nearly 60% of BIL awards to California are Bay Area projects
- Staff intends to review and may recommend additions and/or substitutions to list later in 2023

Bipartisan Infrastructure Law – Recent Awards

BIL Regional Priority Project	Grant Program	Bay Area Award	California Award	California % National Awards	Bay Area % California Awards
Bay Area Awards Secured					
Golden Gate Bridge Seismic Retrofit	Bridge Investment Program (Large)	\$400 Million	\$400 Million	19%	100%
Caltrain Electrification	Capital Investment Grant Augment	\$43 Million	\$143 Million	34%	58%
BART Core Capacity	Capital Investment Grant Augment	\$40 Million			
Port of Oakland Electrification and Modernization	Port Infrastructure Development Program	\$37 Million	\$94 Million	13%	39%
Zero-Emission Buses and Infrastructure	Low- and No-Emission Bus Grants	\$43 Million	\$150 Million	10%	29%
Zero-Emission Buses and Infrastructure	Bus and Bus Facilities Discretionary Grants				

Staff Recommendation

- **Bay Area TIRCP Funding – \$770M Total:** Staff recommends maintaining the TIRCP Augment 2 funding commitments to BART Core Capacity (\$350M) and the VTA BART to Silicon Valley Phase II (\$375M) projects and reserving the remaining funds for transit operations (\$45M).
- **Staff recommends adopting the Stage Gate Evaluation Policy and Procedure** for projects to move up or down MAP Levels.

Questions?
