



# **Staff Proposal: Financially Constrained Investment Plan**

Planning Committee Meeting

July 11, 2008

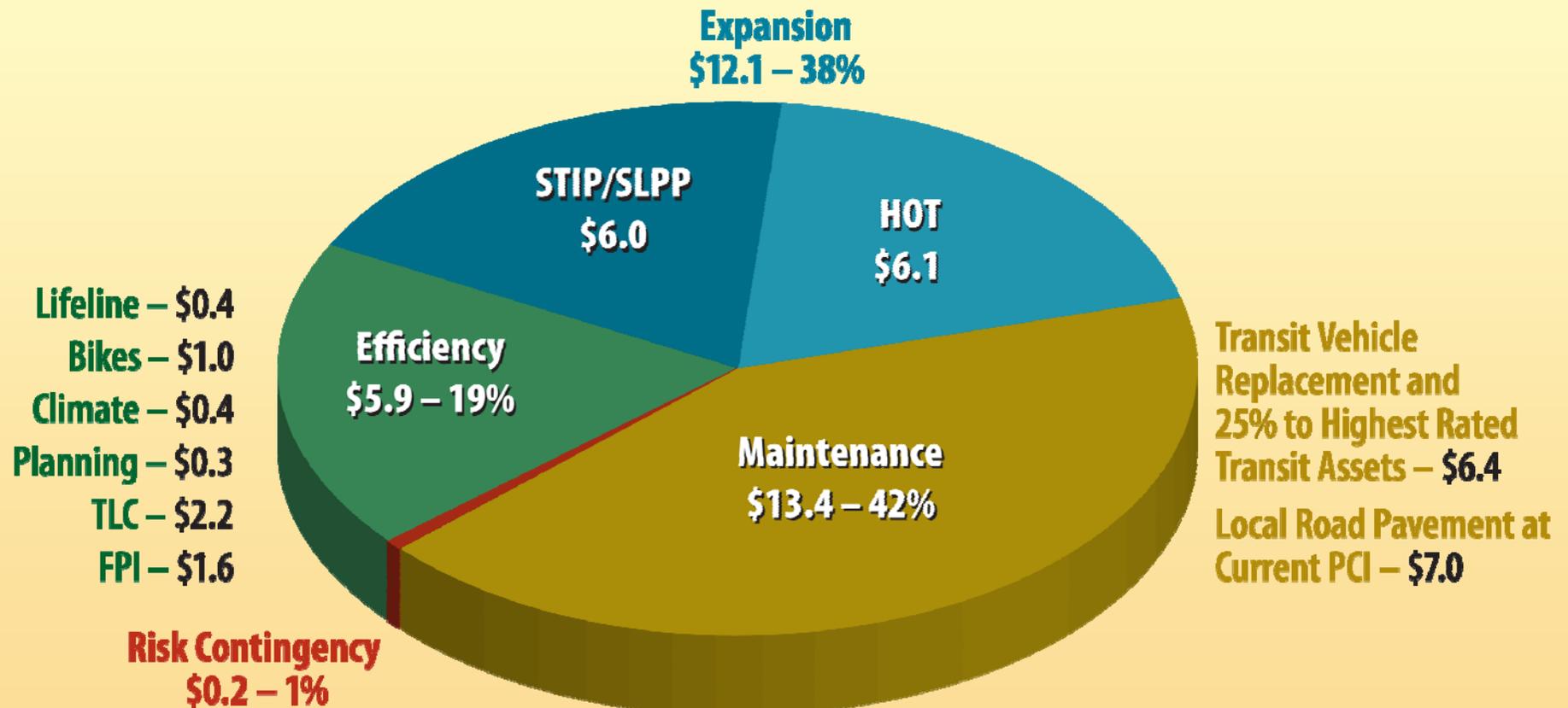


# Transportation 2035: Draft Financially Constrained Investment Plan

1. Staff Proposal for the Uncommitted Discretionary Funds – **\$32 Billion**
2. Committed Funds – **\$191 Billion**
3. Draft Financially Constrained Investment Plan – **“The Big Picture” – \$223 Billion**

# 1. Staff Proposal (billions of \$)

**Staff Proposal = \$31.6 total**



# Staff Proposal: Investment Plan for the \$31.6 Billion Uncommitted Discretionary Funds

(escalated billions \$)

Investment Category	Staff Proposal	% of Total	Rationale
<b>Maintenance</b>			
Transit	\$6.4	20%	Regional investment priority given to vehicles plus 25% of to-be-determined priority guideway (e.g. track and structures) needs
Local Road	\$7.0	22%	Regional investment priority given to MTS pavement needs to maintain current PCI of 64
State Hwy			Assumes State responsibility for funding shortfall need
<b>Subtotal</b>	<b>\$13.4</b>	<b>42%</b>	
<b>Efficiency</b>			
Lifeline	\$0.4	1%	Extends Commission's current 10-year Lifeline commitment (\$300 million, which includes means-based pilot program) to 25 years for a total investment of \$700 million
Regional Bicycle Plan	\$1.0	3%	Fully funds Regional Bike Plan network, excepting toll bridge facilities
Climate Change/PM Reduction Program	\$0.4	1%	Fully funds 5-year Climate Change/Particulate Matter Reduction Program that includes the following elements: 1. Outreach/Incentives Programs - \$27 million/yr 2. Safe Routes to School/Transit - \$ 20 million/yr 3. Transit Priority Program - \$10 million/yr
Planning	\$0.3	1%	Planning funds for CMAs and Regional Agencies (ABAG, MTC, BCDC)
TLC	\$2.2	7%	Doubles current program from \$27 million/yr to \$60 million/yr
FPI	\$1.6	5%	Fully funds capital and maintenance/operations costs
<b>Subtotal</b>	<b>\$5.9</b>	<b>19%</b>	
<b>Expansion</b>			
	<b>\$12.1</b>	<b>38%</b>	Revised HOT revenue estimates increase 25-year projection from \$5.1 billion to \$6.1 billion; STIP/SLPP amount remains at \$6.0 billion
STIP	\$5.7		
SLPP	\$0.3		
HOT	\$6.1		
<b>Cost Risk Contingency</b>	<b>\$0.2</b>	<b>1%</b>	Includes additional contingency for committed projects to cover potential committed projects cost increases
<b>TOTAL \$31.6</b>			

# MTC Advisory Committee Recommendations

Staff Proposal

Adv. Council, EDAC, MCAC

Transit Maint.	• \$ 6.4 Billion	↑ Funding
Local Road Maint.	• \$ 7 Billion	= Concur
Lifeline	• \$0.4 Billion	↑ Funding
Bike/Ped.*	• \$ 1 Billion	↓/≈ Funding*
Climate	• \$0.4 Billion	↑ Funding
TLC	• \$ 2.2 Billion	= Concur
FPI	• \$ 1.6 Billion	↓ Funding

\*Redistribute a portion of funds to pedestrian projects



# Advisory Committee Comments

## Advisory Council

- Revisit Committed Projects

## EDAC

- **Lifeline:** include project categories for both seniors and persons with disabilities

## MCAC

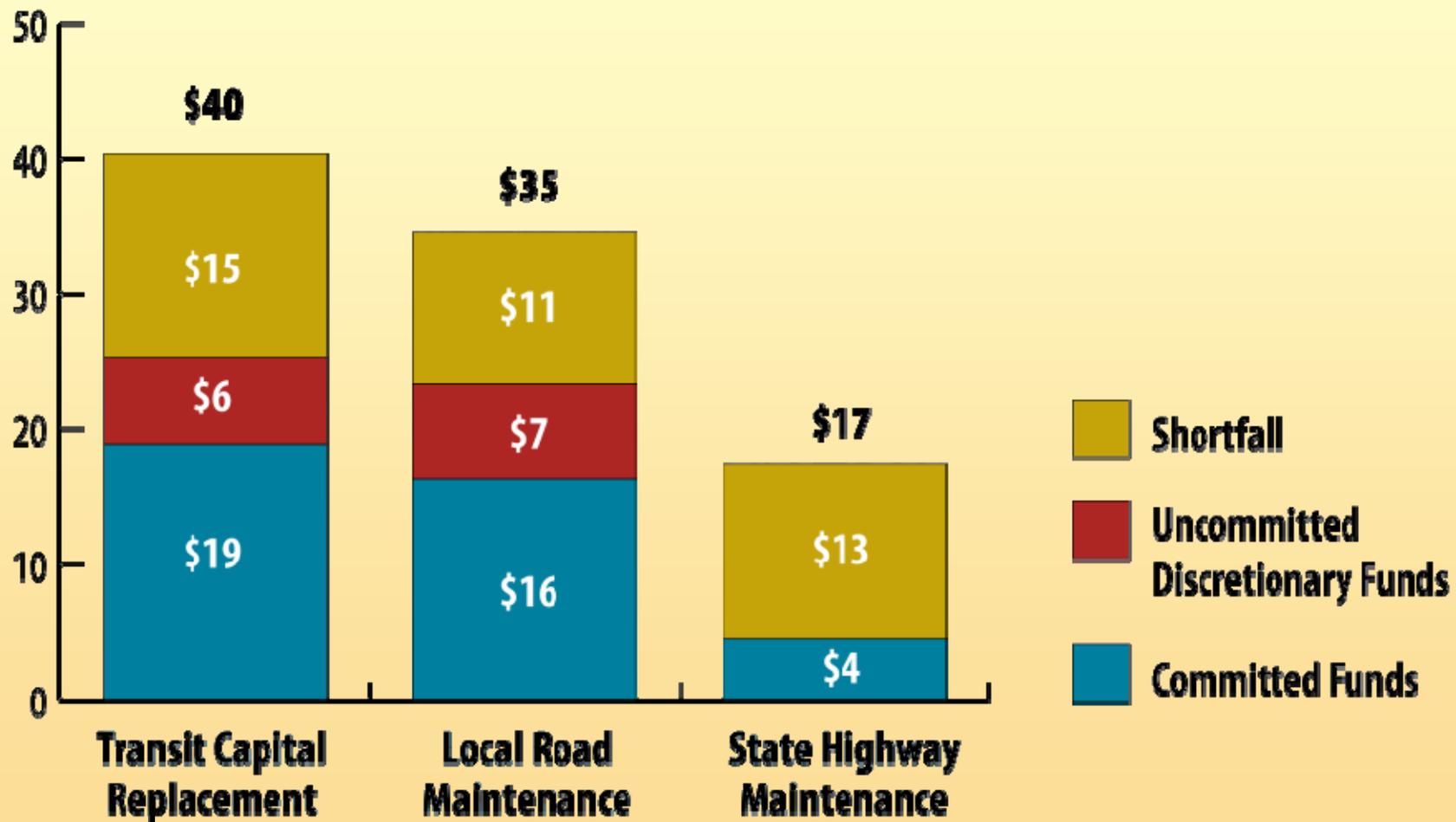
- **Lifeline:** fully-fund program (\$1.6 B), focus on filling gaps in service
- **Bike/Pedestrian:** focus on local, non-recreational routes
- **Climate:** focus on safety including Safe Routes to Transit and Safe Routes to Schools
- **TLC:** involve Committee in defining program

## STIP/SLPP: Project Selection

- Different views from each committee

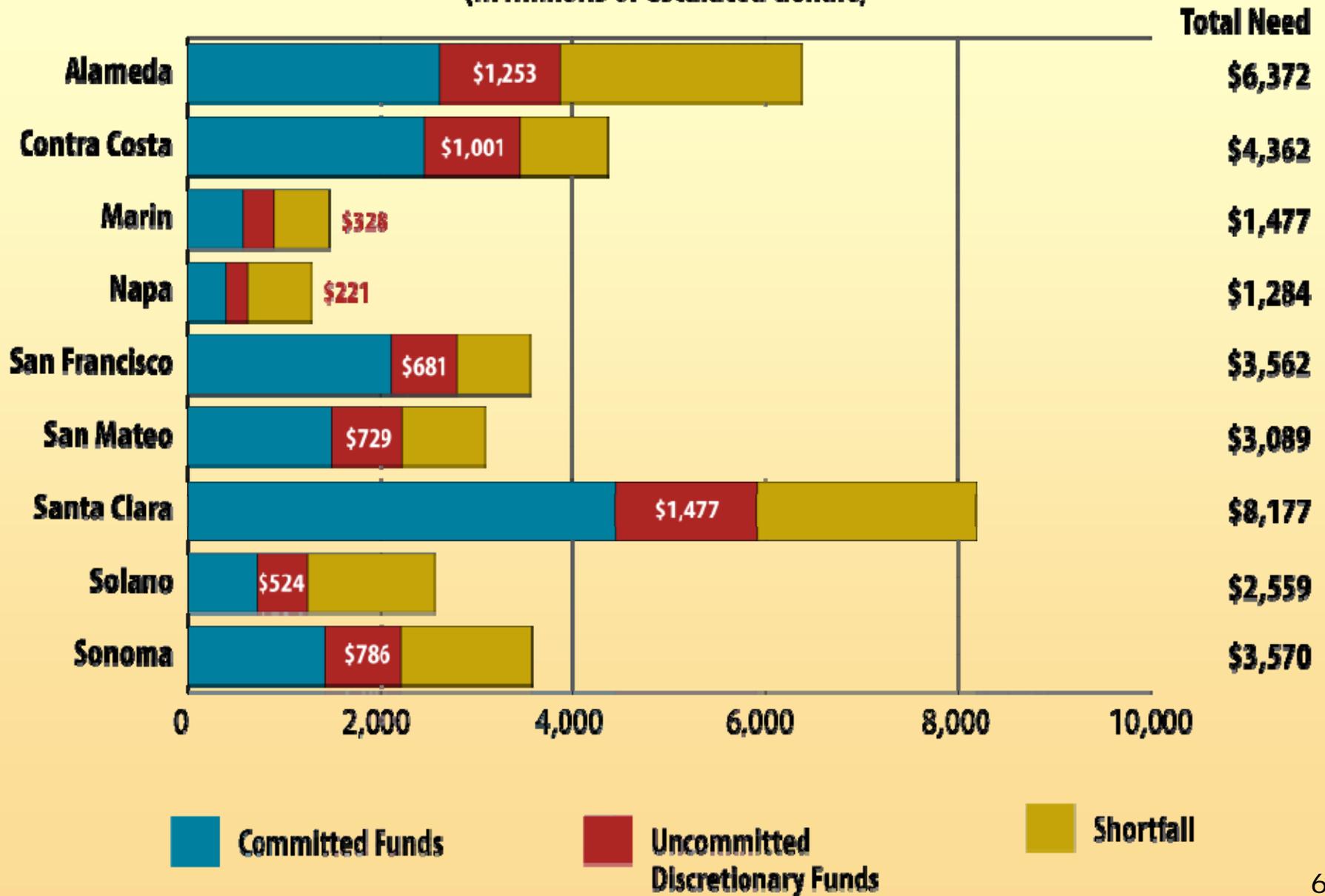
## Maintenance Needs, Funding, Shortfalls

(In billions of escalated dollars)



# Road Maintenance Expenditures by County

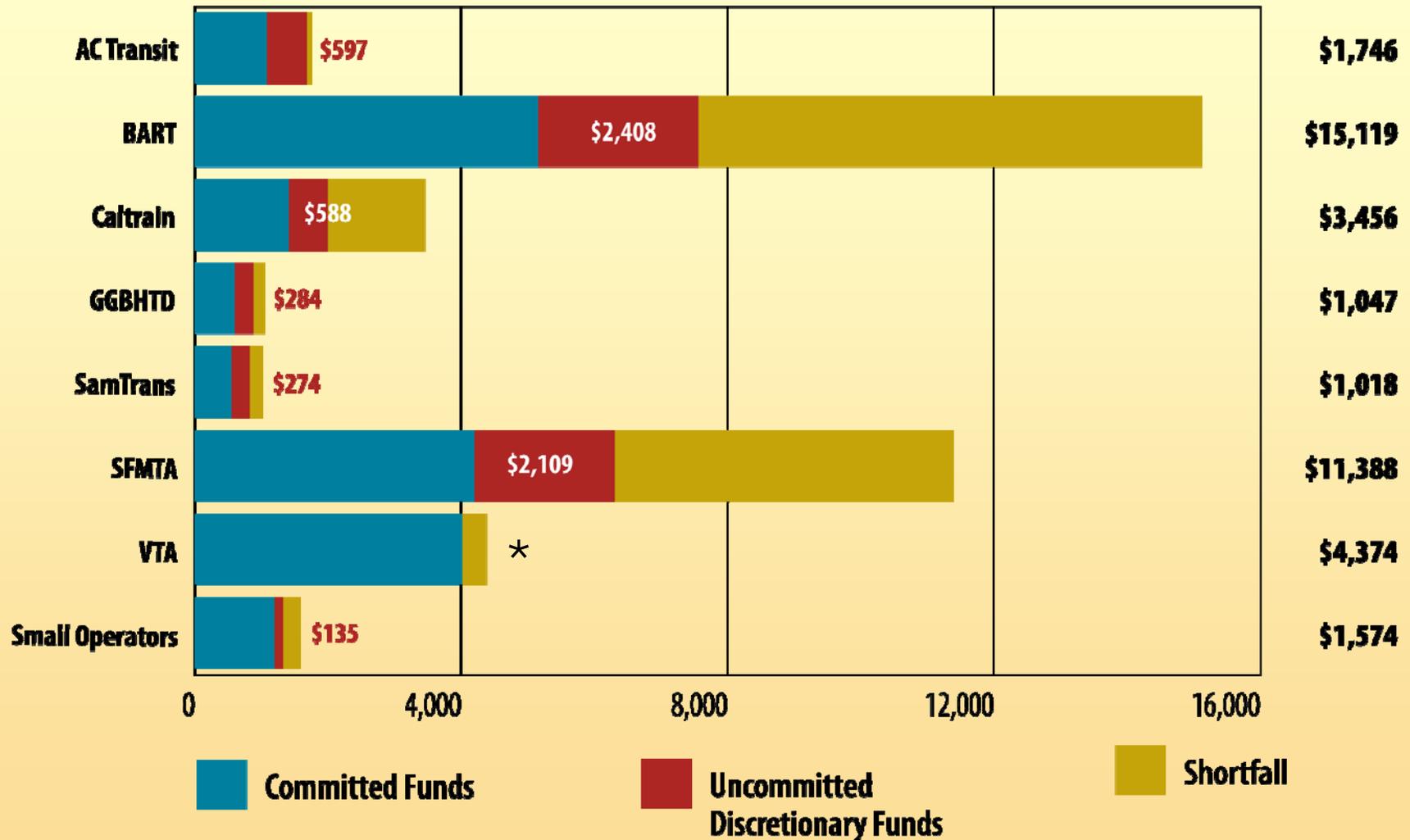
(In millions of escalated dollars)



# Total Transit Capital Replacement Needs and Shortfalls by Operator

(In millions of escalated dollars)

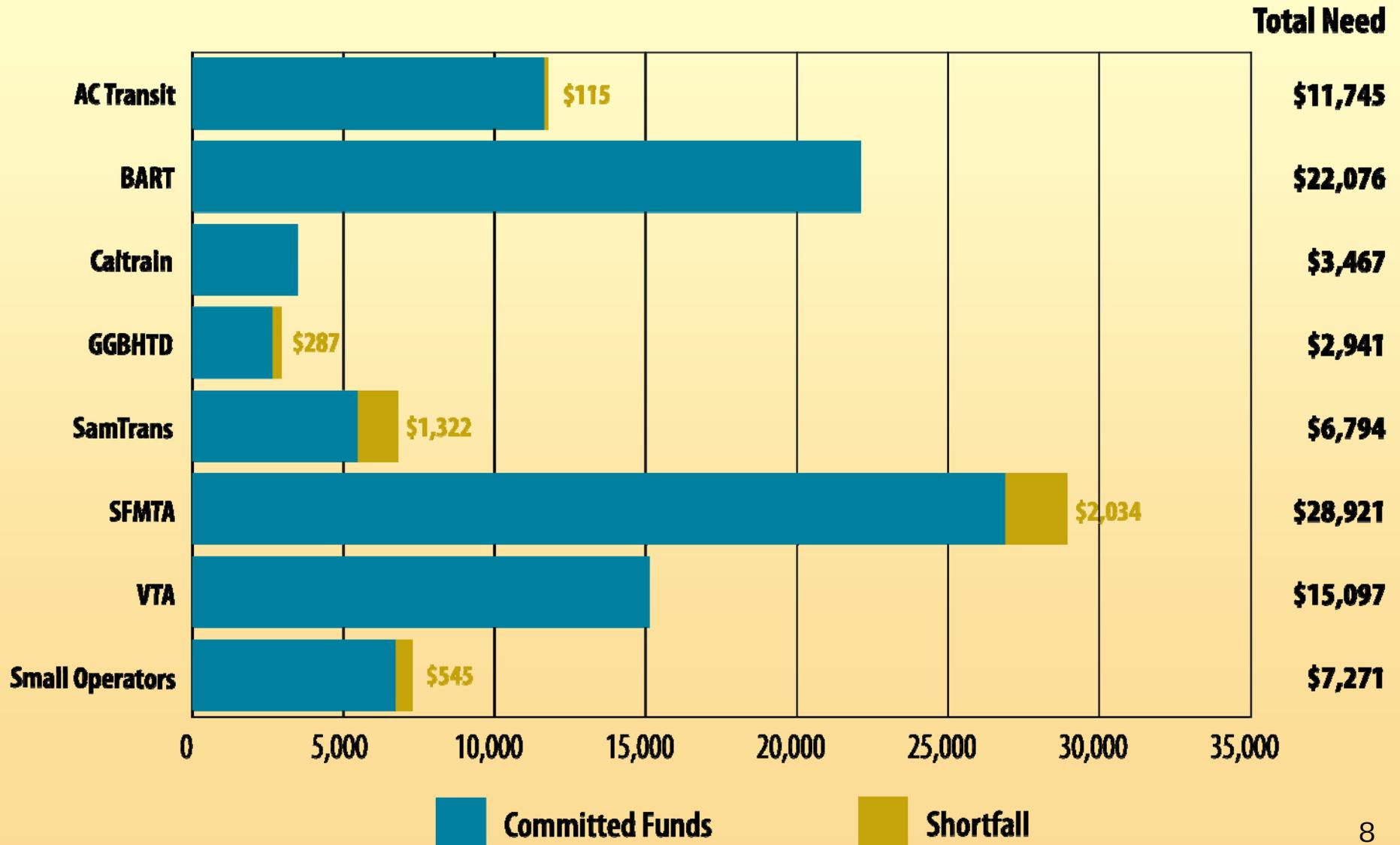
**Total Need**



\*VTA has no projected Score 16+ shortfall

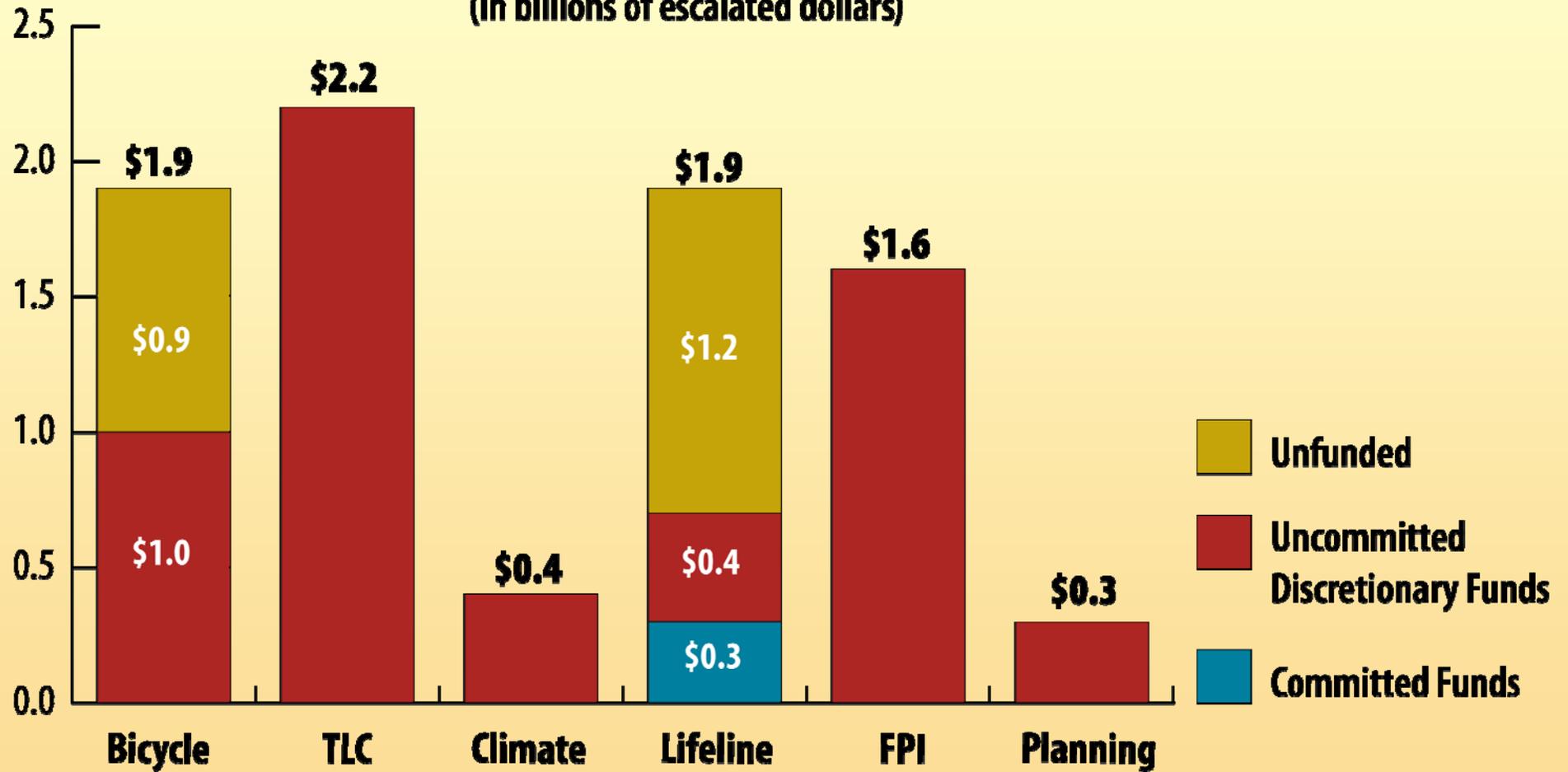
# Total Transit Operating Needs and Shortfalls by Operator

(In millions of escalated dollars)

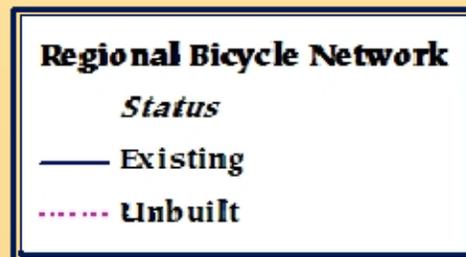


## Efficiency Requests and Funding

(In billions of escalated dollars)

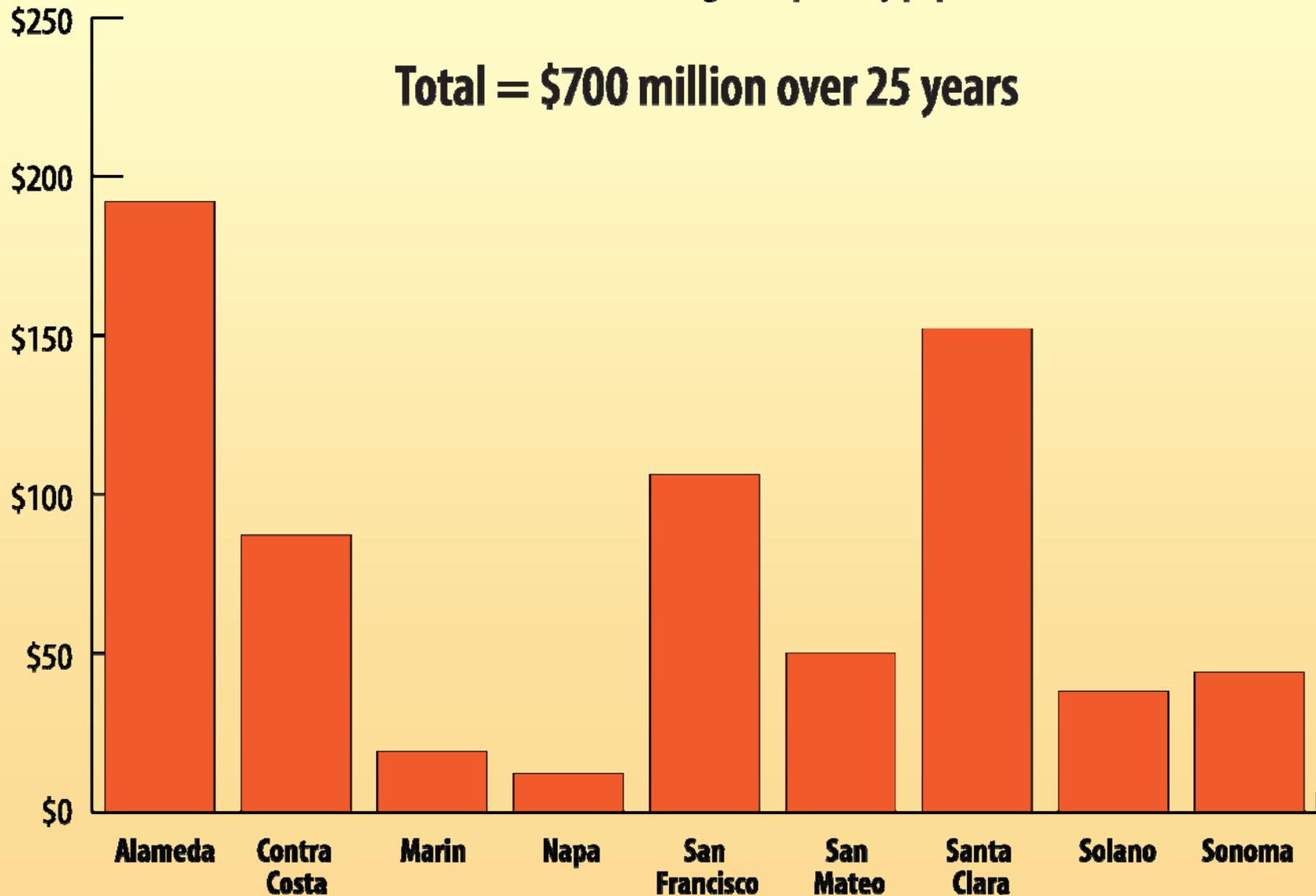


# Bay Area Bike Network



# Lifeline County Share

(based on share of total regional poverty population)





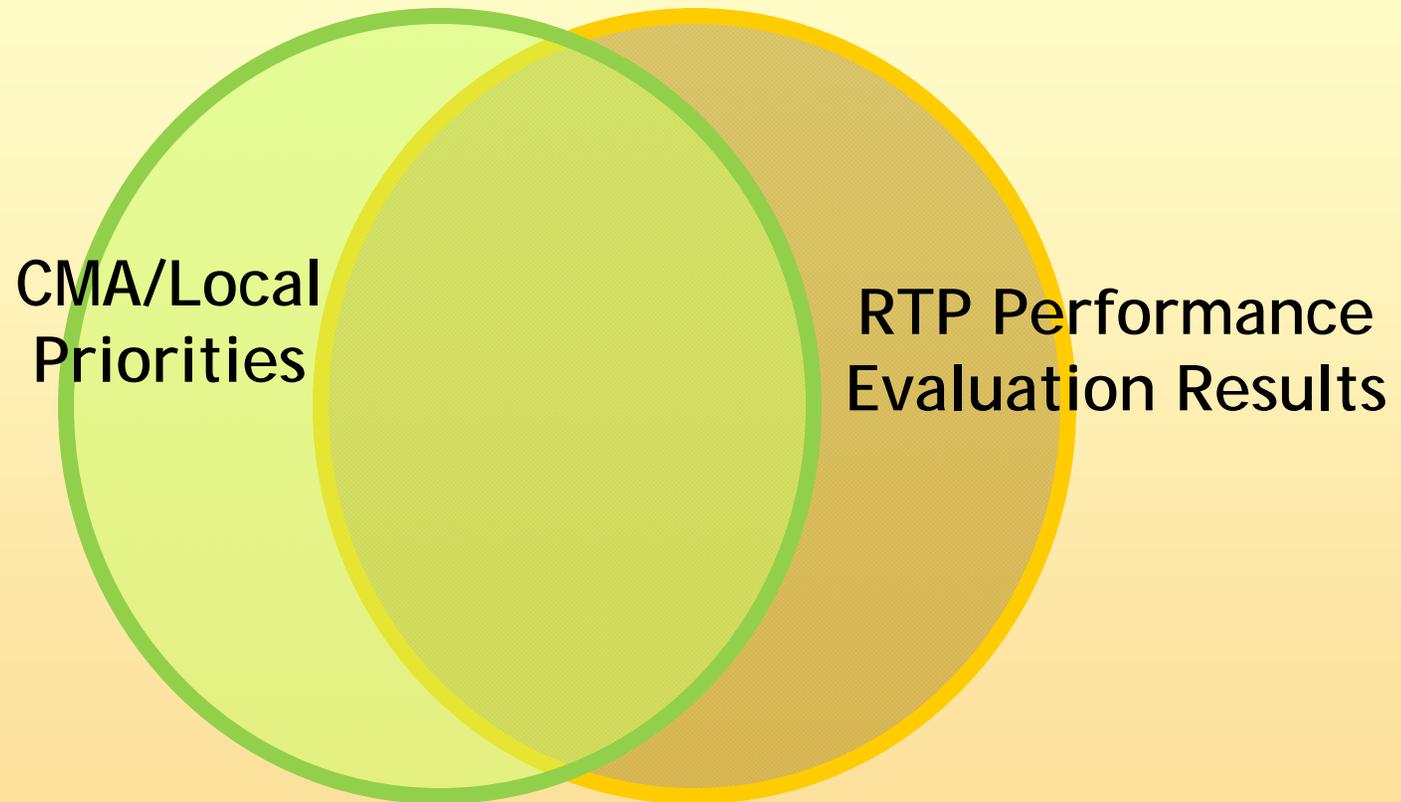
# Proposed Planning Funds

(escalated in thousands of \$)

	FY 08/09		25-Year Total
<b>Counties</b>	<b>\$525 – \$915</b>		<b>\$204,000</b>
<b>MTC</b>	<b>\$525</b>	<b>*</b>	<b>\$19,000</b>
<b>ABAG</b>	<b>\$525</b>	<b>*</b>	<b>\$19,000</b>
<b>BCDC</b>	<b>\$260</b>	<b>*</b>	<b>\$9,000</b>
<b>TOTAL</b>	<b>\$6,925</b>		<b>\$251,000</b>

\* Allocations made to counties start in FY 08/09; first allocation to MTC, ABAG, and BCDC start in FY 09/10

# Expansion Investment Approach



# Cost-Effective Projects Included on Counties' Priority Lists

Projects with B/C  $\geq 3$  and Strongly Supports  $\geq 2$  Goals  
 In millions of escalated \$

	Project Cost	Requested Discretionary Funds	BC Ratio	Number of Goals Strongly Supported
AC Transit's Transit Priority Measures and Corridor Improvements Phase 1	\$20	\$20	30	4
Marin County's Transit Priority Measures	\$35	\$35	4	4
Bus Rapid Transit and Transit Preferential Streets in San Francisco	\$54	\$14	17	4
Geary Bus Rapid Transit	\$219	\$93	0.7	4
Santa Clara Route 237 ramp improvements	\$18	\$18	5	2
Solano Jepson Parkway	\$194	\$60	5	2

# Cost-Effective Projects Excluded from Counties' Priority Lists

Projects with B/C  $\geq 3$  or Strongly Supports  $\geq 2$  Goals

In millions of escalated \$

	Project Cost	Requested Discretionary Funds	BC Ratio	Number of Goals Strongly Supported
AC Transit Priority Measures and Corridor Improvements Phase 2	\$37	\$37	30	4
Alameda I-580 WB Truck Climbing Lane in Altamont Pass	\$91	\$91	8	1
Solano North Connector: Parallel Corridor to I-80 from Red Top to Abernathy	\$70	\$35	7	1
Solano Route 12 Capacity, Operations, and Safety Improvements	\$118	\$118	4	1

# Projects with Uncertain Need Included on Counties' Priority Lists

Projects with B/C <1

In millions of escalated \$

	Project Cost	Requested Discretionary Funds	BC Ratio	Number of Goals Strongly Supported
Contra Costa I-680/Norris Canyon Road HOV Direct Connector Ramps	\$102	\$43	<1	1
Contra Costa Route 4 bypass/SR 160 Freeway Connectors	\$60	\$36	<1	1
San Mateo Route 92 improvements from San Mateo Bridge to I-280 (includes widening and uphill passing lane from U.S. 101 to I-280)	\$86	\$35	<1	1

# Proposed ITIP Allocation

(escalated millions of \$)

	Committed ITIP	Proposed ITIP
<b>Intercity Rail</b>		
Capitol Corridor	\$149	—
Oakland Subdivision ROW (Dumbarton)	\$39	\$40
Hercules Intermodal	—	\$14
ACE ROW/Improvements	—	\$75
Martinez Subdivision Grade Seps.	—	\$75
<b>Regional Program</b>		
I-80/680 Interchange Phase 1	—	\$200
SRs 25, 152 Improvements	—	\$245
I-580/680 I/C Improvements	—	\$576
Novato Narrows	—	\$180
<b>TOTAL</b>	<b>\$188</b>	<b>\$1,401</b>

# What are Express/HOT Lanes?

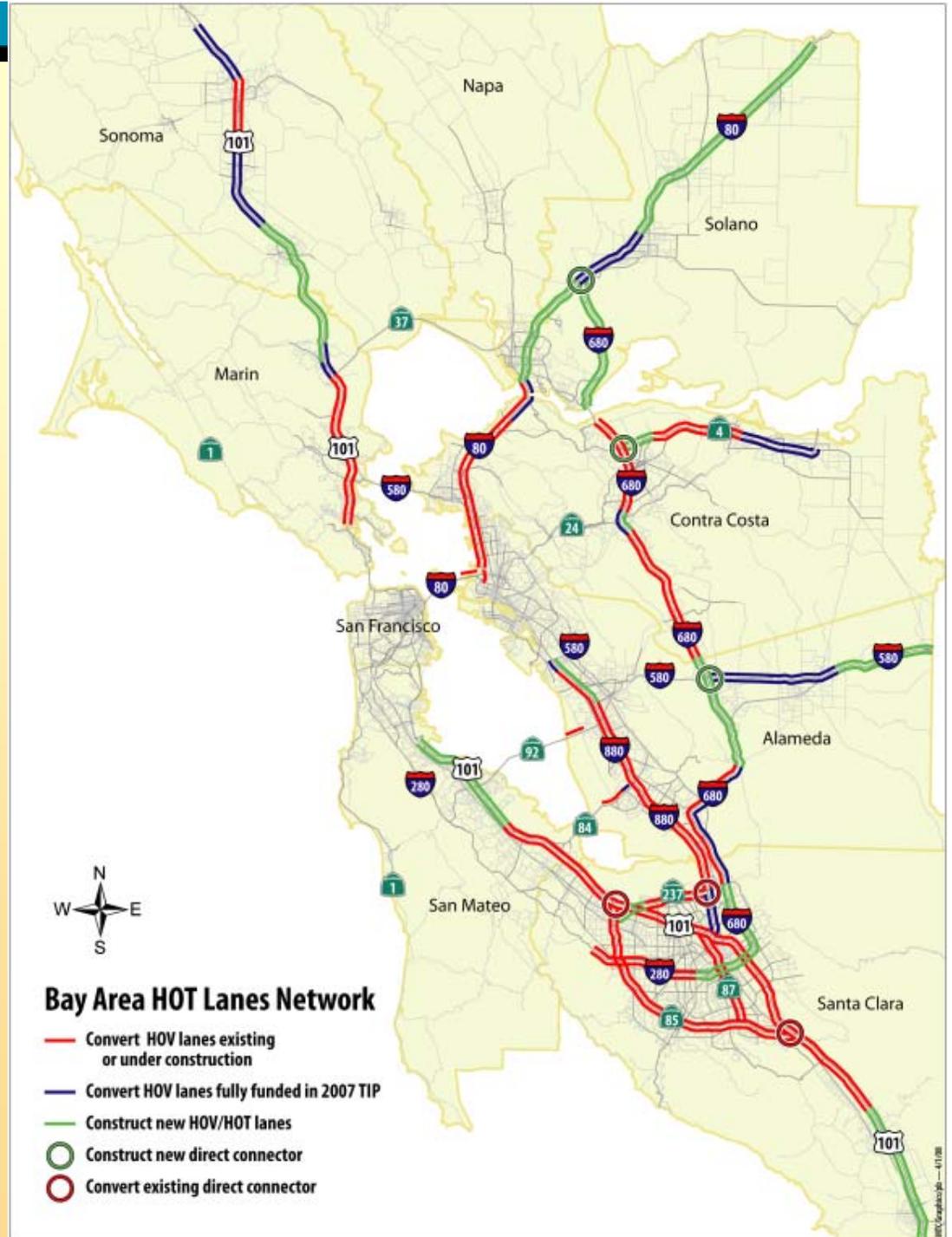
- HOV lanes with a twist
- Carpools, buses free of charge
- Those who drive alone can choose to pay a toll
- FasTrak® toll collection
- Variable tolls manage demand



I-25 Express Lanes Toll Schedule

Morning		Evening	
5:00 – 6:00	\$0.50	Noon – 3:00	\$0.50
6:00 – 6:45	\$1.75	3:00 – 3:30	\$1.50
6:45 – 7:15	\$2.75	3:30 – 4:30	\$2.00
7:15 – 8:15	\$3.25	4:30 – 6:00	\$3.25
8:15 – 8:45	\$2.75	6:00 – 7:00	\$1.50
8:45 – 10:00	\$1.75	7:00 – 3:00 am	\$0.50

# Regional HOT Network



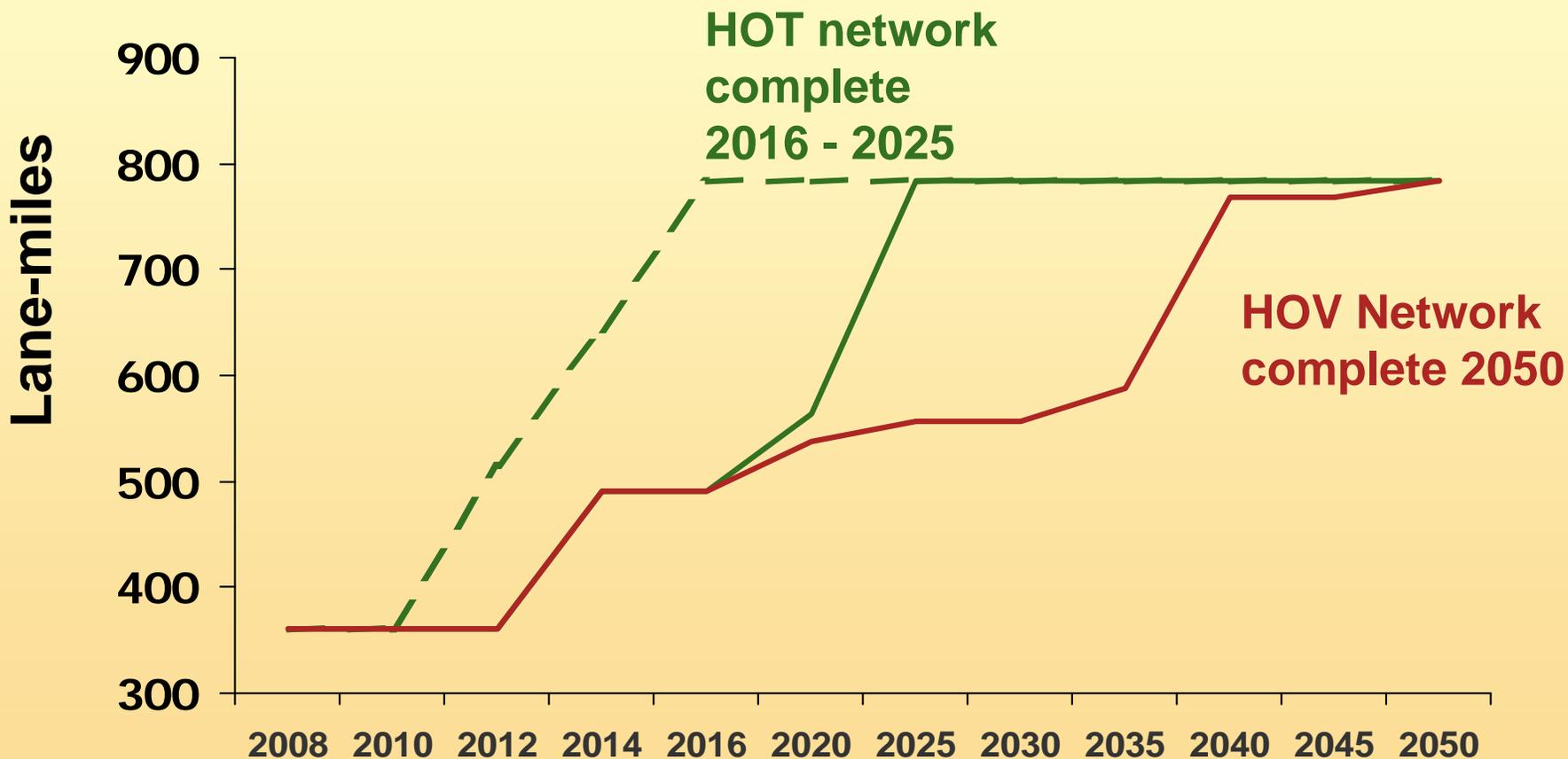


# Why a Regional HOT Network?

- **Completion of network 20 to 40 years faster.**
- **Reduce congestion and emissions.**
- **Advantages of regional approach:**
  - Traffic forecasts are higher when a full network is in place as travel is not limited to county boundaries.
  - Viable financing plan using bridge toll backstop.
  - Consistent Caltrans design exceptions.
  - Common tolls across a full network avoids confusion and is politically fair.

Selective tolling creates public backlash on roads that are free and those that are not.

# HOT Complete Much Faster than HOV



# Benefits of HOT Network

(Compared to HOV)

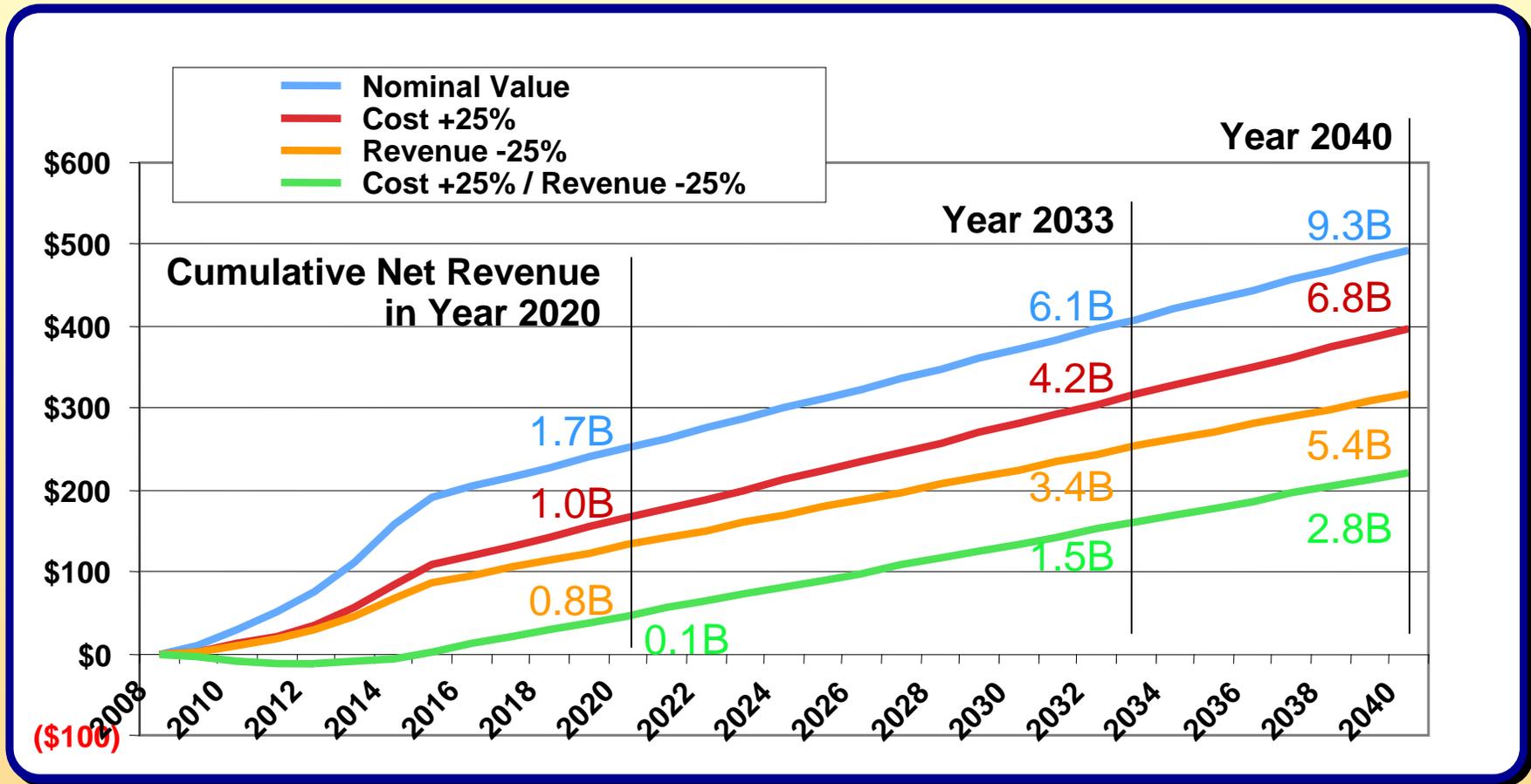
Travel time, capital cost and emissions savings

Value of travel time savings	\$97.2 B
Value of CO <sub>2</sub> emission savings	\$1.8 B
Capital cost savings	\$0.3 B
Total savings	+ \$99.3 B

# Start-Up vs. Existing Credit

	Start-Up	Existing
Construction Costs	\$1 Billion	\$1 Billion
Financing Rate	5.5%	5.5%
Term (years)	25	30
Accrued Interest	\$307 Million	—
<b>Total Financed</b>	<b>\$1.4 Billion</b>	<b>\$1.1 Billion</b>
<b>Total Debt Service</b>	<b>\$2.7 Billion</b>	<b>\$2.3 Billion</b>
Savings	—	<b>\$400 Million</b>

# Range of Net Revenue\*



\* Assumes Rapid Delivery Approach

# Equity Proposal: Net Revenue Sharing

(Dollars in billions in year 2033)

County	Share of Net Revenue	Stress Test	T2035
Alameda	27	0.4	1.7
Contra Costa	31	0.4	1.9
Santa Clara	38	0.6	2.3
Regional (Toll Bridges)	4	0.1	0.2
<b>TOTAL</b>	<b>100%</b>	<b>\$1.5</b>	<b>\$6.1</b>



# Net HOT Revenue Corridor Proposed Expenditures

- **Alameda County**
  - Express Bus/BRT
  - ITS Management Technologies
  - Rail Improvements
- **Contra Costa County**
  - Corridor Mobility Improvements TBD
- **Santa Clara**
  - Transit – 2000 Measure A capital and operating needs
  - Local Road Rehabilitation
  - Local Transportation Projects and Enhancements
- **Regional (Toll Bridges)**
  - Corridor Mobility Improvements TBD



# HOT Network Principles

- 1. Collaboration and cooperation –**  
CMAs, Caltrans, CHP, BATA
- 2. Corridor-based focus and implementation –**  
user orientation
- 3. Reinvestment within the corridor –**  
capital and operating
- 4. Corridor investment plans –** guide reinvestment
- 5. Simple system –** consistent design, signage, marketing
- 6. Toll collection –** BATA
- 7. Financing –** could include BATA toll bridge enterprise

# The Color of Money

## Staff Proposal: \$31.6 billion

In billions of escalated \$

	RTIP/ITIP/ SLPP \$6.0	STP/ CMAQ \$5.5	STA Spillover \$0.9	JARC/New Freedom \$0.2	HOT \$6.1	Anticipated/ Unspecified \$12.9	Total
<b>Maintenance</b>							
Transit	\$0.2	\$1.0	\$0.7			\$4.7	\$6.6
Local Roads		\$1.4				\$5.6	\$7.0
Highways							—
<b>Efficiency</b>							
Lifeline			\$0.2	\$0.2			\$0.4
Bike, Climate, TLC, FPI, Planning		\$3.1				\$2.4	\$5.5
<b>Expansion</b>	\$5.8				\$6.1		\$11.9
<b>Risk Contingency</b>						\$0.2	\$0.2
<b>Total</b>	<b>\$6.0</b>	<b>\$5.5</b>	<b>\$0.9</b>	<b>\$0.2</b>	<b>\$6.1</b>	<b>\$12.9</b>	<b>\$31.6</b>

# Past and Present RTP Discretionary Commitments

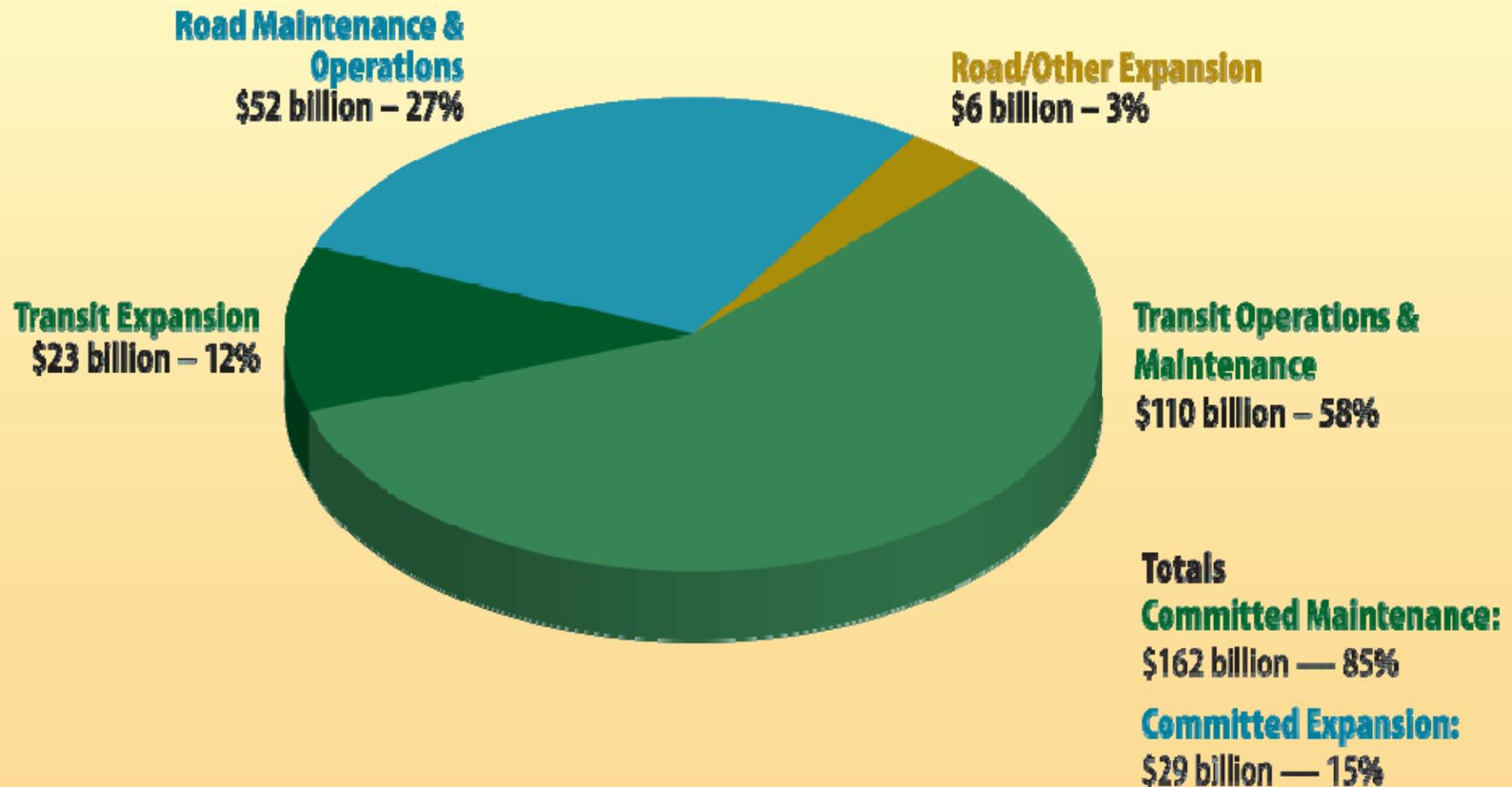
	2001	2005	2009
Transit Rehab	16	15	20
Local Road Rehab	2	11	22
Regional Operations (e.g. TransLink®, 511)	7	5	6
Lifeline	0	2	1*
Bike/Ped**	0	2	3
TLC	5	8	7
Other	1	2	3
Hwy/Transit Expansion	69	55	39
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

\*Percent shown does not account for the \$300 million committed to Lifeline Transportation Program, which has a total funding of \$700 million

\*\* 2005 bike/ped; 2009 is bike only, but ped is included in TLC and Climate Change (part of “Other”.)

## 2. Committed Funds

**Committed Funds: \$191 billion total**



# Committed Projects in TIP

Illustrative Examples, Not Exhaustive

	Committed Funds	Current Status
I-580 (Tri-Valley) Corridor - EB HOV Lane	\$179	CONST
SR 24 - Caldecott Tunnel 4th Bore*	\$421	DESIGN
SR 12 (Jamieson Canyon Road) Widening	\$139	ENVIRON
Santa Clara/Alum Rock Transit Improvement/BRT*	\$132	DESIGN
US 101 Auxiliary Lanes - 3rd to Millbrae*	\$188	CONST
I-80 HOV lanes in Solano Co.	\$85	ROW
Son 101 HOV - Steele Lane to Windsor (North)	\$120	ROW

\*Sales Tax Project

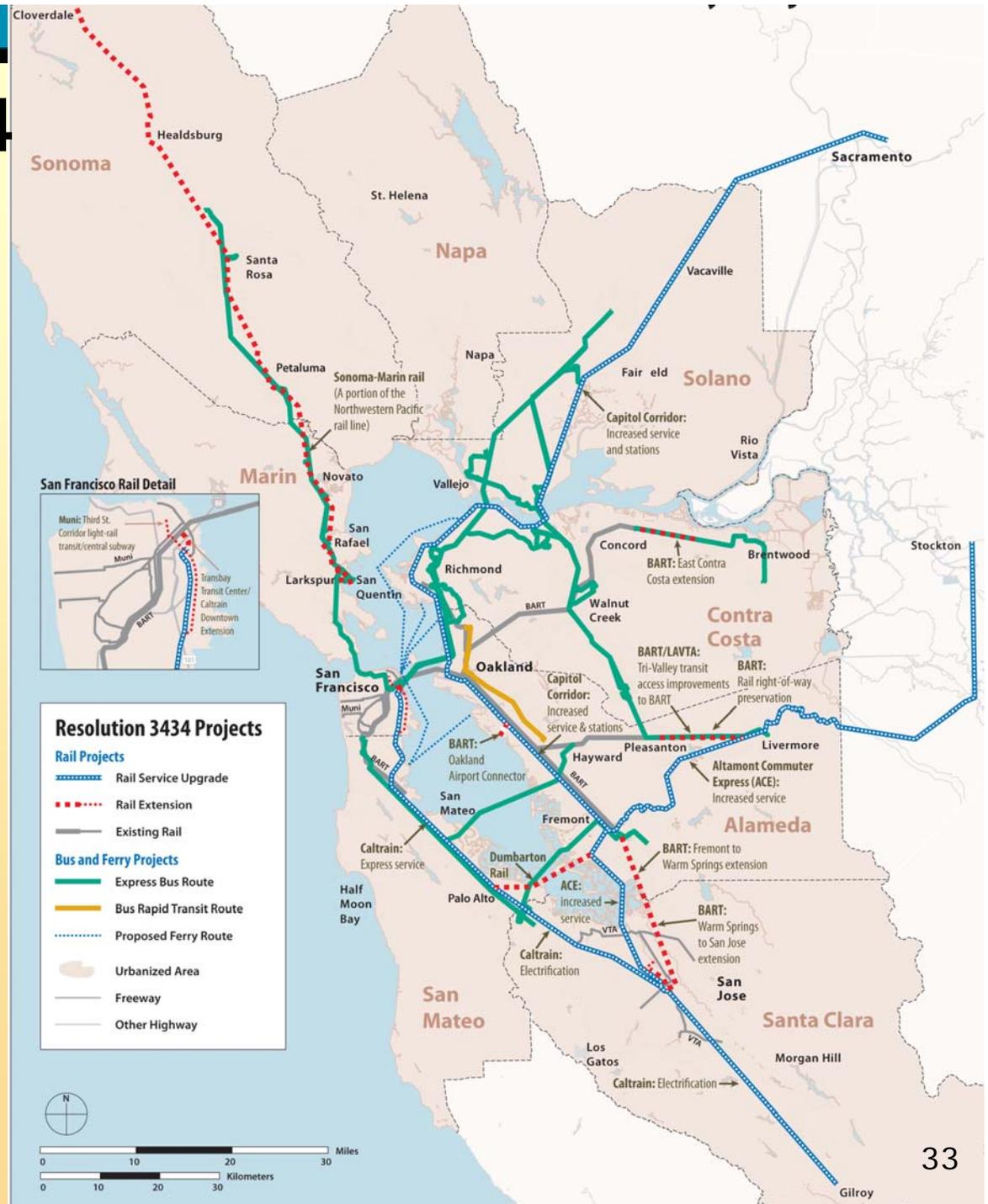
# Resolution 3434

(\$ in billions)

Total Cost: **\$17**

Committed Funds: **\$13**

Uncommitted Need: **\$4**



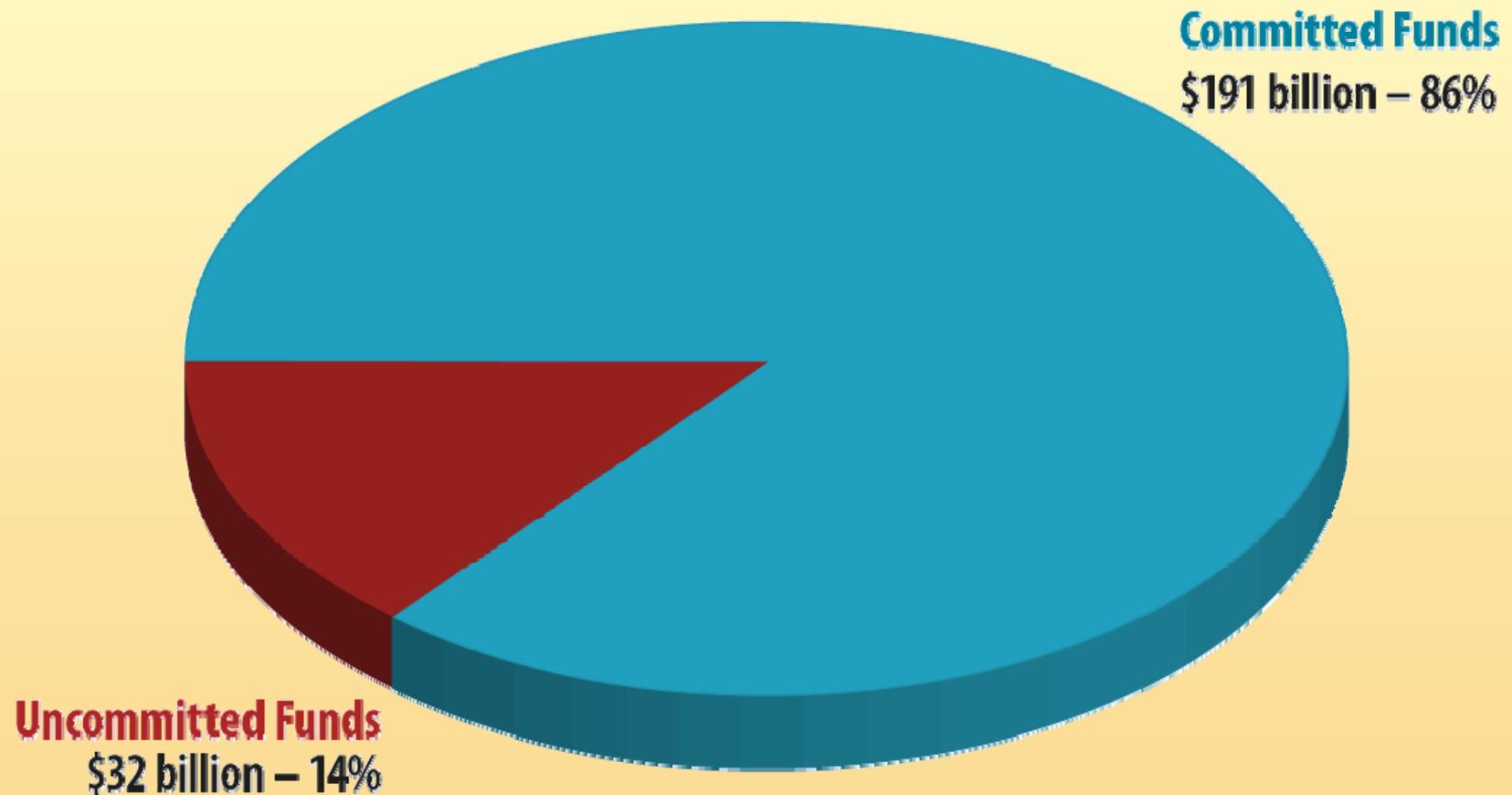
# Incident Management & Traveler Info/Coordination – Committed Funds

Escalated in millions of \$

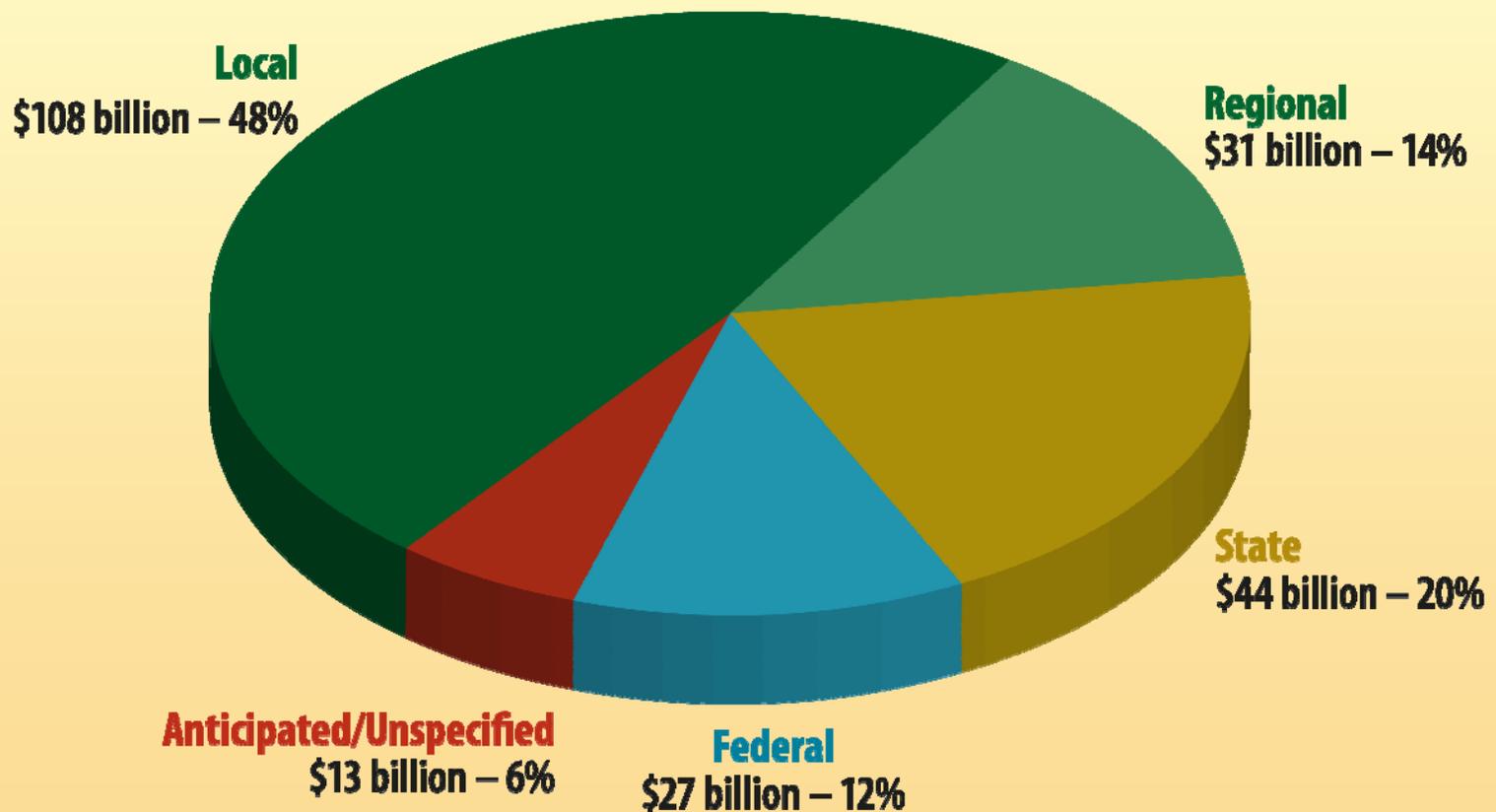
	<b>Committed Funds</b>
<b>FSP/Call Boxes/Incident Management</b>	<b>\$210</b>
<b>TransLink</b>	<b>\$408</b>
<b>511 Traveler Information</b>	<b>\$454</b>
<b>Transit Connectivity/Marketing</b>	<b>\$60</b>
<b>TOTAL</b>	<b>\$1,132</b>

### 3. Total T2035 Revenues

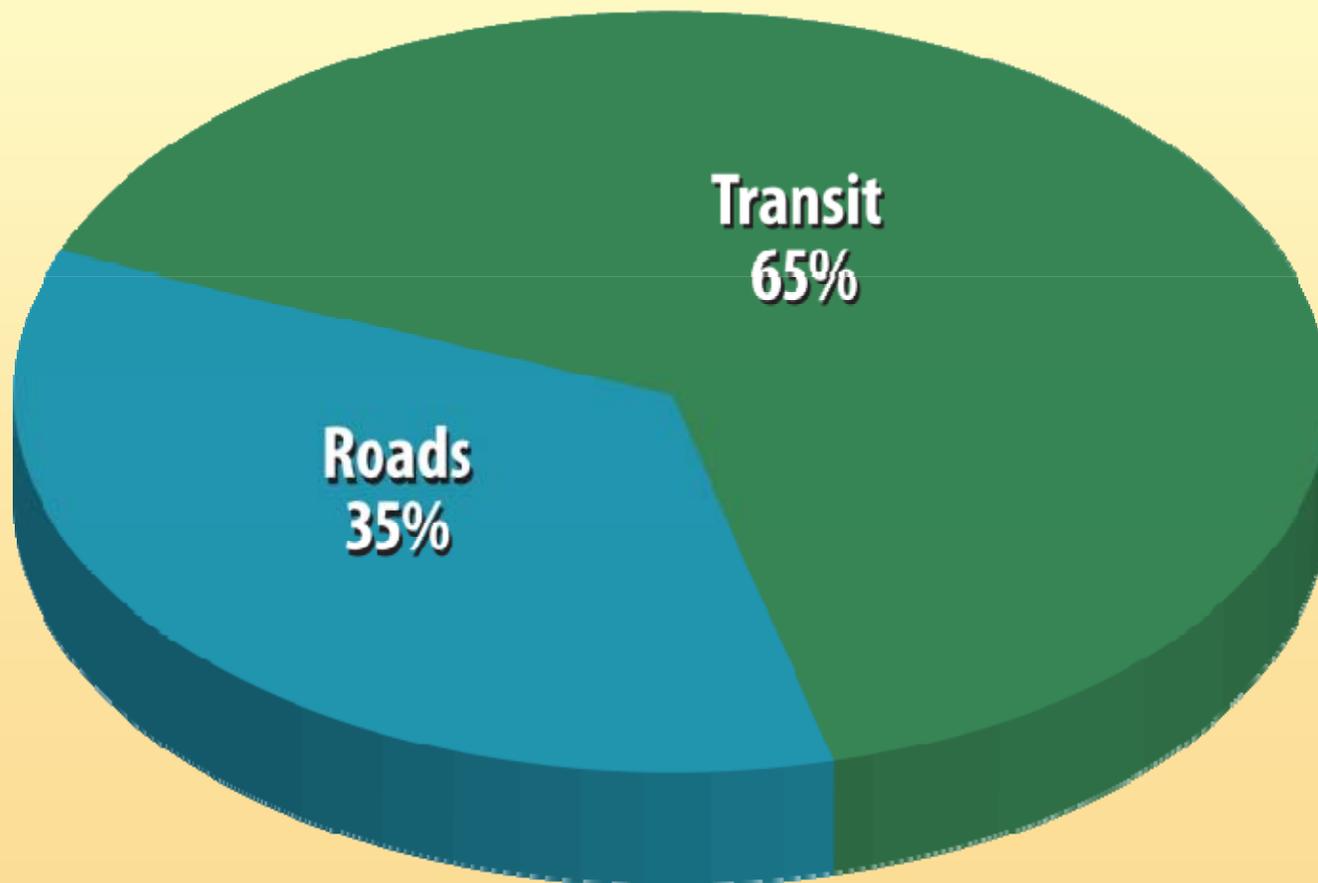
Total revenues: \$223 billion



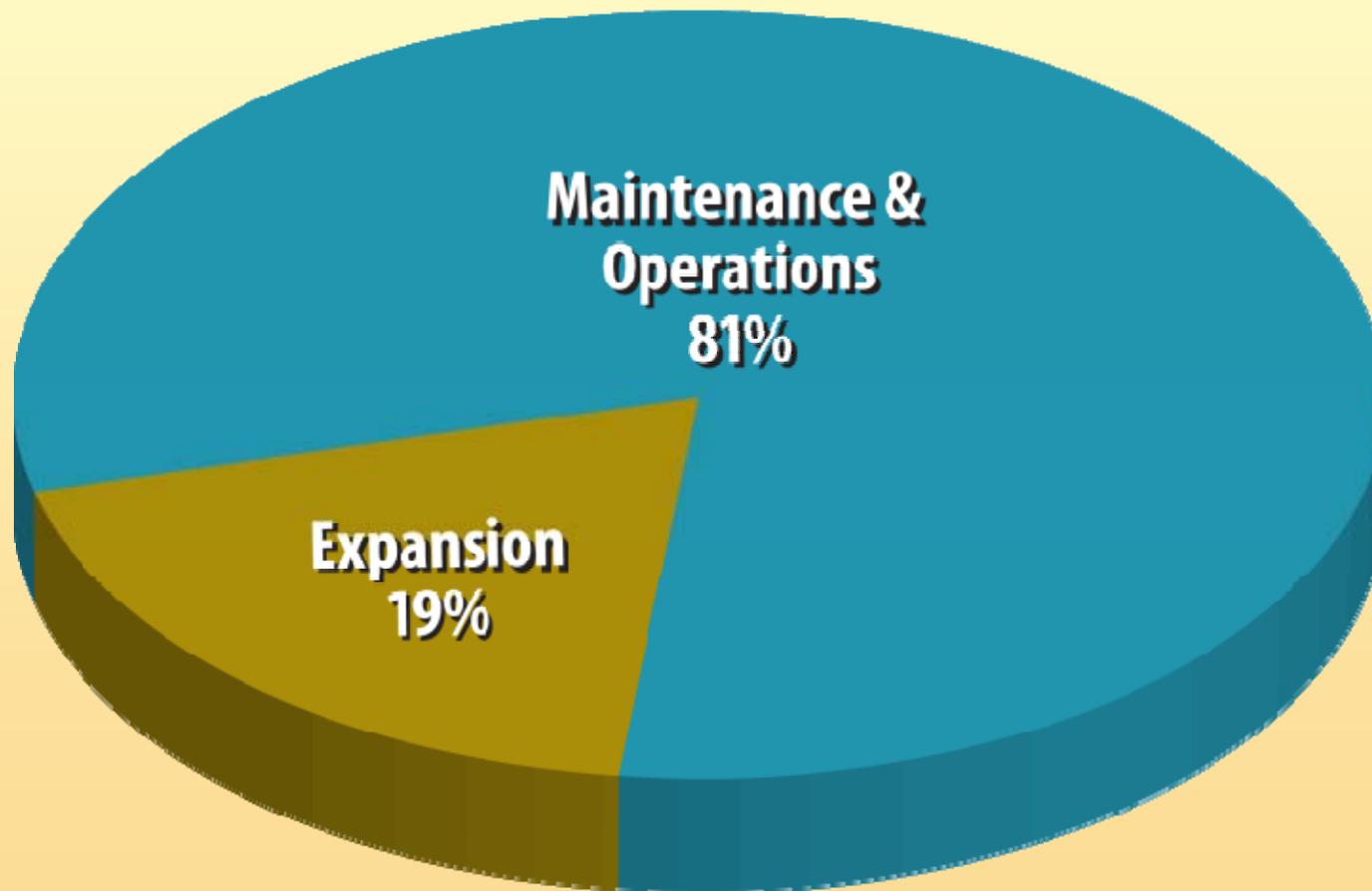
## Project Plan Revenues: \$223 billion total



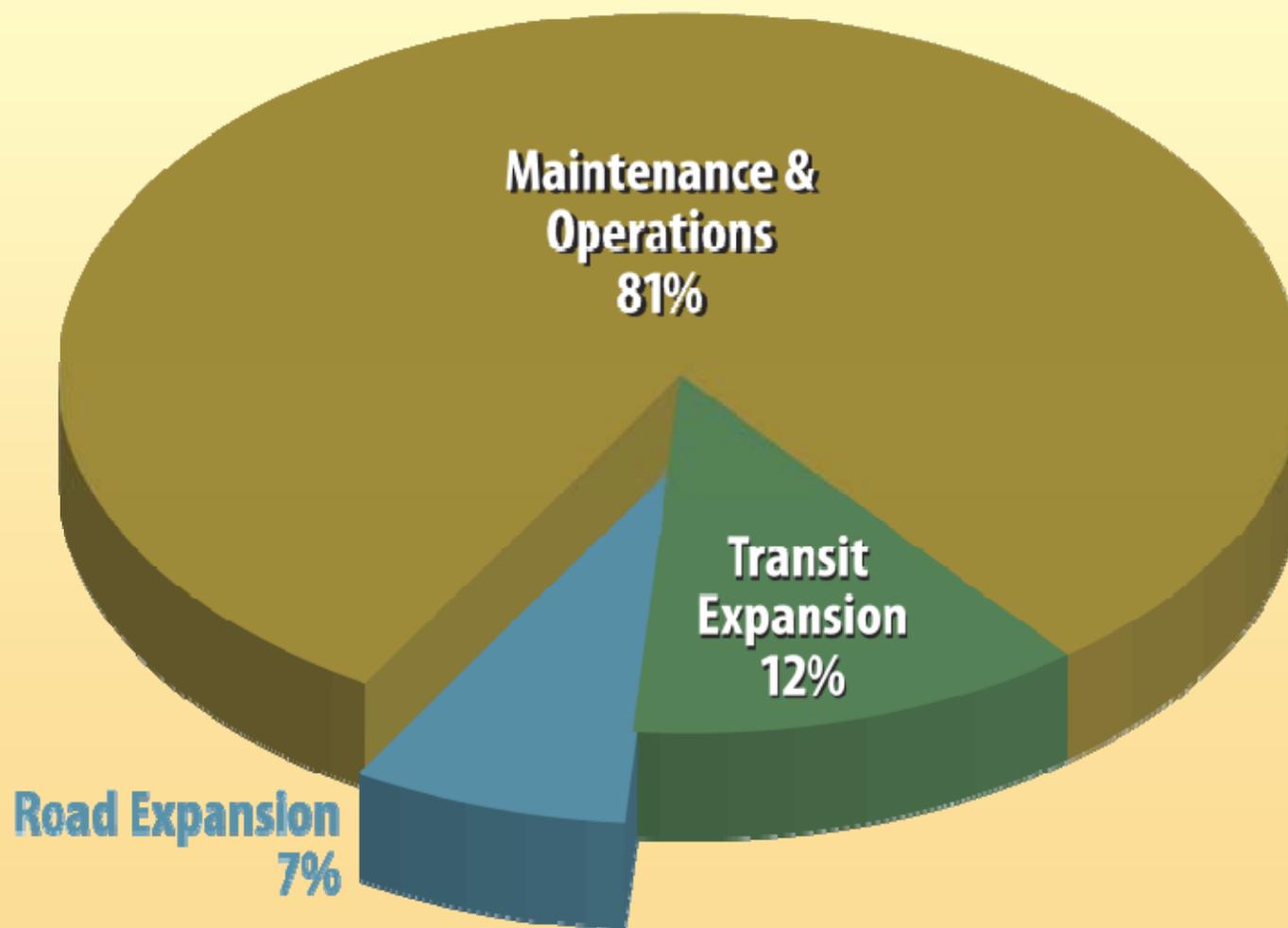
## Plan Expenditures by Mode



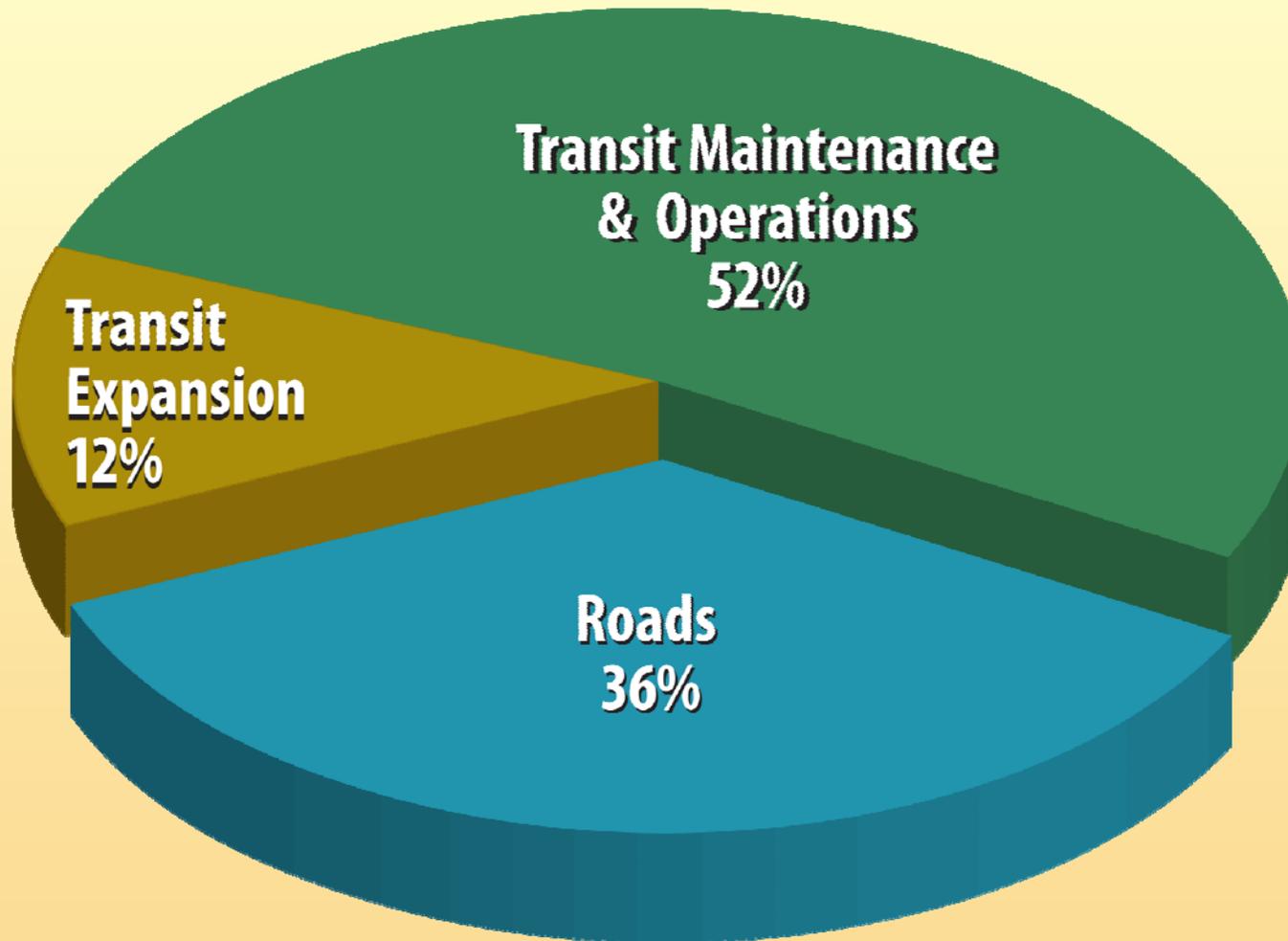
## Plan Expenditures by Function



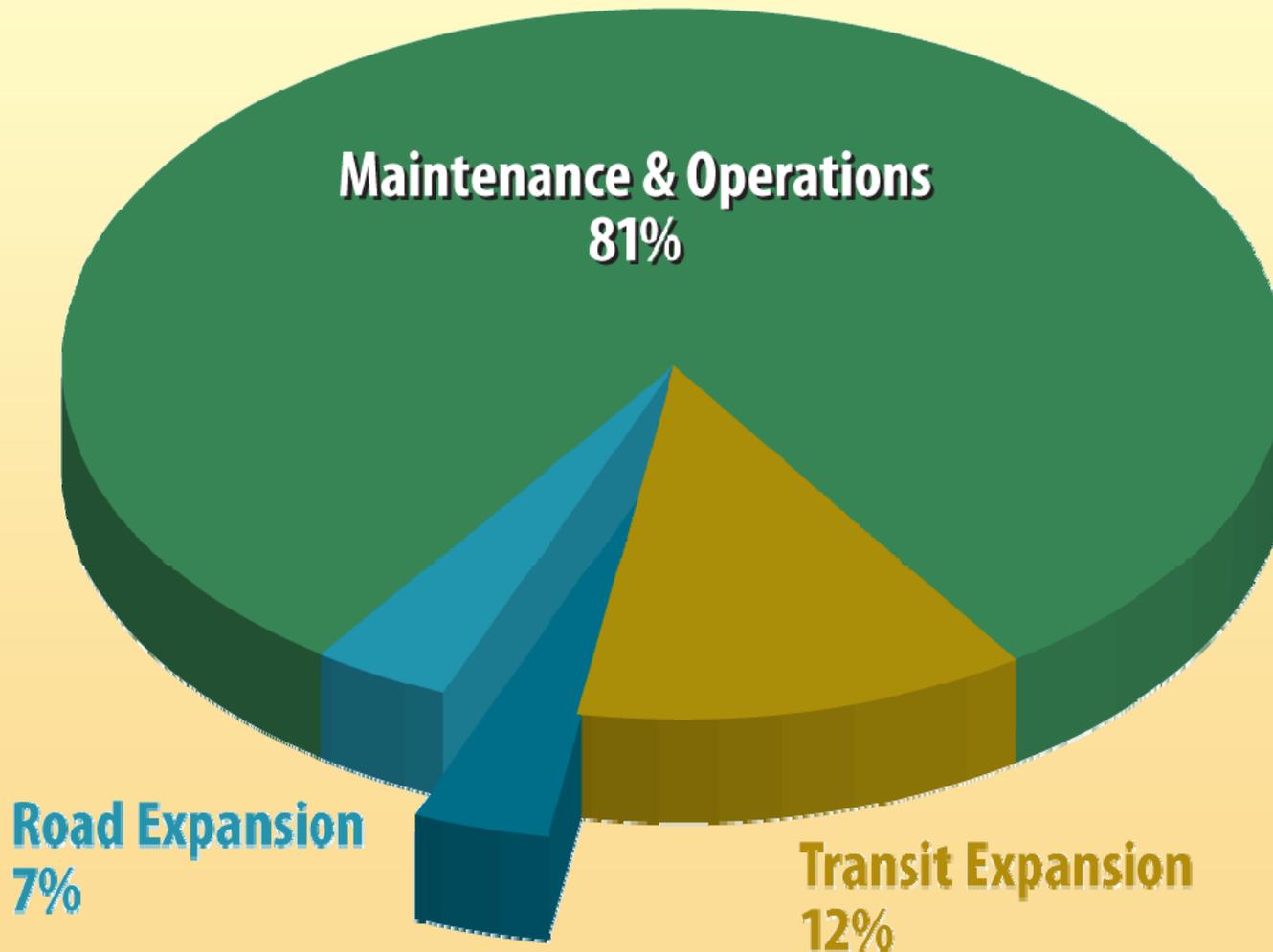
## Plan Expenditures Supporting Focused Growth



## Plan Expenditures Supporting Lifeline



## Plan Expenditures Supporting Climate Protection





# Potential Expenditures for **Unanticipated** New Revenues

- Transit Capital and Operating Shortfalls – **\$19 billion**
- State Highway Shortfall – **\$13 billion**
- Local Roads Shortfall – **\$11 billion**
- Resolution 3434 Shortfalls – **\$3.7 billion**
- Regional Bicycle Program – **\$900 million**
- Lifeline Program – **\$1.2 billion**
- Regional Rail Right-of-Way Preservation – **\$740 million**
- BART Core Capacity Improvements – **\$4.2 billion**



# Follow-on Discussion Issues/ Next Steps

- Revisit Vision Policies
- Further Analyses – EIR & Target Achievement
- New Funding Advocacy
- Funding Distribution Policies
- HOT Network Implementation Principles
- Approve Plan/EIR: December '08 – March '09