

Comments on MTC Staff STP/CMAQ Proposal (09/09/09):**--Local Streets and Roads Working Group**

1. **Recent Programming Activities** (page 4 of staff's proposal Memo): *"As a reminder, roughly two-thirds of the ARRA funds were committed to transit and local road rehabilitation projects"*.

Comment: Per T2035, 79.8% of "Anticipated/Unspecified" funds should have been committed to transit (36.4%) and local road rehabilitation (43.4%). Of the \$662 million in ARRA funding, \$145 million has been obligated for street and road maintenance and rehabilitation. That amount is less than 22% of the total and far less than the local roads 43% share of "Anticipated/Unspecified" revenues included in the T2035 framework.

2. **Funding Estimate** (page 4 of staff's proposal Memo): *"Further, \$235 million is identified as "anticipated" over the six year period, which represents the additional increment of funding consistent with the House Transportation and Infrastructure Committee \$500 billion proposal for authorization (10% growth rate)."* **Response to Stakeholder Outreach To-Date** (page 6 of staff's proposal Memo): *"Distribution of these funds would be directed to the core programs (except FPI) using T2035 pro-rata shares."*

Comment: Funding above and beyond what has been projected for the various "defined" funding programs in the RTP should be considered part of the \$12.9 billion that was projected as "Anticipated/Unspecified" funds. The T2035 investment has these anticipated/unspecified funds going 43.4% for LS&R, 36.4% for Transit and 20.2% for other priorities. The staff proposal instead has the \$235 million in "anticipated" funds being split along the STP/CMAQ proportional shares.

3. **Policy Consideration - Accelerate the Freeway Performance Initiative:** (page 6 of staff's proposal Memo). *"... MTC staff conducted evaluations to measure benefit and effectiveness of various project investments, and concluded that the FPI program earned among the highest marks in areas such as the benefit / cost ratio"*

Comment: Early investment in street and road maintenance has been found to have a benefit to cost ratio of five to one. While other strategic investments in the Plan may have a higher calculated benefit cost ratio than maintenance of the existing system, the scale of the savings that can be realized by investing early in the existing infrastructure far exceeds anything else—One billion dollars invested = five billion dollars saved to taxpayers and available to spend on other priorities.

4. **Policy Consideration - Accelerate the Freeway Performance Initiative:** (page 6 of staff's proposal Memo). *"...the FPI program has been aligned with state funding for highways, leaving the most flexible dollars for other core programs."*

Comment: FPI is using CMAQ dollars that could be directed in larger proportions to programs uniquely eligible such as TLC. The use of CMAQ funds by FPI instead of TLC reduces the amount of STP funds available for LSR rehabilitation projects necessary to achieve the "Fix it First" goals set forth in T2035.

5. **Policy Consideration – Project Delivery:** (page 7 of staff's proposal) *"...Failure to meet these requirements could result in the redirection of funds to other projects. ... Funds not obligated within established deadlines could be redistributed to other projects at the Commissions discretion."*

Comment: The Bay Area Region, through MTC's leadership, has been successful in meeting "timely use of funds" requirements by delivering street and road system preservation projects ahead of Federal deadlines. These efforts provided opportunities for our region to secure additional STP/CMAQ funding from other parts of the state that did not deliver their projects in a timely manner. The end results were additional streets and roads rehabilitation projects that provided Bay Area residents with pavement and safety improvements including such components as American with Disability Act curb ramp installations. We support these policies and encourage the Commission to be resolute about redistributing funds from projects / programs that fail to meet MTC deadlines. Furthermore, consideration of Cycle 2 Funding allocations should be based on programs ability to deliver their Cycle 1 projects in a timely manner.

Other Points for Consideration:

1. Maintenance of the existing local streets and roads network is important for all modes of travel including transit, bicycles and pedestrians. Good roads are essential to the economic vitality of Bay Area communities. We cannot have world class goods movement, improved freeway operations, and efficient transit service without appropriate investment in local streets and road maintenance. Maintenance of the *existing system* is also critical for priority development areas and for the support of infill in general.
2. Maximizing the cost effectiveness of enhancement projects requires investment in the maintenance of the existing system. It is unreasonable to promote enhancements and/or expansions of a system with a deteriorating foundation.

(Amounts in Millions)

	Committed ARRA Programming	MTC Staff Proposal - 06/23/09*				LSRWG Proposal - 08/19/09*			
		ARRA Backfill	STP/CMAQ Cycle 1	STP/CMAQ Cycle 2	ARRA Backfill & STP/CMAQ Total	ARRA Backfill	STP/CMAQ Cycle 1	STP/CMAQ Cycle 2	ARRA Backfill & STP/CMAQ Total
Estimated Apportionment Revenues	662	113	485	546	1,144	113	485	546	1144
Annual Programs									
1 Required SAFETEA OA Carryover			68		68		68		68
2 On-Going Regional Planning			23	25	48		23	25	48
3 On-Going Regional Operations			84	74	158		84	74	158
<i>Subtotal Annual Programs</i>	<i>0</i>	<i>0</i>	<i>175</i>	<i>99</i>	<i>274</i>	<i>0</i>	<i>175</i>	<i>99</i>	<i>274</i>
T 2035 Core Programs									
4 Focus 1 Freeway Performance Initiative (FPI)	19		136	86	222	9	91	86	186
5 Focus 2 Climate Initiative*		20	32	36	88	20	32	36	88
6 Focus 2 Regional Bicycle Program	10	8	14	21	43	8	14	21	42.5
7 Focus 2 Transportation for Livable Communities (TLC)		15	57	98	169.5	15	57	98	169.5
8 Focus 3 Transit and Rehabilitation	286		0	115	115		9	115	124
9 Focus 3 Regional Streets and Roads Rehabilitation*	145		72	91	163		108	91	199
<i>Subtotal Core Programs</i>	<i>460</i>	<i>42</i>	<i>311</i>	<i>447</i>	<i>800</i>	<i>51</i>	<i>311</i>	<i>447</i>	<i>809</i>
ARRA Strategic Investments									
10* Safety Projects (Vasco Road and North Bay Counties)	13								
11 Express Lane Network (580 and 237/880)	14								
12 Transit Expansion -- Oakland Airport Connector	70								
13 Advance Prop 1B (Caldecott Tunnel)	105								
14 Corridor Mobility (SCL I/C Imps)		32			32	32			32
15 MTC Res. 3814 Transit Payback Commitment		31			31	22			22
16 Trade Corridor (Richmond Rail Connector)		8			8	8			8
<i>Subtotal Strategic Investments</i>	<i>202</i>	<i>71</i>	<i>0</i>	<i>0</i>	<i>71</i>	<i>62</i>	<i>0</i>	<i>0</i>	<i>62</i>
Grand Total	662	113	486	546	1,145	113	486	546	1145

* MTC Staff Proposal 06/23/09 and LSRWG Proposal 08/19/09 revised to reflect MTC's staff funding reconfiguration.

(Amounts in Millions)

	Committed ARRA Programming	MTC Staff Proposal - 06/23/09*				LSRWG Proposal - 08/19/09*				MTC Staff Proposal - 09/09/09				Anticipated Revenue ²	Total New Commitment
		ARRA ¹ Backfill	STP/CMAQ Cycle 1	STP/CMAQ Cycle 2	ARRA Backfill & STP/CMAQ Total	ARRA ¹ Backfill	STP/CMAQ Cycle 1	STP/CMAQ Cycle 2	ARRA Backfill & STP/CMAQ Total	ARRA ¹ Backfill	STP/CMAQ Cycle 1	STP/CMAQ/TE Cycle 2	ARRA Backfill & STP/CMAQ/ TE Total		
Estimated Apportionment Revenues	662	113	485	546	1,144	113	485	546	1,144	113	485	568	1,166	235	1,401
Annual Programs															
1 Required SAFETEA OA Carryover			68		68		68		68		68		68		68
2 On-Going Regional Planning			23	25	48		23	25	48		23	25	48		48
3 On-Going Regional Operations			84	74	158		84	74	158		84	74	158		158
<i>Subtotal Annual Programs</i>	<i>0</i>	<i>0</i>	<i>175</i>	<i>99</i>	<i>274</i>	<i>0</i>	<i>175</i>	<i>99</i>	<i>274</i>	<i>0</i>	<i>175</i>	<i>99</i>	<i>274</i>		<i>274</i>
T 2035 Core Programs															
4 Focus 1 Freeway Performance Initiative (FPI)	19		136	86	222	9	91	86	186	74	62	86	222		222
5 Focus 2 Climate Initiative ³		20	32	36	88	20	32	36	88		59	34	93	55	148
6 Focus 2 Regional Bicycle Program	10	8	14	21	43	8	14	21	42.5	8	16	20	44	22	66
7 Focus 2 Transportation for Livable Communities (TLC)		15	57	98	169.5	15	57	98	169.5		78	96	174	49	223
8 Focus 3 Transit and Rehabilitation	286		0	115	115		9	115	124			119	119	45	164
9 Focus 3 Regional Streets and Roads Rehabilitation ⁴	145		72	91	163		108	91	199		86	83	169	63	232
<i>Subtotal Core Programs</i>	<i>460</i>	<i>42</i>	<i>311</i>	<i>447</i>	<i>800</i>	<i>51</i>	<i>311</i>	<i>447</i>	<i>809</i>	<i>82</i>	<i>301</i>	<i>438</i>	<i>821</i>	<i>234</i>	<i>1055</i>
ARRA Strategic Investments															
10 Safety Projects (Vasco Road and North Bay Counties)	13														
11 Express Lane Network (580 and 237/880)	14														
12 Transit Expansion -- Oakland Airport Connector	70														
13 Advance Prop 1B (Caldecott Tunnel)	105														
14 Corridor Mobility (SCL I/C Imps)		32			32	32			32	32			32		32
15 MTC Res. 3814 Transit Payback Commitment		31			31	22			22			31	31		31
16 Trade Corridor (Richmond Rail Connector)		8			8	8			8		8		8		8
<i>Subtotal Strategic Investments</i>	<i>202</i>	<i>71</i>	<i>0</i>	<i>0</i>	<i>71</i>	<i>62</i>	<i>0</i>	<i>0</i>	<i>62</i>	<i>32</i>	<i>8</i>	<i>31</i>	<i>71</i>		<i>71</i>
Grand Total	662	113	486	546	1,145	113	486	546	1,145	114	484	568	1,166		1,400

¹\$112.5 M in ARRA Backfill is included within the \$661.9 M ARRA Programming Amount (\$105 M for Caldecott Tunnel and \$7.5M for TIE)

²Anticipated revenues are based on a 10% annual authorization increase as compared to the assumed 4% in the base proposal over six years. Portions available for Cycle 1 programming is \$60 million from apportionments over the first three years.

³Includes \$20M for SFgo.

⁴Includes PTAP and FAS of \$28M

* MTC Staff Proposal 06/23/09 and LSRWG Proposal 08/19/09 reconfigured to reflect footnotes 3 and 4 allocations