



METROPOLITAN
TRANSPORTATION
COMMISSION

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Memorandum

TO: Planning Committee

DATE: March 11, 2011

FR: Executive Director

W. I.

RE: Draft Committed Funds and Projects Policy

Purpose

For Plan Bay Area, MTC staff proposes to update the Committed Funds and Projects Policy approved by the Commission for the Transportation 2035 Plan. Staff is proposing a more limited set of criteria than in past plans to determine which funds and projects are considered committed, thus “opening up” more projects and funds for discretionary action by the Commission.

The Committed Policy for Plan Bay Area will:

1. Determine which projects proposed for inclusion in the Plan are not subject to discretionary action by the Commission because the projects are fully funded and are too far along in the project development process to consider withdrawing support. Projects that are 100 percent funded through local funds are considered committed and not subject to a project-level performance assessment. All other projects that are not fully funded nor sufficiently advanced in the project development process will undergo a project performance assessment. The results of the performance assessment will be presented to the Commission for its review, and the Commission may consider these results, along with other policy factors, when deciding on transportation projects to be included in the financially constrained plan.
2. Determine which fund sources are subject to discretionary action by the Commission for priority projects and programs. The determination of which fund sources are deemed “committed” affects the amount of transportation revenues that will be subject to discretionary action by the Commission.

Draft Proposal

The Draft Policy was reviewed by the Bay Area Partnership, Regional Advisory Working Group, and MTC Policy Advisory Council in late January and February 2011. Staff has revised the Draft Policy in response to comments, but because there are disagreements on the definition of committed projects, staff has outlined options for Committee consideration. **Attachment A** contains the Draft Policy, and **Attachment B** provides a list of committed projects from the Transportation 2035 Plan.

Staff seeks this Committee’s review and input on the Draft Policy at your March meeting, with Commission action on the final Policy in April. The key issues addressed in the Draft Policy are summarized below.

1. **Threshold Criteria for Determining Committed Projects:** A project is defined as “committed” based on its stage in the project development process. The issue is where to draw the line to indicate the point at which project assessment would not affect the decision to proceed with the project. Below are two options for consideration, both of which would result in significantly fewer committed projects than the approach we followed in Transportation 2035:
 - **Option 1 – Environmental Certification:** *Project has a certified Environmental Impact Report (EIR) and/or Record of Decision for Environmental Impact Statement (EIS) by May 1, 2011.* Under this option, projects would be deemed committed upon certification of the environmental document. The rationale is that by the time a project has cleared the environmental phase, the project has been fully vetted with resource agencies and the community, and project scopes are fully defined and evaluated.
 - **Option 2 – Construction:** *Project is under construction, as indicated by utility relocation or subsequent construction activities, or vehicle award by May 1, 2011.* This option proposes to require a project to be under construction, as indicated by utility relocation or subsequent construction activities, or vehicle award, in order to be designated as committed. The rationale for Option 2 is that projects in the region have often experienced significant cost increases and scope adjustments after achieving an environmental certification. Given this track record, it may be reasonable to reconsider the project based on a set of factors including project performance.

For both options, Proposition 1B Corridor Mobility Improvement Account (CMIA) and Trade Corridor Improvement Fund (TCIF) projects with full funding and approved baseline agreements as of February 2011 are proposed to be committed. Staff recommends this exception based on the fact that these projects underwent a performance assessment at the regional and state level prior to selection. Further, roughly 90% of the funding tied to these projects is committed, so little funding could be redirected to other regional priorities. Finally, state law requires these projects to be under construction by December 2012, which is prior to the expected completion date for Plan Bay Area.

2. **Threshold Criteria for Committed Funds:** As proposed in **Attachment A, Table 3**, a “committed fund” is a fund source that is directed to a specific entity or purpose as mandated by statute or by the administering agency. For committed funds, MTC has no discretion on where these funds go or how they are spent. For discretionary funds, the Commission has either complete discretion on how and where funds are spent, or can amend current policies and develop conditions to guide the expenditure of funds. Like the options for “committed projects”, the proposed committed funds policy is considerably less restrictive than our approach in Transportation 2035. In fact, the draft policy would roughly double the amount of funds subject to discretionary action by the Commission in adopting Plan Bay Area.
3. **Projects Identified as Exempt by Senate Bill 375:** SB 375 provides that projects programmed for funding on or before December 31, 2011, are not required to be subject to the provisions required in the SCS or Alternative Planning Strategy (APS) if they are contained in the 2007 or 2009 Federal Statewide Transportation Improvement Program, funded pursuant to 2006 Proposition 1B, or were specifically listed in a ballot measure prior to December 31, 2008, approving a sales tax increase for transportation projects. MTC staff proposes that since SB 375 does not alter MTC’s authority to select projects for the Plan, a project that meets these criteria may still be subject to

performance assessment for inclusion in the Plan and be subject to Commission discretion based on financial constraint, policy or other considerations.

The enclosed powerpoint presentation provides additional background information on these issues. We look forward to your discussion on March 11th.

Steve Heminger

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Attachment A
Draft Committed Policy for the
Plan Bay Area

1. Prior Commitment Criteria – Project

The following criteria are proposed to determine Regional Transportation Plan/Sustainable Communities Strategy (Plan Bay Area) prior commitments. Projects that do not meet these criteria will be subject to the project performance assessment. **Attachment B** provides a list of committed projects from the Transportation 2035 Plan.

- A transportation project/program that meets any one of the following criteria would be deemed “committed”:

Option 1 – Environmental Certification

1. Project has a certified Environmental Impact Report (EIR) and/or Record of Decision for Environmental Impact Statement (EIS) by May 1, 2011.
2. Proposition 1B Corridor Mobility Improvement Account (CMIA) and Trade Corridor Improvement Fund (TCIF) projects with full funding and approved baseline agreements as of February 2011.
3. Resolution 3434 Program – Project has a certified Environmental Impact Report (EIR) and/or Record of Decision for Environmental Impact Statement (EIS) by May 1, 2011.
4. Regional Programs – Regional programs with executed contracts through contract period only and 1st and 2nd Cycle Regional Programs with New Act Funding through 2015 (see **Table 2a and 2b**).

Option 2 - Construction

1. Project is under construction, as indicated by utility relocation or subsequent construction activities, or vehicle award by May 1, 2011.
2. Proposition 1B Corridor Mobility Improvement Account (CMIA) and Trade Corridor Improvement Fund (TCIF) projects with full funding and approved baseline agreements as of February 2011.
3. Resolution 3434 Program – Project is under construction, as indicated by utility relocation or subsequent construction activities, or vehicle award, by May 1, 2011.
4. Regional Programs – Regional programs with executed contracts through contract period only and 1st and 2nd Cycle Regional Programs with New Act Funding through 2015 (see **Table 2a and 2b**).

Table 1: Illustration of Committed Projects, Using T2035 Projects*
(Capacity Increasing, Greater than \$50 million)

	T2035 # of Projects	Option 1 # of Projects	Option 2 # of Projects
Planning	13		
Environmental	21		
Design	17	17	
Right-of-Way	5	5	
Construction	14	14	14
Total Count	70	36	14

*Notes:

(1) Additional T2035 projects may have progressed to construction

(2) Some projects included in the numbers above are deemed committed because they are Proposition 1B CMIA or TCIF projects

Table 2a: Ongoing Regional Operations Program

Committed Project	Uncommitted Project
Clipper contract executed to FY 2018-19	Clipper FY 2019-20 and beyond
511 contract executed to FY 2018-19	511 FY 2019-20 and beyond
Freeway Service Patrol/Call Boxes funded with SAFE funds	FSP Funded with STP funding
Transit Connectivity (up to \$10 million)	Any remaining program needs beyond \$10 million commitment

Table 2b: Regional Programs

Committed Programs – 1st and 2nd Cycle of New Act Funding through FY 2015
Local Road Maintenance
Regional Bicycle Program
Lifeline Program
Climate Initiatives Program
Transit Rehabilitation (currently funded in TIP)
Transportation for Livable Communities (TLC)
CMA/Regional Agency Planning Funds
Freeway Performance Initiative (FPI)

2. Prior Commitment – Funding Sources

Funding for the Plan comes from a number of sources. Each funding source has specific purposes and restrictions. The federal, state, regional and local funds included in the draft Plan revenue forecasts as either committed or discretionary funds are defined below and listed in Table 3.

- Committed funding is directed to a specific entity or for a specific purpose as mandated by statute or by the administering agency.
- Discretionary funding is defined as:
 - Subject to MTC programming decisions.
 - Subject to compliance with Commission allocation conditions.

The following criteria are proposed to determine Plan prior commitments:

- A transportation fund that meets any one of the following criteria would be deemed “committed”:
 1. Locally generated and locally subvented funds stipulated by statute
 2. Fund source that is directed to a specific entity or purpose as mandated by statute or by the administering agency

Table 3: Committed versus Discretionary Funds

Committed Funds	Discretionary Funds
Federal	
FTA New Starts Program	FTA Section 5307, Urbanized Area Formula (Capital)
FHWA Bridge/Safety Program, Highway Bridge Rehabilitation (HBR)	FTA Section 5309 Fixed Guideway Program
FTA Bus & Bus Facilities Program	FHWA Surface Transportation Program (STP)
FTA Section 5310 Elderly & Disabled	FHWA Congestion Mitigation and Air Quality Improvement (CMAQ) Program
FTA Small Starts	FTA Section 5316 Job Access and Reverse Commute (JARC)
FHWA Ferry Boat Discretionary	FTA Section 5317 New Freedom
American Recovery and Reinvestment Act (ARRA) High-Speed Rail Program	FTA Section 5311 Non-Urbanized Area Formula
State	
State Highway Operations and Protection Program (SHOPP)	State Transportation Improvement Program (STIP); Regional Transportation Improvement Program (RTIP) County Shares
Traffic Congestion Relief Program (TCRP)	STIP: Interregional Road/Intercity Rail (ITIP)
State Transit Assistance (STA) Revenue Based	STIP: Transportation Enhancements (TE)
Gas Tax Subvention	STA Population Based – PUC 99313
Proposition 1B	
Proposition 1A (High-Speed Rail)	
Regional	
AB 1107 ½ cent sales tax in three BART counties (75% BART Share)	AB 1107 ½ cent sales tax in three BART counties (only includes 25% share that MTC administers as discretionary)
BATA Base Toll Revenues and Seismic Retrofit Funds	AB 664
Regional Measure 2 (RM2)	2% Toll Revenues
Service Authority for Freeway and Expressways (SAFE)	5% State General Funds
	RM1 Rail Extension Reserve
	AB 1171
	Regional Express Lane Network Revenues
	Bridge Toll Increase
Local	
Existing locally adopted transportation sales tax	Transportation Development Act (TDA)
Local Funding for Streets and Roads	Regional funds identified as match to sales tax-funded local projects
Transit Fare Revenues	
San Francisco Municipal Transportation Agency (SFMTA) General Fund/Parking Revenue	
Golden Gate Bridge Toll	
BART Seismic Bond Revenues	
Property Tax/Parcel Taxes	
Vehicle Registration Fees per Senate Bill 83 (Hancock)	
Public Private Partnerships	
Anticipated Funds	
	Anticipated Funds

3. Projects Exempt from Senate Bill 375

SB 375 provides that projects programmed for funding on or before December 31, 2011, are not required to be subject to the provisions required in the SCS or Alternative Planning Strategy (APS) if they are:

- Contained in the 2007 or 2009 Federal Statewide Transportation Improvement Program, or
- Funded pursuant to the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, Chapter 12.49 (commencing with Section 8879.20) of Division 1 of Title 2, or
- Were specifically listed in a ballot measure prior to December 31, 2008, approving a sales tax increase for transportation projects.

A project's status as exempt under these SB 375 provisions does not preclude MTC from evaluating it for inclusion in the Plan per the project performance assessment process and at Commission discretion based on financial constraint, policy or other considerations.