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Deputy Executive Director,
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Therese W. McMillan
Deputy Executive Director, Policy

Programming and Allocations Committee
July 12, 2006
Minutes

The meeting was called to order at 10:55 a.m. Committee members in attendance were Chair Haggerty, Vice-Chair Anderson, and Commissioners Ammiano, Blanchard, Dodd, Kinsey, Sartipi, Tissier, Young, Rubin, McLemore, Giacopini, Torliatt, and Lempert.

Consent Calendar

The committee voted unanimously to approve the minutes of June 14, 2006 meeting as submitted.

The committee received the Quarterly Report of Executive Director's Delegated Authority Actions.

The committee voted unanimously to refer the following resolutions to the full Commission for adoption.

- FY 2005-06 Year-End Transportation Development Act and State Transit Assistance Allocations. MTC Resolution No. 3700, Revised, and 3701, Revised.
- Program and Allocate FY 2006-07 AB 664 funds, MTC Resolution Nos. 3742, Revised, and 3768.

Regional Programming

The committee voted unanimously to refer the following resolution to the full Commission for adoption.

- Regional Measure 2 (RM2) Proposed Capital and Operating Allocations. MTC Resolution Nos. 3652, Revised, 3660, Revised, 3664 Revised, 3666, Revised, and 3770, Revised.

Melanie Choy provided background on three capital projects and an operating project going forward for allocation for the month of July. The first capital request is from the Water Transit Authority (WTA), which has implications for future vessel purchases and completion of the berthing facility. As a preliminary measure, MTC staff recommends adding a condition requiring WTA to outline a funding strategy in their Short Range Transit Plan to address funding of additional vessels and also completion of their berthing facility. The second capital allocation is from the Alameda County Congestion Management Agency (ACCMA) to expand their

Ardenwood Park-and-Ride, allocating \$150,000 to do a supplemental environmental analysis. The ACCMA is proposing to put another project on hold freeing up RM2 funds to complete the park and ride lot. The project proposed on hold is the Route 84 HOV on ramp. The third capital allocation is from ACCMA requesting an additional \$13.2 million for I-580 project and reorganizing scope of the project. The new scope includes the construction of the traffic operations system and a sound wall in the eastbound direction. Staff recommends adding a funding condition stating that additional allocations will not be entertained until the CMA provides a funding plan that demonstrates the ability to deliver the project as statutorily described. The final request was the operating allocation from WTA for \$3 million to cover planning and administrative support activities.

Commissioner Haggerty asked how much money was being rescinded on the Route 84 project and if the CMA fully understood the rescission. *Melanie Choy* assured them that the CMA was fully aware of the \$40,000 that was being rescinded.

- Approval of the Bay Area Infrastructure Financing Authority, Joint Powers Authority between MTC and BATA. MTC Resolution No. 3769.

Brian Mayhew presented this item as a BATA resolution earlier during the BATA Oversight Committee.

Federal Programming

The committee voted unanimously to refer the following resolution to the full Commission for adoption.

- Approval of the Air Quality Conformity Analysis for the 2007 TIP. MTC Resolution No. 3765.

Ashley Nguyen reported that under federal law MTC is required to determine that the Long Range and Transportation Improvement Program conforms with Federal Air Quality plans and standards. A public hearing was held on June 14th and a public comment period closed on June 30th. There was one oral public comment at the hearing and one written comment from FHWA and both of these comments have been responded to. Based on staff's analysis, MTC made a positive conformity finding.

- Approval of the 2007 Transportation Improvement Program (TIP). MTC Resolution No. 3755.

Raymond Odunlami reported on the background of the TIP. The draft 2007 TIP was approved on June 14th and mailed to 30 major libraries throughout the Bay Area.

State Programming

The committee voted unanimously to refer the following resolution to the full Commission for adoption.

- FY 2006-07 Fund Estimate Revision. MTC Resolution No. 3727, Revised.
- Allocation of FY 2006-07 Transportation Development Act (TDA) and State Transit Assistance (STA) funds to various claimants in the region. MTC Resolution Nos. 3750, Revised, 3751, Revised, and 3752, Revised.

Alix Bockelman presented both the Fund Estimate and the allocation proposal in which claimants request funding against the Fund Estimate. The request for July is \$219 million. Alix presented recent trends with the economy and revenues and transit operator budget. The economy is generally on the rebound back to 2001 levels in terms of Transportation Development Act funds, which are sales tax funds. For State Transit Assistance funds, there is a three-fold increase in revenues, most of which is less certain revenue.

Steve Heminger commented on the cost structure for public transit operations. For most transit properties, the growth in expenses is not accompanied by commensurate increase in service. He stated that there seems to be a structural imbalance in our public transit operations in the Bay Area. Costs are rising much faster than revenues. The spillover revenue is helping many of the agencies balance their budget in the near-term. Heminger stated that the spillover cannot be relied on long-term, and that the current structural deficits in public transit are not sustainable.

Commissioner McLemore asked if there are more Proposition 42 funds that were borrowed at one time that may be paid back. *Steve Heminger* stated that there was still some additional payback.

Commissioner McLemore also asked if spillover is tied to the combination of economy and the price of gasoline. *Steve Heminger* replied that it was and stated that in prior years the spillover happened but the legislature kept it for the general fund to balance the budget. MTC's big challenge is to make sure that if spillover occurs, the funds are captured.

- Adoption of the Funding Plan for the Connectivity Projects and Revision to the MTC Regional Discretionary Program to include funding for connectivity projects and additional free transit days. MTC Resolution Nos. 3771, 3761, Revised.

Pierce Gould reported on the Funding Plan for the Connectivity Project that the Commission approved in April 2006. Upon request of the Partnership Board, the adoption of the funding plan was deferred. In June the Partnership Board discussed the Funding Plan in more detail. While many members of the Partnership Board supported the plan, several members expressed concern about whether the Transit Connectivity should be a funding priority and the reliability of the cost estimates. Staff agreed to limit the capital costs of Transit Connectivity improvements and return

to the Partnership Board for more discussions if the costs exceed these limits. Based on this direction, a majority of the Partnership Board supports the Funding Plan.

The commission adopted the FY06/07 Regional Discretionary Program in May 2006. In July, the resolution is being revised to program additional funds for several projects including Transit Connectivity funding projects and Spare the Air Days.

California Transportation Commission (CTC) Report

Alix Bockelman reported that the CTC held a special meeting on June 27th to talk about the Infrastructure Bonds. The CTC is going to convene working groups statewide to discuss the specifics of proposed Infrastructure Bond programs. MTC, as well as our partnership agencies, will be on those working groups. The CTC hopes to have some draft guidance related to components of the Infrastructure bond going before them in October 2006.

Public Comment

There were no public comments.

Chair Haggerty adjourned the meeting at 11:33 a.m.