



Agenda Item #3

**METROPOLITAN
TRANSPORTATION
COMMISSION**

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Memorandum

TO: Partnership Board

DATE: Oct. 20, 2006

FR: Alix Bockelman

RE: Proposition 1B: Corridor Mobility Improvement Account

Corridor Mobility Improvement Account Draft Guidelines

The Corridor Mobility Improvement Account (CMIA) is on the fastest schedule of all programs that would be funded should voters approve Proposition 1B. Statute requires that the California Transportation Commission (CTC) adopt final program guidelines by December 1st and adopt a program of projects by March 1, 2007. This aggressive schedule requires that CTC assume passage of Proposition 1B and develop draft guidelines in advance of the November election. This memo outlines our recommendations with regard to the draft guidelines, released by the CTC on September 29th. Staff supports most elements of the draft CTC guidelines and recommends that the Commission take a position with respect to several areas.

Significant areas of the guidelines are summarized in Attachment A, along with preliminary MTC positions for your consideration. This information was presented to the MTC Legislation Committee on October 13th with a note that the Bay Area Partnership would be meeting to formulate a regional consensus position. Therefore, final recommendations to the CTC may reflect additional concerns discussed at today's meeting.

Attachment A

Corridor Mobility Program Issue	Recommended MTC position
<p><i>Program Intent</i></p> <p>In selecting projects for funding under the CMIA, the CTC guidelines state its intention to balance the following general mandates provided in statute: 1) mobility improvement and other project benefits; 2) geographic balance between the regions; and 3) early delivery.</p>	<p>Encourage CTC to adhere to the primary goal of this program: improve performance on highly congested travel corridors. While we agree that the legislation requires geographic balance and early delivery, the primary focus of the CTC’s project selection process should be on identifying projects that provide the greatest degree of congestion relief. The Bay Area transportation system is home to roughly 85% of the congestion in the “north” of the state and the programming of projects should reflect this.</p>
<p><i>Regional Targets</i></p> <p>The bond specifies that CMIA funds must be divided between the north (\$1.8 billion) and south (\$2.7 billion) of the state according to the 40-60 North/South Split in Section 188 of the Streets and Highways Code. The guidelines establish broad regions for the purpose of establishing targets for project nominations. The “north” regions of the state, competing for the \$1.8 billion include: San Francisco Bay Area, Central Coast, San Joaquin Valley, Sacramento Valley and the remaining North State. CTC states its intent to treat the targets as general guidance only — the regions and Caltrans can submit and CTC can approve whatever they like. The targets will be based on <i>population</i> for urbanized areas over 200,000; and <i>deficient mileage</i> identified by Caltrans for state highway focus routes (excluding Highway 99 and international border crossings).</p>	<p>(1) We support the CTC’s approach to defining the Bay Area region consistent with MTC’s jurisdiction and Caltrans District 4; (2) We support the use of targets as “soft” rather than establishing firm minimums or maximums; (3) The guidelines should make congestion relief the primary factor in developing targets. This would ensure that the targets align more closely with the intent of the legislation: reducing existing congestion. Based on its dominant share of congestion conditions in the “north” of the state, the Bay Area and Caltrans District 4 should be able to bid the full “north” share of \$1.8 billion.</p>
<p><i>Project Eligibility</i></p> <p>A project that is submitted by both an RTPA and Caltrans may be approved for funding for any certain phase, even if it lacks a full funding plan for construction. A project that is only applied for by either an RTPA or Caltrans must be fully funded.</p>	<p>Given the statutory requirement that projects begin construction by 2012, the guidelines should require that all projects be fully funded. This will help ensure that the selected program of projects is actually built — as opposed to “planned” — and delivers near term congestion relief consistent with the legislation and voter expectations.</p>

Corridor Mobility Program Issue	Recommended MTC position
<p><i>Evaluation of Project Benefits and Costs</i></p> <p>The guidelines state that the CTC is looking for projects that provide the greatest benefit in relation to the full project cost. Indicators of this benefit include travel timesavings and safety (reduced injury and fatality rates). Projects will be evaluated using a project evaluation model developed and used by Caltrans. In addition, the CTC guidelines note that urban and interregional corridor project submittals will be evaluated separately.</p>	<p>We expect that Bay Area projects will compete well in a cost/benefit analysis. Consistent with the intent of the program, congestion relief should be the primary factor in any cost/benefit analysis.</p>
<p><i>Corridor System Management</i></p> <p>The CTC will include urban corridor capacity improvements in the CMIA program only where there is a corridor system management plan in place to preserve corridor mobility or where there is a documented regional and local commitment to the development and effective implementation of a corridor system management plan.</p>	<p>Support the CTC’s commitment to corridor system management. MTC’s long-range plan, Transportation 2030, supports a corridor system management plan to create a more efficient system. However, given the lack of specificity regarding when and how such a requirement would be imposed and evaluated, we believe provisions should be added to stipulate that implementation of corridor system management plans be coordinated between regional agencies and Caltrans and be flexible in their approach.</p>
<p><i>Other Funding Sources</i></p> <p>The CTC will include in the CMIA program only the implementation of projects not already funded from other sources. The commission will not program or allocate CMIA funding to replace funds already committed from the STIP, the SHOPP, the TCRP, RSTP, CMAQ, federal earmarks, or local funds. In addition, the CTC may exclude from the CMIA program other projects that it finds to be more appropriate for funding from other programs identified in the bond.</p>	<p>(1) On the first point, the CTC should allow project sponsors to swap local funds for CMIA funds on the condition that the local funds will remain committed to improvements in the same corridor. During the state budget crisis, the Bay Area and other regions in the state redirected bridge tolls, local sales tax revenue, and federal discretionary funding to keep critical state highway projects moving. Allowing the swapping out of local funds for CMIA funds would enable the local funds to be used to advance later phases of improvements within the same corridor, providing a greater benefit overall. (2) On the second point, MTC is supportive of the CTC’s holistic view. As noted at the outset, the MTC region will submit a comprehensive bond package that prioritizes projects for the CMIA, Trade Corridors, and Interregional Improvement Program bond categories.</p>