

## PARTNERSHIP TECHNICAL ADVISORY COMMITTEE MINUTES

January 22, 2007

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1. Introductions

Rick Moshier (Chair) requested introductions.

2. Minutes of December 18, 2006 PTAC Meeting

The minutes of the December 18, 2006 PTAC meeting were accepted.

3. Partnership Reports

Transit Finance Working Group (TFWG) – *Cory LaVigne, LAVTA* - Met earlier this month. Key topics included the (a) FTA Appropriations Program Impacts FY07. The discussion was tabled until Congress makes a decision regarding adopting the continuing resolution. (b) Bus/Van price list is a key area of concern and how it really impacts the way the RTP is shaped and the information that goes into it. The Group will form a sub-committee to deal with this. (c) SLPP Draft Guidelines.

Programming and Delivery Working Group (PDWG) – *Kenneth Kao, MTC* – The Group dealt with SAFETEA compliance and how that relates to TIP and RTP and the STIP Augmentation process (draft projects are due to MTC by February 1), and the roles and responsibilities between Caltrans, MTC, CMAs and the local agencies to better improve project delivery.

### Standing Updates

4. Transportation Improvement Program (TIP) Update

*Ross McKeown (MTC)* provided an update on the Transportation Improvement Program (TIP). TIP Amendment 04, a formal amendment, is currently being reviewed by FHWA and should be approved by the end of this week. This amendment directly impacts TAM's Gap Closure Project, since a CTC vote is predicated on the project's inclusion in the TIP.

Ross also outlined the progress of working towards a FHWA determination on the 2007 TIP regarding SAFETEA compliance. With regards to the status of FHWA's interpretation of TIP and SAFETEA Compliance, MTC has received a letter from the FHWA Sacramento District office providing final resolution to the debate (letter included in packet). The key points are:

- The TIP amendment process may proceed in a status-quo fashion, even if the RTP is not yet SAFETEA compliant, provided a SAFETEA compliant TIP is adopted by July 1, 2007. However MTC will need to demonstrate that the RTP is making "satisfactory progress" towards SAFETEA compliance.
- Absent meeting the above conditions, only administrative amendments would be accepted by FHWA after July 1, 2007.
- New series of emission factors (EMFAC2007) will need to be used for any conformity analysis modeling starting approximately in July 2007.

While MTC believes that the TIP already meets SAFETEA requirements, the final transportation planning regulations have not yet been issued by FHWA. Therefore MTC staff will be meeting in a few weeks with FHWA to discuss a "gap analysis" to determine what if any measures need to be taken before the TIP SAFETEA compliance deadline. In any event MTC is proceeding with a final major amendment to the RTP and the TIP to accommodate new CMIA projects. MTC start modeling for air quality conformity purposes and be meeting with the Air Quality Conformity Task Force shortly, therefore no new projects will be able to add to the TIP after February 1.

If you haven't already communicated some projects you want to have added to the TIP, please contact Raymond Odlunami (MTC) as soon as possible to be sure AQC Analysis (AQCA) is done. MTC sent out a call for projects in December but if there are any additions, we can take those by the end of the week.

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### 5. Legislative Update

*Rebecca Long (MTC)* provided a legislative update. There is not much news on the FY07 Appropriations Act. Staff is following the development of continuing resolution that is expected in mid-February and hopefully will allow the funding level authorized under SAFETEA rather than carrying over the current year (FY 2007) funding levels. A push by several members of Congress to fund at the SAFETEA authorized amount rather than last year's level has prompted talk in Washington, DC of providing exceptions to the general rule of funding all programs at the current year level.

For those planning to go to Washington, DC in March, MTC is coordinating its annual trip, which has been timed to coincide with the APTA Conference. MTC, along with other agencies including the Southern California Association of Governments and Los Angeles MTA, will be hosting a reception the evening of Tuesday, March 13. Meetings will be scheduled with members of Congress and MTC Commissioners, while other meetings are being planned with transportation staffers that will be open to any Bay Area transportation agency staff or board members that would like to participate.

### State Budget

*Rebecca Long (MTC)* reported on the proposed FY07-08 state budget. In general, the budget delivers mixed messages for transportation. Proposition 42 is honored, consistent with Proposition 1A, and approximately \$1.5 billion is going to transportation. Unfortunately, the Schwarzenegger Administration also proposes a diversion of \$1.1 billion from the Public Transportation Account (PTA) to offset costs that are traditionally covered by the General Fund. The proposed PTA fund shifts include:

- \$340 million to offset the general obligation bond debt for prior transit funds, specifically Proposition 108, Proposition 116 and rail bonds passed in the 1990's.
- \$627 million to the Department of Education to fund school bus service
- \$144 million to the Department of Developmental Services for transportation services for the developmentally disabled.

The ramifications of this fund shift are:

- Reduction in funding available for projects in the State Transportation Improvement Program (STIP)
- Reduction in funding available for the State Transit Assistance (STA) program.

The budget estimates that the spillover will be \$617 million in FY 2007-08 and proposes not to use any of these funds for STA next year and into the future, contrary to current law of 50% to STA, 50% in the PTA. The Administration also reports that the *current* year's spillover is likely to generate \$102 million less than previously estimated. To address this shortfall, the budget proposes to lower next year's STA funding level by the same amount, leaving a total STA funding level of \$185 million statewide as opposed to the current law's level of \$493 million; constituting a three-fold drop in STA funding. Meeting packet attachment 5a detailed the proposed funding level by transit operator in comparison to the base STA and Proposition 42 increment provided in the current year and FY05-06.

Under Proposition 42, FY07-08 is the last year of allocations to the Traffic Congestion Relief Program (TCRP) and the last year cities and counties have to forego funding for local streets and roads. With regards to Proposition 1B, the Administration is proposing appropriation authority in FY06-07 to get projects funded immediately for CMIA, STIP and SHOPP. For the budget year, there are incremental amounts going forward.

In terms of the budget year, Rebecca reports that the PTA diversion is not intended to be permanent but it is uncertain if MTC's efforts to retain all spillover monies for the PTA and STA will be successful. The diversion to the Department of Education is proposed to be ongoing.

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Nina Rannells (SFBAWTA) pointed out that the proposal to divert as much as \$308 million to potentially fund some of the programs that, prior to this year, were not eligible for transportation funding is reflective of the Administration's creativity to bypass transportation initiatives and mandates in the State and this should be addressed. Rebecca responded by stating that the spillover diversion is solely focusing on transit and unfortunately there are no real protections for spillover. By funding the school bus services through another fund source, it reduces the Proposition 98 guarantee, which is similar to our Proposition 42, thereby potentially impacting the education budget. MTC would like to form a coalition with the California Teachers' Association and the transportation agencies to oppose the proposal.

Paul Fadelli (BART) asked if anyone had heard if the California Transit Association (CTA) was planning to test the legality of the taking of the spillover since it hasn't been tested as to whether it could go back to paying back the debt of the transit bonds. Paul stated that the CTA is also planning to discuss legislation that would move the spillover funds over to Proposition 42, where it would be more secure. Rebecca concluded by stating that members of Legislature are already opposing the proposal and it will not likely be approved as proposed. MTC staff is focusing its efforts on retaining all the spillover under current law guidelines and is looking into ways to roll the spillover into Proposition 42 so that it is covered under Proposition 1A.

### Action Items

No items

### Discussion Items

#### 6. State Local Partnership Program

*Rebecca Long (MTC)* presented MTC's proposed approach for the new State Local Partnership Program (SLPP), created by Proposition 1B, and provided a handout of the revised SLPP distribution scenarios, that incorporated the Bay Area Rapid Transit (BART) Seismic Retrofit property tax assessment. MTC is currently discussing this proposal with legislative staff in Sacramento; Senator Perata is expected to be very involved in the legislation.

Kate Miller (AC Transit) asked if there were discussions about how the MTC amount would be sub-allocated in the region? Rebecca responded that the details are not yet known; however, one option would be to provide matching funds for projects funded in RM1 & RM2. Beyond that there might be an equity mechanism to compensate counties who benefit little or not at all from the regional toll fund measures.

Eric Harris (CCCTA) pointed out that his agency is a recipient of a one-time developer fee; would it be eligible for consideration in the SLP calculations? Rebecca responded by stating MTC is following the CTC's definition, which only includes uniform developer fees. Whether those fees are at city or county level, that hasn't been determined but the developer fee needs to be applied across the board, not for mitigation and not for a specific project.

In response to some reservations about MTC's recommending the use of a revenue-based approach, Rebecca explained that MTC is proposing a revenue-based model because it is the easiest, most predictable and fairest method to reward the voters. Allowing additional matching funds such as a city's local general fund becomes too large to be meaningful.

Ross McKeown (MTC) further added that in the CTC's approach, funding is at the full discretion of the CTC. MTC's proposal is a revenue-based formula that returns to source an equitable percentage of what is available, which results in a guaranteed amount. Although the numbers look higher under the CTC approach, it is possible for a jurisdiction to receive nothing. The CTC is expected to address the issue later in the year.

Seana Gause (SCTA) stated that it was duly noted that counties such as Marin/Sonoma could actually do much better under the CTC approach as opposed to the MTC approach, with no guarantees. Was there any consideration in the

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MTC approach to try to do what is best for the region and redistribute the monies especially to counties such as Marin/Sonoma? Rebecca replied stating that MTC would have to provide the funding for projects funded in RM1 & RM2, making it difficult for Sonoma, but if we could find ways to match projects that benefit those counties, we would do that.

David Chan (Transportation Authority of Marin) voiced his concern about the CTC not supporting a revenue-based approach and inquired about whether or not MTC has taken this into consideration and has developed an alternative strategy to address the initial "Draft" guidelines.

Rebecca responded stating that the issue is to be dealt with ultimately by the Legislature. The CTC will not be determining the structure of this program. MTC's goal is to maximize the amount of SLPP funding to the Bay Area region.

7. Regional Transportation Plan (RTP) Approach and Schedule for Proposed Amendment to Transportation 2030 and 2009 RTP

Ashley Nguyen (MTC) reported that MTC is preparing an amendment to take advantage of potential funding from the Prop. 1B CMIA program. The scope will be narrow, specifically targeting those projects on the MTC-approved CMIA list. The RTP Amendment will address the two I-880 HOV gap closure projects. Because we are amending the RTP we will be preparing two companion technical documents -- Air Quality Conformity Analysis (and Addendum to the Program EIR prepared for the Transportation 2030 Plan. The amendment will be presented to MTC's Planning Committee on March 9 to be released for the mandatory 30-day public review period. The required public hearings will be held in April, the first before a planning committee and the second before our commission. MTC is anticipating the final Commission approval of the amendment on May 23, after which, we will submit the conformity analysis to the FHA & FTA for their approval. We are aiming to complete the RTP Amendment prior to the statutory deadline of July 1, 2007, when MTC will no longer be able to amend the RTP.

Martin Engleman (CCTA) informed the committee of an impasse with the FHWA resulting from cost changes for the Caldecott Tunnel project. FHWA is requiring that the new higher costs be reflected in a fiscally constrained RTP and holding up approval of the ROD. CCTA is seeking the assistance of MTC to try to convince the FHWA that the plan is financially sound and/or update higher costs for the project in the Amendment to the RTP.

Ashley moved on to the process to update the Regional Transportation Plan, emphasizing that the approach will be very different from the one used for the current RTP. Rather than dealing with the financial and overall planning/land-use issues in two different streams, RTP development will be working upfront on the vision portion of the document which involves land use. Discussions of the financial issues will follow in the second phase. There will be three sequential phases: land use, financials and technical analysis, and the development of the Plan itself.

Ashley introduced Ted Droettboom, (ABAG) Program Director for the Joint Policy Committee, which is comprised of MTC, ABAG, the Air District and potentially BCDC in the near future. Ted reaffirmed that the majority of RTP effort in 2007 will go to developing the vision with inputs from a variety local and regional plans and programs. Over time, clearly some parts of the RTP may be applied as incentives to help folks achieve infill development consistent with regional and local objectives. The Transportation Land Use platform in the last RTP, talked about using regional transportation funds to support the land use vision for this region. This next RTP is viewed as an incremental opportunity to begin moving in this direction.

Kate Miller (AC Transit) stated that she would like the transit properties to be included in some of the focus or pre-meetings with the planning heads of the CMAs. Kate added there are fund sources that are specifically for transit properties that should be acknowledged when moving forward with visioning of the Plan. Ashley emphasized that PTAC would be the primary forum for all discussion related to the RTP and strongly urged all interests to attend and participate. Committee members should invite planning representatives from each of their agencies to discuss RTP related items at PTAC, when appropriate, particularly when the land use and growth patterns are brought to the table.

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However, at start of the process, MTC staff plans to host a series of brainstorming sessions with the CMAs, transit partners, and other stakeholders.

Committee members voiced their concerns about public outreach and how the consensus and collaboration would be determined using an accurate cross section, as well as whether it would be aiming mostly at cities and counties with land use authority or with the public. Ted responded by a primary goal of outreach is to work with the land use authorities and the local governments that were left out of the last RTP. Ashley added that as an overall approach, MTC is going to coordinate closely with ABAG on the outreach efforts. Ted's focus will be on the local governments. MTC's focus for the plan will be the CMAs, the transit agencies and transportation stakeholders.

Ted Droettboom (ABAG) amplified on the approach by discussing the involvement of local land-use partners to develop a vision. Activity centers will be incentivized for funding. Some part of the RTP may be applied towards supporting a land-use vision (infill-development). The tentative timeline to elicit their participation will be to hold countywide meetings with local elected and senior staff through February & March to introduce the program, talk about the relationship to the RTP, talk about the potential incentives that may be available and how to apply to become priorities areas. An open application process will extend through spring 2007 allowing agencies to express interest based upon their existing plans or to express interest to become a potential priority area. Discussions will ensue on the basis of those applications over the summer and into the fall and the first set of priorities areas adopted in the ABAG General Assembly in October 2007.

### 8. Caltrans Project Study Report (PSR) Prioritization Process

*Val Ignacio (Caltrans)* stated that as the owner/operator of the state highway system, Caltrans is responsible for future State projects based on the allocated resources identified in the State Budget. Project Study Reports (PSRs) requested by local agencies that cannot be accommodated within those allocated resources may be developed with other entities with Caltrans providing oversight. Val emphasized that PSR prioritization is based on the principles of open communication. Caltrans uses the RTP as the guide.

Caltrans requests regional consensus leading to a Regional Priorities List (RPL) of projects that would allow them to better anticipate the staffing requirements to develop PSRs in-house or provide assigned oversight for the next fiscal year. Caltrans requests that cities, counties or local transportation agencies communicate their PSR needs through their respective CMAs and that the RPL be submitted to Caltrans by March 15 for inclusion in the April submittal to Caltrans headquarters. Letters were sent last week from Caltrans and MTC calling for a joint list of projects for the FY07/08 work plan. Meetings will be scheduled after the March 15 deadline to talk about the project scope, benefits, schedule and priorities with MTC and respective CMAs.

Rick Moshier (City of Santa Rosa) stated that a one-year look amounts to no more than a triage planning approach of rationing out advanced planning resources and disagreed with prioritization of very limited resources as a solution to the bottleneck problem. Rick added that getting the appropriate amount of resources to the advance planning department at Caltrans to fund a long-range sustainable PSR workload would be a more constructive and suggested that local PSRs go through a consultant for review paid by outside funding to offset some of the unmet burdens.

## Information Items / Other Business

### 9. Recommended Future Agenda Items

The Committee agreed to reconvene in February to discuss the State Transit Assistance (STA) issue.

### 10. Next Meeting

February 26, 2007

MetroCenter, Auditorium

1:30 p.m. – 3:30 p.m.