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Programming and Allocations Committee
May 9, 2007
Minutes

Chairperson Tissier called the meeting to order at 10:17 a.m. Other Commissioners present were Commissioners Glover, Ammiano, Bates, Blanchard, Chu, Cortese, Dodd, Giacomini, Haggerty, Kinsey, Lempert, Rubin, and Yeager.

Consent Calendar

• *Minutes*

The committee approved the minutes of April 11, 2007 meeting as submitted.

• *Allocation of STA Funds*

The committee approved MTC Resolution No. 3751, Revised, which allocates \$7.7 million in State Transit Assistance (STA) funds to AC Transit for vehicle replacement.

• *Revision to Lifeline Program of Projects*

The committee approved MTC Resolution No. 3788, Revised, which revises the Lifeline Program of Projects to include the San Jose Auto Repair Assistance Program using Santa Clara County's unprogrammed Lifeline balance.

• *Request for Public Hearing*

The committee approved the request to hold a public hearing on June 13th for the proposed reassignment of \$62 million in RM2 funds from the Bay Area Rapid Transit (BART) seismic tube retrofit project to the Oakland airport connector and transit capital match project.

• *Revision to 2006 RTIP Augmentation*

The committee approved MTC Resolution No. 3800, Revised which revises the 2006 Regional Transportation Improvement Program (RTIP) Augmentation to prioritize and reduce or eliminate funding for four projects to better align funding to the county target.

Regional Programming

• *Proposition 1B Regional Transit Funding*

The committee received MTC Resolution No. 3814, Proposition 1B Regional Transit Funding.

Chair Tissier requested that the portion of the Proposition 1B Regional Transit Funding that pertains to Santa Clara VTA be continued to the Commission meeting in late May in order to have an opportunity to have some discussion between VTA, SamTrans, and the Executive Director of MTC, Steve Heminger.

Anne Richman, MTC, provided an overview of the proposed augmentation of the Proposition 1B Regional Transit Funding, highlighting revisions since the release of the Proposition 1B funding plan at the March 7th meeting.

Commissioner Cortese asked Ms. Richman to explain the funding plan for the Zero Emission Bus program. Ms. Richman stated that the current estimate is \$37 million. Identified sources for the \$37 million include \$10 million from the Proposition 1B proposal, at least \$10 million from federal sources and several million from BAAQMD. Staff is working with VTA and AC Transit to identify additional sources.

Commissioner Lempert asked how funding for Lifeline would be monitored. Ms. Richman replied that the current Lifeline program funded through Proposition 42 will be undergoing an evaluation in the future to test the effectiveness of the projects and the same evaluation is expected to continue with Proposition 1B funds. In addition, Ms. Richman stated that staff proposes to distribute the funds through the current community based transportation plan process, which occurs through the CMAs at a county level.

Alejandro Castillo, Minority Citizens Advisory Committee (MCAC), asked MTC staff to prioritize funding gaps in the Lifeline transit network, maintenance of the existing bus network and existing rail, and expanding transit in an equitable and cost-effective manner to prevent further fare increases, scheduling cuts, and overall degradation of the bus system.

Frank Gallo, MCAC, asked the Commission to follow the recommendations made in the 2001 Lifeline network study for the RTP.

Carli Paine, Transportation and Land Use Coalition, commended staff for increasing Lifeline funding, but expressed concern that Proposition 1B funding is capital and Lifeline needs are mainly operational. Ms. Paine also expressed disappointment that Phase Two of the Transbay Terminal was not selected stating that it would provide a large regional benefit. Ms. Paine asked staff to include all agencies that will use the Terminal in the project analysis and not just Caltrain.

Suzanne Smith, Bay Area Partnership Board Chair, spoke on behalf of the Partnership Board. Ms. Smith stated that the Partnership met on April 10th and there was support and opposition to the various categories, without reaching a consensus. Ms. Smith stated that there was overall support of the Lifeline program, but there are a few issues to work out with MTC staff in regards to flexibility and how they are applied to community-based transportation-planning areas. Ms. Smith concluded that the small operators encouraged the ability to be flexible with funds in terms of mixing between capital and operating.

Linda Craig, League of Women Voters (LWV) of the Bay Area, supports the categories identified for the Proposition 1B funds, but expressed some concerns about flexibility to address adjustments and circumstances and/or priorities. LWV supports the use of operating money particularly in the proper balance with capital funds for the Lifeline program. Ms. Craig added that the proposal does

not include an Urban Core project for Oakland and in addition supports the inclusion of the Transbay project.

David Schonbrunn, TRANSDEF, commends the Committee and its staff for the proposed policy principles. Mr. Schonbrunn stated that the Lifeline program does not need flexibility, because it might undermine the entire community based transportation plan process by encouraging operators to substitute their base system projects. He commented that the flexibility should be with MTC swapping funds around.

Jose Luis Moscovich, San Francisco County Transportation Authority (SFCTA), supports the MTC staff's proposal. Mr. Luis Moscovich reported that the Central Subway would carry 90,000 people a day when it is built and together with the 3rd Street Light Rail Line will support over 15,000 new housing units. In addition, Mr. Luis Moscovich stated that he was pleased to hear MTC Executive Director's proposal for a strategic funding plan for Resolution 3434 projects with remaining shortfalls.

Len Conly, Friends of Bus Rapid Transit (BRT), mentioned that he had attended the Dumbarton Rail Corridor Policy Advisory Committee meeting and was under the impression that BRT was left as an option to be studied in the proposed EIR for the corridor. Mr. Conly stated that BRT offers a lot more flexibility and is cost effective. Mr. Conly suggested that the committee change the name of the study to the Dumbarton Rail/BRT corridor.

Gerald Cauthen, former transportation Vice President and Senior Engineering manager for Parsons Brinkerhoff, stated that none of the three projects in the Urban Core transit improvement category fit because they will not induce the maximum amount of smart growth possible.

Ian McAvoy, SamTrans, reported that SamTrans is working with San Francisco to come up with an agreement to resolve the Caltrain right-of-way issue.

Rich Napier, City/County Association of Governments of San Mateo County, supports the Proposition 1B Transit proposal and thinks that a plan to address the payment of the Caltrain right-of-way is useful.

Lynette Sweet, president of the BART Board of Directors, stated that several MTC commissioners have approached BART about closing the funding gaps on the Warm Springs and eBART extension projects by matching MTC and BART bond funds. As board president, Ms. Sweet proposed to bring the proposal back to the BART board if MTC can commit matching funds for the two projects from the bond funds under the Commission's control. Ms. Sweet encouraged additional bond funding from the state and local partnership account to advance both important projects. She reiterated BART's position that a majority of the population based bond funds be directed to system renovation needs.

Rick Ramacier, County Connection, stated that MTC staff has made a good attempt in listening to the concerns of the small operators. He recommended revisiting the match requirement for small

operators to receive population capital funds in the proposal, which would be challenging for some of the small operators. Mr. Ramacier urged the Committee to direct MTC staff to work with the partners as well as the communities on the definition of Lifeline, including expanding beyond the community-based transportation planning process.

Charles Anderson, Western Contra Costa Transit, reinforced Mr. Ramacier's concerns with the match requirement, and needed flexibility in delivering capital projects while protecting operating dollars. Mr. Anderson thanked MTC staff for balancing the needs of small operators with many competing needs.

Daryl Halls, Solano Transportation Authority, stated that MTC staff met with the North Bay small operators last summer to talk about operating issues and capital needs. He supported the staff proposal's language supporting Solano County consolidation studies in partnership with the small operators.

Commissioner Lempert was disappointed that Dumbarton Rail, eBART, and Transbay Terminal-Phase 2 were not included on the Urban Core allocation and hopes that MTC staff will work with the various agencies to make sure the projects become a reality.

Steve Heminger, MTC, replied that the suggested projects did not meet the criteria that MTC established and that the match from Proposition 1B sources cannot be met by the Dumbarton and Transbay projects. Staff will propose the development of Resolution 3434 Strategic Plan to fund outstanding projects.

Commissioner Ammiano, stated that the Central Subway has a lot of political support and a bus tunnel was looked at, but was not chosen. The Central Subway has potential to expand to Fisherman's Warf and beyond. In regard to the Transbay Terminal, Commissioner Ammiano was glad to hear general support for the project. He commended MTC staff on the revised proposal and is supportive of staff's recommendations.

Commissioner Bates asked how Oakland would come out under the Lifeline flexibility issue. Mr. Heminger replied that the Lifeline program will be distributed based on percentage share of low-income population, therefore Alameda County will receive a larger share of the funds.

Commissioner Bates asked how Warm Springs is being justified as an Urban Core project. Mr. Heminger replied that the intention of the Warm Springs project is to link the Silicon Valley. In addition, the Warm Springs project is subject to the TOD policy, which conditions the release of MTC's discretionary funding on the basis of local land use policy along the corridor.

Commissioner Haggerty added that although Warm Springs does not have housing, the area provides good union jobs, such as the NUMMI Plant. In addition, the proposed funding of \$24 million for Warm Springs would also go towards paying off the \$145 million debt from the BART to SFO extension.

Commissioner Glover stated that there is an opportunity to fill the project gap on several projects. Commissioner Glover made a motion to recommend that the Executive Director work with BART and identify funding for the proposed \$40 million in Proposition 1B revenue-based match for Warm Springs and eBART. Commissioner Haggerty seconded the motion clarifying that the right-of-way issue relating to VTA be excluded.

Commissioner Blanchard noted that the proposal is a “zero-sum” situation and asked MTC staff to respond to the potential impacts of the new motion. Mr. Heminger stated that staff would work on the change and outline the effects.

The motion passed without objection.

Mr. Glover asked Mr. Heminger to respond to the small operators requests. Mr. Heminger clarified that today the small operators are suggesting a lower match or no match at all, compared to the staff proposal. Commissioner Glover asked staff to reevaluate the issue.

Commissioner Rubin asked if the entire evaluation process would be reopened as a result. Mr. Heminger stated that staff would focus on the motion and the requests of Commissioners. In addition, the Governor’s May revise of the budget could provide additional funding for the proposal, from STA spillover funds.

Commissioner Bates, asked if the Commissioners would be able to see what is not funded in the new proposal. Mr. Heminger stated that the proposed changes would be transparent.

Federal Programming

- *RM2 Capital Allocations*

Melanie Choy, presented the RM2 Allocations. The first allocation is a \$1 million allocation to examine a regional integrated fare structure for transit riders that travel on multiple transit systems during the daily commute. The second allocation is for \$20 million for the Contra Costa County Crossover project.

Steve Kaplar, BART’s project manager for the central Contra Costa County Crossover project, gave the Committee members a short report on the project on its location and purpose.

- *Third Cycle SAFETEA STP/CMAQ Policies and Programming*

Craig Goldblatt, MTC, reported on the background of the Third Cycle and the proposed changes within the Congestion Management Agency (CMA) planning activities category to provide a \$1.2 million augmentation for the final two years of the federal authorization period, FY 2007-08 and FY 2008-09.

Glen Tepke, MTC, reported on the changes that MTC proposed for the Transit Capital Shortfall program. First, MTC proposes to program \$45 million to BART’s car replacement program under the agreement that the funds would be spent on preventative maintenance and BART would transfer an equivalent amount of local funds into a reserve account for the future of car replacement. MTC is

proposing that the remainder of the funds, or \$14 million, be programmed to the Zero Emission Bus demonstration project.

California Transportation Commission (CTC) Report

Ross McKeown, MTC, reported that at the 2006 STIP Augmentation hearing in Sacramento the CTC noted the Bay Area region as being over its targeted amount for the STIP Augmentation and requests that the region prioritize its proposal within the regional target. MTC staff will meet with the Congestion Management Agencies (CMAs) and work with CTC to discuss the available options in order to bring the Bay Area closer to the target.

Mr. McKeown also reported that Caltrans released the funding assumptions for the 2008 STIP. The CTC is required to adopt the fund estimate in August and MTC is required to submit the 2008 STIP to the CTC in December. The Policies, Procedures, and Guidelines will be developed in the next few months and will be brought to the Committee for approval. Mr. McKeown concluded that MTC staff will work with transit operators and CMAs to develop the 2008 STIP, and will be adopted in December 2007.