

**Metropolitan Transportation Commission
Programming and Allocations Committee**

December 12, 2007

Item Number 4c

Resolution No. 3830

Subject: Trade Corridors Improvement Fund (TCIF) Program Update.

Background: At your recent meetings, staff provided you with updates on the TCIF program and a draft program of projects for your information. The TCIF program provides \$2 billion for improvements to the state's goods movement infrastructure for allocation by the California Transportation Commission (CTC). On November 27, 2007, the CTC approved program guidelines, including the schedule, project evaluation criteria and recommended regional targets. The CTC and Caltrans also recommended adding approximately \$500 million from the State Highway Account to fund state-level priorities that are critical to goods movement, bringing the total funding available to \$2.5 billion. In addition, the CTC will program about 20% more than available funding, assuming future new revenue and changes in project delivery.

Schedule: Project applications are due to the CTC by January 17, 2008.

Project evaluation: Projects will be evaluated based on both eligibility screens and evaluation criteria. Screens include deliverability, secured matching funds, and emission reductions. Criteria are focused on freight system factors, transportation system factors, and community impact factors.

Regional allocation targets: The CTC approved regional allocation targets to guide program development. The three trade regions are: 1) the Bay Area/Central Valley, 2) the Los Angeles/Inland Empire, 3) the San Diego/border crossings, and there was also a funding recommendation for areas that fall outside of those major corridors.

TCIF Corridor Programming Ranges*		
	(in \$ millions)	
	Low	High
Los Angeles/Inland Empire	\$1,500	\$1,700
Bay Area/Central Valley	\$640	\$840
San Diego/border	\$250	\$400
Other corridors	\$60	\$80
Administrative fees	\$40	\$40
Total	\$2,490	\$3,060

*Range includes SHOPP funds.

The proposed Northern California "Bay Area/Central Valley" program outlined in MTC Resolution No. 3830 Attachment A includes both projects we anticipate submitting for TCIF funding (Tier 1) as well as additional goods movement projects (Tier 2) to be pursued in the future. There is one proposed new project—Shafter Intermodal Facility—since we presented the program to you in November. The Shafter project was identified as a

Tier 1 project by the Central Valley, and is included in our Northern California program as part of our partnership. As well, with the support of our Central Valley partners and Caltrans Districts 4 and 10, the eastbound I-580 truck climbing lane project has been elevated to Tier 1, as the addition of SHOPP funds into the mix makes a funding plan more viable for this project. It is staff's intent that projects from Tier 1, totaling roughly \$850 million, and \$100 million in goods movement-related SHOPP projects, would be submitted to the CTC for the TCIF program, with each regional agency submitting applications for the projects for which they are listed as sponsor.

Issues:

1. The CTC has not yet provided final application requirements for project submittals, including if projects will need to be prioritized. Therefore, staff may need to bring revisions to the December 12th Committee meeting, or the Commission meeting on December 19, 2007. The Program of Projects will be reevaluated in light of any guidance received from the CTC regarding the submission process and selection criteria.
2. We anticipate a continued debate within the Legislature regarding the allocation ranges adopted by the CTC. The Los Angeles/Inland Empire corridor and their legislative leaders are opposed to the proposed targets. This may impact program implementation.

Recommendation:

Approve the project list, subject to additional revisions and detail provided by staff at your December 12th meeting, and refer MTC Resolution No. 3830, Revised to the Commission for approval.

Attachments:

Deputy Executive Director's Memorandum
MTC Resolution No. 3830, Revised



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TRANSPORTATION
COMMISSION

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Memorandum

TO: Programming and Allocations Committee

DATE: December 12, 2007

FR: Deputy Executive Director, Policy

RE: Trade Corridors Improvement Fund Update and Program of Projects, MTC Resolution No. 3830, Revised

In November 2006, voters approved Proposition 1B, a roughly \$20 billion Transportation Bond. Proposition 1B included a total of \$3.1 billion for goods movement-related programs. This memo provides an update on the \$2 billion infrastructure element—the Trade Corridors Improvement Fund (TCIF) program—and a program of projects for your approval. There is also a separate \$1 billion air quality program for allocation by the California Air Resources Board for air quality improvements related to goods movement.

Unlike other transportation programs, the TCIF legislation included no mandated funding allocation between Southern and Northern California. In order to compete effectively with Southern California, MTC partnered with the Central Valley and Sacramento regions to develop a comprehensive Northern California trade strategy and program.

There are two high priority interregional goods movement corridors serving the Bay Area: 1) I-80 – known as the Central Corridor; and 2) I-880/238/580 – known as the Altamont Corridor. Investment in these corridors together ensures the future viability and growth of the Port of Oakland as a trade gateway for both imports and exports, and strengthens the economic interconnections of the Sacramento and San Joaquin Valley regions with the Bay Area. MTC and our partners focused our efforts on developing a comprehensive program of rail and highway projects along these corridors.

A. Draft program of projects

MTC Resolution No. 3830 Attachment A summarizes our preliminary \$1.3 billion proposed program, and includes projects in our region, as well as projects from the Central Valley and Sacramento regions that together represent both Northern California trade corridors. Our approach is to have a multi-phased project list. The first Tier, totaling roughly \$850 million, and another \$100 million in SHOPP programming, reflects the highest priority projects for each region as candidates for TCIF funding. Tier 2, totaling roughly \$460 million, is made up of those projects that play an important role in goods movement in the corridors but that we do not believe will compete as well for the TCIF program. The TCIF program is simply the beginning of a long-term focus on goods movement. With federal reauthorization on the horizon, and a possible revenue stream for trade projects from the proposed container fee being considered by the state legislature, those projects that do not receive funding from TCIF will continue to be developed and pursued.

B. Evaluation

On November 27, 2007, the CTC approved program guidelines, including the schedule, project evaluation criteria and recommended regional targets. The CTC and Caltrans also approved adding approximately \$500 million from the State Highway Account to fund state-level priorities that are critical to goods movement, bringing the total funding available to \$2.5 billion. In addition, the CTC will program roughly 20% more than currently available funding, assuming future new revenue and changes in project delivery. Project applications are due to the CTC by January 17, 2008.

Project evaluation: Attachment B summarizes the evaluation criteria adopted by the CTC. Projects will be evaluated based on both eligibility screens and evaluation criteria. Screens include deliverability, secured matching funds, and emission reductions. Criteria are focused on freight system factors, transportation system factors, and community impact factors.

Regional allocation targets: The CTC approved regional allocation targets to guide program development. The three trade regions are: 1) the Los Angeles/Inland Empire, 2) the Bay Area/Central Valley, 3) the San Diego/border crossings, and there was a small funding recommendation for areas that fall outside of those major corridors.

TCIF Corridor Programming Ranges (in \$ millions, ranges include SHOPP funds)		
	Low	High
Los Angeles/Inland Empire	\$1,500	\$1,700
Bay Area/Central Valley	\$640	\$840
San Diego/border	\$250	\$400
Other corridors	\$60	\$80
Administrative fees (<i>Department of Finance</i>)	\$40	\$40
Total	\$2,490	\$3,060

Rail projects: The CTC is requiring that public funding be tied to public benefit as demonstrated through a public/private benefit analysis. The State will likely take the lead role in negotiating agreements with the railroads regarding major rail projects, including determining appropriate funding splits and additional public concessions.

C. Next Steps for TCIF

The proposed Northern California “Bay Area/Central Valley” program outlined in MTC Resolution No. 3830 Attachment A includes both projects we anticipate submitting for TCIF funding (Tier 1) as well as additional goods movement projects (Tier 2) to be pursued in the future. It is staff’s intent that projects from Tier 1, totaling roughly \$875 million, would be submitted to the CTC for the TCIF program, with each regional agency submitting applications for the projects for which they are listed as sponsor.

Therese W. McMillan

TMcM:CC

Attachment: 1 – CTC Project Evaluation summary

ATTACHMENT 1
TCIF Criteria and guidelines

(adopted by the California Transportation Commission (Nov 27, 2007))

SCREENING CRITERIA: Screening criteria determine whether the nomination is evaluated further.	
1. Eligibility	<ul style="list-style-type: none"> – Project is included in GMAP, Cal-MITSAC, trade infrastructure and goods movement plans adopted by regional transportation planning agencies, or an adopted regional transportation plan – Project can demonstrate a 1:1 funding match (local, federal or private funds)
2. Deliverability	Project will begin construction by December 31, 2013
3. Air Quality	Project contributes to corridor or air basin emission reduction efforts of particulates and other pollutants
4. Economic/Jobs Growth	Project will stimulate economic activity, enhance trade value, and preserve/create jobs

EVALUATION CRITERIA: Evaluation criteria are outcome oriented and customizable to each corridor. Evaluation criteria are grouped into three categories:	
1. Freight System Factors	<ul style="list-style-type: none"> – Throughput: Project provides for increased volume of freight traffic through capacity expansion or operational efficiency – Velocity: Project increases the speed of freight traffic moving through the distribution system – Reliability: Project reduces the variability and unpredictability of travel time
2. Transportation System Factors	<ul style="list-style-type: none"> – Safety: Project increases the safety of the public, industry workers, and traffic – Congestion Reduction/Mitigation: Project reduces daily hours of delay on the system and improves access to freight facilities – Key Transportation Bottleneck Relief: Project relieves key freight system bottlenecks where forecasts of freight traffic growth rates indicate infrastructure or system needs are inadequate to meet demand – Multi-modal Strategy: Project employs or supports multi-modal strategies to increase port and transportation system throughput while reducing truck vehicle miles/hour traveled – Interregional Benefits: Project links regions/corridors to serve statewide or national trade corridor needs
3. Community Impact Factors	<ul style="list-style-type: none"> – Air Quality Impact: Project reduces local and regional emissions of diesel particulate, NOX and CO2 – Community Impact Mitigation: Project reduces negative impacts on communities (noise, localized congestion, safety, etc.) – Economic/Jobs Growth: Project stimulates local economic activity, enhances trade value, and preserves/creates jobs

Date: December 19, 2007
W.I.: 1515
Referred by: PAC

ABSTRACT

Resolution No. 3830

This resolution adopts the Trade Corridor Improvement Fund (TCIF) Program of Projects for the San Francisco Bay Area as the basis for project submittals to the California Transportation Commission (CTC).

Further discussion of this action is contained in the Deputy Executive Director's memorandum and Programming and Allocations Summary sheet dated December 12, 2007.

Attachment A – MTC TCIF Program of Projects

Date: December 19, 2007
W.I.: 1515
Referred by: PAC

RE: Adoption of Trade Corridor Improvement Fund Program of Projects

METROPOLITAN TRANSPORTATION COMMISSION
RESOLUTION NO. 3830

WHEREAS, the Metropolitan Transportation Commission (MTC) is the regional transportation planning agency for the San Francisco Bay Area pursuant to Government Code Section 66500 *et seq.*; and

WHEREAS, MTC has adopted, pursuant to Government Code Sections 66508 and 65080, a Regional Transportation Plan (RTP); and

WHEREAS, MTC biennially adopts, pursuant to Government Code Section 65080, a Regional Transportation Improvement Program (RTIP) that is submitted, pursuant to Government Code Section 14527, to the California Transportation Commission (CTC) and the California Department of Transportation (Caltrans); and

WHEREAS, Senate Bill 1266 (2006) establishes the Trade Corridor Improvement Fund (TCIF) as part of the Highway, Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006; and

WHEREAS, MTC has developed, in cooperation with the Port of Oakland, Councils of Governments from the Sacramento and San Joaquin Valley regions, the Congestion Management Agencies, and local governments, a Program of Projects for the TCIF Program as the basis for project submissions to the CTC; and

WHEREAS, MTC's Programming and Allocations Committee has considered public comments and input and recommends adoption of the TCIF Program of Projects; now, therefore, be it

RESOLVED, that MTC adopts the TCIF Program of Projects, attached hereto as Attachment A and incorporated herein as though set forth at length, and finds projects in the MTC region to be consistent with the RTP or proposed changes to the RTP; and, be it further

RESOLVED, that MTC's adoption of the TCIF Program of Projects is for planning purposes only, with each project still subject to MTC's project review and application approval pursuant to MTC Resolution Nos. 3115 and 3075; and, be it further

RESOLVED, that the Executive Director shall forward a copy of this resolution, and such other information as may be required to the CTC, Caltrans, and to such other agencies as may be appropriate.

METROPOLITAN TRANSPORTATION COMMISSION

Bill Dodd, Chair

The above resolution was entered into by the Metropolitan Transportation Commission at a regular meeting of the Commission held in Oakland, California, on December 19, 2007.

PRELIMINARY: Northern California Trade Projects: These projects are preliminary staff recommendations and are subject to review and approval by regional policy boards.

Project #	Sponsor agency	Projects	Project Cost Estimate	Trade	Match**	Match secured	Source	GMAP Recommended	SHOPP eligible	Notes
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TIER 1

costs in thousands										
Anchor										
1	Port	7th Street Grade Crossing	\$ 250,000	\$ 125,000	\$ 125,000	Y	Port	X		Match to come from the Port. Key grade crossing and overpass work at primary gateway to the Port.
2	Port	Martinez Subdivision Improvements	\$ 315,000	\$ 157,500	\$ 157,500	Y	UP	X		UP has said they will be a contributing partner, but no specific dollar amount known yet. The project will increase capacity along the primary rail line in to the Port, and also the Capitol Corridors route. Grade crossings must be addressed.
3	Port	Construct Outer Harbor Intermodal Terminal	\$ 325,000	\$ 162,500	\$ 162,500	Y	Port	X		New intermodal rail terminal at the Port of Oakland to serve both UP and BNSF. Provides increased intermodal capacity to help divert a higher fraction of container traffic to rail instead of truck. Increases rail capacity from 1.2m TEUs to 3.1m TEUs.
Anchor Total			\$ 890,000	\$ 445,000	\$ 445,000					
Central Corridor										
4	State	Donner Summit Improvements	\$ 75,000	\$ 37,500	\$ 37,500	Y	UP	X		UP has committed to provide the match (1:1). Passenger rail concessions from UP for Capitol Corridor service from Sacramento to Roseville and Auburn are necessary for support.
5	SACOG	Sacramento Depot Rail Realignment	\$ 50,000	\$ 20,000	\$ 30,000	Y	Local			Rail realignment; match already secured with local funds, greater than 1:1. Improves service efficiency and reliability for both UP and Capitols. Strong local support.
6	SOL	Cordelia Truck Scales	\$ 99,600	\$ 38,300	\$ 61,300	Y	Local	X	X	Match from bridge tolls. Project improves truck flows near I-80/680 interchange and reduces unsafe conditions of trucks queuing onto I-80 and difficult weaving patterns.
Central Corridor Total			\$ 224,600	\$ 95,800	\$ 128,800					
Altamont Corridor										
7	SJ	Hwy 4 Extension to Port of Stockton (Phase 1)	\$ 180,000	\$ 90,000	\$ 90,000	Y	Local	X		Key access for the Port of Stockton; reduces major truck impacts on local community. Phase 1 match of \$60m from Measure K. Enterprise zone.
8	ALA	I-880 Improvements @ 29th & 23rd Avenues	\$ 95,000	\$ 24,000	\$ 71,000	Y	Local	X	X	Key truck access route to the Port with clearance issues and difficult on and off ramps. If match is not secured, becomes a Phase 2. Match possibly from local/regional highway funds, user fees or SHOPP.
9	State	Tehachapi Pass Improvements	\$ 82,000	\$ 41,000	\$ 41,000	Y	BNSF	X		Match from BNSF. Increases key capacity for both domestic export from Valley and transcontinental traffic from Port. Would open up rail capacity in the San Joaquin Valley.
10	ALA	EB I-580 Truck Climbing Lane Over Altamont	\$ 60,000	\$ 15,000	\$ 45,000	TBD	Local	X	X	Critical truck route connecting Bay Area and Central Valley. Strong support from ag community. Caltrans staff is working on project development, cost to be finalized. Possible local match under discussion.
Short haul rail projects										
11	SJ	San Joaquin Rail Commission ROW purchase for future short haul service - Stockton to Fremont.	\$ 150,000	\$ 75,000	\$ 75,000	Y	ACE/RMK	X		Purchase of key segments of ROW. This is a critical foundation step to allow for eventual short haul rail service connecting the Central Valley to the Port. ACE match of \$75m from Regional sales tax. UP negotiations ongoing; therefore project cost in flux. Requires ROW to be made an eligible expense for bond funds. ACE currently operates on this ROW; multiple benefits from ownership. GMAP recommended continued investment on the Altamont Rail Corridor; this project provides foundation for rail shuttle.
12	Stan.	Short haul terminus at Crows Landing development	\$ 52,000	\$ 26,000	\$ 26,000	TBD	Local/private			Short haul rail terminus option. Stanislaus County requesting investment on rail corridor serving the proposed facility. Private developer contributing to match; value of county land committed to project proposed as additional match source. Requires either operating rights from UP along the Coast Subdivision or investments along East Bay (#16&17) connecting to the Port of Oakland, as well as access to intermodal facility at Port- timing and feasibility of which are unclear. Requires #10 above for mainline rail connection. Operating subsidy required.
13	Kern	Shafter Intermodal facility	\$ 30,000	\$ 15,000	\$ 15,000	TBD	Local			New intermodal facility in Shafter to serve future short haul rail operation. Questions outstanding include: operating subsidy, match availability and access to rail network.
Altamont Corridor Total			\$ 649,000	\$ 286,000	\$ 363,000					
Dredging projects										
14	Port Sact	Port of Sacramento Dredging	\$ 70,502	\$ 10,000	\$ 10,000	Y	Local			Deepening the channel from 30' to 35'. Match to come from Port of Sacramento operating funds. \$50-60m needs to come from Corps-because multi-year funding in which the Corps does its budget (annual capability), the funds can be guaranteed only on an annual basis. Currently the Corps' FFY 2008 budget includes \$900,000, and \$600,000 has been proposed for the FFY 2009 budget.
15	Port Stock	Port of Stockton dredging	\$ 140,000	\$ 17,500	\$ 17,500	Y	Port			Project request is half the local share (75% federal, 25% local) required for Army Corps dredging projects. The project has been approved by the Corps but the federal portion of the funds can be guaranteed only on annual basis because the Corps does its budget based on annual capacity rather than multi-year commitments.
Dredging Total			\$ 210,502	\$ 27,500	\$ 27,500					
TOTAL TIER 1			\$ 1,974,102	\$ 854,300	\$ 964,300					

*Project numbers are NOT an indication of priority ranking. They are for identification purposes only.
** Includes estimated SHOPP contributions-- subject to CTC/Caltrans negotiations.

TIER 2

Central Corridor										
16	MTC/SACOG	Capitol Corridor Operational Improvements	\$ 60,000	\$ 30,000	\$ 30,000	N	UP			Various rail upgrades along the corridor from Oakland to Sacramento. Improves service for both UP and Capitols.
17	SACOG	I-80 widening project	\$ 200,000	\$ 80,000	\$ 120,000	Y	Local			Operational and capacity improvements. Local sales tax secured for match.
Central Corridor Total			\$ 260,000	\$ 110,000	\$ 150,000					
Altamont Corridor										
Short haul rail: Bay Area - Central Valley										
18	ALA	Oakland Subdivision ROW Purchase	\$ 60,000	\$ 30,000	\$ 30,000	N	None			Short haul rail alignment option- links Niles Junction to Port of Oakland. Match would rely on larger Dumbarton project, which is underfunded and the project status unclear. Final cost is unclear as it will be a negotiation with UP. Not a top priority for the Port of Oakland.
19	ALA/SJ	Alameda Creek Bridge	\$ 32,000	\$ 16,000	\$ 16,000	N	None			Short haul rail alignment option- provides connection at Niles Junction to the Oakland Sub separating passenger and freight service. No match- was originally included as part of the Dumbarton Rail project but there is no funding available.
Altamont highway projects										
20	ALA/ SJ	WB I-580 Truck Climbing Lane Over Altamont	\$ 50,000	\$ 25,000	\$ 25,000	N	Local	X		Match source needed. ITIP funds a possible match source. Strong support from Central Valley ag community. Caltrans staff is working on project development. Possible container fee match if highway projects are eligible.
21	Stan.	State Route 132 Improvements	\$ 100,000	\$ 50,000	\$ 50,000	N	None			Expand capacity on Rt 132; 15 mile project to connect w/ SR99. Key truck route in the Valley. Have \$14m federal available for easternmost portion, and possible TCRP funds. Phasing and scope being determined. May require ROW purchase to be eligible.
22	SJ	Hwy 4 Extension to Port of Stockton (Phase 2)	\$ 100,000	\$ 50,000	\$ 50,000	N	TBD/local	X		Phase 2 of key Port of Stockton connection (#8). Match TBD.
23	SJ	Sperry Road	\$ 65,000	\$ 32,500	\$ 32,500	N	Local			Extension of Sperry Road results in a new east/west arterial connection bt I-5 and SR 99. Includes 3 grade separations. EIR is complete. Match possibly available in regional sales tax.
24	SJ	I-5/580 SR 32/Bird Interchange	\$ 41,000	\$ 20,500	\$ 20,500	Y	Local/private			Construction of new interchange on SR132 and widening of SR132 bt I-5/580. Would help serve aggregate businesses in the area. Match may come from private sector but is not committed.
25	Port	North Airport Air Cargo Road Access Improvements	\$ 10,000	\$ 5,000	\$ 5,000	Y	Port			Project is first phase, another \$8.4M second phase for a later date. Match is Port funds. Improves capacity and access to North Airport air cargo tenants.
26	SJ	I-5 widening project- Stockton	\$260,000	\$130,000	\$130,000	Y	Local			Widens a key segment of Interstate 5 in Central and North Stockton which carries up to 18 % trucks and is a key connector to the Port of Stockton. Matching funds through Measure K and local sources.
Altamont Corridor Total			\$ 718,000	\$ 359,000	\$ 359,000					
TIER 2 TOTAL			\$ 978,000	\$ 469,000	\$ 509,000					
TOTAL TIER 1 AND 2			\$ 2,952,102	\$ 1,323,300	\$ 1,473,300					