

**Metropolitan Transportation Commission
Programming and Allocations Committee**

July 10, 2024

Agenda Item 4a-24-0841

**Major Project Advancement Policy: Stage Gate Evaluation Authorization for
Transbay Joint Powers Authority – the Portal Project and Preview of 2024 State
Funding Cycles**

Subject:

As part of the Major Project Advancement Policy (MAP) this item:

1. Recommends the Commission authorize MTC staff to initiate and perform a MAP Stage Gate Evaluation of the Portal project, consistent with MTC Resolution No. 4537, as requested by Transbay Joint Powers Authority staff.
2. Provide an informational update on 2024 State Funding Opportunities for the Transit and Intercity Rail Capital Program (TIRCP) and various Senate Bill 1 (SB1) programs.

Stage Gate Evaluation for TJPA – The Portal Project

In May 2024, the Federal Transit Administration informed TJPA that the request to enter the Portal project into the New Starts engineering phase of the FTA Capital Investment Grants (CIG) program was approved. Although the TJPA requested \$4 billion, a 49.4 percent CIG share, FTA notified the TJPA that \$3.4 billion (41 percent) represents the maximum amount of CIG funds that will be provided by FTA for the Project should a Full Funding Grant Agreement (FFGA) be approved.

With this acceptance, TJPA staff requested MTC initiate the MAP Stage Gate evaluation process to move the project from MAP Level 2 to MAP Level 1. The MAP Stage Gate Process is briefly summarized below and included in detail as an attachment (Attachment E to MTC Resolution 4537, Revised).

The evaluation framework focuses on project cost and funding, adherence to Plan Bay Area and regional policies, and project readiness (including governance, procurement, project delivery and operating model). The evaluation process for projects over \$1 billion requires commission approval to commence; given the complexity of the project staff recommend pursuing a detailed assessment, the most thorough evaluation under the MAP Stage Gate. Based on the assessment, the project will receive a confidence score, proposed MAP level, and any conditions or recommendations to be included in an overall

recommendation to the Commission. Staff recommends Commission approval to commence a detailed evaluation of the Portal project, with support from the Steer Group, the consulting firm that assisted in the development of the MAP Stage Gate Evaluation process.

Upcoming State Funding Opportunities

In the fall, MTC staff intends to provide updates and endorsement recommendations to the Commission for upcoming state TIRCP and SB1 2024 programming rounds. Originally scheduled for this month, staff recommends deferring action on endorsements until September to better understand the sponsor requests for each project and fund source, and to ensure the Bay Area advances the most competitive set of projects to maximize funding for the region. A summary of the funding opportunities is provided below.

TIRCP

The California State Transportation Agency (CalSTA) has announced Cycle 7 of the TIRCP Program is open with applications due on July 23rd, 2024. Approximately \$900 million in funding will be available for this program statewide. MTC staff provided a call for project information through partnership working groups, for consideration in making endorsements. Staff will provide endorsement recommendations to the Commission consistent with MTC's approved TIRCP framework, Resolution 4130, which identifies certain named projects and allows for endorsement of requests up to \$25 million for other projects that are consistent with *Plan Bay Area 2050*.

Attachment B provides information on projects that responded to the call for endorsements and are planning to submit applications for TIRCP Cycle 7. Most of the planned applications are aligned with MTC's current TIRCP framework, with the exception of the Sonoma Marin Area Rapid Transit (SMART) passenger rail extension to Healdsburg project. Additional details on the SMART to Healdsburg project are provided below. For projects consistent with MTC's TIRCP framework, staff plan to recommend endorsement for TIRCP funding subject to the endorsement limits in MTC Resolution No. 4130.

Senate Bill 1

In April 2024, this Committee received a presentation on a proposed regional approach and prioritization principles for Bay Area SB1 competitive program nominations, including Solutions for Congested Corridors (SCC), Trade Corridor Enhancement (TCEP), and Local Partnership Programs. The California Transportation Commission (CTC) is now preparing for the next round of grants covering Fiscal Years (FYs) 25-26 and 26-27, with applications due in late 2024.

Staff conducted a Call for SB1 Project Nominations in May. In response, MTC received eight project nominations for SCC and five for TCEP. The unprioritized results are included in Attachment B. Note that the SCC program is significantly oversubscribed based on planned applications and expected award levels for the Bay Area. Staff will return in September with recommended project endorsements based on the adopted prioritization principles and in context of the TIRCP endorsements for similar type projects competing in both programs.

SMART to Healdsburg Extension Project:

At the July 12th Planning Committee, staff will present an information item detailing an upcoming Plan Bay Area 2050 Amendment, that will incorporate the SMART to Healdsburg extension into the Plan. With this work underway, the Commission may want to consider endorsing the project for state competitive funding, at a level commensurate with the funding gap for the project.

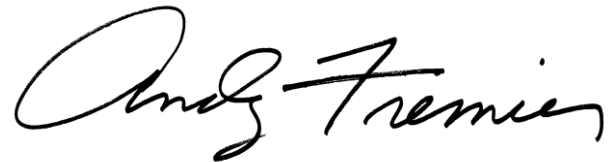
SMART is seeking \$81 million in TIRCP Cycle 7 funding for the extension of the rail system to Healdsburg, aligned with the funding gap needed to bring rail service to Healdsburg as currently scoped. In addition, SMART is seeking \$87 million in additional funding for the project from SB1 categories for extension project costs north of the planned Healdsburg station but within the Healdsburg city limits. MTC staff will work with SMART staff to better understand the details of these costs and how they relate to the planned Healdsburg extension project.

Recommendation:

Request that the Commission authorize staff to initiate and perform a MAP Stage Gate evaluation of the TJPA Portal project consistent with MTC Resolution Nos. 4537, Revised.

Attachments:

- MTC Resolution No. 4537, Revised
 - Attachment A – MAP Principles
 - Attachment B – MAP Definitions
 - Attachment C – MAP List of Projects and Programs
 - Attachment D – MAP Funding Endorsement Matrix
 - Attachment E – MAP Terms and Conditions
- Attachment B – List of Planned Project Submittals by State Funding Category
- Presentation



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