Metropolitan Transportation Commission
Programming and Allocations Committee

April 8, 2026 **Agenda Item 3b(i) -26-0419**

MTC Resolution No. 4411, Revised. Programming of RM3 Express Lanes Program $60 million Reserve

Subject:

Programming of the final increment of the $60 million from RM3 Express Lanes Category for the I-680 Express Lane Completion Project in Contra Costa County and U.S. 101 Express Lanes Phase 5 in Santa Clara County.

Background:

Regional Measure 3 initially included $300 million to support development and implementation of express lanes projects across the Bay Area. In May 2020, the Commission approved initial programming of the RM3 Express Lanes category through MTC Resolution No. 4411, directing the majority of funds to projects in the Solano County I-80, Alameda County I-680, and San Mateo County U.S. 101 corridors to advance completion of the regional express lanes network and leverage other funding opportunities. A reserve of $60 million remained, subject to the conditions: projects could include development or construction of express lanes or supportive operational improvements; and priority for a portion of this reserve would be given to the Contra Costa Transportation Authority (CCTA) I-680 Northbound Express Lane: Livorna to Arthur Rd, pending completion of environmental review, sufficient design to determine the benefit-cost ratio and development of a full funding plan. In November 2025, Valley Transportation Authority (VTA) submitted a request to MTC for a portion of the reserve for the U.S. 101 Express Lanes Phase 5 Project. Subsequently, staff provided an information update on the RM3 Express Lanes Program at the January 2026 Committee meeting along with an overview of the express lanes in the region and upcoming planning efforts that will look at opportunities to expand the network in alignment with Plan Bay Area 2050+.

MTC staff recommends programming the remaining $60 million from the RM3 Express Lanes Category to support the following projects:

- $50 million to the CCTA I-680 Express Lane Completion Project
- $10 million to the VTA U.S. 101 Express Lanes Phase 5 Project

Distribution Principles and Conditions:

In working with co-sponsor staff, MTC staff recommends distribution of the Express Lanes Program Reserve to these projects subject to the following:

1. Maximizing leverage of state and federal discretionary funding and improving the financial efficiency of project delivery
2. Completion of environmental review, sufficient design to determine the benefit-cost ratio, and development of a full funding plan
3. Agreement to follow regionally consistent toll policies established by MTC/Bay Area Infrastructure Finance Authority (BAIFA)
4. Consistency with Plan Bay Area and Regional Policies
5. Failure to secure full funding by the end of calendar year 2028 will result in returning the programmed money to the RM3 program reserve.

Both projects satisfy the first four. The fifth condition provides that, if either project does not secure full funding by 2028, the programmed funds will revert to the RM3 program reserve and be available for reallocation to other Express Lanes projects that may have advanced in development.

Proposed Distribution:

CCTA I-680 Express Lane Completion Project

The I-680 Express Lane Completion Project will address a remaining gap in the Bay Area Express Lanes Network along northbound Interstate 680 between Livorna Road in Walnut Creek and Arthur Rd in Martinez. The project is a key component of the broader Innovate 680 program, which includes operational improvements such as coordinated adaptive ramp metering and interchange improvements intended to improve mobility and safety across the corridor.

In 2024, the Innovate 680 program was awarded approximately $166 million through the U.S. Department of Transportation's National Infrastructure Project Assistance (MEGA) program, one of the largest federal transportation grants awarded in California that year.

The federal award is supporting multiple improvements along the I-680 corridor, including completion of the northbound express lane gap and associated operational improvements.

The recommended $50 million in RM3 funds would serve as part of the local and regional funding commitment supporting delivery of phase 1 of the project and implementation of the MEGA grant award. Phase 1 includes new express lane from just south of N. Main St to SR242, conversion of existing HOV lane to express lane from SR242 to Arthur Rd, and braided ramps at Lawrence Way/Treat Blvd. The RM3 funding helps demonstrate the region's participation in the project funding plan and supports the leverage of the federal investment.

The overall Innovate 680 funding strategy combines the federal MEGA grant with state, regional, and local sources, including RM3 funds and Contra Costa's local transportation sales tax revenues. By leveraging federal funding alongside these sources, the project can advance toward construction phase in 2027 and complete a critical missing segment of the regional express lanes network.

VTA U.S. 101 Express Lanes Phase 5

The U.S. 101 Express Lanes Phase 5 Project in Santa Clara County is also part of a gap closure. The project will extend express lanes along U.S. 101 from SR237 to south of I-880, completing an additional segment of the managed lanes network serving Silicon Valley. The project builds on prior phases to the north from I-380 in San Mateo County to SR237 in Santa Clara County as well as the direct connectors between U.S. 101 and SR85 to the south, currently in construction. Since the Phase 5 Project is planned to be primarily funded through financing, the recommended $10 million RM3 contribution strengthens the project's financial structure by improving financing terms, thereby reducing borrowing costs and lowering the total cost of construction over the life of the project. This has the added benefit of putting VTA in a better position to finance Phase 6 on U.S. 101, from south of I-880 south to SR85, closing the final gap.

Consistency with Regional Policies

Both projects are consistent with Plan Bay Area 2050+ and the region's strategy to complete a coordinated Bay Area express lanes network. These projects support regional goals to improve mobility, reduce congestion, and provide reliable travel options for transit, carpools, and other high-occupancy vehicles.

The proposed programming also advances the region's objective of maximizing leverage of federal discretionary funding and improving the financial efficiency of project delivery, ensuring RM3 funds are used to unlock additional funding and reduce overall delivery costs.

Next Steps

Following approval of programming, sponsors and implementing agencies will submit revised initial project reports and allocation requests to MTC for consideration, including CCTA's request in the next agenda item.

These recommended programming actions are based on Initial Project Report materials submitted from the project sponsors and MTC staff's application of the principles listed above on the submittals. Should significant changes to project scope, schedule and budget occur, MTC staff will return to the Commission with a revised proposal for consideration. Additionally, should either project be unable to secure a full funding plan by the end of 2028, that project's programmed RM3 funding shall be returned to the RM3 program reserve.

With the RM3 investment of $50 million in CCTA's project, CCTA has a remaining $36 million funding need. To help fill that need, BAIFA's 10-Year Financial Plan adopted by the Authority in 2024 includes $20 million in FY2026-27; BAIFA has the financial capacity to increase this amount to $25 million, and staff will propose an update to be presented to the Authority in May 2026. This will allow BAIFA to enter into any necessary cooperative agreements to fund BAIFA's share of the project. As a condition of the RM3 programming, CCTA will cover the remaining $11 million of the $36 million funding need. In addition, CCTA will cover the cost of the vehicle miles traveled mitigation for construction of phase 1 of the project.

MTC is working with VTA to find ways to close the remaining $240 million funding need for its U.S. 101 Phase 5 project. Staff will continue their work on the Express Lanes Strategic Plan and additional partnership opportunities amongst express lane operators. This includes exploring a regional financing concept that could assist VTA and other express lane operators in the Bay Area. Traditional express lane funding sources are very limited compared to the estimated $2 billion cost to build the express lanes in Plan Bay Area 2050+. As a result, future lanes will likely employ various forms of financing or loans. MTC staff intend to work with other express lane operators to explore concepts that may be able to reduce the cost of borrowing by using the strength of a multi-operator network while leaving the Bay Area's express lane governance structure in place.

Issues:

None

Recommendations:

Refer MTC Resolution No. 4411, Revised, Attachment B to the Commission for approval.

Attachments:

- MTC Resolution No. 4411
  - Attachment B
- Presentation

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