

THIS PRINT COVERS CALENDAR ITEM NO. : 10.2

**SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY**

DIVISION: Finance and Information Technology

BRIEF DESCRIPTION:

Authorizing the San Francisco Municipal Transportation Agency (SFMTA), through its Director of Transportation or his designee, to accept and expend \$4.63 million in FY 2014 Transit Performance Initiative Incentive Grant Program funds from the Metropolitan Transportation Commission (MTC) for the Light Rail Vehicle Propulsion System Campaign; and adopting a Resolution of Local Support for the project.

SUMMARY:

- On January 8, 2014, the MTC issued a Call for Projects for \$15 million of Surface Transportation Program (STP) and Congestion Mitigation and Air Quality (CMAQ) federal funds for its Transit Performance Initiative (TPI) Incentive Grant Program.
- The funds can be used by transit agencies to fund projects focused on increasing ridership and/or productivity.
- For FY 2014, SFMTA will receive \$4.63 million under the TPI Incentive Grant Program for the Light Rail Vehicle Propulsion System Campaign.
- MTC requires that the grantee adopt a Resolution of Local Support that stipulates how the SFMTA will comply with MTC's policies governing project delivery and cost overruns (should they occur).

ENCLOSURES:

1. SFMTAB Resolution

APPROVALS:

DATE

DIRECTOR _____ 2/18/14

SECRETARY _____ 2/18/14

ASSIGNED SFMTAB CALENDAR DATE: March 4, 2014

PURPOSE

The purpose of this calendar item is to authorize the SFMTA, through its Director of Transportation or his designee, to accept and expend \$4.63 million in FY 2014 Transit Performance Initiative (TPI) Incentive Grant Program Funding from the MTC; and to adopt a Resolution of Local Support. The \$4.63 million is proposed to be used for the Light Rail Vehicle Propulsion System Campaign.

GOAL

This action supports the following SFMTA Strategic Plan Goal and Objectives:

Goal 3 Improve the environment and quality of life in San Francisco

Objective 3.3: Allocate capital resources effectively

Objective 3.5: Reduce capital and operating structural deficits

DESCRIPTION

In May 2012, MTC adopted its Transit Sustainability Project (TSP) recommendations including the Transit Performance Initiative (TPI), which is composed of two programs: (1) a capital program focused on regional investment in supportive infrastructure to improve performance in major transit corridors; and (2) an incentive program to reward agencies that improve ridership and service productivity.

In May 2012, MTC approved \$30 million for the first round of the TPI Capital Program that included \$10.8M for SFMTA's Mission Corridor Customer First and N-Judah Customer First projects. Later, on October 24, 2012, MTC adopted a resolution to program STP/CMAQ Transit Capital Rehabilitation funds annually – \$13 million for the TPI Capital Program and \$15 million for the TPI Incentive Grant Program. The approval included a formula distribution for the first year of the Incentive Grant Program (FY 2013), in which funding is distributed to all transit agencies based on FY 2011 ridership. The funds can be used by transit operators to fund projects focused on increasing ridership and/or productivity. The SFMTA will receive \$4.63 million in TPI Incentive Grant Program funds.

Project sponsors are responsible for submitting projects to MTC with their rationale for funding and a monitoring plan to track the project's effectiveness in increasing ridership and/or productivity.

SFMTA proposes to use the \$4.63 million in funding for the Light Rail Vehicle Propulsion System Campaign. These funds should be available to the SFMTA by mid-2014. The LRV Propulsion System Campaign will target critical components to improve the reliability of the propulsion system, which is responsible for 28 percent of rail line delays. The propulsion systems on the LRV fleet have exceeded the manufacturer's recommendation for replacement and are past their useful lives. The in-house campaign will replace five subsystems of the propulsion system, repair welding, and execute equipment quality assurance inspections. The

LRV Propulsion System Campaign is expected to be a one-year project, beginning after the expected pre-award authority starts in June 2014 and completed in May 2015.

MTC requires that the SFMTA Board of Directors approve a Resolution of Local Support for these projects. The Board is requested to approve in the Resolution that:

1. SFMTA will provide the 11.47% local match (\$600,000) in non-federal funds; and
2. Any cost increases must be funded by SFMTA and SFMTA does not expect any cost increases to be funded with additional regional discretionary funds; and
3. Because the funds originate with the Federal Highway Administration (FHWA), SFMTA understands the funding deadlines associated with these funds and will comply with the provisions and requirements of the Regional Project Funding Delivery Policy (MTC Resolution No. 3606, as revised), and SFMTA has, and will retain the expertise, knowledge and resources necessary to deliver federally funded transportation projects, and has assigned, and will maintain a single point of contact for all FHWA-funded transportation projects to coordinate within the agency and with the respective Congestion Management Agency, MTC, Caltrans and FHWA on all communications, inquiries or issues that may arise during the federal programming and delivery process for all FHWA-funded transportation projects implemented by SFMTA; and
4. The project will be implemented as described in the submitted application and in the attached resolution and, if approved, for the amount programmed in the MTC federal Transportation Improvement Program (TIP); and
5. SFMTA and the project will comply with the requirements as set forth in MTC programming guidelines and project selection procedures for the Program; and
6. SFMTA agrees to comply with the requirements of MTC's Transit Coordination Implementation Plan as set forth in MTC Resolution No. 3866, as revised.

ALTERNATIVES CONSIDERED

The TPI Incentive Grant Program funds can be used by transit operators to fund projects focused on increasing ridership and/or productivity. The Light Rail Vehicle Propulsion System Campaign is determined to be the highest priority SFMTA project that best meets the criteria of the program. Alternatives to this proposal could include considering other uses for these funds, such as Customer First initiatives (e.g., colorization of transit only lanes, transit signal priority, ticket vending machines).

FUNDING IMPACT

The acceptance and expenditure of the \$4.63 million in proposed federal funds requires a non-federal match of at least 11.47% (\$600,000) of the total project cost. The match will be provided by state infrastructure bonds and/or other non-federal sources as needed.

OTHER APPROVALS RECEIVED OR STILL REQUIRED

MTC approval of the TPI Incentive Grant Program projects is required. According to MTC staff, the SFMTA's proposed FY14 project may be presented to MTC for approval as early as March 2014.

The City Attorney has reviewed this report.

RECOMMENDATION

Staff recommends that the SFMTA Board authorize the SFMTA, through its Director of Transportation or his designee, to accept and expend \$4.63 million in FY 2014 Transit Sustainability Project Funding from the MTC for the Light Rail Vehicle Propulsion System Campaign; and adopt a Resolution of Local Support.

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No. _____

WHEREAS, The Metropolitan Transportation Commission (MTC) has issued a call for projects for \$15 million in funding assigned to MTC for programming discretion, including but not limited to federal funding administered by the Federal Highway Administration (FHWA), such as Surface Transportation Program (STP) funding, Congestion Mitigation and Air Quality Improvement (CMAQ) funding, and/or Transportation Alternatives (TA) funding (herein collectively referred to as Regional Discretionary Funding) for its new Transit Performance Initiative-Incentive Grant Program under the Transit Sustainability Project (TSP); and

WHEREAS, For FY 2014, SFMTA will receive \$4.63 million of these federal funds; and

WHEREAS, These funds must be used by transit agencies to fund projects focused on increasing ridership and/or productivity; and

WHEREAS, The Moving Ahead for Progress in the 21st Century Act (Public Law 112-141, July 6, 2012) and any extensions or successor legislation for continued funding (collectively, MAP 21) authorize various federal funding programs including, but not limited to, the STP program (23 U.S.C. § 133), the CMAQ program (23 U.S.C. § 149) and the TA Program (23 U.S.C. § 213); and

WHEREAS, State statutes, including California Streets and Highways Code Sections 182.6 and 182.7, provide various funding programs for the programming discretion of the Metropolitan Planning Organization (MPO) and the Regional Transportation Planning Agency (RTPA); and

WHEREAS, Pursuant to MAP-21, and any regulations promulgated thereunder, eligible project sponsors wishing to receive federal funds for a project shall submit an application first with the appropriate MPO for review and inclusion in the MPO's Transportation Improvement Program (TIP); and

WHEREAS, The Metropolitan Transportation Commission (MTC) is the MPO for the nine counties in the San Francisco Bay Area region; and

WHEREAS, MTC has adopted a Regional Project Funding Delivery Policy (MTC Resolution No. 3606, revised) that sets out procedures governing the application and use of CMAQ funds; and

WHEREAS, SFMTA is an eligible project sponsor for Regional Discretionary Funding; and

WHEREAS, As part of the application for Regional Discretionary Funding, MTC requires a Resolution of Local Support be adopted stating that the SFMTA Board understands that:

1. the SFMTA commits to provide local matching funds of at least 11.47% (\$600,000); and
2. the Regional Discretionary Funding is fixed at the programmed amount, and any cost increases must be funded by the SFMTA, and the SFMTA does not expect any cost increases to be funded with Regional Discretionary Funding; and
3. the project will comply with the procedures, delivery milestones and funding deadlines specified in the Regional Project Funding Delivery Policy (MTC Resolution No. 3606, revised); and
4. the SFMTA will complete the project as described in the application, and if approved, as included in MTC's federal TIP; and
5. the project will comply with all project-specific requirements as set forth in the program; and
6. the project will comply with MTC Resolution No. 3866, revised, which sets forth the requirements of MTC's Transit Coordination Implementation Plan to more efficiently deliver transit projects in the region; now, therefore, be it

RESOLVED, That the SFMTA Board of Directors authorizes the SFMTA, through its Director of Transportation or his designee, to accept and expend \$4.63 million in FY 2014 TPI funding from the MTC, to be used for the Light Rail Vehicle Propulsion System Campaign; and be it

FURTHER RESOLVED, That the SFMTA Board of Directors adopts a Resolution of Support for the Light Rail Vehicle Propulsion System Campaign under the STP/CMAQ programs of MAP-21, any extensions of MAP-21, or any successor legislation for continued funding; and be it

FURTHER RESOLVED, That the SFMTA Board of Directors, by adopting this Resolution of Support, states that:

1. SFMTA will provide at least \$600,000 in local, non-federal matching funds; and
2. SFMTA understands that the Regional Discretionary Funding for the project is fixed at the MTC approved programmed amount, and that any cost increases must be funded by the SFMTA from other funds, and that the SFMTA does not expect any cost increases to be funded with additional Regional Discretionary Funding; and
3. SFMTA understands the funding deadlines associated with these funds and will comply with the provisions and requirements of the Regional Project Funding Delivery Policy (MTC Resolution No. 3606, revised), and SFMTA has, and will retain the expertise, knowledge and resources necessary to deliver federally funded transportation projects, and has assigned, and will maintain a single point of contact for all FHWA-funded transportation projects to coordinate within the agency and with the respective Congestion Management Agency, MTC, Caltrans and FHWA on all communications, inquiries or issues that may arise during the federal programming

- and delivery process for all FHWA-funded transportation projects implemented by SFMTA; and
4. The project will be implemented as described in the complete application and in this resolution and, if approved, for the amount approved by MTC and programmed in the federal TIP; and
 5. SFMTA and the project will comply with the requirements as set forth in MTC programming guidelines and project selection procedures for the Program; and
 6. SFMTA agrees to comply with the requirements of MTC's Transit Coordination Implementation Plan as set forth in MTC Resolution No. 3866, as revised; and be it

FURTHER RESOLVED, That the SFMTA is an eligible sponsor of Regional Discretionary Funding funded projects; and be it

FURTHER RESOLVED, That the SFMTA Board of Directors authorizes its Director of Transportation to transmit a copy of this resolution to the MTC in conjunction with the filing of the application; and be it

FURTHER RESOLVED, That the SFMTA requests MTC to support the application for the project described in the resolution and to include the project, if approved, in MTC's federal TIP.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of March 4, 2014.

Secretary, Board of Directors
San Francisco Municipal Transportation Agency