

# ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



## STAFF REPORT

---

**MEETING DATE:** 6/11/2025

**Staff Report No. 25-324**

---

**TO:** AC Transit Board of Directors  
**FROM:** Salvador Llamas, General Manager/Chief Executive Officer  
**SUBJECT:** Regional Measure 3 Capital Allocation

### ACTION ITEM

**AGENDA PLANNING REQUEST:** ☐

**RECOMMENDED ACTION(S):**

Consider adoption of Resolution No. 25-024 authorizing the General Manager or their designee to file and execute allocation requests from the Metropolitan Transportation Commission (MTC) of Regional Measure 3 (RM3) funds for core capacity transit improvements: Training and Education Center Modernization and Hayward Facility Hydrogen Charging Infrastructure Projects.

Staff Contact:  
Chris Andrichak, Chief Financial Officer

**STRATEGIC IMPORTANCE:**

Goal - Financial Stability and Resiliency  
Initiative - Zero Emission Programs

The adoption of this resolution would enable the allocation of RM-3 funds to the Training and Education Center (TEC) Modernization and Division 6 (D6) Hydrogen Station Development Projects. This allocation of funds will fully fund both projects. These projects are consistent with the District's goals of service reliability, workforce development, and transition to zero emission bus service.

**BUDGETARY/FISCAL IMPACT:**

The resolution and allocation requests are for \$483,000 for Design and \$3,617,000 for Construction of the D6 Hydrogen Station Development Project, and for \$9,000,000 for Construction of the TEC Modernization Project. Securing these funds from MTC should complete the full funding plan for each project. This funding source does not require matching funds and can serve as the local match for other state and federal funding sources. These allocation requests reduce potential future need of these projects for District funds.

**BACKGROUND/RATIONALE:**

Voter-approved Regional Measure 3 (RM-3) raised tolls on the region's seven state-owned toll bridges by \$1 beginning January 1, 2019. RM-3 will allocate \$4.45 billion worth of highway and transit improvements in toll-bridge corridors and along their approach routes.

Tolls were increased by another \$1 in January 2022 and another \$1 increase in January 2025. The 2019 increase marked the first toll hike on the seven state-owned bridges since 2010. Since then, funds were placed in escrow pending resolution of lawsuits challenging Senate Bill 595 and RM-3. These challenges were dismissed by the California Supreme Court in January 2023 and funds are now released from escrow. The Metropolitan Transportation Commission (MTC) began making RM-3 allocations in June 2023. Prior AC Transit RM-3 allocations were made for the Quick-Build Durant, MacArthur and International Projects and the Telegraph Rapid Corridors Project in December 2023.

There are \$140 million in total RM-3 funds targeted for improvements in RM-3's Core Capacity Transit Improvements program of projects. These allocation requests are for a total of \$13.1 million. Staff recommend \$4.1 million for the D6 Hydrogen Station Development Project and \$9 million for the TEC Modernization Project be submitted to MTC for funding allocations under RM-3's Core Capacity Transit Improvements program of projects in this Regional Measure.

Following AC Transit Board approval these allocations must also be approved by the Alameda County Transportation Commission (ACTC) and the Metropolitan Transportation Commission (MTC). If approved, these funds will be available for the District to draw down starting in August 2025. Once the allocation is approved, the District has six months to begin spending these funds. These projects are prepared to meet that timeline.

Staff would need to return to the Board to approve future RM-3 allocations and plan to do so when RM-3 eligible projects in the District's Capital Improvement Program (CIP) are ready to proceed into their design or construction phases. RM-3 funds are regional funds. They can be used as a local match for state and federal funding that requires matching funds.

#### **ADVANTAGES/DISADVANTAGES:**

This RM-3 funding allocation would allow for full funding and therefore construction and completion of two capital projects supporting workforce development, training on maintenance of zero emission buses, and the fueling of hydrogen fuel cell buses. It will provide a state-of-the-art facility for training front line maintenance staff and enable the deployment of zero emission buses in South Alameda County.

The primary disadvantage is the need for staff resources to complete the construction of these projects.

#### **ALTERNATIVES ANALYSIS:**

The alternative to requesting this funding allocation would be to not submit a request and attempt to find another way to fully fund these projects, to submit a request later or modify this request. The allocation request as drafted supplies needed funding for these projects and maximizes the use of this funding source in line with the objectives of the RM-3 program. Staff recommend proceeding with this allocation request. Delaying this allocation request would delay the start of Design and/or Construction of these projects.

#### **PRIOR RELEVANT BOARD ACTION/POLICIES:**

SR 23-384 Regional Measure 3 Capital Allocation

**ATTACHMENTS:**

1. Resolution 25-024

**Prepared by:**

Jesse Rosemoore, Senior Capital Planning Specialist

**In Collaboration with:**

Emily Heard, Capital Planning and Grants Manager

Joe Callaway, Director of Capital Projects

**Approved/Reviewed by:**

Richard Oslund, Director of Management & Budget

Chris Andrichak, Chief Financial Officer

Aimee L. Steele, General Counsel/Chief Legal Officer