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AGENDA

Joint Ad Hoc Committee On 101 Managed Lanes Project

SAN MATEO COUNTY TRANSPORTATION AUTHORITY & CITY/COUNTY ASSOCIATION OF GOVERNMENTS OF SAN MATEO COUNTY

Gallagher Conference Room, 3rd Floor

1250 San Carlos Avenue, San Carlos, CA 94070

January 25, 2019 – Friday

10:00 am

1. Call to Order/Pledge of Allegiance
2. Approval of minutes from the January 2, 2019 Joint Ad Hoc Committee Meeting
3. Discussion and Action on Owner/Operator Decision for 101 Managed Lanes Project
4. Public Comment
5. Adjourn

Committee Members:

C/CAG: Alicia Aguirre, Doug Kim, Diane Papan,
TA: Emily Beach, Maureen Freschet, Don Horsley,

INFORMATION FOR THE PUBLIC

If you have questions on the agenda, please contact:

- San Mateo County Transportation Authority Secretary at 650-508-6279
- C/CAG Clerk of the Board at 650-599-1406

Assisted listening devices are available upon request.

Communications to the TA Board of Directors can be e-mailed to board@smcta.com.

Communications to the C/CAG Board of Directors can be e-mailed to mguilles@smcgov.org.

Public Noticing:

This agenda and all notices of regular and special Authority Board meetings, and of regular and special C/CAG Board and standing committee meetings are posted at the San Mateo County Transit District Office, 1250 San Carlos Ave., San Carlos, CA, and on the Authority's website at <http://www.smcta.com> and on C/CAG's website at <http://www.ccag.ca.gov>, respectively.

Location, Date and Time of Regular Meetings

This meeting will be held at the San Mateo County Transit District Administrative Building located at 1250 San Carlos Ave., San Carlos, which is located one block west of the San Carlos Caltrain Station on El Camino Real. The building is also accessible by SamTrans bus routes ECR, FLX, 260, 295 and 398. Additional transit information can be obtained by calling 1-800-660-4287 (TTY 650-508-6448) or 511.

Public Comment

If you wish to address the Boards, please fill out a speaker's card located on the agenda table. If you have anything that you wish distributed to the Board and included for the official record, please hand it to the Authority Secretary or C/CAG Clerk of the Board, who will distribute the information to the Boards' members and staff.

Public testimony by each individual speaker shall be limited to two minute and items raised that require a response will be deferred for staff reply.

Accessibility for Individuals with Disabilities

Upon request, the TA and C/CAG will provide for written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, including auxiliary aids or services, to enable individuals with disabilities to participate in public meetings. Please submit a request, including your name, mailing address, phone number and brief description of the requested materials and a preferred alternative format or auxiliary aid or service at least two days before the meeting. Requests should be made:

- by mail to the Authority Secretary at the San Mateo County Transportation Authority, 1250 San Carlos Avenue, San Carlos, CA 94070-1306; by email to board@smcta.com; or by phone at 650-508-6279 or TTY 650-508-6448; or
- by phone to the C/CAG Administrative Assistant at 650-599-1406.

Availability of Public Records

All public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body less than 72 hours prior to the meeting will be available for public inspection at the same time that the records are distributed or made available to the legislative bodies. Such materials will be available at:

- the Authority's office at 1250 San Carlos Avenue, San Carlos, CA 94070-1306;
- C/CAG's office at 555 County Center, 5th Floor, Redwood City, CA 94063; and
- <http://www.ccag.ca.gov>

**San Mateo County Transportation Authority and
City/County Association of Governments
Ad Hoc Committee for 101 Managed Lanes Project
Minutes of January 2, 2019
Gallagher Room, 1250 San Carlos Avenue, San Carlos**

Draft

MEMBERS PRESENT:	<p>Transportation Authority Board (TA): Don Horsley, Emily Beach, Maureen Freschet</p> <p>City/County Association of Governments: (C/CAG) Board: Alicia Aguirre, Diane Papan, Doug Kim (10:51 a.m.)</p>
STAFF PRESENT:	<p>Representing:</p> <p>Transportation Authority: Jim Hartnett, April Chan, Carter Mau, Joan Cassman (Legal Counsel), C. Gumpal, J. Brook</p> <p>City/County Association of Government: Sandy Wong, Jean Higaki, Matthew Sanders (Legal Counsel)</p> <p>Bay Area Infrastructure Financing Authority (BAIFA): Andrew Fremier and Lisa Klein</p> <p>Valley Transportation Authority (VTA): Carolyn Gonot</p>

Call to Order/Pledge of Allegiance

The joint TA and C/CAG ad hoc committee meeting was called to order by the Transportation Authority Chair Horsley at 10:05 a.m.

Discussion and Possible Action on Owner/Operator Decision for 101 Managed Lanes Project

April Chan, Transportation Authority Chief Officer, Planning/Grants, and Sandy Wong, City/County Association of Governments, both discussed the need for the two boards to reach consensus on who would own and operate the Hwy.101 express lanes, once construction and system testing are complete. Two options were presented:

- San Mateo ownership, with a contract with Valley Transportation Authority (VTA) to operate, or
- Transfer ownership and operation to Bay Area Infrastructure Financing Authority (BAIFA)

Ms. Chan noted that time was of the essence in making a decision, namely, by February 2019 in order for the Transportation Authority and C/CAG to work with either VTA or BAIFA's system manager to help define the system and other technical requirements and to negotiate the contract with their system integrator.

Discussion:

Discussion ensued on a variety of issues, including ownership issues, gross vs. net revenues, project cost overruns, funding for 101 north of I-380, BAIFA model and board actions, discussion amongst the joint ad hoc committee members and Next Steps. Ms. Chan and Ms. Wong responded to board members questions and concerns during the discussions.

Ownership issues were discussed

- BAIFA expressed that it could potentially just operate and not be the owner. However, that scenario likely would not work, since it would be difficult to finance against future toll revenues if BAIFA does not own the facility.
- The power and authority of an owner was discussed and includes: 1) Toll discounts for Clean Air Vehicles (CAV) & HOV 2+; 2) Toll ordinance/toll policy; 3) Equity programs; 4) Enforcement; 5) Net revenues.
- VTA and other express lanes operators discuss with BAIFA and coordinate to make consistent decisions regarding standardize toll operations, including toll rate, treatment of discounts for HOV2+ and CAV. It was noted that VTA's current CAV discount is different from BAIFA because it is currently a HOT 2+ facility. Once it is a HOT3+ facility, the VTA Board would re-evaluate.

Gross Revenues vs. Net revenues

- Net revenue is a function of gross revenue, with expenses coming off the top of gross revenues. Gross revenues can differ under the two models if the toll policies are set differently. Expenses coming off the top would include Bay Area Toll Authority (BATA) transactional costs for each toll tag, which would be same regardless of which model, and staffing costs, which could differ between VTA and BAIFA. Under the VTA model, San Mateo County likely needs to obtain staffing to oversee the contract with VTA. Other expenses would include capital reserves or debt service, if financing is secured.
- Under the BAIFA model, Andy Fremier explained there would not be cross-subsidization unnecessarily, e.g. use of revenues generated in one corridor to subsidize another corridor, since, per legislation, revenues generated in one are to benefit that corridor only.
- Under BAIFA model, concerns were raised whether San Mateo would get its fair share from net revenues since expenses coming off the top are controlled by BAIFA. Andy Fremier stated that San Mateo County would be able to receive what the County generates in terms of net revenues.

Project Cost Overrun

- For the current project that secured \$200M of SB1 funds, the applicants (MTC/Caltrans) along with the project sponsors TA and C/CAG signed a letter the Baseline Agreement

submitted to the California Transportation Commission that stated should the project have cost overruns, ~~it would not seek additional SB1 funds~~ the project partners will be responsible to secure additional funding. The parties, MTC, Caltrans, TA and C/CAG would discuss amongst themselves how to fund cost overruns.

- Similar to other projects TA had funded in the past, TA can potentially provide Measure A funds. This dismissed the concerns that member cities of C/CAG would each need to contribute to any potential cost overrun for the capital project.

Operational shortfall

- Under the VTA model, if toll revenue is insufficient to cover O&M costs, and if there is insufficient reserve to cover such overage, it will likely be the TA fronting the money until such time as toll revenue is in the positive. The TA will be reimbursed from future toll revenue.
- Under the BAIFA model, since BAIFA will own and operate, BAIFA will assume any operational shortfall for its members.

Funding for 101 north of I-380

- Regardless of which model, these are possible funding sources for the 101 managed lane segment north of I-380: It was noted that all are competitive, so funding decisions are not guaranteed. 1) SB 1, including Solutions for Congested Corridor (SCC); the state generates \$250m a year from this program; 2) STIP; 3) Measures A and W; 4) Federal DOT programs: TIGER, INFRA, BUILD, etc. 5) Regional Measure 3; 6) Future toll revenues from the segment south of I-380. Even if San Mateo does not choose BAIFA, there is nothing that precludes San Mateo to pursue these funding sources from and/or with MTC.
- Since the segment north of I-380 is currently being studied with San Francisco County Transportation Authority, (SFCTA), a joint partnership with SF may make the entire segment more competitive with a number of the funding programs listed above. The two counties joining forces legislatively may also be beneficial.

BAIFA Model and Board Actions

- Types of liabilities BAIFA can take on if it becomes the owner were discussed; tort and financial liabilities. BAIFA has not yet experienced tort liabilities for the I-680.
- Capital reserves: Andy Fremier explained that likely there may be an annual per-mile capital reserve set aside and that amount would be multiplied by the number of miles in the San Mateo managed lanes system. The total amount would be set aside from the San Mateo County gross revenues for future uses, including equipment replacement.
- Policy decisions, including the capital reserve policy and how the arrangement with San Mateo County have not yet been formally presented to the BAIFA board for

discussion and action. The earliest BAIFA staff can take these to its board is the February 27, 2019 (Meets the 4th Wednesday of each month) meeting.

- BAIFA board votes by a majority basis, no single member has a veto power

Joint Ad Hoc Committee Member Discussion

- Those who support the San Mateo/VTA model: power to own policy decision at the local level, San Mateo control of the corridor that is the economic engine in the region.
- Those who support BAIFA believe we can leverage the buildout of the 101 segment north of I-380, including facilities that may be needed to support express buses operation.
- Director Beach expressed withdrawing her 2nd motion made at the 12/6/18 Board meeting and believed the partnership should be between TA and C/CAG.
- The parties acknowledged that under either scenario, there would need to be a joint governance structure. Different formats were briefly discussed. There could possibly be a joint policy board or a joint advisory board that makes recommendations back to each of board of C/CAG and the TA. There could also be a JPA made up of members from both boards.

TA Chair Horsley invited public comment.

Public Comment

Drew, San Mateo, discussed how clean air vehicles clogging the roads; how does that work?

Next Steps

In conclusion, the next steps were determined as follows:

- TA and C/CAG ad hoc members relay the discussion and clarifications received at the joint ad hoc meeting to their respective boards on Jan 3 and Jan 10 and receive further direction.
- A subsequent joint TA and C/CAG ad hoc committee meeting was scheduled on Jan 25, 2019 at 10 a.m. at SamTrans headquarters, 1250 San Carlos Avenue, San Carlos.

Adjourn

The meeting adjourned at 1:14 p.m.



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Woodside*

ITEM 3

C/CAG AGENDA REPORT

Date: January 25, 2019

To: Joint Ad Hoc Committee

From: Sandy Wong, Executive Director

Subject: Continued Discussion and Action Needed for the Owner/Operator Decision for the 101 Managed Lanes Project.

(For further information, contact Sandy Wong at 650-599-1409)

BACKGROUND

The San Mateo County Transportation Authority (TA) and the City/County Association of Governments of San Mateo County (CCAG) Joint Ad Hoc Committee for the 101 Managed Lanes Project met on January 2, 2019 to discuss appropriate actions for the TA and CCAG Boards to consider at their respective Board meetings on February 7 and February 14, 2019 that relates to which agency will own and operate the express lanes once it is operational.

The Joint Ad Hoc Committee received additional information from Bay Area Infrastructure Financing Authority (BAIFA) and Valley Transportation Authority (VTA) staff regarding a wide range of issues, including but not limited to the following: ownership and local control, gross vs. net revenues, potential funding for construction of express lanes on US101 north of I-380, BAIFA structure, etc.

At the conclusion of the January 2, 2019 meeting, it was agreed that TA and CCAG Board members would take the discussion and clarifications received at the joint meeting to their respective boards on January 3 and 10 and get further directions before meeting again on January 25, 2019.

DISCUSSION

Since the January 2, 2019 Joint Ad Hoc Committee, BAIFA staff had offered another option on ownership and operation for the US101 Managed Lanes.

In addition to the two options previously provided, BAIFA offered a third option that would allow San Mateo County to retain ownership of the express lanes, and BAIFA would operate it on San Mateo County's behalf, subject to the California Transportation Commission's approval. Similar financial liability, local control, and joint governance issues associated with the VTA option would also be applicable to this new third option.

This option was provided to the TA and CCAG staff after the January 2, 2019 Joint Ad Hoc Committee, but before the TA and CCAG Board meetings on January 3, 2019 and January 10, 2019 respectively. The TA Board has indicated that this is a viable option for consideration during the discussion at the January 3, 2019 meeting. CCAG Board also had a robust discussion on January 10, 2019, but had additional questions.

In order to perform proper due diligence on the third option, TA and CCAG staff has since developed a set of questions, as presented in Attachment A, and provided them to BAIFA staff. BAIFA staff will be available at the January 25, 2019 meeting to provide responses to these questions and will be available to respond to any additional questions and/or to provide clarification to the responses.

In addition, BAIFA staff will be presenting an item to its Board on January 23, 2019 to get endorsement and further direction from its Board regarding the latest option. That item is included here as Attachment B. Staff will provide the details of the January 23, 2019 BAIFA discussion at the January 25, 2019 Joint Ad Hoc Committee meeting.

NEXT STEPS

The Joint Ad Hoc Committee discuss critical issues that affect the decision of the owner operator choice and prepare a set of recommendations to the February 7 and February 14, 2019 respective TA and CCAG Board meetings for action, including appropriate next steps and timing, especially to ensure minimal impact to the capital project's construction schedule and budget.

ATTACHMENTS

1. San Mateo County option 2B questions to BAIFA.
2. January 23, 2019 BAIFA meeting staff report and presentation

January 17, 2019

Questions relating to BAIFA Option 2B (San Mateo County own, BAIFA operate):

1. Where in Streets & Highway Code (SHC) section 149.7 permit BAIFA to own and operate the US-101 Managed Lanes Project (“Project”)?
2. Where in SHC Section 149.7 permit BAIFA to operate the Project and delegate ownership authority to San Mateo County (i.e., TA and C/CAG)?
3. If the current statute does not allow the above, what would it take for BAIFA to change their enabling legislation to accommodate the offers their staff is currently making with regards to its operation of the 101 express lanes with ownership residing with San Mateo County?
4. Assuming the CTC will approve MTC/BAIFA to conduct and administer express lanes in San Mateo 101, will MTC/BAIFA transfer that authority to San Mateo County? If so, will that give San Mateo County the right to make toll policy decisions, as well as for San Mateo County to assume all liabilities of the San Mateo 101 express lanes?
5. Will San Mateo County’s ownership rights in the San Mateo 101 express lanes be in perpetuity, even when contractual relationship between San Mateo and BAIFA to operate the express lanes is terminated?
6. Do we need BAIFA or MTC Board approval to allow San Mateo County to have ownership on San Mateo 101 express lanes? When could such approval be expected? And will the BAIFA board make it a condition for San Mateo County to join BAIFA in the future for BAIFA/MTC to approve this option?
7. If BAIFA/MTC Board approves the transfer of authority to San Mateo County, will it be accomplished by a written agreement? Will MTC/BAIFA be willing to execute such written agreement with both TA and C/CAG being signatory parties? And can TA and C/CAG assign such authority in the future to a San Mateo County Joint Powers Agency?
8. Please confirm that BAIFA will operate the San Mateo County Managed lanes under a contract, to be approved by C/CAG and the TA Boards, and that the contract will specify that C/CAG and the TA Board make final decisions on toll policies and adopt expenditure plans.
9. What assurances do we have that BAIFA will not change the rules or details after an agreement is reached?
10. There is a provision in AB 194 which also permits a Joint Powers Authority to apply to the CTC for express lane authority. Would it be acceptable to MTC/BAIFA for a San Mateo County Joint Powers Authority to apply for CTC approval, and then contract with BAIFA to operate? This would be a more direct path for San Mateo County own and BAIFA operate.
11. We understand BAIFA has existing contracts with CHP and Caltrans. And if we go with Option 2B, we presume BAIFA will need to amend such contracts to include San Mateo County. Please confirm. Also, as the owner of the Managed Lanes, will San Mateo need to have an independent contract with Caltrans and CHP, even though BAIFA will be amending its contract to include operations/maintenance and enforcement in San Mateo County?
12. Which agency will ensure maintenance of state of good repairs for the equipment in San Mateo County?

13. Would BAIFA be agreeable to a term of the agreement that will be for 6 years, extendable on mutual agreement? Please let us know if there are other factors that should be considered for determining the length of the agreement.
14. If this contract is implemented, does BAIFA agree to commence discussions for an extension of the term no later than 12 months before the term expires?
15. If this contract is implemented, does BAIFA agree that within 5 years of the term of the contract, parties will review the next generation integration and technology opportunities, including the managed lanes ownership model?
16. If this contract is implemented, does BAIFA agree that the existing BAIFA contracts with Caltrans and the CHP, and any other relevant parties, will be modified to include the San Mateo County Managed lanes, with an apportionment of costs for the San Mateo County facility? Please clarify how BAIFA will apportion the costs, such as by lane miles or other metrics.
17. If this contract is implemented, does BAIFA agree that gross toll revenues will be distributed to San Mateo County, from which San Mateo County will pay expenses to BAIFA for operations.



Bay Area Infrastructure Financing Authority
Bay Area Metro Center
375 Beale Street, Suite 800
San Francisco, CA 94105
TEL 415.778.6700
WEB www.mtc.ca.gov

Memorandum

TO: Bay Area Infrastructure Financing Authority

DATE: January 16, 2019

FR: Executive Director

W.I.: 6840

RE: BAIFA Role in San Mateo 101 Express Lanes

The San Mateo City/County Council of Governments (C/CAG) and San Mateo Transportation Authority (SMTA) are working together to implement express lanes on US 101. Fundamental decisions yet to be made include who will own and operate the San Mateo 101 Express Lanes, and what role the Bay Area Infrastructure Financing Authority (BAIFA) could play, if any. Under state law, BATA collects all toll revenue from the state-owned bridges and the region's express lanes. Options for BAIFA involvement include:

- 1) Transferring ownership and operation of the corridor to BAIFA and expanding BAIFA to include San Mateo County, or
- 2) Designating a San Mateo County entity that would own the express lanes and contract for development and operation of the toll system with either
 - a) Valley Transportation Authority (VTA), or
 - b) BAIFA.

The San Mateo agencies need to make this decision imminently because the toll operator will need to negotiate a contract amendment with its existing toll system integrator and provide key input on the final design, which is now underway. At your January meeting, staff will provide an overview of the possible roles for BAIFA. Primary considerations for BAIFA include: ability to improve mobility in the corridor; consistency of express lanes operations for the region's drivers; and risk to BAIFA.

Background

The San Mateo 101 Express Lanes will run between I-380 and the Santa Clara County line where they will adjoin the US 101/Route 85 Express Lane Connector now under construction by VTA. MTC was a partner in early studies that demonstrated the benefits of an express lane over an HOV lane. State, regional and local agencies, as well as private businesses in the corridor, have partnered to secure \$500 million to fund the project. In an acknowledgement its regional mobility benefits, the project has secured significant funding (\$200 million) from the Senate Bill 1 Solutions for Congested Corridors Program. In addition, the Bay Area Toll Authority has committed \$95 million in regional toll revenue.

In November and December 2018, SMTA and C/CAG staff presented their boards with two options for ownership and operation of the express lanes. SMTA voted to pursue the option wherein a yet-to-be-determined San Mateo County entity would own the lanes and contract with VTA for operations (Option 2a above). C/CAG voted to pursue negotiations with BAIFA to integrate the corridor and county into BAIFA, which would own and operate the lanes (Option 1) subject to certain conditions, which are described in more detail below. As a result of the split decision, the two agencies have formed an ad hoc committee to develop a common approach for approval by SMTA and C/CAG in early February. The ad hoc committee first met on January 2, 2019 and will meet again on January 25, 2019.

At the January 2 meeting ad hoc committee meeting, a member asked about a new option, in which ownership would reside with a San Mateo County entity that would contract with BAIFA for operations. BAIFA and San Mateo staff have begun exploring this new Option 2b and vetting it with BAIFA and the ad hoc committee.

Overview of Options Involving BAIFA

Option 1: BAIFA Owns & Operates San Mateo 101 Express Lanes

Under this option, San Mateo 101 would become another BAIFA corridor, just like I-680, I-880 and I-80. BAIFA's board would be modified to add the MTC Commissioner from San Mateo County. BAIFA would be fully responsible for the policy, gross and net revenue, costs and daily operations of the San Mateo 101 Express Lanes. BAIFA would also assume responsibility for revenue risk, future bond financing and liability. In addition, C/CAG's approval of this option set forth four conditions. BAIFA staff feel three of the four are reasonable and could be met: BAIFA would front \$50 million for construction to be paid back with future express lane toll revenue; BAIFA would describe how it would approach prioritizing extension of the lanes north of I-380; and BAIFA would allow San Mateo County to determine the use of any net toll revenue. The fourth condition is that BAIFA would cover all construction costs overruns. This poses an unreasonable risk to BAIFA since BAIFA would not be in a position to manage construction costs beyond those associated with the toll system integrator, which is BAIFA's contractor.

This option is less attractive for some in San Mateo County who fear loss of influence over toll policies that they believe will affect net revenue or who seek specificity now on policies that BAIFA has not yet adopted. Examples include the calculation and distribution of net toll revenue and accounting for future bond financing revenue and costs.


Option 2b: San Mateo Owns the Express Lanes and Contracts with BAIFA for Operations

Under this option, San Mateo agencies would form an entity to assume ownership of the express lanes. This agency would have responsibility for toll policy as well as gross and net revenue. Revenue risk, any future bonding and liability would accrue to the owner rather than to BAIFA. The agency would contract with BAIFA, for a set term, for the toll system and the daily operation of the express lanes, including real-time monitoring of the lanes, enforcement and routine maintenance. BAIFA would provide these services through its existing contracts. The conditions under Option 1 do not apply in this case, and there would be no change to the BAIFA board.

While BAIFA and San Mateo staff are still fleshing out the details of this newly identified option, BAIFA staff believe this option poses significantly less risk to BAIFA while still allowing BAIFA to bring tools to the table to mobility in the corridor. Furthermore, staff believe this option could address STMA's concerns about Option 1 while offering the features appreciated by C/CAG. This option also provides an easier pathway if San Mateo should wish to join BAIFA in the future because it will not require a transition of the toll system or daily operations.

Both options require that BAIFA apply to the California Transportation Commission for authority for the San Mateo 101 Express Lanes, as the original application for BAIFA's network did not include this corridor.

We would appreciate any direction or guidance from the Authority in assisting San Mateo County through this governance debate.



Steve Heminger

SH:lk



BAIFA Options for San Mateo 101 Express Lanes

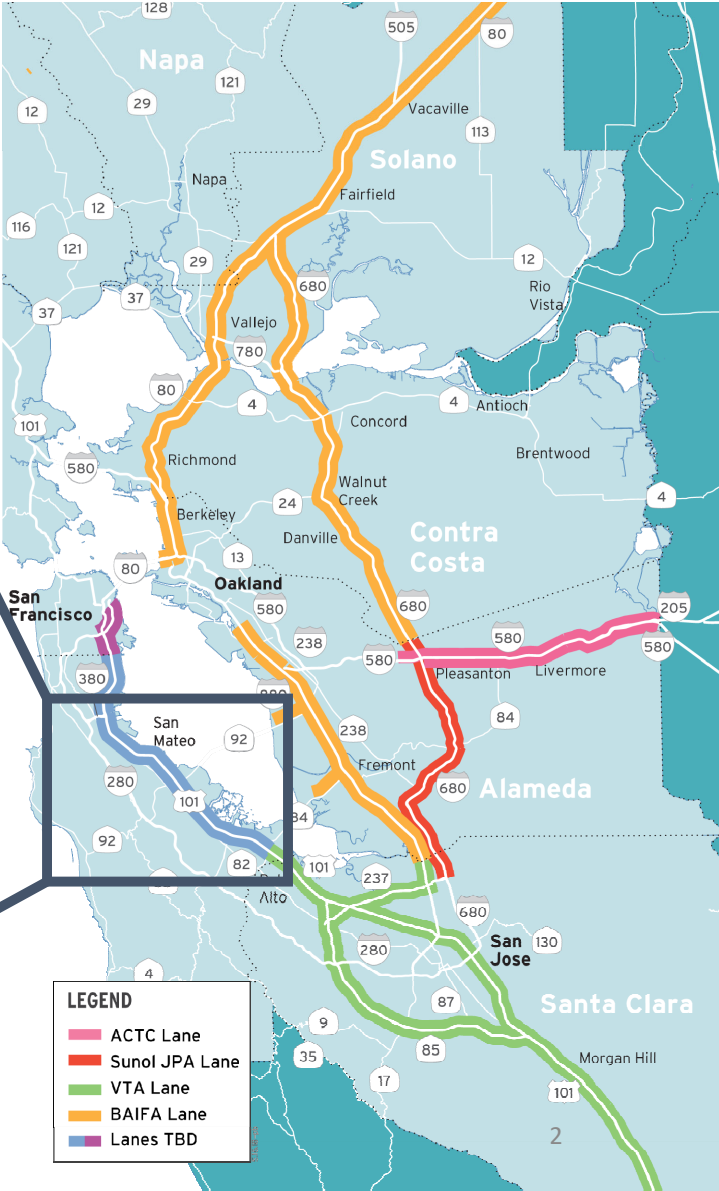
Bay Area Infrastructure Financing Authority
January 23, 2019



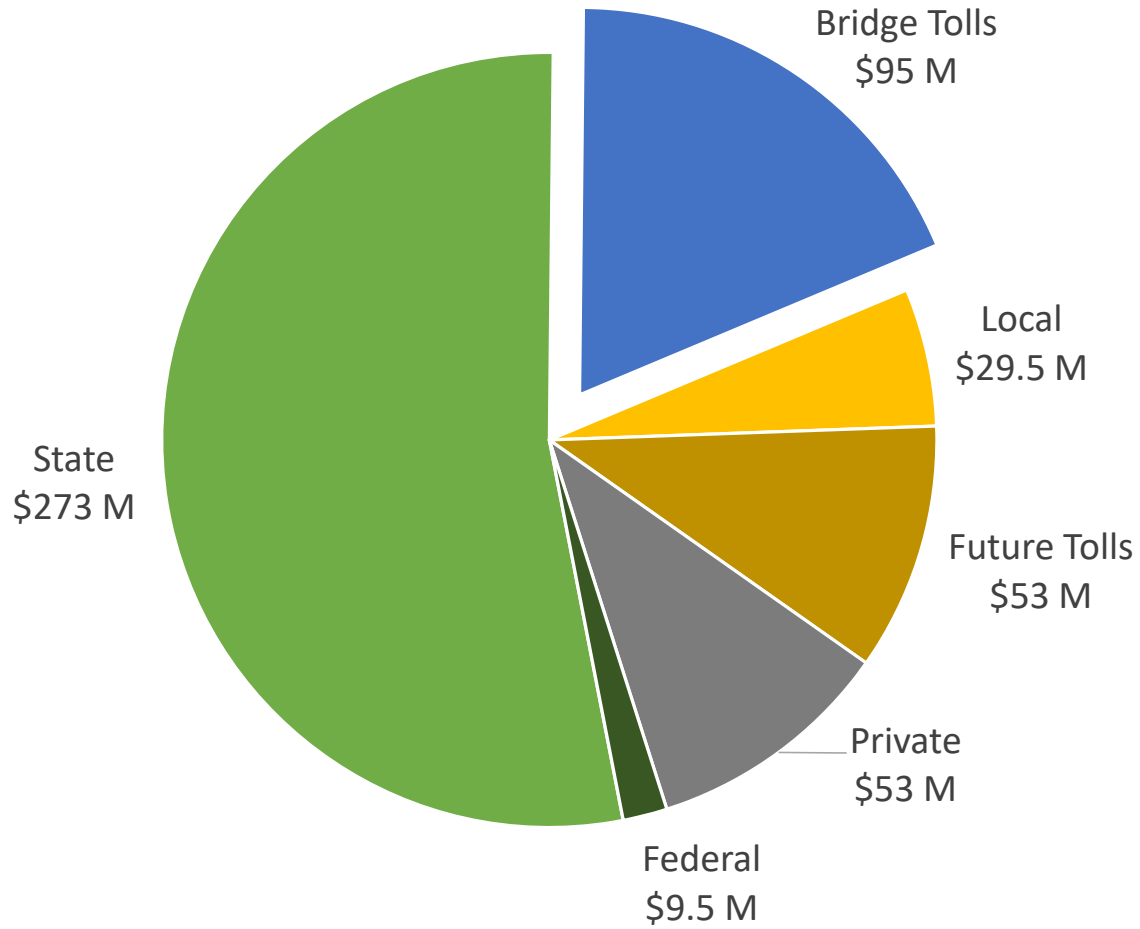
San Mateo 101 Express Lanes



Construction underway in 2019
 Scheduled to open in 2022



San Mateo 101 Express Lanes Funding Plan



Options Presented to C/CAG and SMTA by San Mateo Staff

1. **BAIFA Owns & Operates** - Transfer ownership, provided BAIFA agrees to

- Provide up front funding (\$50M) to be paid back with future toll revenue
- Cover all cost overruns
- Commit to how it would prioritize extension north of I-380
- San Mateo will have sole discretion over net revenue

BAIFA membership would be modified to add the commissioner San Mateo County.

2. **San Mateo Owns and Contracts for Operations**

- a) with VTA
- b) NEW OPTION - with BAIFA

San Mateo agencies would need to define a governance structure for owning the lanes.



Toll Policies Similar Under Both BAIFA Options



HOV Occupancy

VTA	Alameda CTC	BAIFA (Option 1)	San Mateo (Option 2b)
Set by Caltrans HOV-3 in the ring around the bay (101, 880, 237) HOV-2 elsewhere			
Max throughput	Max throughput	Max throughput	Max throughput?
50%	50%	50%	50%?
Set by Caltrans 5 AM – 8 PM for all lanes (SR-237 changes forthcoming)			



Tolling objective

Max Throughput (price for 45 mph)
vs.
Max Revenue (price for higher speeds -
fewer users & higher tolls)



Discounts

HOV-2, clean air vehicles



Hours of operation

Revenue Similar Under Both Options

Based on estimates provided at November 16, 2018 workshop

	1. BAIFA Owns & Operates	2b. San Mateo Owns & BAIFA Operates Under Contract
Gross revenue	\$29 - \$39 M	\$29 - \$39 M
Less debt service	TBD	TBD
Less O&M	\$18 M	\$18 M
Less reserves for operations, rehab and replacement (R&R)	\$2 M	\$2 M
Net revenue	\$10 - 20 M	\$10 - 20 M

* Examples of improvements include: toll system upgrades for interoperability, occupancy detection systems, striping or signage improvements.

HOV and Express Lane Hours of Operation

County -Route	Direction	Facility Type	HOV Occupancy Requirement	Existing Hours	
				AM	PM
State Bridges (7)	One Way	HOV	2+ & 3+	5-10	3-7
Golden Gate Bridge	SB	HOV	3+	5-9	4-6
ALA/CC-80	BOTH	HOV	3+	5-10	3-7
ALA-580	BOTH	Express Lane	2+	5 AM – 8 PM	
ALA/SCL-680	SB	Express Lane	2+	5 AM – 8 PM	
ALA-880	BOTH	Express Lane	3+	5 AM – 8 PM	
SCL-880	BOTH	HOV	2+	5-9	3-7
CC-04	WB	HOV	2+	5-9	-
CC-04	EB	HOV	2+	-	3-7
CC-680	BOTH	Express Lane	2+	5 AM – 8 PM	
MRN-101	SB	HOV	2+	6:30-8:30	-
MRN-101	NB	HOV	2+	-	4:30-7
SCL-85	BOTH	HOV	2+	5-9	3-7
SCL-87	BOTH	HOV	2+	5-9	3-7
SCL-101	BOTH	HOV	2+	5-9	3-7
SCL-237	BOTH	HOV	2+	5-9	3-7
SCL-880/237	BOTH	Express Lane	3+	5 AM – 8 PM	
SCL-280	BOTH	HOV	2+	5-9	3-7
SF-Sterling Ramp	EB	HOV	3+	-	3:30-7
SM-101	BOTH	Express Lane	3+	5 AM – 8 PM	
SOL-80	BOTH	HOV	2+	5-10	3-7
SON-101	BOTH	HOV	2+	7-9	3-6:30

Express Lane

Existing
Future

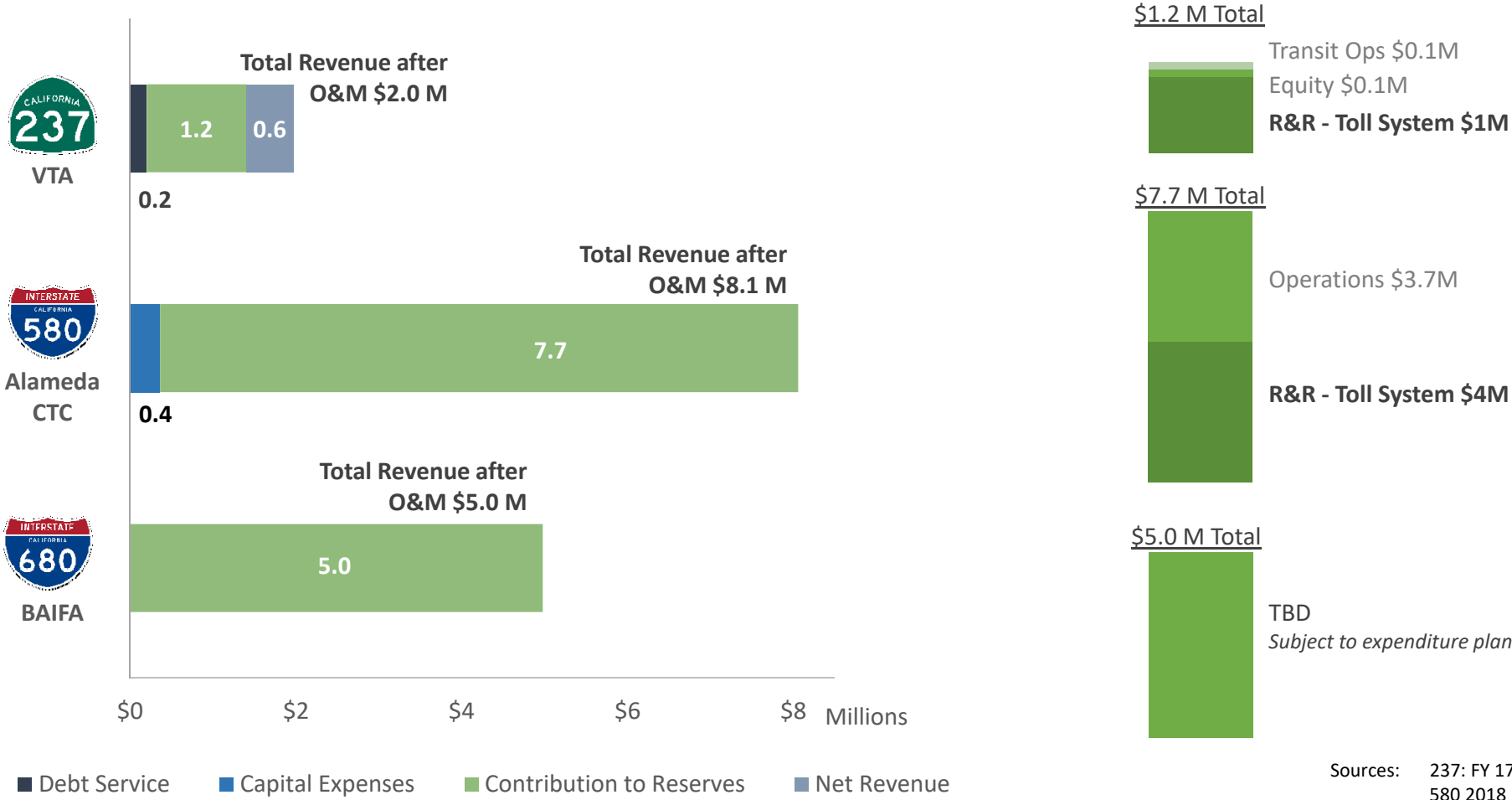
Costs Similar Under Both Options

Based on San Mateo November 16, 2018 workshop material*

	1. BAIFA Owns & Operates	2b. San Mateo Owns & BAIFA Operates Under Contract
Customer Service Center (BATA costs for processing transactions and violations)	\$8.0	\$8.0
Annual Operations Staffing Costs	\$0.7	\$1.2
Annual Operations Contractor O&M Costs	\$2.9	\$2.9
Annual Roadway Maintenance Costs	\$2.6	\$2.6
Annual Contribution to Future Rehabilitation and Reserves	\$2.0	\$2.0
Annual CHP Enforcement in Field	\$1.3	\$1.3
Subtotal	\$17.5	\$18.0
10% Contingency	\$1.7	\$1.8
Total Estimated Annual Operating Costs	\$19.2	\$19.8

*These are preliminary estimates

Current Practices Rehab and Reserves ~ \$100k/lane mile



Sources: 237: FY 17/18 Budget
 580 2018 Expenditure Plan
 680 FY 17/18 Actual

Tolling Experience

BAIFA



23 miles in operation today
11 mile extension to open in 2022

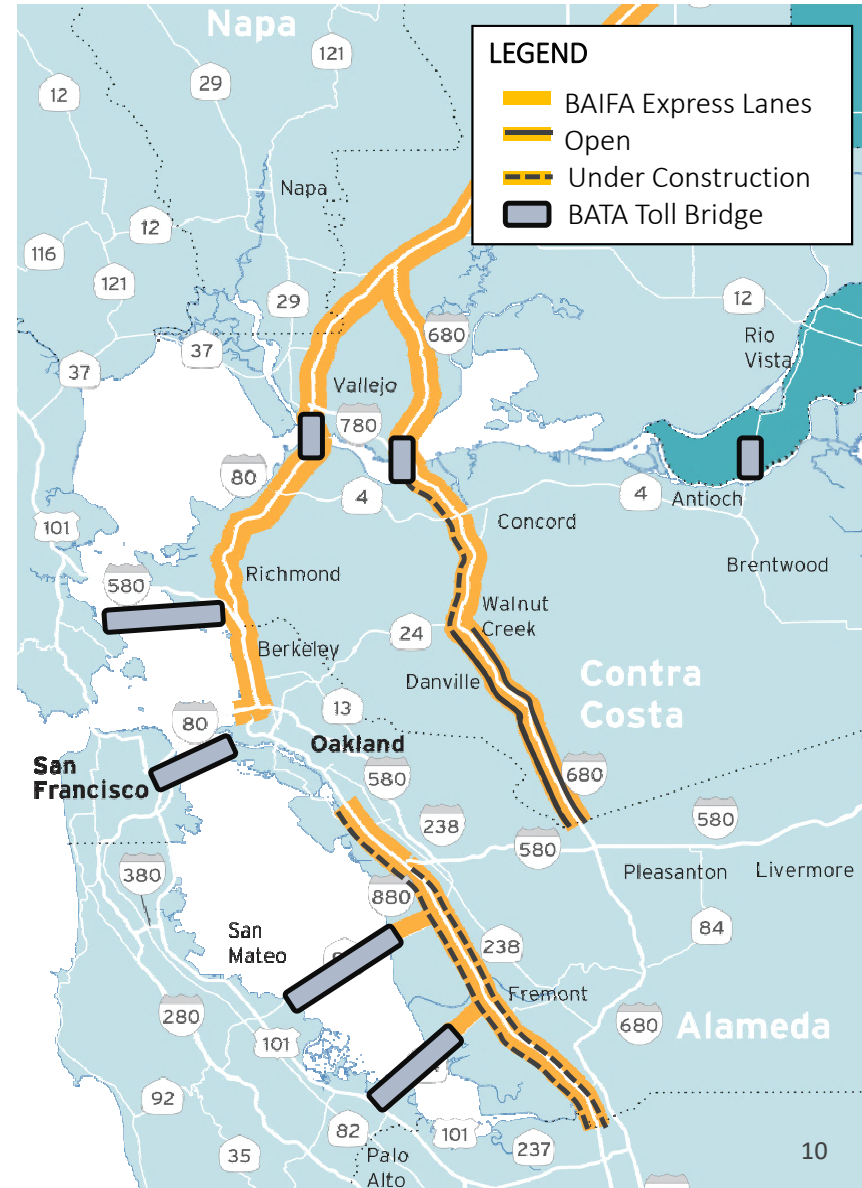


50 miles to open in 2020

BATA



7 toll bridges
FasTrak® Customer Service Center



Regional Investments → Benefits San Mateo Customers

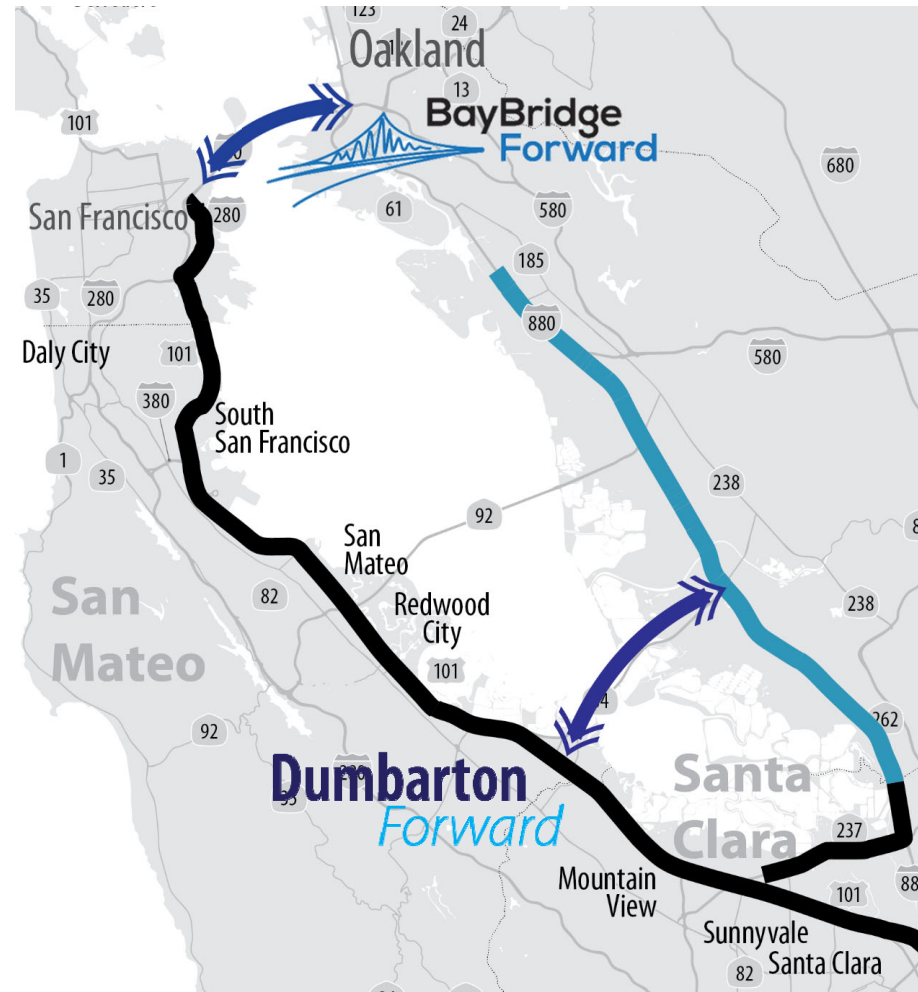
Move More People



Create Mobility Hubs



Modernize Existing Ramp Meters: Fixed Time of Day → Adaptive Meters



Serving San Mateo Customers



Since 2009

October 2018 trips



2.7 million accounts, total

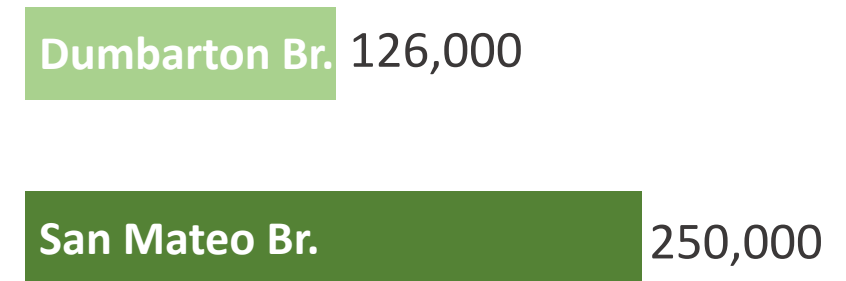
22 partner agencies

2019 start of Means Based Fare Program



Since 2004









October 2018 trips, westbound 3-7 PM



2.5 million accounts, total

5 partner agencies

BAIFA Options for San Mateo 101- preliminary

		1. BAIFA Owns SM Joins BAIFA	2b. San Mateo Owns BAIFA Operates Under Contract
		BAIFA Membership	Add San Mateo
		No change from current board	
General Responsibilities	 Toll policy / ordinance	BAIFA / regional consistency	San Mateo / regional consistency
	 Revenue risk / bond financing	BAIFA	San Mateo
	 Liability	BAIFA	San Mateo
	 Equity program	BAIFA/San Mateo	San Mateo
San Mateo Conditions	 \$50 M for construction (paid back with toll revenue)	BATA	San Mateo
	 Cost overruns	MTC/San Mateo – SB1 appl. BAIFA – Toll system	MTC/San Mateo – SB1 appl.
	 Priority of extension	Next tier – state/reg/local \$	
	 Control over net revenue	San Mateo	

Timeline and Next Steps



December 2018	San Mateo TA voted for San Mateo owner/VTA operator (Option 2a) C/CAG voted for BAIFA owner/operator (Option 1) Joint Ad Hoc Committee formed (San Mateo TA and C/CAG)
January 2, 2019 January 25	Ad Hoc Committee develops recommendation
February 7 & 14	San Mateo TA and C/CAG actions
February 27	Report back to BAIFA

If BAIFA Contract Option (2b) Selected

February – May	BAIFA submits CTC application San Mateo stands up governance body
June – September	BAIFA and San Mateo enter into contract BAIFA amends toll system & operations contracts