

SM 101 MANAGED LANES PROJECT





Presentation Overview

- Decision overview
- Review of Owner and Operator Roles and Responsibilities
- Comparison of San Mateo Options
- Clarification of Issues from the Joint Workshop
- Staff Recommendations



- The decision of the Owner and Operator of the facility rest with the TA and C/CAG Boards.
- This decision will impact:
 - Operating Control
 - Revenue Control
 - Financial Risk
 - Bonding Capacity
- The decision is needed now as project moves into final design phase of the tolling system.



• Facility Owner

- Owns tolling equipment and related highway improvements
- Sets tolling policy and rates; issues toll violations
- Adopts equity and other incentive programs
- Budgets and pays for the operation & maintenance of the facility
- Assumes liabilities, including tort liability and any debt or budgetary shortfalls
- Adopts Expenditure Plan and directs investments of the net revenues
- Establishes the State of Good Repair capital reserve



• Facility Operator

- Manages the day to day operation of the facility on behalf of owner
- Defines toll system communication, equipment and data security requirements
- Ensures that the system is implemented, managed and maintained

SM 101 MANAGED LANES PROJECT TOLL SYSTEM NEAR-TERM DECISIONS



Options available:

1. San Mateo Owner and VTA Operator

- San Mateo Agency to be formed:
 1. Agreement
 2. Joint Policy Committee
 3. Joint Powers Authority
- San Mateo Agency will contract with Santa Clara Valley Transportation (VTA) Authority [SB 595 enabling legislation] to operate

2. BAIFA is Owner and Operator

- Bay Area Infrastructure Finance Authority [MTC] will serve as both owner and operator of the express lane [AB 194 enabling legislation subject to CTC approval]



San Mateo County as Owner and VTA as Operator

1. Three Party Agreement with TA, CCAG and VTA
 - Decision-making process by agreement, and likely cumbersome
2. Joint Policy Committee (JPC) – TA and CCAG Boards set up cross-agency joint committee to make recommendations to the two boards
 - Decision-making process could be time consuming
 - Will need to determine membership of the JPC
3. Joint Powers Authority (JPA) – TA and CCAG form new JPA
 - Decision-making powers vested in JPA
 - Will need to determine membership of the JPA
 - Set up could take some time
 - Could use #1 or #2 above as interim steps



Santa Clara Valley Transportation Authority (VTA)

- AB 2032 in 2004 granted VTA Express Lanes authority
- SB 595, signed in October 2017, provides the VTA the authority to be the operator for US101 in San Mateo County in coordination with the C/CAG and SMCTA
- VTA operates 11 miles of SR 237 since 2012
- VTA anticipates to implement express lanes on US101 in Santa Clara County some time in 2021; provides continuity for users when managed lanes are operational in San Mateo and Santa Clara counties



Santa Clara Valley Transportation Authority (VTA)

- San Mateo would enter into a contract with VTA to serve as operator
- Contract terms include: roles & responsibilities, staffing, costs and compensation, term, performance standards, reporting and monitoring, issue resolution.
- Process with VTA would include the following:
 - SMCTA and CCAG decide on how to create joint relationship with each other (Jan/Feb 2019)
 - San Mateo and VTA boards approve contract terms (March/April 2019)



Bay Area Infrastructure Financing Authority

- Bay Area Infrastructure Financing Authority, or BAIFA, is a six-member committee that oversees the planning, financing, construction and operation of freeway express lanes and related transportation projects
- BAIFA is joint powers authority between MTC and the Bay Area Toll Authority
- Membership currently includes one MTC Commissioner from Alameda, Contra Costa, Solano Counties, plus the chair of MTC and chair of BATA, and non-voting member from CalSTA.
- MTC operates I-680 in Contra Costa County; will begin to operate I-880 in Alameda County in 2019/20



Bay Area Infrastructure Financing Authority

- BAIFA increases membership to include San Mateo County (January - March 2019)
 - San Mateo membership – one MTC Commissioner from San Mateo
 - Definition of corridor
 - Definition of revenues to be used in corridor after off-the-top for operating & maintenance costs; no debt service will be assumed to be deducted from gross revenues
 - State of good repair capital reserves
- BAIFA applies to CTC to operate the managed lane in San Mateo (March – May 2019)

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COMPARISON OF THE OPTIONS



	VTA	MTC
Governance Structure	SM Co. owns; VTA operates	BAIFA owns and operates
User Experience	+	+
Enabling Legislation/ Existing Authority	+	+
Experience of the owner	-	+
Experience of operator	+	+
Revenue investment decisions	+	+/-
Operating & Toll Policies/ Control	+	-
Equipment Maintenance	+	+
Public Relations	-	+/-
Financial risks – operations & maintenance	-	+
Bonding capacity for future extension of project north of I-380, and other improvements	-	+

SM 101 MANAGED LANES PROJECT NET REVENUES INVESTMENTS



- Per Streets & Highway Code 149.6 (h)(3)(B), net revenues are to be spent on “...preconstruction, construction, and other related costs of high-occupancy vehicle facilities, transportation corridor improvements, and the improvement of transit service, including, but not limited to, support for transit operations...”
- Some examples of Net Revenues Investments may include:
 - Increased transit services, including express bus service
 - Park & ride lots
 - Transit signal priorities
 - Offset for potential equity and incentive programs
 - Local improvements such as first & last mile projects to support transit operations
 - Expansion of express lanes north of I-380



- Local Control
 - Ability to cap the maximum toll rate
 - Ability to provide a 2-person carpool discount
 - Ability to set toll violation business rules
 - Administration of equity programs
 - Ability to decide on the use of net toll revenues
- San Mateo County Joint Ownership Governance
 - Need for a structure that is simple, and not burdensome on decision making process
 - Should consider the transportation agencies already in existence in the County
- Equity Programs



San Mateo County as Owner – policy issues to be resolved between TA and C/CAG

- Membership of the Joint Policy Committee or Joint Powers Agency
- Powers to be delegated to the joint entity
- Sharing of revenues
- Sharing of financial liabilities
- Determine appropriate staffing to oversee San Mateo-VTA contract
- Term of the joint relationship before a re-evaluation



Complete Toll Equity Study – Policy Input

Use toll revenues to increase mobility options

- Alternate Travel Routes Improvements
- Transit Credit and/or Improvements

Provide discounts to low-income drivers on the purchase price of transponders

Other Options to be identified in Toll Equity Study



OPTION 1: Authorize transfer of ownership and operation to BAIFA, assuming CCAG approving the same, subject to the following:

- Current project funding – BAIFA takes over the portion that is subject to future toll revenues
- Potential overrun of the current project – BAIFA takes on additional responsibility
- BAIFA provides information on how express lanes on US101 north of 1-380 would be prioritized for funding in the regional network
- BAIFA agrees to implement San Mateo County’s investment plan for the net revenues



OPTION 2: Authorize retaining ownership of the US101 Managed Lanes facility, assuming CCAG approving the same, subject to the following:

- TA and CCAG reach agreement on the structure of the two agencies' joint governance
- Joint governance should be simple and will not overburden the decision making process

Financial Risks: In the event revenues generated are insufficient to cover O&M, and future capital replacement costs, could expose the TA to financial exposure.



NEXT STEPS

- Once the Board chooses an option, authorize Executive Director or his designee to negotiate either with BAIFA or CCAG on the conditions presented
- The negotiations need to be concluded no later than the February 2019 Board meetings