



AGENDA

BOARD OF DIRECTORS MEETING

SAN MATEO COUNTY TRANSPORTATION AUTHORITY

Bacciocco Auditorium, 2nd Floor
1250 San Carlos Avenue, San Carlos, CA 94070

and via teleconference at:

TELECONFERENCE LOCATION:

**Members of the public also may attend the meeting via teleconference at
Veterans Memorial Recreation Center, 251 City Park Way, San Bruno, CA 94066**

December 6, 2018 – Thursday

5:00 pm

- 1) Call to Order/Pledge of Allegiance
- 2) Roll Call
- 3) Report of the Citizens Advisory Committee
- 4) Consent Calendar
Members of the Board may request that an item under the Consent Calendar be considered separately
 - a) Approval of Minutes of the Board of Directors Meeting of November 1, 2018 MOTION
 - b) Approval of Minutes of the TA-C/CAG Joint Special Meeting of November 16, 2018 MOTION
 - c) Acceptance of Statement of Revenues and Expenditures for October 2018 MOTION
 - d) Acceptance of Capital Projects Quarterly Report – 1st Quarter FY 2019 MOTION
 - e) Adoption of Update of Conflict of Interest Code RESOLUTION
- 5) Public Comment For Items Not on the Agenda
Public comment by each individual speaker shall be limited two (2) minutes. Items raised that require a response will be deferred for staff reply.
- 6) Report of the Chair
 - a) Resolution of Appreciation for Cameron Johnson
- 7) San Mateo County Transit District Liaison Report
- 8) Joint Powers Board Report
- 9) Report of the Executive Director

Note: All items appearing on the agenda are subject to action by the Board. Staff recommendations are subject to change by the Board.

San Mateo County Transportation Authority Meeting
Agenda for December 6, 2018

10) Finance

- a) Acceptance of Fiscal Year 2018 Comprehensive Annual Financial Report MOTION
- b) Program and Allocate up to \$350,000 for the Development of the Strategic Plan 2020-2024 RESOLUTION
- c) Authorize Amendments to Contracts for Provision of On-Call Transportation Planning and Support Services RESOLUTION

11) Program

- a) Approval of Owner and Operator for the US 101 Managed Lanes Project and Next Steps RESOLUTION
- b) Funding of Actions on Previously Identified Inactive Highway Projects from the 2012 Highway Program Call for Projects RESOLUTION
- c) State and Federal Legislative Update INFORMATIONAL
- d) 2019 Draft Legislative Program INFORMATIONAL

12) Requests from the Authority

13) Written Communications to the Authority

14) Date/Time of Next Regular Meeting: Thursday, January 3, 2019, 5:00 p.m. at San Mateo County Transit District Administrative Building, Bacciocco Auditorium, 2nd Floor, San Carlos Avenue, San Carlos, CA 94070

15) Report of Legal Counsel

Closed Session: Conference with Legal Counsel – Existing Litigation Pursuant to Government Code Section 54956.9(d)(1): Pacificans for a Scenic Coast v. California Department of Transportation, et al.; San Mateo County Superior Court Case No. CIV-523973

16) Adjourn

INFORMATION FOR THE PUBLIC

All items appearing on the agenda are subject to action by the Board. Staff recommendations are subject to change by the Board.

If you have questions on the agenda, please contact the Authority Secretary at 650-508-6279. Assisted listening devices are available upon request. Agendas are posted on the Authority Website at www.smcta.com. Communications to the Board of Directors can be e-mailed to board@smcta.com.

Location, Date and Time of Regular Meetings

Regular meetings are 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.

The Transportation Authority (TA) meets regularly on the first Thursday of the month at 5 p.m. The TA Citizens Advisory Committee (CAC) meets regularly on the Tuesday prior to the first Thursday of the month at 4:30 p.m. at the San Mateo County Transit District Administrative Building.

Public Comment

If you wish to address the Board, 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, who will distribute the information to the Board members and staff.

Members of the public may address the Board on non-agendized items under the Public Comment item on the agenda. Public testimony by each individual speaker shall be limited to one minute and items raised that require a response will be deferred for staff reply.

Accessibility for Individuals with Disabilities

Upon request, the TA 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 send a written 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 mailed to the Authority Secretary at the San Mateo County Transportation Authority, 1250 San Carlos Avenue, San Carlos, CA 94070-1306 or emailed to board@smcta.com; or by phone at 650-508-6279, or TTY 650-508-6448.

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 will be available for public inspection at 1250 San Carlos Avenue, San Carlos, CA 94070-1306, at the same time that the public records are distributed or made available to the legislative body.

Note: All items appearing on the agenda are subject to action by the Board. Staff recommendations are subject to change by the Board.

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY
1250 SAN CARLOS AVENUE, SAN CARLOS, CA 94070
MINUTES OF NOVEMBER 1, 2018**

MEMBERS PRESENT: D. Horsley (Chair), E. Beach (via teleconference), M. Freschet, C. Johnson (Vice Chair), K. Matsumoto, R. Medina

MEMBERS ABSENT: C. Groom

STAFF PRESENT: J. Hartnett, C. Mau, A. Chan, C. Fromson, J. Hurley, G. Martinez, S. van Hoften, J. Cassman, S. Murphy, D. Hansel, S. Petty, R. Bolon, C. Gumpal, J. Brook

CALL TO ORDER/PLEDGE OF ALLEGIANCE

Chair Horsley called the meeting to order at 5:00 pm and led the Pledge of Allegiance. He announced the teleconference with Director Beach.

ROLL CALL

Acting Authority Secretary Gumpal called the roll. A quorum was present.

Director Beach joined the meeting via teleconference from 99 Pacific Street, Suite 555F, Monterey, CA. Accordingly, all votes were required to be taken by roll call.

REPORT OF THE CITIZENS ADVISORY COMMITTEE

Chair Horsley noted that the Citizens Advisory Committee Chair's summary report was contained in the reading file.

CONSENT CALENDAR

- Approval of Minutes of the Board of Directors Meeting of October 4, 2018
- Acceptance of Statement of Revenues and Expenditures for Fiscal Year Ending June 30, 2018 (Unaudited)
- Acceptance of Statement of Revenues and Expenditures for September 2018
- Acceptance of Measure A Semi-Annual Program Status Report
- Approval of the 2019 Board of Directors Meeting Calendar

Chair Horsley noted that the January meeting was scheduled for the 3rd.

Motion/Second: Matsumoto/Medina

Ayes: Beach, Freschet, Matsumoto, Medina, Horsley

Absent: Groom, Johnson

PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

None.

REPORT OF THE CHAIR

None.

SAN MATEO COUNTY TRANSIT DISTRICT LIAISON REPORT

Director Matsumoto stated that there was no report since the SamTrans Board meeting was scheduled for the following week.

PENINSULA CORRIDOR JOINT POWERS BOARD REPORT

Jim Hartnett, Executive Director, noted that the report was in the reading file.

REPORT OF THE EXECUTIVE DIRECTOR

Mr. Hartnett noted that a brief report was contained in the Board's reading file.

FINANCE

Acceptance of Quarterly Investment Report for the Period Ending September 30, 2018

Derek Hansel, Chief Financial Officer, introduced Isaac Chyou, Consultant, Public Financial Management (PFM). Mr. Chyou gave a presentation on the investment report.

Vice Chair Johnson arrived at 5:12 pm

Motion/Second: Medina/Johnson

Ayes: Beach, Freschet, Johnson, Matsumoto, Medina, Horsley

Absent: Groom

PROGRAM

April Chan, Chief Officer, Planning, Grants/Transportation Authority, requested that Agenda Item #11(b) regarding the Caltrain Business Plan be discussed before Item #11(a) regarding the 25th Avenue Grade Separation Project.

Caltrain Business Plan

Sebastian Petty, Senior Policy Advisor, Caltrain, gave a presentation to updated the TA on the Caltrain business plan.

Chair Horsley asked if increased train volume could happen without grade separation and Mr. Petty said no.

Director Beach asked if the models predicted rider share. Mr. Petty said they would be able to do that when they do the full business plan.

Director Matsumoto expressed her concern with Caltrain's ability to achieve all its goals of volume, ridership, grade separations, and electrification within the period leading up to 2040.

Director Freschet asked if riders or business groups were driving Caltrain's business; Mr. Petty said both.

Vice Chair Johnson asked how Caltrain would quantify the impact of train service on traffic congestion on US 101. Mr. Petty said the impact could be expressed as time savings and or in various monetary ways. Director Beach requested that emissions generated by increased ridership also be quantified in future reports.

Chair Horsley requested that Caltrain consider expanding service into the East Bay.

Director Freschet expressed her appreciation for the Plan.

Public Comment:

- Drew, the Peninsula, said he wasn't pleased that the grade separations were being done in a piecemeal fashion. He said that in the past, grade seps were done city-wide, as in the case of Belmont and San Carlos. He said he didn't understand why a grade separation was proposed for Whipple Avenue but not other major intersections in Redwood City.

Director Beach said that increased service would demand a very large funding pool.

25th Avenue Grade Separation Project

Rafael Bolon, Project Manager-Consultant, Engineering & Construction, gave a presentation outlining the current status of the 25th Avenue Grade Separation Project.

Director Beach asked about the safety of passengers standing on the platform when a high-speed train goes by. Mr. Bolon said that the plan was to have through-tracks for high-speed trains that are separate from the tracks used by local trains.

Director Medina asked about drainage on downward slopes. Mr. Bolon said no pumping is required for 25th and 28th Avenues. He said there were lessons learned from San Bruno. He said this project provides redundant power for the sloping areas and access for emergency vehicles.

Director Freschet said she was optimistic that the grade separations would reduce traffic congestion at 25th Avenue.

Public Comment:

- Drew, San Mateo, said the new configuration of the Hillsdale Station is less beneficial for residents who live south of Hillsdale since they now have to cross three major roads to access the station.
- Rich Hedges, San Mateo, said that the 25th Avenue grade separation combined with the transit-oriented development in the Hillsdale area would be a signature project for the City of San Mateo. He suggested that shuttles and/or a "kiss and ride" area should be included in future planning for the Caltrain station.

State and Federal Legislative Update

Seamus Murphy, Chief Communications Officer, stated that there wasn't a lot of legislative activity due to the November 6 election. He said the federal surface transportation program would need to be renewed before December 7. He noted that State Proposition 6, if passed, would repeal SB 1 and have major impacts on transportation products and services.

REQUESTS FROM THE AUTHORITY

None.

WRITTEN COMMUNICATIONS TO THE AUTHORITY

Chair Horsley noted that there was no correspondence.

DATE/TIME OF NEXT REGULAR MEETING

Chair Horsley announced that the next meeting would be on Thursday, December 6, 2019, 5:00 pm, at the San Mateo County Transit District Administrative Building, Bacciocco Auditorium, 2nd Floor, San Carlos Avenue, San Carlos, CA.

REPORT OF LEGAL COUNSEL

No report.

Ms. Chan announced the C/CAG – TA Joint Workshop, Friday, November 16, 2018, 1:00 pm, also in the Auditorium.

ADJOURN

The meeting adjourned at 6:18 pm.

An audio/video recording of this meeting is available online at www.smcta.com. Questions may be referred to the Board Secretary's office by phone at 650.508.6279 or by email to board@smcta.com.

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY &
CITY/COUNTY ASSOCIATION OF GOVERNMENTS OF SAN MATEO COUNTY
1250 SAN CARLOS AVENUE, SAN CARLOS, CA 94070
MINUTES OF NOVEMBER 16, 2018 JOINT SPECIAL MEETING**

TA MEMBERS PRESENT: D. Horsley (Chair), E. Beach, M. Freschet, C. Groom,
K. Matsumoto

TA MEMBERS ABSENT: C. Johnson (Vice Chair), R. Medina

TA STAFF PRESENT: J. Hartnett, C. Mau, A. Chan, J. Cassman, J. Slavitt, J. Brook

C/CAG MEMBERS PRESENT: M. Moise Derwin (Chair), M. Chuang (Vice Chair), A. Aguirre,
D. Canepa, D. Colvin, S. Hindi (Alternate), J. Keener, D. Kim,
C. Lentz, I. O'Connell, M. Olbert, R. Ortiz, D. Papan, D.
Rutherford (Alternate)

C/CAG MEMBERS ABSENT: C. Carlton, L. Gauthier, D. Gordon, E. Lewis, J. Manalo, G.
Papan, H. Perez, D. Ruddock

C/CAG STAFF PRESENT: S. Wong, J. Higaki, M. Sanders, S. Muse, M. Guilles

CALL TO ORDER/PLEDGE OF ALLEGIANCE

TA Chair Don Horsley called the meeting to order at 1:07 pm and led the Pledge of Allegiance.

ROLL CALL FOR SAN MATEO COUNTY TRANSPORTATION AUTHORITY

Assistant Authority Secretary Jean Brook called the roll. A quorum was present.

ROLL CALL FOR CITY/COUNTY ASSOCIATION OF GOVERNMENTS OF SAN MATEO COUNTY

Clerk of the Board Mima Guilles called the roll. A quorum was present.

OVERVIEW OF WORKSHOP

TA Chair Horsley outlined the workshop schedule.

C/CAG Chair Maryann Moise Derwin reviewed the purpose and goals of the workshop.

PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

Drew, San Mateo, expressed his concern that the 101/Ralston loop on-ramp had been miscategorized as a low-volume loop ramp in the project's environmental document.

WORKSHOP ON HIGHWAY 101 MANAGED LANES, INCLUDING OPTIONS FOR FACILITY OWNERSHIP/OPERATION

Introduction

Sandy Wong, C/CAG Director, talked about the history of managed lanes studies on Highway 101.

April Chan, TA Chief Officer, introduced guests at the workshop, including MTC [BAIFA], VTA and SFCTA staff. She said that the managed lane facility's owner and operator need to be determined now as the project moves into the final design phase. She said they would discuss the two options at the workshop. She noted that the handouts included a project fact sheet, information on the SamTrans Express Bus Feasibility Study, and a matrix on the pros and cons of the various owner/operator options.

Presentation – Project Outline

Leo Scott of Gray-Bowen-Scott, TA project manager consultant for 101 Managed Lanes, presented a detailed PowerPoint presentation on the San Mateo 101 Managed Lanes Project.

C/CAG Representative Sam Hindi asked how carpooling is being encouraged when single-occupancy vehicles (SOVs) with drivers who are willing to pay a toll can be in a carpool lane. Mr. Scott directed him to Slides 8-10 of the presentation.

C/CAG Representative Mark Olbert noted that high-occupancy vehicles (HOVs) that choose not to pay to be in the managed lane would no longer have an advantage being an HOV and would split into multiple vehicles as a result. Mr. Scott said a two-person HOV (HOV-2) would likely be deterred from paying to be in a carpool lane. He said managed lanes operators in Los Angeles County (LA) give a discount to HOV-2s and clean air vehicles who use carpool lanes. He added that the goal is to make connections to three-person HOVs (HOV-3s) and buses easier so that people use these options more. C/CAG Representative Olbert asked where the \$53 million of private sector money was coming from. Mr. Scott said it comes from SAMCEDA.

C/CAG Representative David Canepa stated that based on the Mr. Scott's presentation, the managed lanes project made more sense and was becoming clearer to him. He added that it had moved his position greatly in terms of supporting the project. He asked if Caltrans was the ultimate project decision-maker. Mr. Scott confirmed that Caltrans was the lead on the environmental documents.

TA Director Emily Beach restated what she understood from Mr. Scott's presentation regarding LA's express lane operation, which makes an assumption for the proposed project that HOV-3 and HOV-2 get a guaranteed 45-miles-per-hour ride, and that HOV-1 could get the same guaranteed ride by paying a premium.

C/CAG Representative Cliff Lentz asked about enforcement and the length of the road the customer gets when they pay to use the carpool lane, which Mr. Scott outlined later in his presentation.

C/CAG Representative Diane Papan asked what happens if the 45-miles-per-hour flow rate isn't met. Mr. Scott said that the toll component of the lane would close for a time and the lane would become an HOV-only lane until the speeds pick up again.

C/CAG Vice Chair Marie Chuang said that in Los Angeles County's program, the transponders are very clear regarding HOV-2 and HOV-3.

Presentation – Owner/Operator

Ms. Chan presented slides on determining the owner/operator of the 101 managed lanes, the selection of which would be considered for adoption by both the TA and C/CAG boards at their respective December meetings. She added that it was crucial to choose an owner/operator as the project enters its design phase.

C/CAG Representative Papan noted that if the project were under the direction of the Metropolitan Transportation Commission (MTC) [Bay Area Infrastructure Financing Authority (BAIFA)], San Mateo County would have one representative on a seven-member board. She asked if the County would have just a single vote on that board, even though it would generate the vast majority of revenue for the project. Ms. Chan confirmed that this would be the case. C/CAG Representative Papan asked about Santa Clara Valley Transportation Authority's (VTA) bonding capacity. Ms. Chan said San Mateo does not expect VTA's bonding capacity to fund San Mateo County's projects. She said that the County, should it choose to be owner, can potentially bond against future toll revenues.

TA Director Karyl Matsumoto asked about managed lanes north of San Mateo County. Ms. Chan said that feasibility studies were being conducted on an express lane extending north of Highway 380 into downtown San Francisco. She said San Mateo County's revenues could possibly provide a funding source for this segment of the express lane in the future.

TA Director Maureen Freschet asked if the decisions of the Metropolitan Transportation Commission (MTC) [Bay Area Infrastructure Financing Authority (BAIFA)], as the prospective owner, would impact the County's revenues. Ms. Chan said that as the owner, MTC [BAIFA] could control the toll rates in relation to whatever algorithm is used to maintain the 45-mile-per-hour flow rate, enforce violations, and facilitate equity programs. She said that the County could still make decisions about how to use the revenue.

C/CAG Representative Lentz asked how long a contract with VTA might last. Ms. Chan said that the TA and C/CAG would need to determine the terms of the relationship with VTA.

C/CAG Representative Olbert asked if any discussions had taken place about an ownership structure focused on the corridor as opposed to another controlling entity. Ms. Chan said that managed lanes are being viewed from the perspective of the user, and that different portions of the corridor could have different owner/operator configurations.

Presentation – Equity Policy & Program

Ms. Wong presented slides on equity policy. She said that LA's equity program had conducted surveys to see the income distribution of managed lanes users. She outlined LA's low-income assistance plan.

C/CAG Representative Canepa asked about LA's \$25 credit program. Ms. Wong said it was an annual one-time credit. He asked if an equity program in San Mateo County's project would require enabling legislation. Jim Hartnett, TA Executive Director, said that he didn't believe the County would need new legislation.

C/CAG Representative Olbert asked if surveys had been conducted on LA's equity program users to see how they rated the program. Ms. Wong said that LA conducts annual user surveys that are not limited to equity program users.

Facilitated Discussion

Tony Harris, Managing Partner, Point C, LLC, led a question-and-answer session for Board members and the public.

C/CAG Representative Papan asked about LA County's program structure. Mr. Harris said they own and operate their program under a single board made up of County supervisors and elected representatives from other County agencies.

C/CAG Representative Irene O'Connell asked how accurate other managed lanes operators have been about revenue projections. Mr. Harris said the available information is based on forecasts and may change based on a number of factors such as the economy, traffic, and policy changes.

C/CAG Representative Doug Kim said that a key question is which owner/operator arrangement would be most favorable to providing express lanes into downtown San Francisco.

TA Director Beach said that, based on her observations of LA County's program, the County will have the opportunity to advance equity based on good policy decisions. She said this would include providing subsidized service and reinvesting revenues in the community. She stated that policy decisions could also positively affect greenhouse gas emissions.

C/CAG Representative John Keener asked if LA's tolls are capped and asked about the percentage of time that the 45-miles-per-hour flow rate is maintained. Mr. Harris said that he believed that LA's tolls are not capped. He said he would provide LA's most recent performance report that contains flow rate statistics.

C/CAG Representative O'Connell asked about the presentation's reference to slow set-up with regard to the proposed option of San Mateo County being the owner and VTA being the operator of the Project. Ms. Chan said it could take some time to form a joint powers authority (JPA). She said it was possible to make some more limited decisions relatively quickly by going to the respective boards just to seek an agreement with VTA so that VTA could help the County proceed with the project. She added that JPA terms could be negotiated as a next step.

TA Chair Horsley stated that he thought it would be advantageous to have MTC [BAIFA] manage the project for the sake of consistency throughout the Bay Area and MTC's [BAIFA's] ability to bond for current and future projects.

TA Director Carole Groom said she favored local control, which she felt would be lost if MTC [BAIFA] were the owner.

C/CAG Representative Papan said she favored local control since policy affects revenue. She said that as the owner, the County could seek support from a number of agencies.

C/CAG Representative Ricardo Ortiz said he favored local control with an emphasis on getting things moving over raising revenue.

C/CAG Representative Hindi said he had a better understanding of the equity policy after learning of LA County's program. He said he supported local control with the County as the owner.

C/CAG Representative Lentz said there would be new HOV lanes constructed to serve the Redwood City to South San Francisco corridor. He said he favored forming a JPA with the TA and C/CAG to locally control the project.

TA Director Freschet said she favored local control because of the County's unique needs, which she feared would not be addressed as well if MTC [BAIFA] were the operator. She stated that it would be advantageous for the County to have better control over revenues and the equity program.

C/CAG Representative Alicia Aguirre said she felt that local control wouldn't be lost by going with MTC [BAIFA]. She emphasized that "local control" needs to be more clearly defined.

C/CAG Vice Chair Chuang said that equity includes both finances and geography.

C/CAG Representative Olbert said he had changed his mind toward supporting a more regional approach (not San Mateo County) to management of the project.

C/CAG Representative Canepa asked if the potential vendors such as VTA and MTC [BAIFA] could provide their tolling and other options at a future meeting. Mr. Harris said that both agencies would be willing to make a presentation.

TA Director Beach said she advocated for local control so that the County could respond more quickly to policy and revenue changes.

C/CAG Representative Keener said that financial liabilities would become more significant with local control, prompting him to support MTC [BAIFA] as the owner.

C/CAG Representative Kim said he was still undecided about who should manage the project. He said he wanted to explore what kind of local control other BAIFA member counties have.

Mr. Hartnett thanked the TA and C/CAG teams for their efforts in preparing the workshop. He said the TA would be assuming significant risk as project sponsor on the construction side. He said revenue forecasts look positive, but policies could change, affecting the owner agency. He recommended that if a JPA is established, that the

majority of its members be from the TA. He acknowledged that running a JPA would increase administrative costs.

Director Freschet left the meeting at 3:26 pm.

TA Director Matsumoto said she didn't think the County would lose much local control if MTC [BAIFA] were the owner. She stated that it would be preferable to go with MTC [BAIFA] as a protection against financial risk.

TA Chair Horsley thanked Ms. Chan, Ms. Wong, Mr. Scott, Mr. Harris, and C/CAG Chair Moise Derwin.

ADJOURN

The meeting adjourned at 3:28 pm.

An audio/video recording of this meeting is available online at www.smcta.com. Questions may be referred to the TA Board Secretary's office by phone at 650.508.6279 or by email to board@smcta.com; or to the C/CAG Clerk of the Board's office by phone at 650.599.1406 or by email to mguilles@smcgov.org.

SAN MATEO COUNTY TRANSPORTATION AUTHORITY
STAFF REPORT

TO: Transportation Authority

THROUGH: Jim Hartnett
Executive Director

FROM: Derek Hansel
Chief Financial Officer

SUBJECT: **STATEMENT OF REVENUES AND EXPENDITURES FOR THE PERIOD ENDING
OCTOBER 31, 2018**

ACTION

Staff proposes that the Board accept and enter into the record the Statement of Revenues and Expenditures for the month of October 2018 and supplemental information.

The statement columns have been designed to provide easy comparison of year to date prior to current actuals for the current fiscal year including dollar and percentage variances.

SIGNIFICANCE

Year to Date Revenues: As of October year-to-date, the Total Revenues (page 1, line 7) is \$4.9 million higher than prior year actuals. This is primarily due to higher Sales Tax (page 1, line 1) and Interest Income (page 1, line 2).

Year to Date Expenses: As of October year-to-date, the Total Expenditures (page 1, line 26) are \$15.2 million lower than prior year actuals. This is primarily due to the removal of Dumbarton Maintenance of Way project (page 1, line 13) which was transferred on a budgetary basis to Samtrans in FY2019; and the reduction in Measure A Categories (page 1, line 15), with \$17.1 million and \$3.9 million less spent on Caltrain Electrification and SR92 El Camino Real Ramp projects, respectively, partially offset by an increase of \$4.0 million on the 25th Ave Grade Separation project.

Budget Amendment:

There are no budget amendments for the month of October 2018.

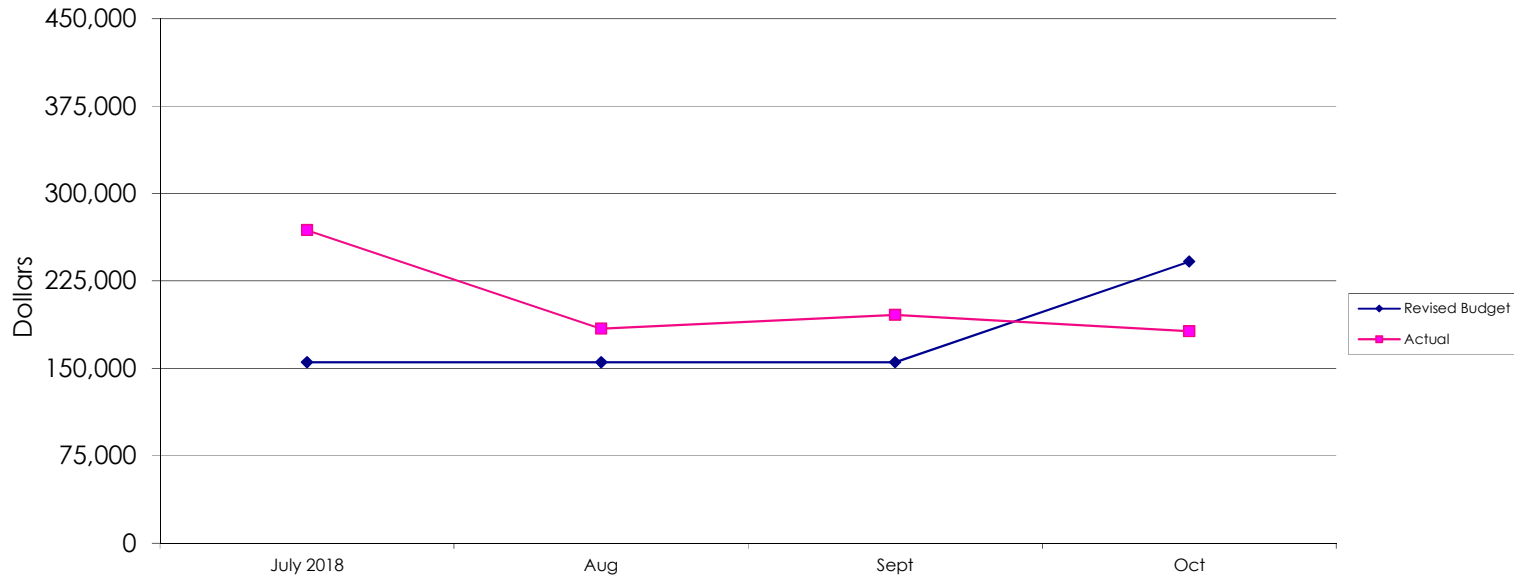
SAN MATEO COUNTY TRANSPORTATION AUTHORITY
STATEMENT OF REVENUES AND EXPENDITURES
Fiscal Year 2019
October 2018

% OF YEAR ELAPSED: 33.3%

| | YEAR TO DATE | | | | ANNUAL |
|----------------------------------|-----------------------|-----------------------|---------------------|-----------------|-----------------------|
| | PRIOR ACTUAL | CURRENT ACTUAL | \$ VARIANCE | % VARIANCE | BUDGET* |
| REVENUES: | | | | | |
| 1 Sales Tax | 27,155,551 | 31,588,017 | 4,432,466 | 16.3% | 86,353,200 |
| 2 Interest Income | 2,184,748 | 2,833,022 | 648,274 | 29.7% | 5,927,618 |
| 3 Miscellaneous Income | 1,500 | 10,000 | 8,500 | 566.7% | 50,000,000 |
| 4 Rental Income | 389,167 | 188,419 | (200,748) | (51.6%) | 836,684 |
| 5 Grant Proceeds | - | - | - | 0.0% | 1,550,000 |
| 6 | | | | | |
| 7 TOTAL REVENUE | 29,730,966 | 34,619,458 | 4,888,492 | 16.4% | 144,667,502 |
| 8 | | | | | |
| EXPENDITURES: | | | | | |
| 11 Annual Allocations | 9,911,776 | 11,712,126 | 1,800,350 | 18.2% | 31,518,918 |
| 12 | | | | | |
| 13 Dumbarton Maintenance of Way | 57,097 | - | (57,097) | (100.0%) | - |
| 14 | | | | | |
| 15 Measure A Categories | 33,284,738 | 16,083,671 | (17,201,067) | (51.7%) | 92,567,770 |
| 16 | | | | | |
| 17 Oversight | 524,234 | 582,613 | 58,379 | 11.1% | 1,800,000 |
| 18 | | | | | |
| 19 Administrative | | | | | |
| 20 Staff Support | 448,220 | 638,715 | 190,495 | 42.5% | 1,121,306 |
| 21 Measure A Info-Others | 49 | - | (49) | (100.0%) | 15,000 |
| 22 Other Admin Expenses | 214,531 | 191,559 | (22,972) | (10.7%) | 726,687 |
| 23 | | | | | |
| 24 Total Administrative | 662,800 | 830,274 | 167,475 | 25.3% | 1,862,993 |
| 25 | | | | | |
| 26 TOTAL EXPENDITURES | 44,440,646 | 29,208,685 | (15,231,960) | (34.3%) | 127,749,681 |
| 27 | | | | | |
| 28 EXCESS (DEFICIT) | (14,709,680) | 5,410,773 | 20,120,452 | (136.8%) | 16,917,821 |
| 29 | | | | | (12,952,980) |
| 30 | | | | | 3,964,841 |
| 31 | | | | | |
| 32 BEGINNING FUND BALANCE | 489,178,290 | 424,791,277 | | | 489,705,061 |
| 33 | | | | | |
| 34 ENDING FUND BALANCE | \$ 474,468,610 | \$ 430,202,050 | | | \$ 493,669,902 |

39 * Previously allocated \$12,952,980 of future years' budget to the 25th Avenue Grade Separation Project.

SAN MATEO COUNTY TRANSPORTATION AUTHORITY ADMINISTRATIVE EXPENSES



Current Year Data

| | Jul '18 | Aug '18 | Sep '18 | Oct '18 | Nov '18 | Dec '18 | Jan '19 | Feb '19 | Mar '19 | Apr '19 | May '19 | Jun '19 |
|----------------------------|-----------|-----------|-----------|-----------|---------|---------|---------|---------|---------|---------|---------|---------|
| MONTHLY EXPENSES | | | | | | | | | | | | |
| Revised Budget | 155,249 | 155,249 | 155,250 | 241,651 | | | | | | | | |
| Actual | 268,531 | 183,949 | 195,928 | 181,866 | | | | | | | | |
| CUMULATIVE EXPENSES | | | | | | | | | | | | |
| Staff Projections | 155,249 | 310,498 | 465,748 | 707,399 | | | | | | | | |
| Actual | 268,531 | 452,480 | 648,408 | 830,274 | | | | | | | | |
| Variance-F(U) | (113,282) | (141,982) | (182,660) | (122,875) | | | | | | | | |
| Variance % | -72.97% | -45.73% | -39.22% | -17.37% | | | | | | | | |



BOARD OF DIRECTORS
2018

DON HORSLEY, CHAIR
CAMERON JOHNSON, VICE
CHAIR
CAROLE GROOM
MAUREEN FRESCHET
EMILY BEACH
RICO E. MEDINA
KARYL MATSUMOTO

JIM HARTNETT
EXECUTIVE DIRECTOR

SAN MATEO COUNTY TRANSPORTATION AUTHORITY

CAPITAL PROJECT RESERVES

AS OF OCTOBER 31, 2018

| TYPE OF SECURITY | | MATURITY DATE | INTEREST RATE | PURCHASE PRICE | MARKET VALUE |
|--------------------------------|------|---------------|---------------|-----------------------|-----------------------|
| County Pool #2 | * | Liquid Cash | 2.066% | \$ 250,204,194 | \$ 250,204,194 |
| Local Agency Investment Fund** | | Liquid Cash | 2.144% | \$ 1,003,847 | \$ 1,003,847 |
| Investment Portfolio | *** | Liquid Cash | 0.000% | \$ 158,743,003 | \$ 156,171,883 |
| Other | | Liquid Cash | 0.000% | \$ 2,833,209 | \$ 2,833,209 |
| | **** | | | <u>\$ 412,784,253</u> | <u>\$ 410,213,133</u> |

Accrued Earnings for October 2018 \$ 706,653
Cumulative Earnings FY2019 \$ 2,781,376

* County Pool average yield for the month ending October 31, 2018 was 2.066%. As of October 2018, the total cost of the Total Pool was \$4,536,554,693 and the fair market value per San Mateo County Treasurer's Office was \$4,517,097,339.

** The market value of Local Agency Investment Fund (LAIF) is calculated annually and is derived from the fair value factor as reported by LAIF for quarter ending June 30th each year.

*** The Portfolio and this Investment Report comply with the Investment Policy and the provisions of SB 564 (1995). The Authority has the ability to meet its expenditure requirements for the next six months.

**** May not foot due to rounding.

SAN MATEO COUNTY TRANSPORTATION AUTHORITY
INTEREST ON INVESTMENTS
October 31, 2018

| DESCRIPTION | TOTAL INVESTMENT 10-31-18 | INTEREST RECEIVABLE 09-30-18 | PREPAID INT RECEIVABLE 09-30-18 | INTEREST EARNED 10-31-18 | INTEREST RECEIVED 10-31-18 | ADJ. | INTEREST RECEIVABLE 10-31-18 |
|---------------------------|---------------------------------|------------------------------------|---------------------------------------|--------------------------------|----------------------------------|----------------|------------------------------------|
| LAIF | 1,003,847.17 | 5,032.64 | 0.00 | 1,823.48 | 5,424.78 | 392.14 | 1,823.48 |
| COUNTY POOL | 250,204,194.35 | 1,187,503.62 | 0.00 | 431,845.65 | 1,187,014.46 | (489.17) | 431,845.64 |
| BANK OF AMERICA | 778,171.41 | 0.00 | 0.00 | | | | 0.00 |
| WELLS FARGO | 0.00 | 0.00 | 0.00 | | | | 0.00 |
| US BANK (Cash on deposit) | 2,055,037.88 | 0.00 | 0.00 | | | | 0.00 |
| INVESTMENT PORTFOLIO | 156,171,882.59 | 717,222.56 | 0.00 | 272,983.96 | 399,040.25 | | 591,166.27 |
| | <u>410,213,133.40</u> | <u>1,909,758.82</u> | <u>0.00</u> | <u>706,653.09</u> | <u>1,591,479.49</u> | <u>(97.03)</u> | <u>1,024,835.39</u> |

OCTOBER 2018 -- SUMMARY OF INTEREST & CAPITAL GAIN

| | | |
|-------------------------------------|----------|--------------------------|
| Interest Earned Per Report | 10/31/18 | 706,653.09 |
| Add: | | |
| Less: | | |
| Management Fees | | 9,364.99 |
| Amortized Premium/Discount | | (22,830.36) |
| Capital Gain(Loss) | | <u>33,340.77</u> |
| Total Interest & Capital Gain(Loss) | | <u><u>726,528.49</u></u> |

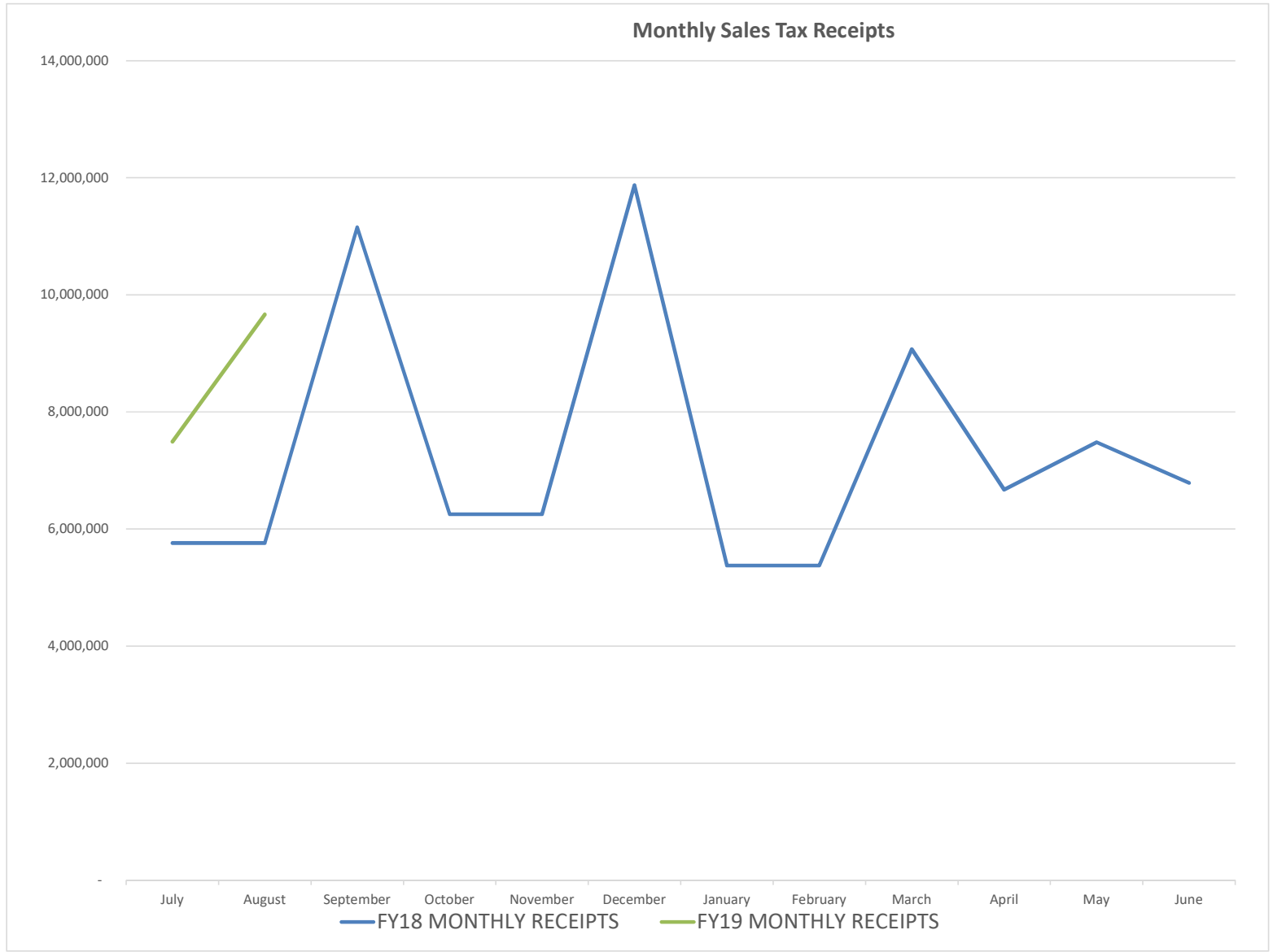
YEAR TO DATE -- SUMMARY

| | |
|-----------------------------------|----------------------------|
| Interest Earned | 2,781,376.40 |
| Add: | |
| Less: | |
| Management Fees | (39,418.47) |
| Amortized Premium/Discount | 156,789.71 |
| Capital Gain(Loss) | <u>(105,143.87)</u> |
| Total Interest | <u><u>2,793,603.77</u></u> |
| Balance Per Ledger as of 08/31/18 | |
| Amortization of Premium/Discount | 156,789.71 |
| Management/Bank Fees | (39,418.47) |
| Interest- County Pool | 1,618,860.11 |
| Interest - LAIF | 7,248.26 |
| Interest - Portfolio Funds | 1,155,268.03 |
| Gain(Loss) | <u>(105,143.87)</u> |
| | <u><u>2,793,603.77</u></u> |

SAN MATEO COUNTY TRANSPORTATION AUTHORITY
1/2 CENT SALES TAX RECEIPTS AND PROJECTIONS
FY2019
OCTOBER 2018

| Approved Budget | | Receipts | | Over/(Under) | Current |
|---------------------|-------------------|--|-------------------|-------------------|-------------------|
| Date | Amount | Date | Amount | Budget/Projection | Projection |
| FY2018: | | | | | |
| 1st Quarter | 21,495,463 | 1st Quarter | 22,675,138 | 1,179,675 | 22,675,138 |
| 2nd Quarter | 22,409,567 | 2nd Quarter | 24,376,877 | 1,967,310 | 24,376,877 |
| 3rd Quarter | 18,912,692 | 3rd Quarter | 19,826,509 | 913,817 | 19,826,509 |
| 4th Quarter | 21,842,278 | 4th Quarter | 20,939,402 | (902,876) | 20,939,402 |
| FY2018 Total | 84,660,000 | FY2018 Total | 87,817,926 | 3,157,926 | 87,817,926 |
| FY2019: | | | | | |
| Jul. 18 | 6,017,139 | Sep. 18 | 7,491,211 | 1,474,072 | 6,017,139 |
| Aug. 18 | 7,017,139 | Oct. 18 | 9,665,752 | 2,648,613 | 7,017,139 |
| Sep. 18 | 8,022,799 | Nov. 18 | | | 8,022,799 |
| 1st Qtr. Adjustment | | Dec. 18 | | | |
| 3 Months Total | 21,057,077 | | 17,156,963 | 4,122,685 | 21,057,077 |
| Oct. 18 | 6,408,256 | Dec. 18 | | | 6,408,256 |
| Nov. 18 | 6,408,256 | Jan. 19 | | | 6,408,256 |
| Dec. 18 | 8,648,652 | Feb. 19 | | | 8,648,652 |
| 2nd Qtr. Adjustment | | Mar. 19 | | | |
| 6 Months Total | 42,522,241 | | 17,156,963 | 4,122,685 | 42,522,241 |
| Jan. 19 | 6,805,453 | Mar. 19 | | | 6,805,453 |
| Feb. 19 | 6,805,453 | Apr. 19 | | | 6,805,453 |
| Mar. 19 | 7,044,605 | May 19 | | | 7,044,605 |
| 3rd Qtr. Adjustment | | Jun. 19 | | | |
| 9 Months Total | 63,177,752 | | 17,156,963 | 4,122,685 | 63,177,752 |
| Apr. 19 | 6,793,353 | Jun. 19 | | | 6,793,353 |
| May 19 | 6,793,353 | Jul. 19 | | | 6,793,353 |
| Jun. 19 | 9,588,742 | Aug. 19 | | | 9,588,742 |
| 4th Qtr. Adjustment | | Sep. 19 | | | |
| FY2019 Total | 86,353,200 | FY2019 Total | 17,156,963 | 4,122,685 | 86,353,200 |
| | 22,531,149 | 1st Quarter | | | |
| | 9,056,868 | 2nd Quarter | | | |
| | | 3rd Quarter | | | |
| | | 4th Quarter | | | |
| | 31,588,017 | YTD Actual Per Statement of Revenue & Expenses | | | |

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY
FY2019
OCTOBER 2018**



FY18 MONTHLY RECEIPTS

| | |
|-----------|------------|
| July | 5,760,900 |
| August | 5,760,900 |
| September | 11,153,338 |
| October | 6,251,900 |
| November | 6,251,900 |
| December | 11,873,077 |
| January | 5,376,600 |
| February | 5,376,600 |
| March | 9,073,309 |
| April | 6,671,548 |
| May | 7,480,942 |
| June | 6,786,911 |

FY19 MONTHLY RECEIPTS

| | |
|-----------|-----------|
| July | 7,491,211 |
| August | 9,665,751 |
| September | |
| October | |
| November | |
| December | |
| January | |
| February | |
| March | |
| April | |
| May | |
| June | |

SAN MATEO COUNTY TRANSPORTATION AUTHORITY
CASH AND INVESTMENTS AS OF OCTOBER 31, 2018

| | <u>10/31/2018</u> |
|--|------------------------------|
| Cash -- Bank of America Checking Account | 778,171.41 |
| Cash -- Wells Fargo Lockbox Account | 0.00 |
| Cash - US Bank (on deposit) | 2,055,037.88 |
| LAIF | 1,003,847.17 |
| County Pool | 250,204,194.35 |
| Investment Portfolio | 156,171,882.59 |
| Total | <u><u>410,213,133.40</u></u> |

SAN MATEO COUNTY TRANSPORTATION AUTHORITY
CHECKS WRITTEN
OCTOBER 2018

| Unit | Ref | Name | Amount | Method | Description |
|-------|--------|-------------------------------------|---------------------|--------|------------------------------|
| SMCTA | 000199 | MATSUMOTO, KARYL M. | 100.00 | ACH | Board Member Compensation |
| SMCTA | 000200 | HORSLEY, DONALD | 100.00 | ACH | Board Member Compensation |
| SMCTA | 000201 | BEACH, EMILY RANDOLPH | 100.00 | ACH | Board Member Compensation |
| SMCTA | 000202 | MEDINA, RICO E. | 100.00 | ACH | Board Member Compensation |
| SMCTA | 000203 | URS CORPORATION | 7,392.82 | ACH | Consultants |
| SMCTA | 004764 | HANSON BRIDGETT LLP | 6,800.00 | CHK | Legal Services |
| SMCTA | 004765 | MARK THOMAS & COMPANY AND AECOM JV | 16,336.20 | CHK | Consultants |
| SMCTA | 004766 | MENLO PARK, CITY OF | 134,507.32 | CHK | Capital Programs (1) |
| SMCTA | 004767 | SLAVIT, JOEL A | 11.00 | CHK | Business Travel & Meeting |
| SMCTA | 004768 | DEPARTMENT OF TRANSPORTATION | 517,866.40 | CHK | Capital Programs (2) |
| SMCTA | 004769 | ESSENCE PRINTING, INC. | 97.87 | CHK | Business Cards |
| SMCTA | 004770 | HOLLAND & KNIGHT LLP | 3,500.00 | CHK | Legislative Advocate |
| SMCTA | 004771 | MARK THOMAS & COMPANY AND AECOM JV | 461,553.71 | CHK | Consultants |
| SMCTA | 004772 | MENLO PARK, CITY OF | 2,290.39 | CHK | Capital Programs (3) |
| SMCTA | 004773 | PUBLIC FINANCIAL MANAGEMENT, INC. | 9,250.00 | CHK | Investment Advisory Services |
| SMCTA | 004774 | SOUTH SAN FRANCISCO, CITY OF | 39,160.55 | CHK | Capital Programs (4) |
| SMCTA | 004775 | HANSON BRIDGETT LLP | 4,498.00 | CHK | Legal Services |
| SMCTA | 004776 | HNTB CORPORATION | 104,778.75 | CHK | Consultants |
| SMCTA | 004777 | HURLEY, JOSEPH | 402.85 | CHK | Business Travel & Meeting |
| SMCTA | 004778 | KHOURI CONSULTING | 4,050.00 | CHK | Legislative Advocate |
| SMCTA | 004779 | REDWOOD CITY, CITY OF | 979,348.98 | CHK | Capital Programs (5) |
| SMCTA | 004780 | CHEUNG, WING YEE (MICHELLE) | 116.00 | CHK | Dues & Subscriptions |
| SMCTA | 004781 | HANSON BRIDGETT LLP | 11,353.50 | CHK | Legal Services |
| SMCTA | 004782 | MARK THOMAS & COMPANY AND AECOM JV | 188,760.60 | CHK | Consultants |
| SMCTA | 004783 | PENINSULA TRAFFIC CONGESTION RELIEF | 274,030.00 | CHK | Capital Programs (6) |
| SMCTA | 004784 | SLAVIT, JOEL A | 40.00 | CHK | Seminar & Training |
| SMCTA | 900131 | DEPARTMENT OF TRANSPORTATION | 2,285,565.17 | WIR | Capital Programs (7) |
| | | | <u>5,052,110.11</u> | | |

- (1) FY17/FY18 Local Shuttles
- (2) Rte 1 Fassler to Westport
- (3) FY17/FY18 Local Shuttles
- (4) FY17/FY18 Local Shuttles
- (5) 84/101 Interchange
- (6) ACR Countywide TDM Prgm
- (7) 101 Interchange to Willow \$1,374,895.22;
101 HOV Ln Whipple - San Bruno \$910,669.95

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY
STAFF REPORT**

TO: Transportation Authority

THROUGH: Jim Hartnett
Executive Director

FROM: April Chan
Chief Officer, Planning, Grants and the Transportation Authority

SUBJECT: **CAPITAL PROJECTS QUARTERLY STATUS REPORT
1st QUARTER FISCAL YEAR 2019**

ACTION

No action required. The report is available online at http://www.smcta.com/about/Documents/Quarterly_Capital_Status_Reports.html and is submitted to the Board for information only.

SIGNIFICANCE

The Capital Projects Quarterly Status Report is submitted to keep the Board informed as to the scope, budget and progress of current ongoing capital projects.

BUDGET IMPACT

There is no impact on the budget.

BACKGROUND

Staff prepares the Capital Projects Quarterly Status Report for the Board on a quarterly basis. The report is a summary of the scope, budget and progress of capital projects. It is being presented to the Board for informational purposes and is intended to better inform the Board of the status capital projects.

Prepared by: Gordon Hail, Senior Project Controls Engineer
Joseph M. Hurley, Director, TA Program

650-508-7795
650-508-7942

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY
STAFF REPORT**

TO: Transportation Authority

THROUGH: Jim Hartnett
Executive Director

FROM: Carter Mau
Deputy General Manager/CEO

SUBJECT: **UPDATE TO AUTHORITY'S CONFLICT OF INTEREST CODE**

ACTION

Staff proposes the Committee recommend the Board adopt the Conflict of Interest Code, Attachment A, which has been revised to reflect current staff positions and responsibilities.

SIGNIFICANCE

The California Political Reform Act, at Government Code Section 87306.5, requires public agencies to review its Conflict of Interest Code every even-numbered year to ensure they are up to date and meet current legal requirements. Staff and legal counsel have reviewed the Authority's Code and have determined that it should be updated to reflect current job titles and responsibilities of positions listed in the Appendix to the Code as "Designated Positions." These positions are required to file an annual "Form 700" as required by the Fair Political Practices Commission.

Once the Conflict of Interest Code has been amended, it will be sent to the County of San Mateo Board of Supervisors for approval.

BUDGET IMPACT

There is no impact to the budget.

BACKGROUND

1. The list of Designated Positions has been updated to include the following new positions, which are involved in the making of decisions or participate in the making of decisions that could foreseeably have a material effect on employees' financial interests, as defined in the Political Reform Act:

Director, Real Estate and Development
Manager, Digital Communications
Manager, Organizational Development and Talent Management
Manager, Procurement
Senior Policy Advisor

2. The list of Designated Positions also has been updated to reflect current positions. (Former positions are listed in parentheses):

Accountant III (Senior Accountant)*
Assistant Manager, Employee Relations (Employee Relations Officer)
Director, Accounting (Director, Finance)
Director, Government and Community Affairs*
Director, Marketing and Market Research (Director, Marketing and Communications)
Engineer II (Engineer)
Engineer III (Senior Engineer)
Executive Officer, District Secretary (Executive Officer, District Secretary, Executive Administration)
Government and Community Relations Coordinator (Government and Community Relations Officer)
Insurance and Claims Administrator (Claims Administrator)
Manager, Communications (Communications Officer)
Manager, Real Estate and Development (Manager, Transit Oriented Development)
Manager, TA Fund Programming and Monitoring (Manager, Programming and Monitoring)
Planning Administrator (Principal Planner)
Planning Analyst II (Planner)
Planning Analyst III (Senior Planner)
Procurement Administrator II (Contract Officer)
Procurement Administrator III (Senior Contract Officer)
Procurement Specialist (Buyer)
Real Estate Administrator (Senior Real Estate Officer)

*Not previously listed.

Attachment A: List of Designated Positions

Prepared by: Cindy Gumpal
Acting Authority Secretary

650-508-6279

CONFLICT OF INTEREST CODE

SAN MATEO COUNTY TRANSPORTATION AUTHORITY

Adopted on the 2nd day of March, 1989
by Resolution No. 1989 - 1

Approved by the
San Mateo County Board of Supervisors
on the 2nd day of March, 1989

Amended on the 3rd day of December, 1992
by Resolution No. 1992-12

Amended on the 1st day of September, 1994
by Resolution No. 1994-21

Amended on the 7th day of November, 1996
by Resolution No. 1996-16

Amended on the 1st day of October, 1998
by Resolution No. 1998-29

Amended on the 5th day of October, 2000
by Resolution No. 2000-22

Amended on the 7th day of November, 2002
by Resolution No. 2002-19

Amended on the 7th day of October, 2004
by Resolution No. 2004-14

Amended on the 5th day of October, 2006
by Resolution No. 2006-22

Amended on the 6th day of November, 2008
by Resolution No. 2008-20

Amended on the 2nd day of December, 2010
by Resolution No. 2010-29

Amended on the 1st of November, 2012
by Resolution No. 2012-20

Amended on the 6th of November, 2014
by Resolution No. 2014-21

Amended on the 3rd of November, 2016
by Resolution No. 2016-26

Amended on the 6th of December, 2018
by Resolution No, 2018-__

CONFLICT OF INTEREST CODE

SAN MATEO COUNTY TRANSPORTATION AUTHORITY

The Political Reform Act of 1974 (Government Code Sections 81000 *et seq.*) requires state and local government agencies to adopt and promulgate Conflict of Interest Codes. The Fair Political Practices Commission has adopted a regulation (2 Cal. Code of Regs. Section 18370) which contains the terms of a standard Conflict of Interest Code and can be incorporated by reference in an agency's code. After public notice and hearing, it may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act.

Therefore, the terms of 2 California Code of Regulations Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This regulation and the attached Appendices, designating positions and establishing disclosure categories, shall constitute the Conflict of Interest Code of the San Mateo County Transportation Authority.

Individuals holding designated positions shall file statements of economic interests with the Authority which will make the statements available for public inspection and reproduction. (Gov. Code Section 81008). The Authority Secretary, on behalf of the Authority, shall make and retain a copy of the statements and forward the originals to the San Mateo County Board of Supervisors, which shall be the filing officer.

APPENDIX A: DESIGNATED POSITIONS

| <u>Designated Positions¹</u> | <u>Disclosure Categories</u> |
|---|------------------------------|
| Assistant Manager, Employee Relations | 3 |
| Chief Communications Officer | 1, 2, 3, 6 |
| Chief Officer, Planning, Grants, and Transportation Authority | 1, 2, 3, 6 |
| Deputy General Manager/CEO | 1, 2, 3, 6 |
| Director, Accounting | 2, 3, 6 |
| Director, Budgets and Financial Analysis | 2, 6 |
| Director, Contracts and Procurement | 1, 2 |
| Director, Government and Community Affairs | 2 |
| Director, Human Resources | 3, 5 |
| Director, Information Technology and Telecommunications | 1, 2 |
| Director, Marketing and Market Research | 4 |
| Director, Planning | 1, 4, 6 |
| Director, Real Estate and Development | 1, 5, 6 |
| Director, Transportation Authority Program | 1, 2, 3, 6 |
| Engineer II | 1, 5, 6 |
| Engineer III | 1, 2, 6 |
| Executive Officer, District Secretary | 1, 2, 3, 6 |
| Government and Community Relations Coordinator | 5 |
| Insurance and Claims Administrator | 3, 5 |
| Manager, Budgets | 5, 6 |
| Manager, Caltrain Planning | |
| Manager, Capital Projects and Environmental Planning | 1, 2, 6 |
| Manager, Communications | 2 |
| Manager, Digital Communications | 2 |
| Manager, Employee Relations | 3, 5 |
| Manager, Employee Services | 3, 5 |
| Manager, Engineering | 2 |
| Manager, Grants and Capital Accounting | 5, 6 |
| Manager, Grants and Fund Programming | 5, 6 |
| Manager, Marketing and Creative Services | 4 |
| Manager, Organizational Development and Talent Management | 3, 5 |
| Manager, Procurement | 1, 2 |
| Manager, Real Estate and Development | 1, 5, 6 |
| Manager, TA Fund Programming and Monitoring | 4, 6 |
| Manager, Treasury Operations | 5, 6 |
| Planning Administrator | 1, 4 |
| Planning Analyst II | 1, 4 |
| Planning Analyst III | 1, 4 |
| Procurement Administrator II | 2 |
| Procurement Administrator III | 2 |
| Procurement Specialist | 2 |
| Real Estate Administrator | 1, 5, 6 |
| Senior Project Manager | 2 |
| Consultants/New Positions | * |

*Consultants/New Positions shall be included in the list of designated positions and shall disclose pursuant to the broadest disclosure category in the code subject to the following limitation:

The Executive Director may determine in writing that a particular consultant or new position, although a "designated position," is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements in this section. Such written determination shall include a description of the consultant or new position's duties and, based upon that description, a statement of the extent of disclosure requirements. The Executive Director determination is a public record and shall be retained for public inspection in the same manner and location as this conflict-of-interest code. (Gov. Code Section 81008.)

Officials Who Manage Public Investments

The following positions are NOT covered by the conflict-of-interest code because they must file under Government Code Section 87200 and, therefore, are listed for informational purposes only:

Board of Directors
Chief Financial Officer/Treasurer
Director, Treasury
Executive Director
San Mateo County Treasurer²

An individual holding one of the above-listed positions may contact the Fair Political Practices Commission for assistance or written advice regarding their filing obligations if they believe their position has been categorized incorrectly. The Fair Political Practices Commission makes the determination whether a position is covered by Section 87200.

¹ Pursuant to Resolution No. 1988-3 enacted on September 23, 1988, the Authority appointed and designated San Mateo County Transit District (SamTrans) as the management team of the Authority. Unless noted otherwise, all designated officers and employees listed above are officers and employees of SamTrans. The Executive Director is also the General Manager/CEO of SamTrans.

² The Authority invests funds with the San Mateo County Treasurer.

APPENDIX B: DISCLOSURE CATEGORIES

- Category 1. Interests in real property located within the jurisdiction of the TA and/or within a two-mile radius of any land owned or used by the TA.
- Category 2. Investments, and business positions in business entities and income (including receipt of gifts, loans, and travel payments) from sources of the type that provide products, services, supplies, materials, machinery, or equipment utilized by the TA or in projects funded by the TA. Such sources include, but are not limited to, buses, insurance, information technology, telecommunications, public utilities, consultants, transportation companies, and manufacturers.
- Category 3. Investments, and business positions in business entities and income (including receipt of gifts, loans, and travel payments) from sources that have filed a claim with or against the TA within the last two years or have a claim pending with or against the TA.
- Category 4. Investments, and business positions in business entities and income (including receipt of gifts, loans, and travel payments) from sources of the type that provide services in the marketing, advertising, transit or environmental planning sectors.
- Category 5. Investments, and business positions in business entities and income (including receipt of gifts, loans, and travel payments) from sources of the type that provide products, services, supplies, materials, machinery, or equipment utilized by the designated position's division.
- Category 6. All investments, business positions and income, including gifts, loans and travel payments, or income from a nonprofit organization, if the source is of the type to receive grants or other monies from or through the TA.

RESOLUTION NO. 2018 –

BOARD OF DIRECTORS, SAN MATEO COUNTY TRANSPORTATION AUTHORITY
STATE OF CALIFORNIA

* * *

ADOPTING THE AMENDED CONFLICT OF INTEREST CODE

WHEREAS, pursuant to Resolution No. 1989-1, dated March 2, 1989, the San Mateo County Transportation Authority (TA) adopted a Conflict of Interest Code (Code) as required by the Political Reform Act of 1974; and

WHEREAS, California Government Code Section 87306.5 requires that the TA review its Code every even-numbered year and revise it if necessary; and

WHEREAS, legal counsel and staff have reviewed the current Code, last amended in 2016, and have determined that the Code and its Appendices, listing the designated positions who must disclose their economic interests on an annual basis and disclosure categories for such positions, should be updated to reflect current staffing positions and organization; and

WHEREAS, legal counsel and staff recommend adopting the amendments as reflected in the attached Code.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the San Mateo County Transportation Authority that the amended Conflict of Interest Code is hereby adopted, in the form presented to the Board of Directors; and

BE IT FURTHER RESOLVED that the Authority Secretary is directed to transmit a copy of the amended Conflict of Interest Code to the San Mateo County Board of Supervisors for its review and approval, and to make any revisions that may be required by the County for approval of the Code.

Regularly passed and adopted this 6th day of December, 2018 by the following
vote:

AYES:

NOES:

ABSENT:

ATTEST:

Chair, San Mateo County Transportation Authority

Acting Authority Secretary

SAN MATEO COUNTY TRANSPORTATION AUTHORITY
RESOLUTION NO. 2018 –

EXPRESSING APPRECIATION TO

CAMERON JOHNSON

FOR HIS OUTSTANDING PUBLIC SERVICE ON
THE SAN MATEO COUNTY TRANSPORTATION AUTHORITY
BOARD OF DIRECTORS

WHEREAS, CAMERON JOHNSON was first appointed to the San Mateo County Transportation Authority Board of Directors, by the Council of Cities, representing the Southern portion of San Mateo County in December 2014; and

WHEREAS, CAMERON JOHNSON's business and professional acumen and sound advice proved instrumental in assisting the Transportation Authority Board of Directors in making critical decisions regarding the expenditure of sales tax funds for capital projects and other major public transportation decisions; and

WHEREAS, in his capacity on the Transportation Authority Board of Directors, **CAMERON JOHNSON** was instrumental in the decision to fund numerous countywide projects, including over \$179 million for a number of key highway improvement projects that include US101 Managed Lanes, SR92/SR82 Interchange, US101/Holly Interchange, and US101/Willow Interchange, over \$170 million in Caltrain and Grade Separation projects, and \$10 million for bicycle and pedestrian improvements, to name but a few; and

WHEREAS, during his tenure on the Transportation Authority Board of Directors, **CAMERON JOHNSON** always had the county's best interest at heart in making each and every decision, which engendered widespread respect from his colleagues, high regard among staff and other leaders in the community.

NOW THEREFORE, BE IT PROCLAIMED that the Transportation Authority Board of Directors hereby commends and expresses its sincere appreciation to **CAMERON JOHNSON** for his outstanding service on the Board of Directors.

BE IT FURTHER PROCLAIMED that this Proclamation is presented with the good wishes of every member of the Transportation Authority Board of Directors. Dated this 6th day of December 2018.

Don Horsley, Chair
Board of Directors
San Mateo County Transportation Authority



BOARD OF DIRECTORS 2018

DON HORSLEY, CHAIR
CAMERON JOHNSON, VICE CHAIR
EMILY BEACH
CAROLE GROOM
MAUREEN FRESCHET
KARYL MATSUMOTO
RICO E. MEDINA

JIM HARTNETT
EXECUTIVE DIRECTOR

AGENDA ITEM #9
December 6, 2018

Memorandum

Date: November 26, 2018
To: TA Board of Directors
From: Jim Hartnett, Executive Director
Subject: Executive Director's Report – December 6, 2018

US 101 Managed Lanes Project

The Transportation Authority (TA) held a joint workshop with the City/County Association of Governments of San Mateo County (C/CAG) on Friday, November 16 for the US101 Managed Lanes project. The intent of the workshop was to provide information for the two Boards regarding options on ownership and operation of the future 101 Managed Lanes toll facility. Staff presented information regarding owner and operator roles and responsibilities, and pros and cons of each available option. Feedback received at the workshop will be used to formulate staff recommendation to the Boards for an action at the December 2018 board meetings.

Regarding status of the capital project, Caltrans released the Final Environmental Impact Report/ Environmental Assessment (EIR/EA) for the 101 Managed Lanes Project on October 30, 2018. Project is in the final design phase.

Also, two public meetings will be conducted in City of San Mateo to present and discuss noise study findings and project impacts on both east side and west side of 101 in the City of San Mateo:

- **East side neighborhood Meeting:** November 28, 2018, 6:30 p.m. – 8:00 p.m., Mid-Peninsula Boys and Girls Club
- **West side neighborhood Meeting:** December 5, 2018, 6:30 p.m. – 8:00 p.m., Sunnybrae Elementary School

Highway 1/ Manor Drive Overcrossing Improvement Project

A community meeting for the Highway 1/ Manor Drive Overcrossing Improvement Project will be held on November 27, 2018 in the City of Pacifica. The purpose of the meeting is to discuss the safety enhancements and traffic improvements proposed by the Project.

101/92 Projects Kick-off Meeting

The 101/92 interchange improvements identified during the Preliminary Planning Study have been scoped into two projects – 1) Short-term Area Improvements Project and 2) Long-term Direct Connectors Project. Both projects require Caltrans approval of the Project Initiation Document (PID) prior to the start of the environmental study phase.

A kick-off meeting with TA, City of San Mateo and City of Foster City was conducted on Wednesday, November 7, 2018. The intent of the meeting is to review the PID process and discuss the roles and responsibilities amongst the various project stakeholders.

Baseline schedules have been established for the short and long term projects, and it is estimated that the two projects will be delivered in 10-month and 12-month period, respectively.

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY
STAFF REPORT**

TO: San Mateo County Transportation Authority

THROUGH: Jim Hartnett
Executive Director

FROM: Derek Hansel
Chief Financial Officer

SUBJECT: **PRESENTATION OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR
THE FISCAL YEAR ENDED JUNE 30, 2018**

ACTION

Staff proposes the Board of Directors accept the San Mateo County Transportation Authority's (TA) Fiscal Year (FY) 2018 Comprehensive Annual Financial Report (CAFR).

The FY 2018 CAFR is available online at <http://www.smcta.com/Finance/CAFR.html>.

SIGNIFICANCE

The CAFR is prepared in accordance with the guidelines set forth by the Government Accounting Standards Board and is organized into three sections – Introductory, Financial, and Statistical Sections.

- 1) The **Introductory** Section includes a Transmittal Letter and provides general information on the District's structure, personnel, economic outlook and finances.
- 2) The **Financial** Section includes audited financial statements which provide detailed financial information as well as comparative financial data. The Management Discussion & Analysis (MD&A) is also found in the Financial Section. Along with the Transmittal Letter, the MD&A is of most interest to those looking for a narrative annual review of the District's finances.
- 3) The **Statistical** Section provides a broad range of data covering key financial trends including revenue and debt capacity, economic and demographic data and operating information.

Together, all sections of the CAFR provide the detail as well as the perspective with which to assess the TA's financial condition.

BUDGET IMPACT

There is no impact on the Budget.

BACKGROUND

The Authority contracts with an independent auditor, Vavrinek, Trine, Day & Co. LLP (VTD) to conduct yearly audits of the Financial Statements in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America. The introductory section and the statistical section presented in the CAFR are not required by California Government Code to be reported as part of the audited financial statements of the Authority. These sections are required when producing a CAFR which the Authority chooses to do in order to provide detailed information about the financial condition of the Authority in a form that is understandable to the our customers and constituents.

The CAFR is prepared and presented to the Government Finance Officers Association for their review, evaluation and to apply for the certificate of Achievement for Excellence in Financial Reporting. The Authority has received an award for every year that the report was submitted.

Prepared by: Jennifer Ye, Manager, General Ledger & Financial Reporting 650-622-7890



SAN MATEO COUNTY

**Transportation
Authority**

*San Mateo County Transportation Authority
Fiscal Year 2017-2018*

Comprehensive Annual Financial Report

*Board of Directors
December 6, 2018*



SAN MATEO COUNTY

Transportation
Authority

Comprehensive Annual Financial Report (CAFR)

Fiscal Year 2017-2018



Major Sections of the CAFR

- Introductory
- Financial
- Statistical



AUDITOR'S COMMUNICATION

- VTD issued an unmodified “clean” opinion on the financial statements and compliance with federal grants
- No adjustments were proposed to the financial statements
- No difficulties were encountered in the performance of the audit



Fiscal Year 2017-2018 Highlights

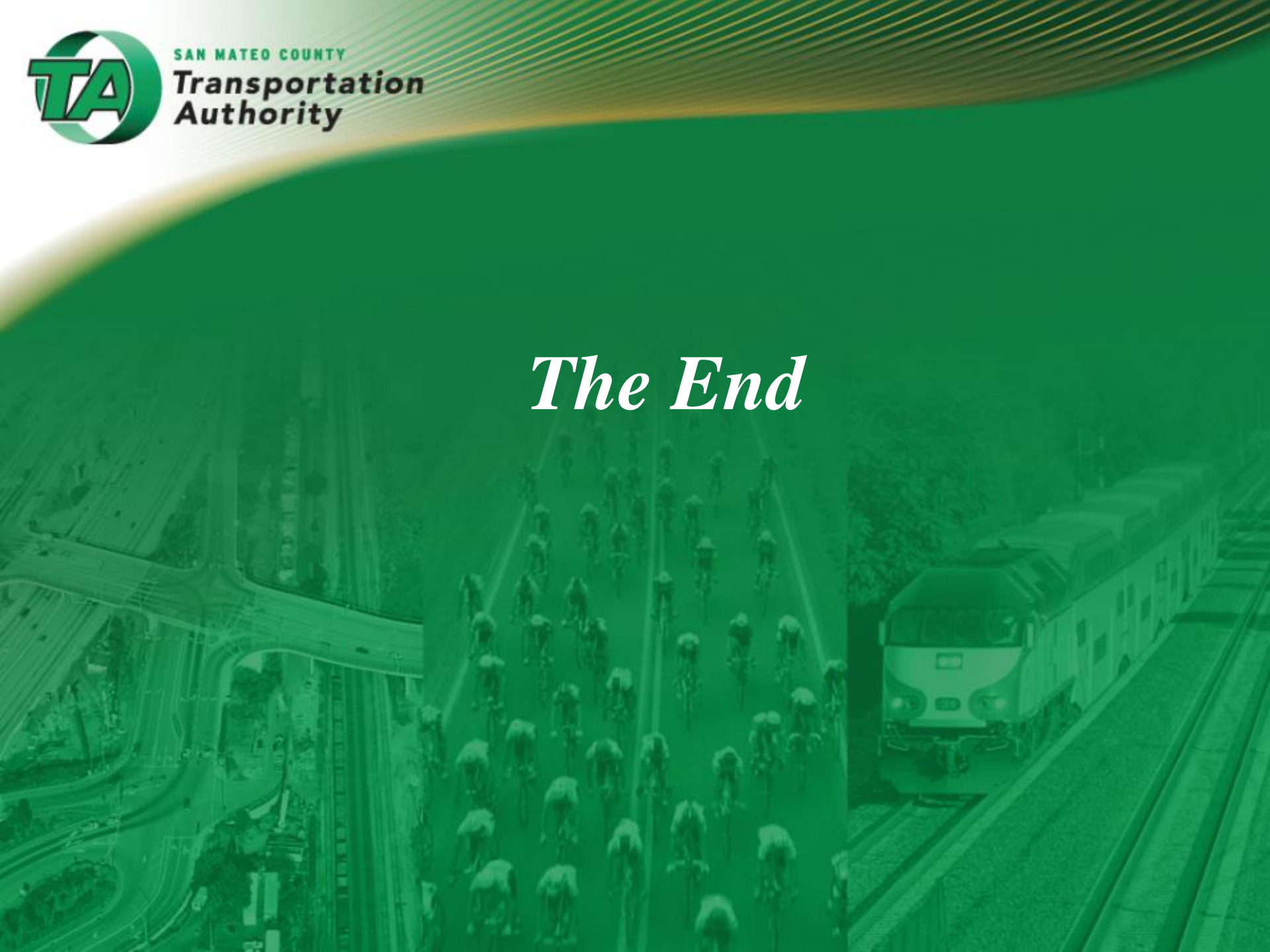
- Sales tax revenue increased by \$3.5 million
- Expenses for public transit projects increased by \$64.9 million
- Expense for streets and highways increased by \$43.4 million
- Internal Control over Financial Reporting and on Compliance: *No audit finding reported*



SAN MATEO COUNTY

**Transportation
Authority**

The End



**SAN MATEO COUNTY TRANSPORTATION AUTHORITY
STAFF REPORT**

TO: Transportation Authority

THROUGH: Jim Hartnett
Executive Director

FROM: April Chan
Chief Officer, Planning, Grants
and Transportation Authority

Derek Hansel
Chief Financial Officer

SUBJECT: **PROGRAM AND ALLOCATE \$350,000 FOR THE DEVELOPMENT OF THE
STRATEGIC PLAN 2020-2024**

ACTION

Staff proposes the Board:

1. Program and allocate \$350,000 from a combination of New Measure A and Measure W funds for the development of the San Mateo County Transportation Authority (TA) Strategic Plan 2020-2024, with costs to be proportionately spread between the Measure A and Measure W investment categories for which the TA will be making programming and allocation decisions.
2. Authorize the Executive Director or his designee to execute any necessary agreements or amendments, and take any additional actions necessary, to give effect to this resolution.

SIGNIFICANCE

The purpose of the TA Strategic Plan is to provide a policy framework for the implementation of the transportation sales tax measures the TA is tasked with administering, including funding prioritization and evaluation criteria for the selection of projects and the procedures for sponsors to initiate projects.

The TA, per the 2004 Measure A Transportation Expenditure Plan (TEP), is required to prepare a Strategic Plan and to update it at least once every five years. The Measure W Congestion Relief Plan also tasks the TA with developing a Strategic Plan to cover the categories it is responsible for administering. The TA's current Measure A Strategic Plan covers the 2014-2019 timeframe and there is a need to start the process now to prepare one Strategic Plan that collectively addresses the administration and implementation of both measures together.

The Strategic Plan work scope is in the process of being finalized, and will be developed consistent with the Measure A goals/objectives and with Measure W Core Principles. The planning process will focus on the following activities:

- Broad-based public outreach process
- Review of past progress/accomplishments and ongoing challenges
- Best practices review of other transportation sales tax program policy and implementation frameworks
- Review of San Mateo County demographic and land use trends, travel patterns, projections and new emerging mobility services
- Identification of relevant links with other regional plans and planning efforts, such as the San Mateo Countywide Transportation Plan
- Preparation of financial projections
- Review of existing Measure A program and project selection processes, assessment of potential modifications, and development of Measure W program and project selection processes and potential integration opportunities
- Development of recommendations to further improve program and project implementation, including but not limited to, the timely delivery of projects
- Development of evaluation tools to improve how performance of various project types is assessed during project selection processes

The start of the strategic planning process is anticipated to commence in January 2019 with completion prior to the end of the calendar year. A PowerPoint presentation accompanies this item.

BUDGET IMPACT

There is sufficient Budget Authority in the Fiscal Year 2019 and prior year adopted budgets to fund the Strategic Plan. The cost of the 2020-2024 Strategic Plan Update is anticipated to be up to \$350,000, which would be funded initially with New Measure A funds already collected, and then with Measure W funds to be collected in the future. Costs will be shared proportionately between the two measures, and will come from the revenues assigned to categories for which the TA will be making programming and allocation decisions.

BACKGROUND

The TA's Measure A half-cent sales tax for transportation programs and projects was reauthorized in 2004 for a period of 25 years by the voters of San Mateo County (New Measure A). New Measure A took effect on January 1, 2009 and will expire December 31, 2033.

On November 6, 2018, the voters of San Mateo County approved Measure W, known as the 2018 San Mateo County Transit District Retail Transactions and Use Tax Ordinance. Measure W is a new 30-year half-cent sales tax for transportation programs and projects that will take effect July 1, 2019 and expire June 30, 2049. Though the San Mateo County Transit District (District) is imposing the tax and administering investments in the County Public Transportation Systems category in the associated Congestion Relief Plan, the TA is responsible for administering the other categories, which include:

Countywide Highway Congestion Improvements; Local Safety, Pothole and Congestion Relief Improvements; Bicycle and Pedestrian Improvements; and Regional Transit Connections.

Prepared by: Joel Slavit, Manager, Programming and Monitoring

650-508-6476

RESOLUTION NO. 2018 –

BOARD OF DIRECTORS, SAN MATEO COUNTY TRANSPORTATION AUTHORITY
STATE OF CALIFORNIA

* * *

PROGRAMMING AND ALLOCATING \$350,000 FOR THE STRATEGIC PLAN 2020-2024

WHEREAS, on November 2, 2004, the voters of San Mateo County approved the continuation of the collection and distribution by the San Mateo County Transportation Authority (TA) of the Measure A half-cent sales tax for an additional 25 years to implement the 2004 Transportation Expenditure Plan (TEP) beginning January 1, 2009; and

WHEREAS, the TEP requires the TA to prepare a Strategic Plan and update it at least once every five years; and

WHEREAS, the TA's current Measure A Strategic Plan covers the 2014-2019 timeframe and was approved by the TA on December 4, 2014; and

WHEREAS, on November 6, 2018, the voters of San Mateo County approved a ballot measure known as "Measure W," which increased the sales tax in San Mateo County by ½ percent, with the TA tasked with administering four of the five transportation program categories pursuant to the Congestion Relief Plan presented to the voters; and

WHEREAS, the Measure W Congestion Relief Plan approved by the voters requires that a Strategic Plan be prepared with broad-based community engagement and coordination; and

WHEREAS, staff recommends that the TA prepare one Strategic Plan to address the requirements of both measures to provide a policy framework for the implementation of the Measure A and W Programs, including funding prioritization and evaluation criteria for the selection of projects and the procedures for sponsors to initiate projects; and

WHEREAS, staff recommends that \$350,000 be made available for the Strategic Plan, which would be funded from New Measure A funds already collected and

Measure W funds to be collected in the future, with costs spread proportionally by the categories for which the TA will be making funding and allocation decisions.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the San Mateo County Transportation Authority hereby:

1. Programs and allocates \$350,000 from a combination of New Measure A and Measure W funds for the development of the TA Strategic Plan 2020-2024 for Measures A and W, with costs to be spread proportionately between the measure categories for which the TA will be making programming and allocation decisions; and
2. Authorizes the Executive Director or his designee to execute any necessary documents, and take any additional actions necessary, to give effect to this resolution.

Regularly passed and adopted this 6th day of December, 2018 by the following vote:

AYES:

NOES:

ABSENT:

Chair, San Mateo County Transportation Authority

ATTEST:

Acting Authority Secretary



SAN MATEO COUNTY

**Transportation
Authority**

Transportation Authority Strategic Plan 2020-2024

December 6, 2018
Board of Directors



Presentation Overview

- **Purpose of Strategic Plan & Measure A & W Requirements**
- **Proposed Work Scope**
- **Proposed Process & Schedule**



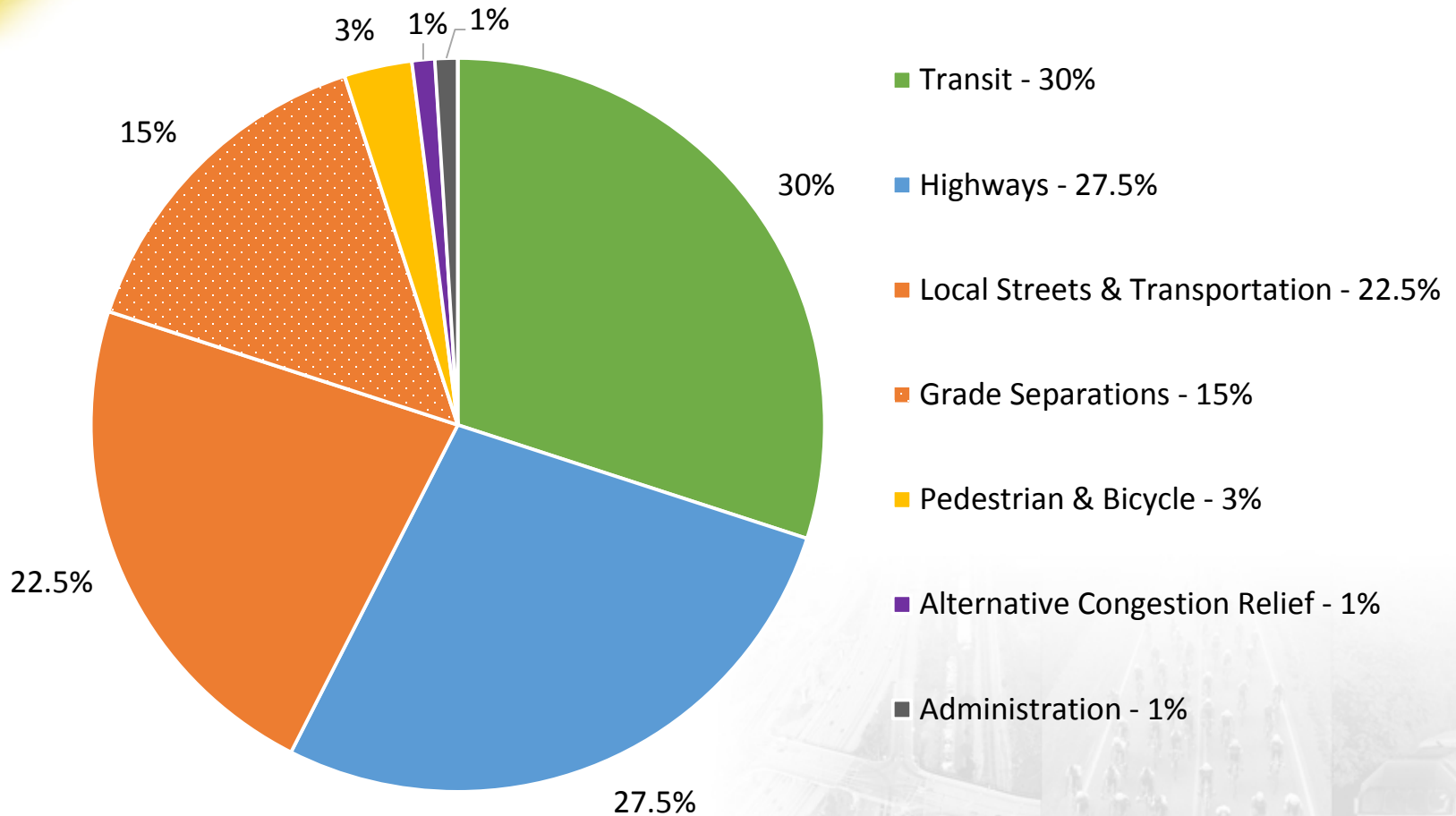


Strategic Plan Purpose & Requirements

- **Provides policy framework for program implementation, including:**
 - **Prioritization/evaluation criteria for project selection**
 - **Procedures to initiate projects**
- **One Strategic Plan for 2 Measures**
- **Measure A requirement - Plan adoption & update at least once every 5 years**
- **Measure W requirement - Plan adoption with broad based outreach**

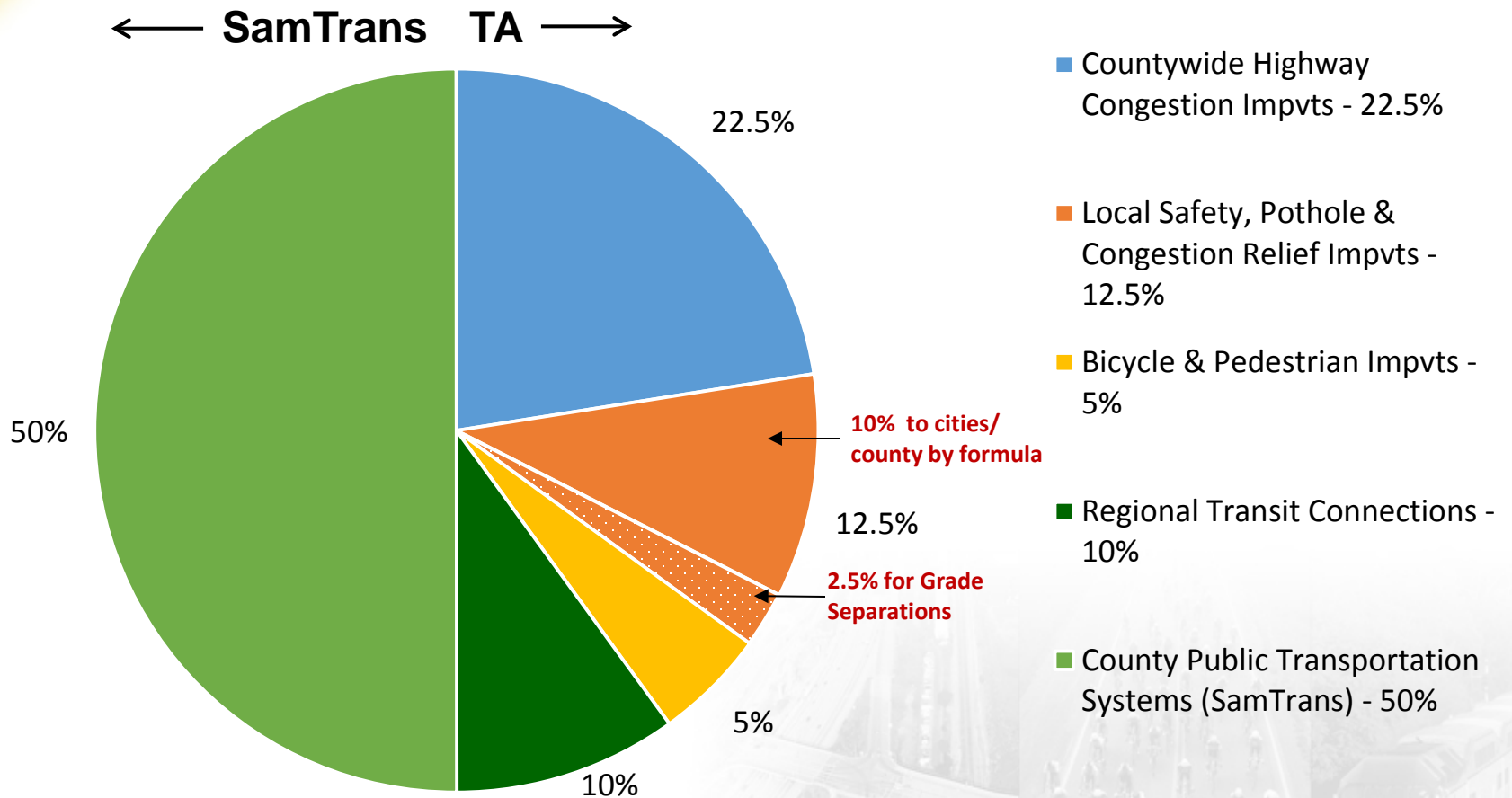


Measure A – Program Categories



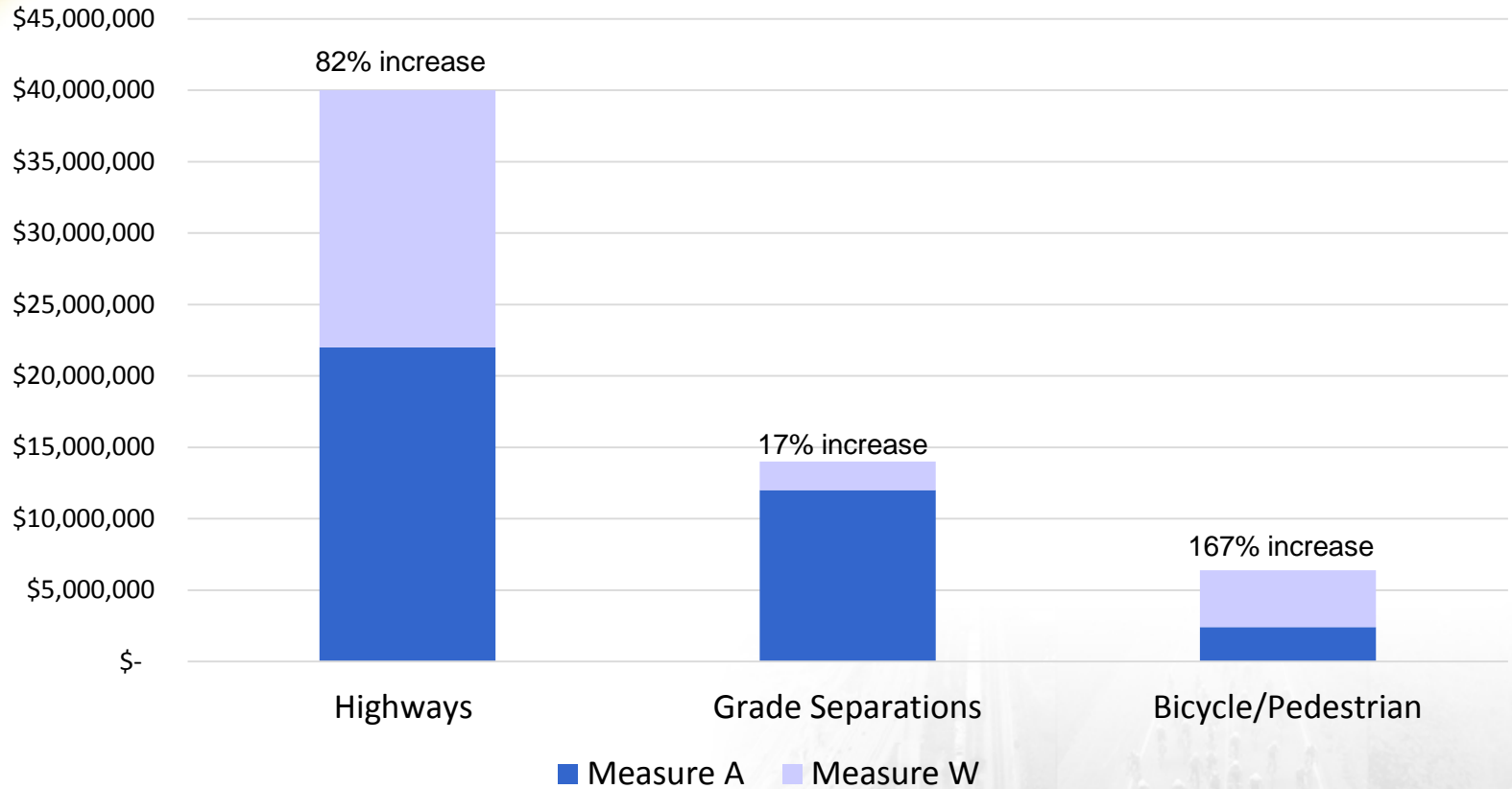


Measure W – Program Categories





Projected Annual Funding Changes



*Assumes \$80M/year in sales tax receipts for each measure



Plan Background/Foundation

- **Overview of past measure achievements/challenges**
- **Review & integration of Measure A goals/objectives w/ Measure W Core Principles**
- **Best practices review for program implementation**



Plan Background/Foundation

- **Update on land use/traffic patterns/growth projections/new & emerging mobility services**
- **Define links with other countywide and regional planning efforts**
- **Financial projections:**
 - **Develop 5 year & life of measure revenue projections**
 - **Assess 5 year program needs & order of magnitude shortfalls**



Program Policy and Implementation Framework

- Review Measure A program selection processes, modify as needed
- Develop Measure W program selection processes, identify integration opportunities
- Review Measure A prioritization criteria, modify as needed to improve effectiveness
- Develop Measure W prioritization criteria, identify integration opportunities



Other Considerations

- **Incorporation of relevant linkages from other countywide/regional planning efforts**
- **Recommendations to improve timely delivery of TA funded projects**
- **What should the TA's role be with regard to:**
 - **Identification & delivery of projects**
 - **Provider of technical assistance to sponsors**

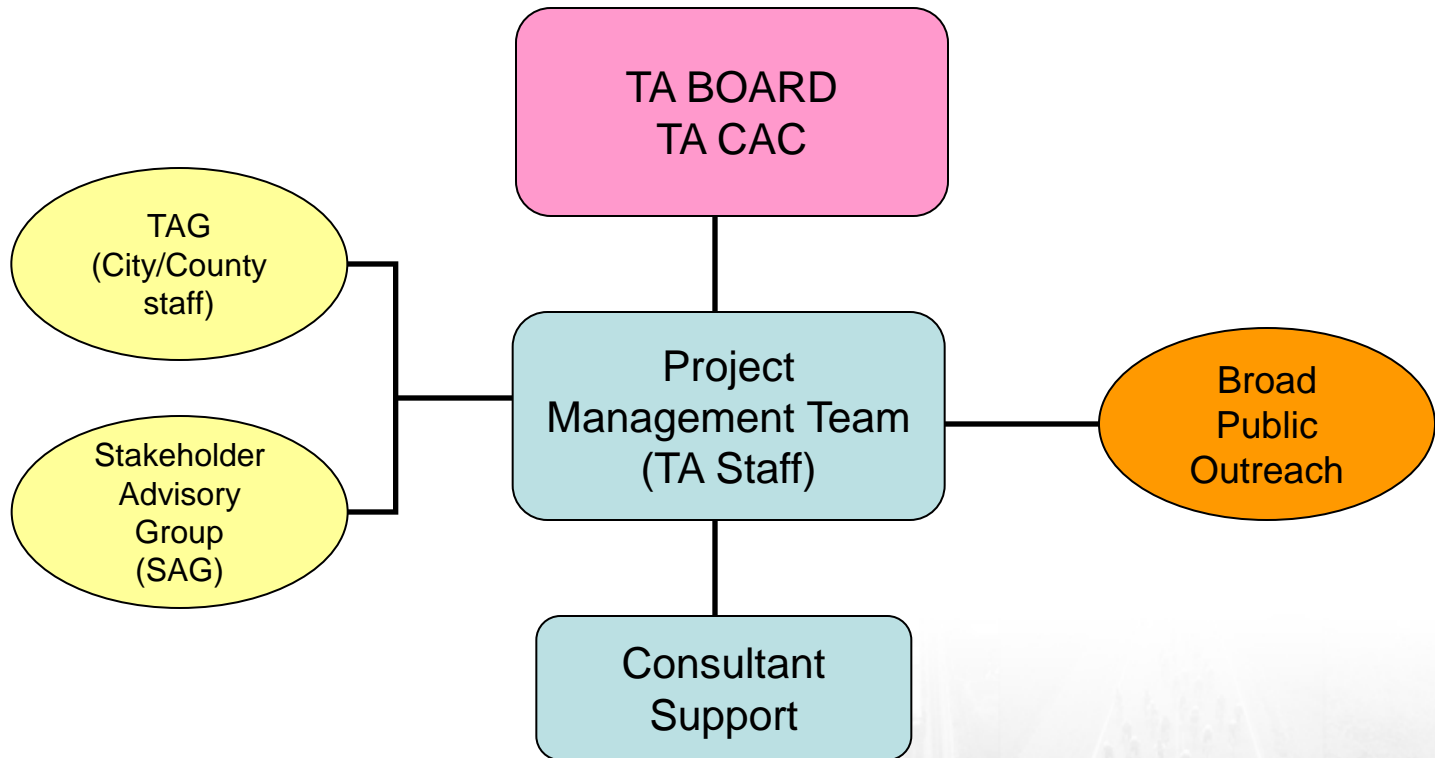


Develop Tools for Project Selection Process

- **Development of evaluation tools to help better assess performance of various project types when conducting project selection process**
- **Metrics may include factors such as:**
 - **Person thru-put**
 - **Vehicle Miles Traveled (VMT)**
 - **Greenhouse gas (GHG) emissions**



Proposed Planning Process





Proposed Schedule

| Timeline | Activity |
|--------------------------|--|
| December 2018 | Funding allocation for planning effort |
| January – September 2019 | Plan Development; outreach with stakeholders, project partners |
| May/June 2019 | Develop Plan implementation recommendations with Board input |
| October 2019 | Draft Strategic Plan presented to C/CAG TAC, CAC & Board |
| November 2019 | Board adopts Final Plan |

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY
STAFF REPORT**

TO: Transportation Authority

THROUGH: Jim Hartnett
Executive Director

FROM: April Chan
Chief Officer, Planning, Grants,
and the Transportation Authority

SUBJECT: **AUTHORIZE AMENDMENTS TO CONTRACTS FOR PROVISION OF ON-CALL
TRANSPORTATION PLANNING AND SUPPORT SERVICES**

ACTION

Staff recommends the Board:

1. Approve amendments to contracts with the firms listed below to increase the aggregate contract total amount by \$1 million, from \$2.475 million to \$3.475 million, a 40 percent increase, to be shared as a pool for authorized tasks amongst:
 - CDM Smith, Inc.,
 - Fehr & Peers, Inc.,
 - HNTB Corporation, and
 - STANTEC Consulting Services, Inc.
2. Authorize the Executive Director, or his designee, to execute a contract amendment with each of the above firms in a form approved by legal counsel.

SIGNIFICANCE

Approval of the above actions will ensure uninterrupted services in connection with current and upcoming transportation planning and capital projects of the San Mateo County Transportation Authority (TA), such as:

- US Highway 101 Managed Lanes Project Management Support
- Comprehensive Improvement Program Management Support
- Strategic Plan Update
- Alternative Congestion Relief Plan
- Development of Metrics and Project Performance Measures
- Congestion and Safety Performance Assessment of the Highway System

BUDGET IMPACT

The services to be provided pursuant to the contract amendments will be performed under Work Directives (WDs) issued to each firm on an on-call basis. The WDs will be funded from previously adopted TA budgets and the budget approved in Fiscal Year 2019. WDs will be funded by a mix of Federal, State and regional grants, and local TA revenues.

BACKGROUND

In October 2013, Board Resolution No. 2013-23 authorized award of three-year contracts with an aggregate contract total amount of \$1.5 million to be shared as a pool under authorized WDs assigned to the four firms listed above. This resolution also authorized two, one-year option terms for an aggregate total of \$375,000 per year. The option terms have been exercised and the current aggregate contract value is \$2.475 million (including \$225,000 in contingency). The contract term was subsequently extended for one year and contracts are currently set to expire November 30, 2019.

Over the past five years, the TA has been tasked with undertaking a significant number of transportation planning and support projects, efforts, and initiatives that were not anticipated when the contracts were awarded. A majority of unanticipated work resulted from the TA working in concert with the California Department of Transportation on time-sensitive tasks. To date, an aggregate total of \$2.13 million in WDs has been issued under the subject contracts and \$1.34 million in additional WDs (a total of \$3.475 million) is needed to meet current, ongoing anticipated and unanticipated needs of the TA through November 30, 2019.

An increase of \$1 million, from \$2.475 million to \$3.475 million, in the aggregate contract total amount is therefore needed to accommodate and complete these projects. Increasing the contract total will not obligate the TA to purchase any specific level of services from each firm as WDs are issued on a project and as-needed basis.

The performance of all four firms to date has been satisfactory and in accordance with the requirements of each contract. Staff will resolicit for these services in early 2019.

| | | |
|--------------|--|--------------|
| Prepared By: | Joseph Hurley, Director, Transportation Authority | 650-508-7942 |
| | Hilda Lafebre, Manager, Capital Project & Environmental Planning | 650-508-7842 |

RESOLUTION NO. 2018-

**BOARD OF DIRECTORS, SAN MATEO COUNTY TRANSPORTATION AUTHORITY
STATE OF CALIFORNIA**

* * *

**AUTHORIZING AMENDMENT OF CONTRACTS FOR ON-CALL TRANSPORTATION PLANNING
AND SUPPORT SERVICES TO INCREASE THE AGGREGATE CONTRACT TOTAL
AMOUNT BY \$1,000,000**

WHEREAS, pursuant to Resolution No. 2013-23, the Board of Directors (Board) of the San Mateo County Transportation Authority (TA) awarded contracts for on-call transportation planning and support services to CDM Smith, Inc., Fehr & Peers, Inc., HNTB Corporation, and STANTEC Consulting Services, Inc. for a three-year base term with two, one-year options, and contracts were subsequently extended for one additional year until November 30, 2019; and

WHEREAS, due to existing and new projects, tasks and additional consultant support now needed, but not anticipated at the time of solicitation issuance and contract award, additional contract capacity is required; and

WHEREAS, the Executive Director recommends that the Board authorize amendments to the contracts with CDM Smith, Inc., Fehr & Peers, Inc., HNTB Corporation, and STANTEC Consulting Services, Inc. to increase the aggregate contract total amount by \$1,000,000, from \$2,475,000 to a new aggregate contract total amount of \$3,475,000, to be shared amongst the four firms, with the understanding that increasing the contract total will not obligate the TA to purchase any specific level of services from any firm, as services are provided on an as-needed basis.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the San Mateo County Transportation Authority hereby approves amendments to the contracts with CDM Smith, Inc., Fehr & Peers, Inc., HNTB Corporation, and STANTEC Consulting Services,

Inc. to increase the aggregate contract total amount by \$1,000,000 from \$2,475,000 to a new aggregate contract total amount of \$3,475,000, to be shared amongst the four firms; and

BE IT FURTHER RESOLVED that the Board authorizes the Executive Director, or his designee, to execute an amendment with each of the firms listed above in a form approved by legal counsel.

Regularly passed and adopted this 6th day of December, 2018 by the following vote:

AYES:

NOES:

ABSENT:

Chair, San Mateo County Transportation Authority

ATTEST:

Authority Secretary

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY
STAFF REPORT**

TO: Transportation Authority

THROUGH: Jim Hartnett
Executive Director

FROM: April Chan
Chief Officer, Planning, Grants and
Transportation Authority

SUBJECT: **APPROVAL OF OWNER AND OPERATOR FOR THE US101 MANAGED LANES
PROJECT**

ACTION

On November 16, 2018, the San Mateo County Transportation Authority (TA) Board of Directors held a joint workshop with the City/County Association of Governments of San Mateo County (C/CAG) Board of Directors to receive information regarding options on ownership and operation of the US101 Managed Lanes facility, once construction of the project is complete. The US101 Managed Lanes Project (Project) will consist of one express lane in each direction on US101 between roughly the southern border of San Mateo County and the 101-380 interchange. In light of the discussion and feedback received at the workshop, staff is presenting the following options for Board action:

Option 1: Authorize the Executive Director or his designee, subject to C/CAG approving the same, to transfer ownership and operation of the US101 Managed Lanes facility to the Bay Area Infrastructure Financing Authority (BAIFA), subject to the following:

- BAIFA agrees to take on the responsibility for funding current Project construction costs that are anticipated to be provided by future toll revenues (~\$50 Million);
- BAIFA agrees to cover the cost of any Project cost overrun that may materialize;
- BAIFA commits to how it would prioritize the construction of US 101 express lanes north of I-380, into San Francisco, relative to other express lane projects in the region; and
- BAIFA agrees to implement the TA and C/CAG's decisions on the investment of toll revenues generated in San Mateo County, as set forth in a Corridor Investment Plan.

The above-listed conditions would need to be met no later than the February 2019 TA and C/CAG Board meetings for this Option 1 to take effect.

OR:

Option 2: Authorize the Executive Director or his designee, subject to C/CAG approving the same, to retain ownership of the US101 Managed Lanes facility, and to enter into an agreement with Santa Clara Valley Transportation Authority (VTA) to operate the facility, subject to the TA and C/CAG reaching agreement on the structure of the two agencies' joint governance of the facilities, no later than the February 2019 TA and C/CAG Board meetings.

SIGNIFICANCE

On November 16, 2018, the TA Board held a joint workshop with the C/CAG Board to receive information regarding options on ownership and operation for the US101 Managed Lanes facility.

While the construction of the Project is not anticipated to be completed until 2022, a decision on ownership and operation of the Project is needed now, as the Project moves into the final design phase as the identity of the selected owner/operator will influence the technical requirements for the tolling equipment.

The November 16, 2018 workshop covered a number of topics, including owner and operator roles and responsibilities, owner and operator options available to the TA and C/CAG, and pros and cons of each of these options. The PowerPoint presentation from the November 16 meeting can be accessed via the following web link, and the topics are briefly summarized below:

http://www.smcta.com/Assets/_Agendas+and+Minutes/TA/Board+of+Directors/Prese ntations/2018/2018-11-16+TA-CCAG+Workshop+Managed+Lanes+Presentation.pdf

Owner and Operator Roles & Responsibilities:

The owner of the facility will be responsible for:

- Owning tolling equipment and related highway improvements (but not the underlying roadway, itself);
- Setting tolling policy and rates and issuing toll violations;
- Adopting equity and other incentive programs;
- Budgeting and paying for the operation and maintenance of the facility;
- Assuming liabilities, including tort liability and responsibility any debt or budgetary shortfalls;
- Adopting an Expenditure Plan for investment of toll revenue, and directing investments of the net revenues; and
- Establishing the State of Good Repair capital reserve.

The Operator of the facility will be responsible to the following:

- Managing the day-to-day operation of the facility on behalf of the owner;
- Defining toll system communication, equipment and data security requirements; and
- Ensuring that the toll system is implemented, managed and maintained.

Owner and Operator Options:

Available owner and operator options include: (1) the TA and C/CAG transfer the ownership and operation of the express lanes facilities to BAIFA, which is organized as a joint powers authority between the Metropolitan Transportation Commission (MTC) and the Bay Area Toll Authority (BATA), or (2) the TA and C/CAG jointly serve as owner of the facilities, and then enter into an agreement to have VTA serve as the express lane operator. If the TA and C/CAG Boards decide to hold joint ownership, they will need to establish a structure for exercise of the partnership.

Pros and Cons of the Available Options:

Staff provided pros and cons of each of these options, and reviewed areas for comparison, including:

- Experience of the owner/operator;
- Revenue control;
- Operating policy control;
- Equipment maintenance responsibility;
- Public relations/exposure; and
- Financial risks and opportunities.

The TA and C/CAG Board members' questions and feedback at the workshop revolved around three central areas: 1) local control; 2) joint ownership governance; and 3) equity programs. Each area is further clarified and discussed below.

1. Local Control: Defining what can be "controlled" or "decided" by the express lanes owner and what policy decisions the owner will have authority to make.

- a) **Ability to cap the maximum toll rate.** In the revenue model staff presented to the Boards, it is assumed that toll rates fluctuate in accordance with the algorithm established in order to ensure flow of traffic in the express lane does not go below 45 mph as per Federal statute. However, it is assumed that owner will implement a cap so that the toll rate would not exceed \$3 per mile. Besides capping tolls per mile, tolls may also be capped for the entire corridor.

In general, however, express lanes operators in the Bay Area do not cap the toll per mile or for the entire corridor. Tolls are instead dynamically adjusted in order to assist with traffic management.

- b) **Ability to provide a 2-person carpool discount.** The revenue model staff presented to the Boards for the Project assumes vehicles carrying three or more passengers will be able to use the express lanes without paying any toll, and that 2-person carpools will receive a toll discount. Currently few limitations are imposed by either state or federal laws on such discounts. State law does require that qualifying clean air vehicles get a discount if carpools get a discount, but it is up to the owner to set the amount of discount. So if the owner decides to offer discounts to a 2-person carpool, clean air vehicles with solo drivers will also receive discounts.

- c) **Ability to set toll violation business rules.** The owner can set its own business rules, including setting the amount of fines on toll violators, e.g. a vehicle's use of the express lane when it does not meet the requirements.

Currently, all other express lanes in the Bay Area work through BATA. With BATA, it is a requirement that express lanes users pre-register and hold a FasTrak account. When users violate the rules of the express lanes, e.g. by driving in an express lane as a 3+ carpool with fewer than 3 people in the vehicle, BATA issues the notice of violation on the owner's behalf. Regardless of which agency holds ownership of the managed lanes facility in San Mateo County, it is unlikely that there will be variation from how other express lanes' handle toll violations.

- d) **Administration of equity programs.** The owner can decide whether to provide relief to low-income users by administering appropriate programs.
- e) **Ability to decide on the use of net revenues.** By state statute, the owner can use toll lane revenues, net of operating and maintenance costs and capital reserve contributions, to invest in projects in the corridor in accordance with a Corridor Investment Plan.

2. San Mateo County Joint Ownership Governance

A partnership between the TA and C/CAG can take several forms. Options include each agency appointing board members to a joint policy committee or the formation of a joint powers authority between the two agencies. Either would require the two Boards to agree on which structure and how many members from each Board to appoint to the new committee or board, and what powers to delegate to the new partnership entity.

The time required to establish the partnership structure would depend on how quickly the Boards can reach consensus on these decision points.

It should be noted that in the event that the two Boards agree to form a joint powers authority, this decision would create a sixth transportation-related agency in San Mateo County, already including the TA, the Peninsula Corridor Joint Powers Board (Caltrain), San Mateo County Transit District (SamTrans), C/CAG, and Commute.org (formerly referred to as the Peninsula Traffic Congestion Relief Alliance).

3. Equity Programs

As discussed at the joint workshop, successful equity policies can benefit all income levels. Disadvantaged groups may benefit from policies that help them take advantage of express lanes as well as from policies that increase mobility options. Staff recommends that a Toll Equity Study be completed to inform policy decisions regarding equity options.

Additional Discussion of Board Options:

As outlined above, the TA and C/CAG Boards must choose between two options. Option 1 is to transfer ownership and operation of the express lanes facilities to BAIFA, and Option 2 is to retain ownership by the TA and C/CAG and enter into a contract for VTA to operate the express lanes on the County's behalf. Outlined below are additional considerations for each option:

Option 1 – BAIFA as Owner and Operator

If ownership and operation responsibilities are transferred to BAIFA, not all "local control" would be lost.

Use of Revenues: BAIFA staff has provided in writing that BAIFA would ensure the control of net revenues reside with the county in which they are generated, including the following:

- **Return to Source:** Net revenue shall benefit the corridor in which it was generated.
- **Corridor Investment Plan:** Counties in the corridor develop an expenditure plan, in consultation with other agencies. In the US-101 corridor, for the portion that is in San Mateo County, currently the plan would only be developed by San Mateo County. If San Francisco County joins BAIFA when it completes its managed lanes project, the two counties would jointly develop a plan to determine the uses of net revenues.
- **Approval of Corridor Investment Plan:** The Counties retain authority to approve the Corridor Investment Plan and then recommend the Plan to BAIFA for adoption.

Equity: With regards to a managed lanes equity program, should the TA and C/CAG decide to implement an equity policy following the completion of an equity study, BAIFA staff has indicated that BAIFA will work with the TA and C/CAG to implement an equity program, and determine how the program will fit within a regional system.

Toll Rates and Penalties: If the TA and C/CAG transfer ownership and operational responsibilities to BAIFA, the TA and C/CAG would relinquish the ability to set toll rates and toll violation penalties. However, as discussed above, toll rates should be and are determined by an algorithm established to manage traffic flow in the express lanes so travel speeds in the lanes do not go below 45 m.p.h. Capping the toll rate may actually be an artificial barrier to achieving the most effective traffic management.

In order to better safeguard and protect San Mateo County's interests, staff recommends that the Board require the following conditions if the Board votes to transfer ownership and operation to BAIFA:

1. **Funds to complete current construction:** The Project's current funding plan of \$513 million assumes the use of about \$50 million of future toll revenues. If ownership is transferred to BAIFA, BAIFA will take responsibility for funding the \$50 million contribution in advance of receiving the future toll revenues.

2. **Cost overruns:** The current funding plan calls for the Project partners to work together to seek funds aside from the State's SB 1 Solutions for Congested Corridor program should additional funding be necessary. If there is a cost overrun, BAIFA will be responsible for covering San Mateo County's proportional share of such additional funds needed for cost overruns.
3. **Completing Express Lanes in the 101 Corridor:** The northern terminus of the current Project is at I-380. San Mateo and San Francisco counties are currently completing a Project Initiation Document (PID) to determine the alternatives for extending the express lanes north of I-380. It is of critical importance to complete the managed lanes project north on I-380. BAIFA will need to provide information on how the managed lanes project north of I-380 will be prioritized relative to other express lanes projects in the region.
4. **Net Revenues:** In accordance with state statutes, revenues generated from express lanes can be used for direct expenses including debt issuance, operations, maintenance, and reserves. Any revenues net of the above must be used in the corridor as established in the Corridor Investment Plan. BAIFA staff has provided assurances to the TA and C/CAG in writing that decisions on how to invest the net revenues of a managed lanes project is vested in the County or Counties in which the corridor is located. If ownership is transferred to BAIFA, the TA and C/CAG need further assurance that the expenditure plan developed for San Mateo county will be accepted and implemented "as is" when submitted to BAIFA for approval.

Option 2 – TA and C/CAG as Owner, VTA as Operator

If the TA and C/CAG retain ownership, the County agencies would retain authority over the areas of local control outlined above, subject to the stated caveats and limitations. The two major areas of concern associated with retaining local ownership, as set forth above, are:

1. **Joint Governance:** As discussed at the joint workshop and above, creating a joint governance structure between the TA and C/CAG can take several forms; however, the creation of such structure could be cumbersome and time-consuming.

In the event that the two Boards decide to form a joint powers authority, as noted above, that would create the sixth transportation agency in San Mateo County.

Staff would recommend that, should the Boards vote to retain ownership, the two Boards pursue a relatively simple governance structure that will not overburden the decision-making process.

2. **Financial risks:** As part of the preliminary engineering and environmental assessment phase of the Project, the Project team engaged an economic consulting firm to complete revenue projections for the completed Project, based primarily on forecasted traffic and travel behavior. The results of the revenue forecast, along with estimated operating and maintenance costs, were presented at the workshop,

and the facility is projected to operate in positive cash flow overall. However, with all financial forecasts, the numbers are estimated based on the best information available at the time. There is no guarantee that the facility will have no financial risks.

In the event that revenues are not sufficient to cover operating and maintenance expenses, and future capital replacement costs, the TA and C/CAG would bear the related financial exposure. For the TA, whose role is to administer Measures A and W revenues to fund crucial transportation projects in the County, taking on the ownership of the express lanes may subject sales tax revenues to potential financial exposure.

BUDGET IMPACT

The decision whether to own and operate US101 Managed Lanes, or to transfer ownership to BAIFA, does not have an impact on the Fiscal Year 2019 Budget.

BACKGROUND

In June 2016, work began on the environmental phase of the 101 Corridor Managed Lanes Project, which proposes to modify US101 in San Mateo County, resulting in 22.5 miles of managed lanes in each direction between the Santa Clara County line and I-380.

The Board took an action for the TA and C/CAG to become Co-Sponsors of the Project. The Board has since programmed a total of \$30.5 million for the Project, which is matched by various funding sources, including SB 1 and other state funds, regional bridge tolls, and private sector funding.

After extensive outreach and public review, the environmental document, which reports the benefits and impacts that are anticipated to be realized with the implementation of the Project, was finalized and certified by Caltrans in November 2018.

Prepared by: April Chan
Chief Officer, Planning, Grants,
and Transportation Authority

650-508-6228

JAKE MACKENZIE, CHAIR
Chair of MTC and BATA

December 3, 2018

AMY REIN WORTH, VICE CHAIR
BATA Oversight Committee Chair

FEDERAL GLOVER
MTC Commissioner,
Contra Costa County

SCOTT HAGGERTY
MTC Commissioner,
Alameda County

TONY TAVARES
MTC Commissioner,
California State
Transportation Agency

JIM SPERING
MTC Commissioner,
Solano County and Cities

The Honorable Don Horsley, Chair
San Mateo County Transportation Authority
P.O. Box 3006
San Carlos, CA 94070-1306

The Honorable MaryAnn Moise Derwin, Chair
City/County Association of Governments of San Mateo County
555 County Center, 5th Floor
Redwood City, CA 94063

RE: San Mateo 101 Express Lanes

STEVE HEMINGER
Executive Director

Dear Chair Horsley and Chair Derwin:

ALIX BOCKELMAN
Deputy Executive Director, Policy

ANDREW B. PREMIER
Deputy Executive Director, Operations

BRAD PAUL
Deputy Executive Director,
Local Government Services

Let me begin by acknowledging the incredible work the TA and C/CAG have done to advance the San Mateo 101 Express Lanes project. Project development has proceeded expeditiously. In just a short time, the agencies' leadership and staff have successfully cultivated both strong support for the project and a broad understanding of the associated policy considerations and opportunities to improve mobility and person throughput.

At your joint workshop on November 16, 2018, your staff presented options for the operation of the San Mateo 101 Express Lane. One of those options is for San Mateo to join the Bay Area Infrastructure Financing Authority (BAIFA). I am writing to provide you with further clarification and details on how this partnership would work.

BAIFA is a joint powers authority between MTC and BATA formed originally to finance the state's contribution to the Toll Bridge Seismic program. In 2011, BAIFA was repositioned to undertake the implementation and operation of MTC's planned express lane network in Alameda, Contra Costa and Solano counties. At that time, MTC fully delegated express lanes policy and operational decisions to BAIFA's six-member board, which is composed of the MTC commissioner from each of the three counties, the chair of MTC, the chair of the BATA Oversight Committee and the CalSTA representative (non-voting).

BAIFA works closely with the member county agencies and other Bay Area express lane operators with the unified goal of responsible and equitable policies that allow seamless travel. Today, BAIFA operates 23 miles of express lanes on I-680 in Contra Costa County. BAIFA is building a 50-mile facility on I-880 and a 12-mile extension on I-680. These are scheduled for completion in 2020 and 2021, respectively. These projects have been capitalized with \$350 million of toll revenue funding from BATA.

BAIFA is a joint exercise of powers authority formed to plan, develop and fund express lanes and other transportation projects.

I would like to address directly several matters raised in the discussion at your joint workshop.

1. **BAIFA's top priority is corridor mobility.** From the beginning, BAIFA's interest in express lanes has been to improve mobility by increasing person throughput. BAIFA supports a well-connected 101-corridor network from San Francisco to San Jose as well as finding creative ways to fund it. MTC's pledge to the current San Mateo 101 project of \$95 million in Bridge Toll funding, contributed by a wide range of Bay Area residents and visitors, is strong evidence of this commitment. BAIFA would work with San Mateo and San Francisco counties to advance extension north of I-380 and seek to secure funding to construct it. BAIFA also supports implementation of strategies that work hand in hand with express lanes to improve mobility and equity in the 101 corridor. BAIFA supports the use of net revenue to expand express bus service, provide carpooling programs and improve first and last mile connections, including in communities of concern.
2. **San Mateo will retain control over net revenue and can use it for an equity program.** BAIFA has no interest in redirecting net revenue outside the 101 corridor. Statute defines net revenue as that remaining after debt service, operations and maintenance expenses, including state of good repair capital reserves. BAIFA proposes to return net revenues to the corridors in which they are generated. The counties can chose to invest in supportive operations projects, extension of express lanes in the corridor, other transportation improvements, or equity measures as are being discussed in the 101 corridor. MTC has a strong commitment to equitable outcomes in our transportation investment decisions, evidenced most recently by its partnership with transit operators on the means-based transit fare program. If desired, we can operationalize an equity program for the San Mateo 101 Express Lanes funded with net revenue and in partnership with San Mateo County. We can work with San Mateo and other regional express lanes operators on how to approach such a program in the context of the regional network.
3. **San Mateo will have a strong voice in policy.** BAIFA's member counties joined voluntarily, recognizing the benefit of partnership and strength in numbers. Members have a direct vote in all policy, funding and contracting decisions directly affecting operations, performance and cost. If San Mateo were to decide to join BAIFA, BAIFA's membership would expand to include the San Mateo County MTC representative in addition to those from Alameda, Contra Costa and Solano counties, and would reflect the U.S. 101, I-880, I-680 and I-80 current and potential express lane corridors.

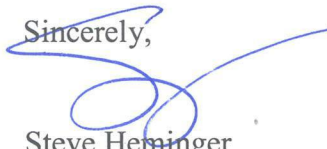
Chair Horsley and Chair Derwin

December 3, 2018

Page 3 of 3

If you wish to explore these or other matters further, I would be happy to help you connect with representatives from the other BAIFA counties. Please do not hesitate to contact me (415-778- 5210 or sheminger@bayareametro.gov) or Andrew Fremier, Deputy Executive Director for Operations (415-778-5240 or afremier@bayareametro.gov) should you have any questions about BAIFA or MTC.

Sincerely,



Steve Heminger
Executive Director

SH:lk

CC: Jim Hartnett, SMTA

April Chan, SMTA

Sandy Wong, C/CAG



December 4, 2018

Mr. Jim Hartnett
General Manager and CEO
San Mateo County Transit District
1250 San Carlos Avenue
San Carlos, CA 94070

Ms. Sandy Wong, Executive Director
City/County Association of Governments of San Mateo County
555 County Center, 5th Floor
Redwood City, CA 94063

RE: Additional Background on VTA and Express Lanes

Dear Mr. Hartnett and Ms. Wong:

Thanks for inviting Carolyn Gonot and Casey Emoto from my team to your Joint Board Workshop on November 16, 2018, to hear information on options for your agencies to own, operate and maintain express lanes in San Mateo County. Their participation in the dialogue and information sharing on the important step you are considering, confirms and validates the decision VTA made years ago to be the pioneer operator of Express Lanes in the Bay Area.

I am writing this letter to also share with you all of the considerations that went into our thinking and final decision to remain an independent owner, operator and maintainer of express lanes in Santa Clara County. Similar to your situation, we were invited to be part of the Bay Area Infrastructure Financing Authority (BAIFA.) However, a significant issue for us was being limited to a single vote on a multi-member Board. This, coupled with the expectation of the VTA Board of full control over policy decisions and access to all gross revenues from the express lanes in our County, factored significantly into VTA's final decision to retain control of ownership and operations.

The purpose of our managed express lanes program is to provide long-term mobility benefits and generate a stream of sustainable funding to make infrastructure and service improvements necessary to improve mobility throughout our region. Specifically, the VTA Board adopted these primary objectives for the program: (1) provide congestion relief through more effective use of existing roadways; (2) provide commuters with a new mobility option; and (3) provide a new funding source for mobility and transportation improvements, including public transit. As you may know, paragraph (g)(3)(A) of the

California Streets and Highways Code (Section 149.6) grants VTA express lanes authority and specifically states that generated revenues are available to be used for “the improvement of transit service, including, but not limited to, support for transit operations.” There is a mirror statement in the San Mateo County Agency’s Express Lanes program stating that revenues are available for “the benefit of the improvement of transit service, including, but not limited to, support for transit operations pursuant to an expenditure plan adopted by the City/County Association of Governments of San Mateo County and the San Mateo County Transportation Authority.”

It is our intent to continue to own, operate and maintain express lanes in Santa Clara County. We have garnered the experience through a history of meticulous and deliberate actions that have allowed us to deliver the program and manage its operations with optimal efficiency. Our approach has been to continuously improve operating efficiency throughout our express lane routes, significantly influencing commuter travel time savings. We have held several productive discussions on a similar approach to US 101 Express Lanes and are members of the collaborative US 101 Mobility Action Plan. To ensure a successful outcome on the US 101 corridor, San Francisco, San Mateo and Santa Clara counties should have a single, unified vision on how the program should be deployed, the infrastructure built/maintained and the GROSS revenues collected and distributed among the partners. This is how we ensure long-term, sustainable income and a transportation network that serves the spine of Silicon Valley. My team is prepared to present actual operating performance and financial data and additional information on our Express Lanes Program at your respective board meetings. Over the years, our three counties have enjoyed great partnership and collaboration on rail transportation along the 80-mile corridor that connects us. I can guarantee that is a strong and reliable foundation on which to continue building an inter-county, multi-modal transportation network.

Sincerely,



Nuria I. Fernandez
General Manager/CEO

cc: Carolyn Gonot, Chief Engineering and Program Delivery Officer

From: [Chan, April](#)
To: [COUNCIL-Emily Beach \(ebeach@burlingame.org\)](mailto:ebeach@burlingame.org)
Subject: FW: VTA questions for SMCTA Meeting
Date: Tuesday, December 4, 2018 4:26:00 PM

Emily, please see below. April

1. What, if any, VTA managed lane pricing and or policies differ from BAIFAs? What is your reasoning for customizing policies in your corridor?

In short, VTA and BAIFA operating policies are similar. The existing express lanes operators have worked for consistency on items such as hours of operation, requirement for transponder, use of violation enforcement system, coordination with Bay Area Toll Authority (for transponders, back office and customer service center), enforcement by California Highway Patrol (CHP), and roadway maintenance by Caltrans. The toll system maintenance is provided by a private system integrator. Currently, VTA and BAIFA have the same system integrator – TransCore.

2. Confirming VTA uses the same roadway signage and user interface as BAIFA?

Yes. Roadway signage are reviewed and approved by Caltrans per state standards.

3. What was VTA's net revenue during their 1st year of operation, and more recent years? What year did VTA first earn a net profit?

VTA has operated in the black since opening of SR 237 Express Lanes in March 2012 with net revenues ranging from \$300,000 to \$500,000 annually. The initial SR 237 implementation is a small project restricted to peak period operations with no violation enforcement system. It was initially a pilot for VTA to test our ability to own, operate and manage express lanes. The implementation has been a success from all points of view.

4. What is VTA's reserve policy?

VTA has set designated reserves for replacement of toll system equipment, equity programs, transit operations and debt service. The express lanes revenues also contributed funds towards the extension SR 237 Express Lanes (Phase 2) project. These aren't large sums yet but the plan is to keep placing money into these funds from our express lanes revenues. Equity program funds were used to fund the study that we recently completed. The use of these funds is through approval of our Board.

5. If we partnered with VTA, will any of our gross revenues help fund their O&M reserve?

No. The gross revenues from the US 101 San Mateo Express Lanes will be under full control of San Mateo county agencies.

6. How did VTA finance the initial and subsequent build-out of their managed lanes? Did they use their net revenue, or grants -- from whom?

VTA is currently building out the Silicon Valley Express Lanes Program in phases.

SR 237 Express Lanes (Phase 1) was completed in 2012 and was funded with local VTA funds and federal grant funds including the Value Pricing Pilot Program and American Reinvestment Recovery Act (ARRA). VTA is currently constructing the SR 237 Express Lanes (Phase 2) primarily through private loan financing and minor contributions through voluntary mitigation fees from local agencies, SR 237 Express Lanes (Phase 1) operation revenues and Santa Clara County Vehicle Registration Fees.

*VTA has environmentally cleared express lanes implementation for the entirety of US 101 and SR 85 in the county where there are existing carpool lanes including the addition of a second lane for express lanes operations in certain stretches. Ongoing projects for the US 101/SR 85 corridor includes the US 101/SR 85 (Phase 3) project which will start its construction phase in January 2019 to convert existing carpool lanes on US 101 from the San Mateo/Santa Clara county line to near SR 237 and the carpool lane-to-carpool lane direct connector in Mountain View to express lanes operations. **The Phase 3 project is funded with a combination of local funds, STIP, and SB1 SCC funding.***

*The SR-85/US 101 (Phase 4) express lanes project is in design and would convert the existing express lane on SR 85 from SR 87 to the SR 85/US 101 direct connectors and the SR 85/US 101 direct connectors that would convert existing carpool lanes on SR 85 from SR 87 to US 101 and the carpool lane-to-carpool lane direct connector in south San Jose to express lanes operations. **The Phase 4 project is partially funded with local funds. VTA has applied for a federal BUILD grant and the project is also programmed for STIP funds in Fiscal Year 2020.***

*The US 101 Express Lanes (Phase 5) project expected to be in design in 2019 would convert the existing carpool lane on US 101 and add a second lane between near SR 237 to near I-880 to express lanes operations. **The Phase 5 project recently received repurposed Federal earmarks to start the design phase. It is also programmed for STIP funds in Fiscal Year 2020 for design. The construction phase is not funded but funding options include federal grants, future SB1, RM3, and financing.***

7. BAIFA suggests partnering with them because policy consistency throughout the greater Bay Area is a benefit. What is your response to this? Will policy consistency will benefit lane users, or are differences invisible to users?

Similar to Question 1, by the time US 101 San Mateo Express Lanes starts operation, the Bay Area will have similar express lanes operating policies and it would be seamless to a driver traveling between the various express lanes. VTA, BAIFA and the Alameda County Transportation Commission (ACTC), the three existing express lanes operators, already communicate regularly to remain consistent on our policies. Currently, Caltrans and other agencies are working towards a HOV 3+ requirement on Express Lanes “ringing” the Bay namely US 101, SR 237 and I-880.

8. Does VTA have plans to join BAIFA and give up their ownership? Why or why not?

VTA does not have plans to join BAIFA. The main concerns are having only one vote on a multi-agency Board, lack of full ability to control operational topics and the inability to fully control the use of generated revenues.

9. Does VTA have plans to coordinate future back-end technology upgrades and integration with BAIFA? Why or why not?

Perhaps the question is related to the Bay Area Toll Authority (BATA). BATA has jurisdiction over back-end matters for Bay Area tolling including for most bridges and express lanes. BATA is currently in the early process of updating their Backoffice and Regional Customer Service Center. The current vendor for both backoffice and customer service for BATA is Conduent.

10. Is VTA's managed lane a separate enterprise from VTA (in the same way BAIFA is a subcommittee of MTC, with separate finances)? Or is the fiscal health of VTA directly intertwined with managed lane operations?

The Silicon Valley Express Lanes Program is one of the eight funds within VTA. The fiscal health of VTA's other areas such as transit is not linked to VTA's Express Lanes Program.

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)

SM 101 MANAGED LANES PROJECT

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

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY
STAFF REPORT**

TO: Transportation Authority

THROUGH: Jim Hartnett
Executive Director

FROM: April Chan
Chief Officer, Planning, Grants and the Transportation Authority

SUBJECT: **FUNDING ACTIONS ON PREVIOUSLY IDENTIFIED INACTIVE HIGHWAY
PROJECTS FROM THE 2012 HIGHWAY PROGRAM CALL FOR PROJECTS**

ACTION

Staff recommends the Board take the following actions concerning five projects which received funding awards from the 2012 Highway Program Call for Projects (CFP) and have experienced significant delays:

- 1) Allocate the following previously-programmed Measure A funds:
 - \$300,000 for design of the State Route (SR) 1 Safety and Operational Improvements Project, Poplar to Wavecrest, in Half Moon Bay;
 - \$300,000 for design of the SR 1 Safety and Operational Improvements Project, Main to Kehoe, in Half Moon Bay, with the allocation contingent upon approval of the environmental clearance and project evaluation and engineering report (PEER) by the California Department of Transportation (Caltrans);
- 2) Deprogram the following Measure A funds:
 - \$600,000 programmed and allocated for preliminary planning of the SR 92 Safety and Operational Improvements Project in unincorporated San Mateo County, east of Half Moon Bay;
 - \$3.75 million programmed for design of the SR 1 Fassler-Westport (Calera Parkway) Project in Pacifica;
- 3) Add a condition to the \$5 million of funding programmed and allocated for the construction of the US 101/University Avenue Interchange Improvements Project

to require the City of East Palo Alto to award the construction contract by December 31, 2019; and

- 4) Authorize the Executive Director, or his designee, to execute any necessary agreements, amendments or other documents, and take any additional actions necessary, to give effect to the above-referenced actions.

SIGNIFICANCE

In consideration of funding policy revisions approved prior to the 2017 Highway Program CFP, staff informed the Highway Capital Improvement Program Ad-hoc Advisory Committee of concerns pertaining to the delivery of five projects awarded funding from the 2012 Highway Program CFP. It was reported that staff was working with the sponsors of these projects to determine whether to proceed with work or to rescind funding and make it available to fund other highway projects in future funding cycles. The following is a table that lists the Board’s actions on these projects from the 2012 Highway Program CFP:

| Project /Sponsor | TA 2012 Action | 2012 CFP Conditions |
|--|--|---|
| SR 1 Safety & Operational Improvements - Poplar to Wavecrest/Half Moon Bay | Program \$300k for design, \$3.2M for construction | Design allocation conditioned on environmental clearance/Caltrans approval of PEER; construction allocation conditioned on completion of design |
| SR 1 Safety & Operational Improvements – Main to Kehoe/Half Moon Bay | Program \$300k for design, \$3.2M for construction | Design allocation conditioned on environmental clearance/Caltrans approval of PEER; construction allocation conditioned on completion of design |
| SR 92 Safety & Operational Improvements – 0.6 miles east of SR 1 to Pilarcitos Creek/Half Moon Bay | Program & allocate \$600k for preliminary planning | None |
| SR 1 Fassler – Westport (Calera Parkway)/Pacifica | Program \$4M for design | Design allocation conditioned on approval of environmental clearance |
| US 101/University Avenue Interchange Improvements/East Palo Alto | Program and allocate \$5M for construction | None |

The summaries below provide staff’s subsequent recommendations:

SR 1 Safety and Operational Improvements Project – Poplar to Wavecrest

The programmed work scope is for the design and construction of traffic safety, congestion mitigation and operational improvements consisting of: the addition of left turn lanes, a traffic signal at Poplar Street, and the re-channelization of the Main Street/Higgins Canyon Road intersection. Caltrans installed left turn lanes and the traffic signal at Poplar Street as part of a separate project. The City of Half Moon Bay is proceeding with the remaining work at the Main Street/Higgins Canyon Road intersection. Although there were initial delays in moving the project forward, the City has brought additional resources on board to ensure project delivery. This project has

met the TA's conditions for allocation, and staff recommends that the project receive a \$300,000 allocation for design as it has been environmentally-cleared and Caltrans has approved the PEER.

SR 1 Safety and Operational Improvements Project – Main to Kehoe

The programmed work scope is for the design and construction of traffic safety, congestion mitigation, and operational improvements consisting of: the addition of left and right turn lanes, a traffic signal at Terrace Street, and associated road widening. Although there were initial delays in moving the project forward, the City of Half Moon Bay has brought additional resources on board to ensure project delivery. The scope has been expanded to include improvements funded from a new residential subdivision adjacent to SR 1. The additional improvements include the extension of an existing frontage road to connect to SR 1 across from Terrace Street, and the extension of an existing pedestrian/bicycle path on the east side of SR 1 from Main Street to Spindrift Way.

An action to approve the environmental document is scheduled to be taken up by the Half Moon Bay Planning Commission at their December 11, 2018 meeting. This is the final requirement before Caltrans will approve the PEER. For purposes of efficiency, staff recommends allocation of \$300,000 for design of the project now, with execution of the funding agreement contingent upon the approval of both the environmental clearance and the PEER.

SR 92 Safety and Operational Improvements Project

The programmed work scope is for preliminary planning to widen shoulders and travel lanes to current design standards on SR 92 from Pilarcitos Creek to 0.6 miles east of SR 1 in the City of Half Moon Bay. The City has informed TA staff that it will no longer be pursuing this project, as it is redirecting its resources and prioritizing projects that fall within its city limits. Staff recommends the TA deprogram \$600,000 in funds previously programmed and allocated for this project that have not yet been expended.

SR 1 Calera Parkway Project

The programmed work scope is for the design of the widening of SR 1 from 4 to 6 lanes in an approximate 1.3 mile stretch between Fassler Avenue and Reina Del Mar Avenue in the City Pacifica. The Environmental Impact Report (EIR)/Environmental Impact Statement (EIS) was approved in 2013, which met the condition for a funding allocation. In March 2017, the TA approved a request from the City to allocate \$250,000 of the \$4 million previously programmed for design and to re-purpose it to fund the development, installation operation, and monitoring of an interim adaptive signal system at the two signalized intersections within the project limits to mitigate traffic.

In June 2017, the City sent a letter to Caltrans and the TA stating that it intended to abandon the proposed widening of SR 1 and remove it from further funding consideration. In September 2017, the City sent a formal request to re-purpose \$375,000 of the remaining \$3.75 million in programmed funds toward a study to investigate other alternatives, not previously considered, to address peak hour congestion on SR 1. Since 2001, prior to the programming of \$4 million in design funding, the TA contributed over \$5.5 million for studies, preliminary engineering and the environmental clearance for the

project. Staff supports the City's efforts to address congestion reduction on SR 1, but recommends the City utilize other fund sources to revisit the work scope prior to seeking additional Measure A allocations. Staff further recommends that the TA deprogram the remaining \$3.75 million in Measure A funds that has been programmed for this project.

US 101/University Avenue Interchange Improvements

Funds were programmed and allocated to: 1) widen the north side of the University Avenue overcrossing to improve site distance and include shoulders and space for bike lanes and sidewalks, and 2) construct a new southbound off-ramp to provide a direct connection on the north side University Avenue with a new traffic signal to improve traffic flow, both in the City of East Palo Alto.

Upon further consultation with Caltrans, it was determined that new seismic design standards made the widening of the University Avenue overcrossing infeasible as it would require a full reconstruction as opposed to a retrofit. In lieu of widening the north side of the University Avenue overcrossing, modifications are proposed to the northbound off-ramp which connects to it. This will improve safety for vehicles merging on to University Avenue and reduce potential conflicts with pedestrians and bicyclists.

The results of a traffic analysis revealed that the addition of a new lane to the existing southbound off-ramp would have a greater impact on improving traffic flow than the construction of a new south bound off-ramp and traffic signal. The proposed modifications are consistent with the intent of the awarded work scope and are projected to be completed at no additional cost to the TA. The City of East Palo Alto has made significant progress with the project modifications, which have been environmentally cleared with Caltrans. Design is currently underway and anticipated to be complete late spring 2019. Staff will continue to monitor project progress and recommends that a condition be added to the prior programming and allocation action for this project to require a construction contract be awarded no later than December 31, 2019.

BUDGET IMPACT

There is sufficient capacity in the Fiscal Year 2019 and prior year budgets to fully fund the recommended allocations for the Half Moon Bay SR 1 projects. The proposed rescission of funding for the SR 92 project in Half Moon Bay and the Calera Parkway project in Pacifica will result in a total of \$4.35 million that will be made available for future Highway Program programming and allocation actions. There is no budget impact from the proposed action for the US 101/University Avenue Interchange Improvements in East Palo Alto.

BACKGROUND

Per policy guidelines from the Short Range Highway Plan 2011-2021, which set the initial policy framework for making highway investment decisions, projects must remain active for sponsors to retain allocated funds. A re-allocation of funds to other projects can be considered if there is no substantial activity on an awarded project for 5 years or more. Substantial activity can be demonstrated through the expenditure of awarded funds as well as progress made on overcoming unforeseen challenges and meeting conditions required prior to receiving a funding allocation.

Prepared by: Joel Slavit, Manager, Programming & Monitoring
Joe Hurley, Director, Transportation Authority

650-508-6476
650-508-7942

RESOLUTION NO. 2018 –

SAN MATEO COUNTY TRANSPORTATION AUTHORITY
STATE OF CALIFORNIA

* * *

AUTHORIZING FUNDING ALLOCATIONS TO TWO PROJECTS, REPROGRAMMING FUNDS FROM TWO PROJECTS AND ADDING A CONDITION TO FOR ONE PROJECT OUT OF FIVE PREVIOUSLY-IDENTIFIED INACTIVE PROJECTS FROM THE 2012 HIGHWAY PROGRAM CALL FOR PROJECTS

WHEREAS, on June 7, 1988, the voters of San Mateo County approved a ballot measure to allow for the collection and distribution by the San Mateo County Transportation Authority (TA) of a half-cent transactions-and-use tax in San Mateo County for 20 years with the tax revenues to be used for highway and transit improvements pursuant to the Transportation Expenditure Plan presented to the voters (Original Measure A); and

WHEREAS, on November 2, 2004, the voters of San Mateo County approved the continuation of the collection and distribution by the TA of the New Measure A half-cent transactions and use tax for an additional 25 years to implement the 2004 Transportation Expenditure Plan beginning January 1, 2009; and

WHEREAS, the 2004 Transportation Expenditure Plan designates 17.3 percent of the New Measure A revenue to fund projects in Key Congested Areas and 10.2 percent of the New Measure A revenue to fund Supplemental Roadway projects under the Highway Program; and

WHEREAS, per policy guidelines from the TA's Short Range Highway Plan 2011-2021, a reallocation of funds to other projects can be considered if there is no substantial activity on an awarded project for five years or more; and

WHEREAS, staff has worked with the sponsors of five previously-identified inactive highway projects to determine whether to proceed with funding work or to deprogram funding and make it available to fund other projects; and

WHEREAS, staff recommends the Board take the following actions related to five projects:

1. Allocate \$300,000 previously-programmed funds for design of the State Route (SR) 1 Safety and Operational Improvements Project, Poplar to Wavecrest, in Half Moon Bay;
2. Allocate \$300,000 previously-programmed funds for design of the SR 1 Safety and Operational Improvements Project, Main to Kehoe, in Half Moon Bay, with the allocation contingent upon the approval of the environmental clearance and project evaluation and engineering report (PEER);
3. De-program \$600,000 in funds previously programmed and allocated for preliminary planning for the SR 92 Safety and Operational Improvements Project in unincorporated San Mateo County, east of Half Moon Bay;
4. De-program \$3.75 million in funds previously programmed for design of the SR 1 Fassler-Westport (Calera Parkway) Project in Pacifica; and
5. Add a condition to the \$5 million programming and allocation action for the construction of the US 101/University Avenue Interchange Improvements Project to require the City of East Palo Alto to award the construction contract by December 31, 2019.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the San Mateo County Transportation Authority hereby takes the five above-described actions.

BE IT FURTHER RESOLVED THAT the Executive Director, or his designee, is authorized to execute any necessary agreements or amendments, and to take any additional actions necessary, to give effect to this resolution.

Regularly passed and adopted this 6th day of December, 2018 by the following

vote:

AYES:

NOES:

ABSENT:

Chair, San Mateo County Transportation Authority

ATTEST:

Acting Authority Secretary

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY
STAFF REPORT**

TO: Transportation Authority

THROUGH: Jim Hartnett
Executive Director

FROM: Seamus Murphy
Chief Communications Officer

SUBJECT: **STATE AND FEDERAL LEGISLATIVE UPDATE**

ACTION

This report is for information only. No Board action is required.

SIGNIFICANCE

The 2018 Legislative Program establishes the principles that will guide the legislative and regulatory advocacy efforts. Based on those principles, staff coordinates closely with our Federal and State advocates on a wide variety of issues that are considered in Congress and the State legislature. The attached reports highlight the recent issues and actions that are relevant to the Board.

Prepared By: Casey Fromson, Government and
Community Affairs Director

650-508-6493

Holland & Knight

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San Mateo County Transportation Authority Federal Update October 2018

CONGRESS

Potential Lame Duck Agenda: After reaching an agreement regarding judicial nominations, the Senate adjourned on October 11, joining the House in recess until after the midterm elections. The House and Senate are expected to return on November 13. Though the outcome of the elections will influence Congress' activities for the remainder of 2018, Republican congressional leaders' legislative agenda for the lame-duck session includes: outstanding FY 2019 appropriations bills (including Transportation/HUD), the [farm bill conference report](#), criminal justice reform, a package to extend expiring tax breaks, and the [Jobs Act 3.0](#). Additionally, Republicans are aiming to confirm a batch of executive and judicial branch nominees, including 36 federal district court and three circuit court judges.

A partisan fight may impact legislative priorities on the GOP agenda over President Donald Trump's request for Congress to fund construction of a wall along the U.S.-Mexico border and the outcome of the mid-term elections. If the Democrats take control of the House, consideration of the FY 2019 appropriations bills could be delayed until next year. Currently, many of the federal agencies, including the Department of Transportation (DOT), are operating under a continuing resolution (CR) until December 7, 2018.

Senate Republican Conference Chairman John Thune (R-S.D.) has acknowledged desire among Republicans to pass a package of tax extenders, and to make some corrections to the Tax Cuts and Jobs Act that became law in 2017. He said there would be an attempt to finish that work before the end of the year. Senate Majority Leader Mitch McConnell (R-Ky.) said that he plans to put criminal justice reform legislation, the [First Step Act](#), on the Senate floor if it can gain 60 votes to avoid a potential filibuster. Bipartisan sentencing reform provisions would be added to the bill, which was passed by the House on May 22, Senate Judiciary Committee Chairman Chuck Grassley (R-Iowa) and President Trump have supported the legislation.

116th Congress Transportation Outlook: House Democrats are planning to pursue a major infrastructure measure if they win the House majority in the upcoming mid-term elections. House Transportation and Infrastructure Committee Ranking Member Peter DeFazio (D-OR), who would serve as committee chairman if Democrats claim control, has said the party will seek a spending measure for roads, bridges, and other public works projects if they are in charge. House Minority Leader Nancy Pelosi (D-CA), who could serve as Speaker again, has said that one of her themes is "build, build, build," and will focus not just on surface transportation but also on broadband and water systems.

On October 17, the President said that he expects infrastructure will come up after the mid-term elections, and anticipates it to be an “easy” issue. House Democrats may begin hearings in late January if they take control, seeking to pass a bill by May. However, how the initiative will be funded remains unclear.

Senate Democrats had released a \$1 trillion plan in March, funded by rolling back tax cuts for the wealthy, but Republicans are unlikely to support such a mechanism, as raising federal taxes and more borrowing would increase the federal deficit. While retiring House Transportation Committee Chairman Bill Shuster (R-PA) said in February that he may support increasing the gas tax, many Republicans rejected any tax increase. Shuster also released his own proposal in July to initiate a discussion about fixing infrastructure and the Highway Trust Fund, but the plan did not advance. Additionally, the question will remain of whether Republicans will be willing to pass a major infrastructure spending bill if they retain control of the Senate.

Holland & Knight recently met with Ranking Member Peter DeFazio’s committee staff director and House Highways and Transit Subcommittee Democratic staff director to discuss infrastructure and the FAST Act reauthorization. The staff said that the committee is planning to hold hearings in early 2019 and are looking for ideas for FAST Act authorization. They plan to hold hearings on the reauthorization throughout 2019 and introduce a FAST Act authorization bill in early 2020. The FAST Act expires in September 2020, and the Highway Trust Fund will again be insolvent in mid to late summer 2021. Current spending levels for the Highway Trust Fund programs will require Congress to provide an average of \$20 billion per year in additional bailouts.

ADMINISTRATION

President Releases Unified Regulatory Agenda: On October 17, the White House released an update to the [Fall 2018-2019 regulatory agenda](#) offering an update on both the pending regulations it plans to pursue as well as those it plans to move ahead with. The agenda is released by the White House Office of Management and Budget’s (OMB) Office of Information and Regulatory Affairs (OIRA) each year in the fall and spring, and lists all rules that federal agencies are working on along with the current progress on each one. The President has made deregulation a policy priority of his administration. Several regulations of note from the DOT include:

- [**Processing Buy America Waivers Based on Non-Availability**](#)
Stage: Proposed Rule
This rule will establish the applicable regulatory standard for waivers from the “Buy America” requirement. This standard will require the use of items and products with the maximum known amount of domestic content. The rule will also establish the required information that applicants must provide in applying for such waivers.
- [**Safe Integration of Automated Driving Systems-Equipped Commercial Motor Vehicles**](#)
Stage: Pre-rule
The Federal Motor Carrier Safety Administration (FMCSA) requests public comment about Federal Motor Carrier Safety Regulations (FMCSRs) that may need to be updated,

modified, or eliminated to facilitate the safe introduction of automated driving systems (ADS) equipped commercial motor vehicles (CMVs) onto the nation's roadways. FMCSA requests comment on specific regulatory requirements that are likely to be affected by an increased integration of ADS-equipped CMVs.

DOT, FTA, FHWA, FRA Publish Joint Final Rule: On October 29, the DOT, along with the Federal Transit Administration (FTA), Federal Highway Administration (FHWA), and the Federal Railroad Administration (FRA), published a joint final rule on changes to the infrastructure permitting processes. The congressionally mandated changes are part of a push from Congress and the Administration to improve efficiency for infrastructure approvals, and to speed up the pace of projects. The final rule amends regulations implementing NEPA and its Section 4(f) requirements. The agencies modified the NEPA and Section 4(f) regulations to reflect provisions in MAP-21 and the FAST Act, and also revised environmental impact procedures to reflect the changes. The rule will take effect on November 28, 2018. Significant changes are:

- Alignment between FRA permitting requirements and requirements for FTA and FHWA.
- Joint issuance of Final Environmental Impact Statement (FEIS) and Record of Decision (ROD) documents, which will shorten timelines by combining the two. When there is a combined FEIS/ROD, the draft environmental impact statements (DEIS) must include fully analyzed alternatives and a selection of a preferred action or inaction.
- Short timelines for inviting participating agencies (45 days) and establishing a coordination plan (90 days) that should force the leading agency to take early action on the EIS and to involve agencies to coordinate early.
- Expansion of categorical exclusions (CEs) for the FRA allowance of agencies to recognize CEs listed for other surface transportation agencies when there is an existing railroad right-of-way

CBO Report Analyzes Federal Cost of State/Local Infrastructure Financing: A [new report](#) from the Congressional Budget Office (CBO) assesses the actual cost to the federal government of state and local infrastructure spending. The study analyzes four kinds of financing mechanisms used by state and local governments: tax-exempt bonds (including private activity bonds), tax credit bonds (Build America Bonds), state revolving funds (SRF) or infrastructure banks, and direct federal credit. Further, the report estimates that between 2007-2016, the federally supported financing mechanisms have supported an average of \$64.4 billion per year in state and local spending on transportation and water infrastructure.

DOT Multi-Agency Effort on Grade Crossing Safety: On October 30, DOT Secretary Elaine Chao requested four DOT agencies to draft a plan to curb the increase in rail grade-crossing fatalities. The FRA, FHWA, FMCSA, and NHTSA will work on a plan to devise new strategies to improve safety, including infrastructure improvements and new communications skills. The FRA has reported that there were 1,019 deaths and injuries at grade crossings in 2017, and 592 in just the first six months of 2018.

DOT Holds Transit Oriented Development (TOD) Roundtable: On October 24, the DOT hosted a small roundtable discussion with six transit agencies and two large real estate developers to

“discuss the opportunities and challenges associated with maximizing development opportunities and related value capture mechanisms around the evolving nature of new cost-effective transit solutions, including bus rapid transit, autonomous shuttles and other promising next generation mobility offerings.” The roundtable examined developers’ cutting-edge perspectives on investing in communities looking to embrace highly effective, but lower-cost transit solutions as well as more dated but seemingly entrenched views. Matt Welbes, FTA Executive Director; Jim Ray, Senior Advisor to the DOT Secretary; and FTA Acting Administrator Jane Williams participated from DOT.



November 8, 2018

TO: Board Members, San Mateo County Transportation Authority
FROM: Gus Khouri, Principal
Khoury Consulting

RE: STATE LEGISLATIVE REPORT – DECEMBER 2018

The legislature adjourned from the 2017-18 regular session on Wednesday, August 31. As a result, this report will focus on the results of November's election and the implications for California.

Statewide Constitutional Offices

Democrats enjoyed a clean sweep of the Constitutional positions. For the first time in 130 years, a democrat succeeded another for the governorship. We also witnessed the first elected female lieutenant governor and second female treasurer (Kathleen Brown was the first). The race for insurance commissioner is still too close to call as Ricardo Lara leads Steve Poizner, who previously held the post between 2007-11, by 105,733 votes with some 96% of the ballots counted. Below are the results:

| Office | Candidate (party registration) | Votes |
|---|--|-----------------------|
| Governor | Gavin Newsom (D) John Cox (R) | 59.3% 40.7% |
| Lieutenant Governor | Eleni Kounalakis (D) Ed Hernandez (D) | 55.7% 44.3% |
| Secretary of State | Alex Padilla (D) Mark Meuser (R) | 61.8% 38.2% |
| Controller | Betty Yee (D) Konstantinos Roditis (R) | 62.9% 37.1% |
| Treasurer | Fiona Ma (D) Greg Conlon (R) | 61.2% 38.8% |
| Attorney General | Xavier Bacerra (D) Steven Bailey (R) | 60.8% 39.2% |
| Insurance Commissioner (too close to call) | Ricardo Lara (D) Steve Poizner (R) | 50.8% 49.2% |

State Legislature

Democrats in the California State Legislature were able to secure two-third supermajorities in both the Assembly (57 out of 80 members) and the Senate (28 out of 40) by gaining two seats in both the Assembly and Senate assuming that current results hold, including Assembly Member Anna Caballero's narrow lead (1,019 votes) over Rob Poythress to succeed termed-out Senator Anthony Cannella. Assembly Members Marc Berman, Kevin Mullin, and Phil Ting each coasted to successful re-election bids by garnering 74%, 73%, and 82% of the vote respectively.

There will be 12 new members (five in the Assembly and seven in the Senate), which is in stark contrast to the 31 members that were sworn into office in 2016. This is primarily attributable to Proposition 28 of 2012, which allows legislators to serve up to 12 years in one house. With the super majority, Constitutional amendments being placed on the ballot, tax increases, and legislative rule waivers can now be approved on a party-line vote.

Ballot Initiatives

There were 11 initiatives for consideration on the November ballot that collectively spent more than \$372 million to change California policy, including \$46 million to defeat Proposition 6. Below is a discussion on a handful of some of the more high-profile initiatives on the ballot and their respective result:

Proposition 6 – Repeal of Fuel Tax and Vehicle Registration Fees- Failed 44.8% - 55.2%

This measure would have repealed the \$5.2 billion annual transportation package funded through increases to the gas tax, sales tax on diesel, and vehicle registration fees for purposes of fixing local streets and roads, bridges, easing traffic congestion, improving public transportation, and providing bicycle and pedestrian programs. In addition, it would have precluded future tax increases by the legislature without a vote of the people. The initiative was funded by the Republicans in order to motivate turnout among its base to protect seats in Congress.

Proposition 3 – Water Bond – Failed 47.7% - 52.3%

This measure would have authorized \$8.877 billion in general obligation bonds for water infrastructure; groundwater supplies and storage; surface water storage and dam repairs; watershed and fisheries improvements; and habitat protection and restoration. The campaign had only \$5 million towards the effort, without any reported money spent in opposition.

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY
STAFF REPORT**

TO: Transportation Authority

THROUGH: Jim Hartnett
Executive Director

FROM: Seamus Murphy
Chief Communications Officer

SUBJECT: **2019 DRAFT LEGISLATIVE PROGRAM**

ACTION

This report is for information only. No Board action is required. At the January 3, 2019, meeting, staff will present the final 2019 Legislative Program for Board adoption.

SIGNIFICANCE

The 2019 Legislative Program (Program) establishes the principles that will guide the San Mateo County Transportation Authority's (TA) legislative and regulatory advocacy efforts through the 2019 calendar year, including the first half of the State legislative session and the first session of the 116th Congress. The program is intended to be broad enough to cover the wide variety of issues that are likely to be considered during that time and flexible enough to allow the TA to respond swiftly and effectively to unanticipated developments. Adoption of the Program provides our legislative delegation and our transportation partners with a clear statement of the TA's priorities.

Objectives

The 2019 Program is organized to guide the TA's actions and positions in support of three primary objectives:

1. Maintain and enhance funding opportunities to support the TA's programs, projects, and services.
2. Seek a regulatory environment that streamlines project delivery and maximizes the TA's ability to meet public transportation service demands.
3. Reinforce and expand programs that build and incentivize public transportation ridership.

The Program is structured to apply these core objectives to a series of issues detailed in the 2019 Legislative Program.

Should other issues surface that require the TA's attention, actions will be guided by the three policy objectives listed above. If needed, potential action on issues that are

unrelated to these policy goals will be brought to the TA's Board of Directors for consideration.

Advocacy Process

Staff will indicate on each monthly legislative update recommended positions for pending bills. Once the board has an opportunity to review the recommended position, staff will communicate the position to the relevant entity (such as the bill author, agency, or coalition). In rare circumstances, should a position on a bill be needed in advance of a board meeting, staff will confer with the Board Chair. If legislation falls outside of the scope of the Board's adopted Legislative Program, Board approval will be required prior to the agency taking a position.

The TA and its legislative consultants will employ a variety of engagement tools to support the 2019 Legislative Program, including:

1. Direct Engagement

Engage policymakers directly and sponsor legislation, submit correspondence and provide public testimony that communicates and advances the TA's legislative priorities and positions.

2. Coalition-based Engagement

Engage local and regional stakeholders to build awareness about specific issues and participate in local, regional, statewide and national coalitions organized to advance positions that are consistent with the 2016 Program.

3. Media Engagement

Build public awareness and communicate legislative priorities by issuing press releases, organizing media events, and through the use of social media and other electronic media.

BUDGET IMPACT

There is no impact on the budget.

BACKGROUND

Staff actively monitors legislative and regulatory activity and will seek Board positions on selected bills as appropriate to further the TA's legislative objectives and to provide support for our advocacy efforts. Staff will supply updated reports summarizing relevant legislative and regulatory activities, allowing the Board to track legislative developments and providing opportunities to take appropriate action on pending legislation.

Prepared By: Casey Fromson, Director, Government and Community Affairs 650-508-9435

SMCTA 2019 Legislative Program

Purpose

Legislative and regulatory actions have the potential to significantly benefit SamTrans programs and services. They also have potential to present serious challenges that threaten the Agency's ability to meet the county's most critical transportation demands.

The 2019 Legislative Program establishes the principles that will guide the Agency's legislative and regulatory advocacy efforts through the 2019 calendar year, including the first half of the 2019-20 State legislative session and 116th Congress. The program is intended to be broad enough to cover the wide variety of issues that are likely to be considered during that time and flexible enough to allow the Agency to respond swiftly and effectively to unanticipated developments.

Objectives

The 2019 Legislative Program is organized to guide the Agency's actions and positions in support of three primary objectives:

- Maintain and enhance funding opportunities to support the Agency's programs and services.
- Seek a regulatory environment that streamlines project delivery and maximizes the Agency's ability to meet transportation service demands.
- Reinforce and expand programs that build and incentivize public transportation ridership and improve quality transportation choices.

Issues

The Legislative Program is structured to apply these core objectives to a series of State and Federal issues falling in these categories:

- Budget and Transportation Funding Opportunities
- Transportation Projects Funding Requests and Needs
- Regulatory and Administrative Issues

Within these categories are a detailed list of specific legislative initiatives and corresponding set of policy strategies.

Should other issues surface that require the Board's attention, actions will be guided by the three policy objectives listed above. If needed, potential action on issues that are unrelated to these policy goals will be brought to the Board for consideration.

Advocacy Process

Staff will indicate on each monthly legislative update recommended positions for pending bills. Once the board has an opportunity to review the recommended position, staff will communicate the position to the relevant entity (such as the bill author, agency, or coalition). In rare circumstances, should a position on a bill be needed in advance of a board meeting, staff will confer with the Board Chair. If legislation falls outside of the scope of the Board's adopted Legislative Program, Board approval will be required prior to the agency taking a position.

Public Engagement Strategies

Staff, led by the Communications Division and its legislative consultants, will employ a variety of public engagement strategies to support the 2019 Legislative Program, including:

- Direct Engagement
Engage policymakers directly and sponsor legislation, submit correspondence and provide public testimony that communicates and advances the Agency's legislative priorities and positions.
- Coalition-based Engagement
Engage local and regional stakeholders to build awareness about specific issues and participate in local, regional, statewide and national coalitions organized to advance positions that are consistent with the 2019 Legislative Program.
- Media Engagement
Build public awareness and communicate the Agency's legislative priorities by issuing press releases, organizing media events, and through the use of social media.

State and Regional

Funding Opportunities and Challenges

| <i>Issue / Background</i> | <i>Strategy</i> |
|--|--|
| <p>General Funding The State recently enacted SB 1, which provides \$5.2 billion to maintain local streets and roads and highways, ease traffic congestion, and provide mobility options through investments in public transportation and bicycle and pedestrian programs.</p> <p>In 2014, the Legislature called for, via SB 1077, a pilot program to study a road charge model as an alternative to the gas tax. The nine-month pilot began in July 2016, with over 5,000 participating vehicles statewide. The California State Transportation Agency (CalSTA) released the findings from the pilot in December of 2017. SB 1328 (Beall) of 2018 extends the existence of the Road Usage Charge (RUC) Technical Advisory Committee through January 1, 2023. Due to the limited amount of participants in the pilot program from rural and low-income areas, and the truncated timeline, more work is needed to recommend an appropriate charge rate.</p> | <ul style="list-style-type: none"> ● Protect against the elimination or diversion of any State or regional funds that support the agency’s transportation needs. ● Monitor and advocate for flexibility in guideline process for SB 1 competitive programs administered by the California State Transportation Agency and California Transportation Commission. ● Support state funding allocation requests for investments that benefit the agency’s transportation programs and services, including projects identified in Measures A and W. ● Work with statewide coalitions to identify and advance opportunities for funding that would support San Mateo County transportation priorities. ● Monitor recommendations of the Road Usage Charge (RUC) Technical advisory Committee and efforts to implement a RUC program by the California State Transportation Agency (CalSTA) as a funding source in lieu of gasoline. |
| <p>Formula Funding After years of diversion to support the State’s General Fund, funding for the State Transit Assistance (STA) program has remained stable and increased over the last few budget cycles thanks to successful legal, legislative and political efforts on behalf of the transportation community. Still, more revenue is needed in order to meet the demand of increased ridership, reduce highway congestion – especially on Highway 101 – and adhere to the State’s</p> | <ul style="list-style-type: none"> ● Support the full funding of the STA program at levels as provided by the enactment of SB 1. ● Advocate for the regularly scheduled issuance of State infrastructure bonds that support San Mateo County’s transportation services and programs. ● Support full funding from the State Rail Assistance Program, which will provide \$3.9 million in FY 18-19, and \$4.1 million in FY 19-20 for Caltrain. ● Support the California Transit Association’s efforts to engage the Legislature on Transportation Development Act (TDA) reform and the review of performance measures for transit. |

| | |
|---|--|
| <p>mandate of reducing greenhouse gas emissions, and creating livable communities.</p> <p>The Transportation Development Act (TDA) dedicates a ¼ cent statewide sales tax, generating \$1.5 billion annually to support public transportation services. Operators statewide have had difficulty meeting farebox recovery ratio requirements, compromising the ability to access funding to maintain existing service.</p> | |
| <p>Cap-and-Trade Revenues In 2012, the State began implementing the cap-and-trade market-based compliance system approved as a part of the California Global Warming Solutions Act of 2006 (AB 32). Since the program began selling allowances, the program has generated over \$5.4 billion dollars, with a significant amount going to transit agencies. In 2014, legislation was enacted creating a long-term funding plan for cap-and-trade which dedicates 60 percent of cap-and-trade revenues to transportation. The remaining 40 percent is subject to annual appropriation through the state budget process. In 2017, the legislature extended the program from 2020 to 2030.</p> <p>The programs require a certain percentage of funds be expended in state defined “disadvantaged communities” (as defined by CalEnviroScreen). This can prove difficult in jurisdictions with a small number of disadvantaged communities.</p> | <ul style="list-style-type: none"> ● Work with the Administration and like-minded coalitions to secure the appropriation of additional cap-and-trade revenues to support the county’s transportation needs. ● Support legislation and regional action that makes a broad array of the county’s emissions-reducing transportation projects, programs and services eligible for investment. ● Protect existing cap-and-trade appropriations for transit operations and capital projects and sustainable communities strategy implementation. ● Work to direct additional revenues to transit-eligible programs, including efforts to secure funding from the remaining discretionary funds and revenues dedicated to the high-speed-rail project. ● Support efforts to revise the State’s definition on “disadvantaged communities” to encompass a larger proportion of disadvantaged communities on the Peninsula. |

| | |
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| <p>Voter Threshold Legislation has been considered in recent years that provides a framework for lowering the thresholds for the State or a city, county, special JPB or regional public agency to impose a special tax.</p> | <ul style="list-style-type: none"> • Support efforts to amend the State Constitution to reduce the voter threshold required for the State or a city, county, special district or regional transportation agency to impose a special tax for transportation projects or programs. |
| <p>Other State or Local Funding Or Project Delivery Options Local and regional governments continue to seek methods for funding and delivering new infrastructure, facility needs, sustainability initiatives, and projects that will support ridership growth through a variety of methods such as managed lanes and local ballot measures</p> | <ul style="list-style-type: none"> • Advocate for legislation that would create new local funding tools to support transportation infrastructure and services. • Support innovative local and regional funding options that will provide financial support for the agency. • Support legislation that works to ensure revenues generated through managed lane projects remain in the County of origin. • Advocate for funding sources that would assist transit agencies in obtaining funds for sustainability initiatives including water conservation, waste reduction, long-term resource efficiency of facilities and equipment, and greenhouse gas reductions. • Support funding for workforce housing to attract and retain quality personnel. • Support legislation that allows for public private partnerships that benefit the implementation of capital projects, efficient operation of transit services, or enhanced access to a broad range of mobility options that reduce traffic congestion. |
| <p>Transportation Projects</p> | |
| <p>General As the Bay Area’s population continues to grow, the region’s transportation infrastructure is being negatively impacted. Highways, local streets and roads are becoming heavily congested, Caltrain is nearing its capacity limits, and the demand for housing with easy access to public transit is increasing.</p> | <ul style="list-style-type: none"> • Work with partners in the region to bring business, community, and transportation stakeholders together to enhance, support and advocate for transportation and mobility in the Bay Area. |

Caltrain Modernization (CalMod) Program In 2012, the State Legislature appropriated \$705m in Prop 1A high-speed rail funds to modernize the Caltrain corridor and lay the foundation for future high-speed rail service. Under a multi-party regional funding agreement, this investment will be used to match a variety of local, regional, state and federal funding sources to electrify the corridor, install an advanced signaling system and replace Caltrain’s aging diesel trains with electric trains that will dramatically improve service between San Francisco and San Jose.

Other Projects Beyond the CalMod Program, Caltrain has identified capital projects such as a fully electrified 8-car EMU fleet with longer platforms that will provide additional capacity and service benefits to Caltrain commuters. The capital needs also include but are not limited to grade separations and station upgrades. The Caltrain Business Plan, a 2040 vision for the corridor is currently underway will help identify future capital and operating needs.

In 2016, a new round of HSR Blended System planning, outreach and environmental clearance work kicked-off in the corridor. While this project is not being led by the JPB, the agency owns the right-of-way and has a significant interest in the process and success of the project that will “blended” with Caltrain service.

- Advocate for the sale and allocation of Proposition 1A bonds to meet the commitments specified in SB 1029 with respect to the Caltrain corridor.
- Support the allocation of cap-and-trade funding to advance implementation of the CalMod Program.
- Work with state, local and regional partners to advance policies and actions that will help secure funding needed to fulfill local and regional commitments to the CalMod Program.
- Work to address regulatory challenges that limit the implementation of solutions that will maximize Caltrain capacity and service benefits
- Support the allocation of cap and trade or other state/regional funding to advance implementation of Caltrain projects.
- Work to address regulatory actions or policies that negatively impact future capacity or service improvements.
- Consistent with existing agreements between JPB and CHSRA, support efforts to plan, engage stakeholders, and implement a Blended System project on the Caltrain Corridor.

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| <p>101 Managed Lanes The project may include removing or replacing existing auxiliary lanes between interchanges; reconstructing ramp connections to US 101; and installing electronic toll collection infrastructure on US 101 between Whipple Road to the I-380 interchange in San Mateo County</p> | <ul style="list-style-type: none"> • Support funding opportunities that will help the project move through the different stages of planning, environmental, and construction phases. • Support policies that will allow for effective public private partnerships. |
| <p>Transit Oriented Development / First and Last Mile First and last mile projects, as well as transit oriented development projects are an important part of the broad transit ecosystem that will help support robust ridership in the corridor.</p> | <ul style="list-style-type: none"> • Support efforts to provide commuters with easy and convenient options to travel to and from major transit centers to their final destination. • Support the increased funding for and development of new and innovative first and last mile options. • Advocate for policies that promote transit-oriented developments in ways that compliment transit services. • Support the State’s GHG reduction goals by supporting transit-oriented developments. • Support state funding and streamlining the process for transit-oriented development. |
| <p>Transportation Demand Management (TDM) TDM is the application of strategies and policies to reduce travel demand of single-occupancy vehicles or to redistribute this demand in space or time.</p> | <ul style="list-style-type: none"> • Support efforts that provide more TDM tools and funding opportunities • Support policies that encourage use of TDM |

| Regulatory and Administrative Issues | |
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| <p>General Every year a variety of legislation or regulatory action is pursued that would affect regulations governing transportation-related service operations, administration, planning and project delivery. In addition, opportunities exist to reform or update existing regulations that are outdated, or can be improved to address potential burdens on transportation agencies without affecting regulatory goals.</p> | <ul style="list-style-type: none"> • Support opportunities to remove barriers to, and improve the ability to conduct, safe, efficient transportation operations, administration, planning and project delivery efforts, including alternative project delivery methods that provide flexibility to the agency. • Oppose efforts to impose unjustified and burdensome regulations or restrictions on the JPB’s ability to conduct efficient transportation operations, administration, planning and project delivery efforts. |
| <p>California Environmental Quality Act (CEQA) Several regional and statewide transportation organizations continue working to modernize CEQA and minimize unnecessary delays during the environmental review process.</p> | <ul style="list-style-type: none"> • Closely monitor efforts to modernize CEQA and support proposals that advantage transportation projects, including bicycle, pedestrian and transit-oriented development projects, without compromising CEQA’s effectiveness as an environmental protection policy. |
| <p>Sustainable Communities Strategies Implementation In conjunction with AB 32 and SB 32 implementation, the Sustainable Communities and Climate Protection Act (SB 375) requires regions to develop Sustainable Communities Strategies (SCS) with integrated housing, land-use and transportation policies that will accommodate population growth and reduce regional greenhouse gas emissions by specific amounts. In 2017, regional authorities in the Bay Area approved the update to Plan Bay Area, which includes the region’s SCS.</p> | <ul style="list-style-type: none"> • Advocate for policies that provide adequate and equitable funding to support increased demand and dependence on JPB’s transportation services associated with the implementation of SB 375 and Plan Bay Area. |

Federal

Funding Opportunities and Challenges

| <i>Issue / Background</i> | <i>Strategy</i> |
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| <p>Federal Appropriations and Tax Extenders Every year, Congress adopts several appropriations bills that cover 12 major issue areas, including the Transportation, Housing and Urban Development bill. These measures provide the authority for federal agencies to spend money during the upcoming fiscal year for the programs they administer.</p> <p>In September 2018, Congress passed a continuing resolution (CR) to keep federal agencies funded at the same level as the previous fiscal year, through December 7, 2018. Congress will have to pass a CR or omnibus appropriations bill to fund the government for the fiscal year 2019.</p> <p>The President and the USDOT have proposed phasing out the Capital Investment Grant program (New Starts/Small Starts/Core Capacity) in the annual budget request. However, Congress continues to provide funding for the program and has include language in the annual Appropriations bills requiring the Federal Transit Administration (FTA) to allocate funding for projects and to continue to sign full funding grant agreements.</p> | <ul style="list-style-type: none"> • Partner with local, regional, State and national coalitions to advocate appropriation of the maximum authorized amount for programs that benefit San Mateo County’s transportation services and needs. • Work with local and regional coalitions to support requests for funding from discretionary programs, including the Capital Investment Grant program. • Communicate frequently with the agency’s federal delegation and key appropriators on the needs or concerns of pending appropriation bills. |
| <p>Tax and Finance Congress also considers legislation that governs tax and finance issues that impact transit agencies.</p> | <ul style="list-style-type: none"> • Support efforts to ensure tax provisions that benefit the agency’s priorities are included in any tax or finance proposal. • Protect against the elimination or diversion of any tax policies that support the agency’s transportation needs. |

| Transportation Projects | |
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| <p>General Support the efforts of partnering agencies to obtain federal funding for transit projects in San Mateo County.</p> | <ul style="list-style-type: none"> • Work with federal delegation members, as well as local, regional, and state coalitions to support the federal funding requests for our partner transit agencies on projects that provide complimentary services for the agency. |
| <p>Caltrain Modernization Program The current Caltrain Electrification Project funding plan includes funding from several federal funding sources including the Federal Transit Administration (FTA) Core Capacity Program.</p> <p>Positive Train Control (PTC) is a federal mandate. The current Caltrain Positive Train Control (PTC) project includes funding from the Federal Railroad Administration.</p> <p>Other Projects Beyond the CalMod Program, Caltrain has identified capital projects such as a fully electrified 8-car EMU fleet with longer platforms that will provide additional capacity and service benefits to Caltrain commuters. The capital needs also include but are not limited to grade separations, station upgrades, and supporting regional projects that will increase Caltrain ridership. The Caltrain Business Plan, a 2040 vision for the corridor is currently underway will help identify future capital and operating needs.</p> <p>In 2016, a new round of HSR Blended System planning, outreach and environmental clearance work kicked-off in the corridor. While this project is not being led by the JPB, the agency owns the right-of-way and has a significant interest in the process and success of the project that will “blended” with Caltrain service.</p> | <ul style="list-style-type: none"> • Advocate for the Caltrain Electrification Project FTA Core Capacity funding to be included in the President’s budget request and in the THUD Appropriations bills. • Work with federal delegation members, as well as local, regional, and state coalitions to support the PCEP requests for funding. • Advocate for additional PTC funding for capital and operating expenses. • Support efforts to streamline regulatory administrative hurdles to supporting full PTC operations. • Support the allocation of federal funding to advance implementation of Caltrain projects. • Work to address regulatory actions or policies that negatively impact future capacity or service improvements. • Consistent with existing agreements between JPB and CHSRA, support efforts to plan, engage stakeholders, and implement the Blended System project on the Caltrain corridor. |

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| <p>101 Managed Lanes Project The project may include removing or replacing existing auxiliary lanes between interchanges; reconstructing ramp connections to US 101; and installing toll collection infrastructure between the 1-380 Interchange and county border with San Francisco.</p> | <ul style="list-style-type: none"> • Support funding opportunities that will help the project move through the different stages of planning, environmental, and construction phases. • Support policies that will allow for effective public private partnerships. |
| <p>Regulatory and Administrative Issues</p> | |
| <p>FAST Act Reauthorization and other Regulations The FAST Act expires in September 2020. Congressional authorization committees are expected to begin holding hearings early in 2019 and are looking for recommendations for the next reauthorization bill. The congressional authorization committee leadership are hoping to introduce a bill at the end of 2019. During Congress’ consideration of the reauthorization bill, there will be an opportunity to change, increase funding, and implement new policy for highway, transit, and rail programs.</p> <p>USDOT will also issue guidance, new rulemaking, and take action in response to Executive Orders on a variety of issues outside the scope of the FAST Act.</p> | <ul style="list-style-type: none"> • Monitor and review guidance and rulemaking proposals affecting FAST Act implementation and other transportation issues. • Collaborate with local, regional, state and national transportation advocacy groups to coordinate comments and advocacy efforts that support regulations that maximize benefits for transportation programs, services and users. • Collaborate with local, regional, state and national transportation advocacy groups to coordinate proposals and advocacy efforts for FAST Act reauthorization. |
| <p>Infrastructure Proposals Congress could consider an infrastructure package in 2019 that would include increased funding for highways, transit, aviation, and water programs. Funding for these programs has yet to be identified.</p> | <ul style="list-style-type: none"> • Monitor closely and take action as needed on new Administration or Congressional policies that may have a significant impact on transit / transportation projects and programs. • Advocate for funding for the agency’s projects and needs in the President’s and Congressional infrastructure proposals. |