

**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.