



Metropolitan Transportation Commission

Bay Area Metro Center
375 Beale Street
San Francisco, CA 94105

Meeting Agenda

Operations Committee

Committee Members:

Carol Dutra-Vernaci, Chair Damon Connolly, Vice Chair

*Eddie Ahn, David Canepa, Victoria Fleming,
Sam Liccardo, Libby Schaaf, and James P. Spering*

Non-Voting Members: Dorene M. Giacomini and Vacant

Friday, January 14, 2022

9:35 AM

REMOTE

In light of Governor Newsom's State of Emergency declaration regarding COVID-19 and in accordance with the recently signed Assembly Bill 361 allowing remote meetings, this meeting will be accessible via webcast, teleconference, and Zoom for all participants.

A Zoom panelist link for meeting participants will be sent separately to Committee members.

The meeting webcast will be available at <http://mtc.ca.gov/whats-happening/meetings>. Members of the public are encouraged to participate remotely via Zoom at the following link or phone number. Committee Members and members of the public participating by Zoom wishing to speak should use the "raise hand" feature or dial *9. When called upon, unmute yourself or dial *6. In order to get the full Zoom experience, please make sure your application is up to date.

Attendee Link: <https://bayareametro.zoom.us/j/85416226171>

iPhone One-Tap: US: +13462487799,,85416226171# or +16699006833,,85416226171#

Join by Telephone (for higher quality, dial a number based on your current location) US: +1 669 900 6833 or +1 408 638 0968 or +1 346 248 7799 or +1 253 215 8782 or +1 646 876 9923 or +1 301 715 8592 or +1 312 626 6799 or 888 788 0099 (Toll Free) or 877 853 5247 (Toll Free)

Webinar ID: 854 1622 6171

International numbers available: <https://bayareametro.zoom.us/j/kdAVIbHict>

Detailed instructions on participating via Zoom are available at:

<https://mtc.ca.gov/how-provide-public-comment-board-meeting-zoom>

Members of the public may participate by phone or Zoom or may submit comments by email at info@bayareametro.gov by 5:00 p.m. the day before the scheduled meeting date. Please include the committee or board meeting name and agenda item number in the subject line. Due to the current circumstances there may be limited opportunity to address comments during the meeting. All comments received will be submitted into the record.

1. Call to Order / Roll Call / Confirm Quorum

Quorum: A quorum of this body shall be a majority of its regular voting members (5).

2. Pledge of Allegiance / Acknowledgement of the Flag**3. Compensation Announcement – Clerk of the Committee****4. Consent Calendar**

- 4a.** [21-1664](#) Approval of Operations Committee Minutes of the December 10, 2021 Meeting
Action: MTC Operations Committee Approval

Attachments: [4a 12-10-2021 Operations Committee Meeting Minutes Draft.pdf](#)
- 4b.** [22-0026](#) Contract Amendment - Vehicle Occupancy Detection (VOD)Phase 2 Construction Management: WSP USA INC (Formerly DBA Parsons Brinkerhoff) ('WSP') (\$50,000)
Action: Committee Approval
Presenter: Robert Rich

Attachments: [4b WSP-Contract Amendment-VOD Phase 2 Construction Management.pdf](#)
- 4c.** [21-1666](#) Cooperative Agreement for Napa Valley Forward: State Route 29 (SR-29) Operational and Safety Improvements - Caltrans (\$450,000)
Action: Committee Approval
Presenter: Ingrid Supit

Attachments: [4c Coop Agreement Napa Valley Forward Caltrans.pdf](#)
- 4d.** [21-1665](#) Master Funding Agreement Supplemental No. 1 - Interstate 880 Integrated Corridor Management Central Segment: City of San Leandro (\$1,498,000)
Action: Committee Approval
Presenter: Mario Ung

Attachments: [4d Contract-Sup1-Master Agt-I-800 ICM Central Segment.pdf](#)

5. Approval

- 5a. [22-0008](#) Future Roles and Structure of the Bay Area Infrastructure Financing Authority (BAIFA)

Request for MTC to support in concept restructuring BAIFA, a joint powers authority composed of MTC and BATA, to: (1) allow BAIFA to serve as the tolling agency for State Route 37, subject to legislative authorization, and (2) provide enhanced regional transportation conduit financing.

Action: MTC Commission Approval

Presenter: Lisa Klein

Attachments: [5a Future BAIFA Roles and Structure.pdf](#)

6. Public Comment / Other Business

*Committee Members and members of the public participating by Zoom wishing to speak should use the "raise hand" feature or dial *9. When called upon, unmute yourself or dial *6.*

7. Adjournment / Next Meeting

The next meeting of the Operations Committee will be Friday, February 11, 2022 at 9:35 a.m. remotely and by webcast as appropriate. Any changes to the schedule will be duly noticed to the public.

Public Comment: The public is encouraged to comment on agenda items at Committee meetings by completing a request-to-speak card (available from staff) and passing it to the Committee secretary. Public comment may be limited by any of the procedures set forth in Section 3.09 of MTC's Procedures Manual (Resolution No. 1058, Revised) if, in the chair's judgment, it is necessary to maintain the orderly flow of business.

Meeting Conduct: If this meeting is willfully interrupted or disrupted by one or more persons rendering orderly conduct of the meeting unfeasible, the Chair may order the removal of individuals who are willfully disrupting the meeting. Such individuals may be arrested. If order cannot be restored by such removal, the members of the Committee may direct that the meeting room be cleared (except for representatives of the press or other news media not participating in the disturbance), and the session may continue.

Record of Meeting: Committee meetings are recorded. Copies of recordings are available at a nominal charge, or recordings may be listened to at MTC offices by appointment. Audiocasts are maintained on MTC's Web site (mtc.ca.gov) for public review for at least one year.

Accessibility and Title VI: MTC provides services/accommodations upon request to persons with disabilities and individuals who are limited-English proficient who wish to address Commission matters. For accommodations or translations assistance, please call 415.778.6757 or 415.778.6769 for TDD/TTY. We require three working days' notice to accommodate your request.

可及性和法令第六章: MTC 根據要求向希望來委員會討論有關事宜的殘疾人士及英語有限者提供服務/方便。需要便利設施或翻譯協助者, 請致電 415.778.6757 或 415.778.6769 TDD / TTY。我們要求您在三個工作日告知, 以滿足您的要求。

Acceso y el Titulo VI: La MTC puede proveer asistencia/facilitar la comunicación a las personas discapacitadas y los individuos con conocimiento limitado del inglés quienes quieran dirigirse a la Comisión. Para solicitar asistencia, por favor llame al número 415.778.6757 o al 415.778.6769 para TDD/TTY. Requerimos que solicite asistencia con tres días hábiles de anticipación para poderle proveer asistencia.

Attachments are sent to Committee members, key staff and others as appropriate. Copies will be available at the meeting.

All items on the agenda are subject to action and/or change by the Committee. Actions recommended by staff are subject to change by the Committee.

MTC's Chair and Vice-Chair are ex-officio voting members of all standing Committees.



Metropolitan Transportation Commission

Meeting Minutes - Draft

Operations Committee

Agenda Item 4a

Bay Area Metro Center
375 Beale Street
San Francisco, CA 94105

Committee Members:

Carol Dutra-Vernaci, Chair Damon Connolly, Vice Chair

*Eddie Ahn, David Canepa, Victoria Fleming,
Sam Liccardo, Libby Schaaf, and James P. Spering*

Non-Voting Members: Dorene M. Giacomini and Vacant

Friday, December 10, 2021

9:35 AM

REMOTE

1. Call to Order / Roll Call / Confirm Quorum

Present: 6 - Commissioner Liccardo, Commissioner Spering, Commissioner Ahn, Commissioner Canepa, Chair Dutra-Vernaci and Commissioner Fleming

Absent: 2 - Vice Chair Connolly and Commissioner Schaaf

Non-Voting Member Present: Commissioner Giacomini

Ex Officio Voting Member Present: Commission Chair Pedroza

Ad Hoc Non-Voting Members Present: Commissioner Rabbitt and Commissioner Worth

2. Pledge of Allegiance / Acknowledgement of the Flag

3. Compensation Announcement – Clerk of the Committee

4. Consent Calendar

Upon the motion by Commissioner Spering and second by Commissioner Fleming, the Consent Calendar was unanimously approved. The motion carried by the following vote:

Aye: 6 - Commissioner Liccardo, Commissioner Spering, Commissioner Ahn, Commissioner Canepa, Chair Dutra-Vernaci and Commissioner Fleming

Absent: 2 - Vice Chair Connolly and Commissioner Schaaf

- 4a. [21-1521](#) Approval of Operations Committee Minutes of the November 12, 2021 Meeting

Action: Committee Approval

Attachments: [4a 11-12-2021 Operations Committee Meeting Minutes Draft.pdf](#)

- 4b. [21-1516](#) Contract Amendment-Transportation Planning and Engineering Services: Transportation Demand Management for Napa Valley Forward: Steer Davies & Gleave Inc. (\$260,000)

Action: Committee Approval

Presenter: Nicola Szibbo

Attachments: [4b Contract Amendment Services Transpor Demand Management Steer Davies&Gleave.pdf](#)

- 4c. [21-1517](#) Next Generation Clipper® ("C2") System Integration Contract Change Order - Mobile Provider Fees: Cubic Transportation Systems, Inc. (Cubic) (\$15,000,000)

Action: Committee Approval

Presenter: Edward Meng

Attachments: [4c Clipper 2 System Integration Change Order Mobile Provider.pdf](#)

Rich Hedges spoke on this item.

- 4d. [21-1518](#) First Quarter MTC Service Authority for Freeways and Expressways (SAFE) Financial Statements September 2021 (Unaudited)

Action: Information

Presenter: Raymond Woo

Attachments: [4d 1st Quarter SAFE Financial Statements FY 22.pdf](#)

- 4e. [21-1520](#) Funding Agreement Amendment - Regional Transit Information Displays Operations & Maintenance: Alameda-Contra Costa Transit District (AC Transit) (\$889,000)

Action: Committee Approval

Presenter: Jay Stagi

Attachments: [4e Regional Transit Information Displays Operations&Maintenance.pdf](#)

- 4f. [21-1519](#) Purchase Order Amendment - Salesforce Integration Services for Regional Transit Connection (RTC) Program: Sapient Corporation (\$400,000)

Action: Committee Approval

Presenter: Shauna Callow

Attachments: [4f Purchase Order Amendment Salesforce Integration Services for Regional Transit Connection Discount Card.pdf](#)

4g. [21-1523](#) Amendment to Clipper® Memorandum of Understanding (Clipper MOU)

Action: Committee Approval

Presenter: Maureen Devlin

Attachments: [4g Amendment to Clipper Memorandum of Understanding.pdf](#)

5. Public Comment / Other Business

6. Adjournment / Next Meeting

The next meeting of the Operations Committee will be Friday, January 14, 2022 at 9:35 a.m. remotely and by webcast as appropriate. Any changes to the schedule will be duly noticed to the public.

**Metropolitan Transportation Commission
Operations Committee**

January 14, 2022

Agenda Item 4b

**Contract Amendment – Vehicle Occupancy Detection (VOD) Phase 2 Construction
Management: WSP USA INC (Formerly DBA Parsons Brinkerhoff) (‘WSP’) (\$50,000)**

Subject:

Request for approval of an amendment to the WSP contract for VOD Phase 2 construction management services.

Background:

MTC is in the process of deploying the VOD Phase 2 pilot at the San Francisco Oakland Bay Bridge (SFOBB) toll plaza. The goal of the project is to test camera-based technology that measures vehicle occupancy in a High-Occupancy Vehicle (HOV) toll lane, for the purposes of verifying if motorists qualify for the HOV bridge toll discount. This work requires the construction of new foundations, poles, fiber communications and electrical infrastructure at the SFOBB toll plaza site. A civil contractor was selected in April 2021 to construct these improvements. WSP was contracted to provide construction management, including a resident engineer, field oversight and administrative support, and to coordinate with the technology vendor. Civil construction is underway and unanticipated delays and effort in the work necessitate adding budget to the WSP contract. Neither WSP nor their subcontractor is a small business or disadvantaged business enterprise.

Consultant Selection:

WSP’s construction management contract was approved with executive director authority via a sole source. The sole source was documented and approved due to the firm’s qualifications and ongoing role in providing similar services for a concurrent Bay Area Toll Authority (BATA) civil construction project that was also at the SFOBB toll plaza site. The contract, as amended, currently has a not to exceed amount of \$195,000.

Construction Delays:

Civil construction is underway and substantially completed in many areas, but unanticipated delays have increased the amount of time assumed for the WSP work and created significant additional construction administration work. Discrepancies between the documented and actual design of SFOBB Toll Plaza electrical systems required a new design and for staff to put the

contractor under WSP supervision within a force account to complete the electrical work. A force account is payment method used when the contractor and client cannot agree on a lump sum price for extra work; it was used in this case to produce a more cost-effective design and implementation. Additionally, two newly installed pole foundations have failed structural integrity tests required by Caltrans. These two failed test results have been attributed to unlogged buried manmade objects and contractor method, respectively. Alternative options are limited by the subsurface conditions and constraints of the site. WSP has been working to formulate options for mitigation of the foundation conditions and obtain required approvals from the designer of record and Caltrans. The new budget estimate provides additional time for WSP to oversee the construction of the remaining elements of the project.

Issues:

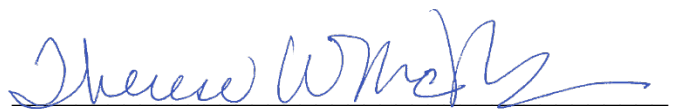
None identified.

Recommendations:

Authorize the Executive Director or designee to negotiate and enter into a contract amendment with WSP USA INC. (Formerly DBA Parsons Brinkerhoff) for Vehicle Occupancy Detection (VOD) Phase 2 construction management services in an amount not to exceed \$50,000.

Attachments:

- Attachment A: Disadvantaged Business Enterprise and Small Business Enterprise Status



Therese W. McMillan

Attachment A

Disadvantaged Business Enterprise and Small Business Enterprise Status

	Firm Name	Role on Project	DBE* Yes / No	If DBE Yes, List #	SBE** Yes / No	If SBE Yes, List #
Prime Contractor	WSP USA INC	Prime	No		No	
Subcontractor	Kleinfelder	Testing	No		No	

*Denotes certification by the California Unified Certification Program (CUCP).

**Denotes certification by the State of California.

Request for Committee Approval

Summary of Proposed Contract Amendment

Work Item No.:	6861
Consultant:	WSP USA INC. Dallas, TX
Work Project Title:	Vehicle Occupancy Detection (VOD) Phase 2 Construction Management Services
Purpose of Project:	To oversee construction of civil improvements for the VOD Phase 2 Pilot
Brief Scope of Work:	To provide construction management for the VOD Phase 2 pilot, including a resident engineer, field oversight and administrative support.
Project Cost Not to Exceed:	Original Contract: \$176,000 Initial Amendment: \$19,000 This Amendment: \$50,000 New Contract Amount: \$245,000
Funding Source:	BATA Rehab 8940
Fiscal Impact:	Funding is included in the Fiscal Year 2021-22 Budget
Motion by Committee:	That the Executive Director or designee is authorized to negotiate and enter into a contract amendment with WSP USA INC. for VOD Phase construction management services described above and in the Operations Committee Summary Sheet dated January 14, 2022 and that the Chief Financial Officer is authorized to set aside \$50,000 for such amendment.
Operations Committee:	<hr/> Carol Dutra-Vernaci, Chair
Approved:	January 14, 2022

**Metropolitan Transportation Commission
Operations Committee**

January 14, 2022

Agenda Item 4c

Cooperative Agreement for Napa Valley Forward: State Route 29 (SR-29) Operational and Safety Improvements - Caltrans (\$450,000)

Subject:

Request for Committee approval to enter into a cooperative agreement with California Department of Transportation (Caltrans), in amount not to exceed \$450,000 to provide project oversight during the Project Initiation Document (PID) and Project Approval & Environmental Document (PA/ED) phases of Napa Valley Forward: SR-29 Operational and Safety Improvements (the Project). MTC will reimburse Caltrans for eligible costs associated with the Project.

Background:

SR-29 traverses through the communities of Rutherford, Oakville, and Yountville in Napa County. It serves as a key route that provides north-south connectivity within Napa Valley. SR-29 experiences high traffic collision rates and heavy traffic congestion during the peak periods. To improve traffic flow and safety along the corridor, Napa Valley Transportation Authority (NVRTA) and MTC staff propose to deliver up to three intersection improvements along SR-29 at Rutherford Road, Oakville Cross Road, and Madison Street.

In June 2021, the Project was awarded a \$7 million grant from the County and Regional components of the Safe and Seamless Mobility Quick-Strike Program, which is a one-time, competitive grant program within the One Bay Area Grant program (OBAG 2) framework that provides federal funding to support local and regional projects.

MTC staff will procure consultant services for the Preliminary Engineering phase of this project, which will include engineering studies, preparation of a PID, environmental studies, Right-of-Way Engineering/Support, and preparation of Plan Specifications and Estimates (PS&E). Caltrans will provide project oversight, quality management assessment, and project approval during the PID and PA/ED phases of the Project.

Issues:

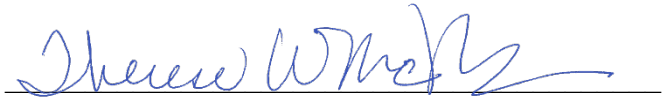
None identified.

Recommendations:

Staff recommends this Committee authorize the Executive Director or designee to negotiate and enter into a cooperative agreement with Caltrans to reimburse Caltrans in the amount not to exceed \$450,000 to provide support during the project initiation and project approval phases of the Project.

Attachments:

- None



Therese W. McMillan

Request for Committee Approval

Summary of Cooperative Agreement

Work Item No.: 2663

Vendor: California Department of Transportation

Work Project Title: Cooperative Agreement for Napa Valley Forward: State Route 29 (SR-29) Operational and Safety Improvements.

Purpose of Project: To improve multimodal traffic operations and safety at three intersections along California SR-29 in Napa County.

Brief Scope of Work: Caltrans will provide project oversight, Quality Management Assessment, and project approval during the Project Initiation Document (PID) and Project Approval & Environmental Document (PA/ED) phases of the Project.

Project Cost Not to Exceed: \$450,000

Funding Source: STP / Local

Fiscal Impact: Funding is included in the Fiscal Year 2021-2022 MTC Budget

Motion by Committee: That the Executive Director or designee is authorized to negotiate and enter into a cooperative agreement with Caltrans to provide project oversight, Quality Management Assessment, and project approval, as described above and in the Operations Committee Summary Sheet dated January 14, 2022, and that the Chief Financial Officer is authorized to set aside \$450,000 for such cooperative agreement.

Operations Committee:

Carol Dutra-Vernaci, Chair

Approved: January 14, 2022

**Metropolitan Transportation Commission
Operations Committee**

January 14, 2022

Agenda Item 4d

**Master Funding Agreement Supplemental No. 1 – Interstate 880 Integrated Corridor
Management Central Segment: City of San Leandro (\$1,498,000)**

Subject:

Request for approval of a master funding agreement supplement with the City of San Leandro for implementation of improvements to the Interstate 880 Integrated Corridor Management (ICM) Central Segment Construction and Construction Engineering (CON/CE) phase (\$1,498,000).

Background:

The Metropolitan Transportation Commission (MTC), in partnership with the City of San Leandro (City), has identified an integrated corridor management project (“project”) for implementation in San Leandro. The purpose of the project is to actively manage traffic that diverts from the freeway to arterial streets due to incidents on Interstate 880/State Route 238 by installing intelligent transportation system (ITS) adaptive traffic signal control equipment on selected arterial streets in San Leandro. Active transportation management will facilitate safe and efficient traffic flow safely, minimizing impacts to the local streets.

In planning for its future communication infrastructure needs, the City has identified the importance of traffic signal control upgrades for enhanced traffic management and has made significant progress in planning and prioritizing its infrastructure projects. As such, the City has adopted a Fiber Optic Master Plan which identifies Washington Avenue as a north-south corridor in need of fiber optic cable installation for implementation of an adaptive traffic control system. The project consists of design and implementation of an adaptive traffic signal control system upgrade at thirteen (13) signalized intersections along San Leandro Boulevard and Washington Avenue. The project involves upgrading the traffic devices with ITS and fiber optic cable installation. In addition, the project will connect the traffic signals to the transportation management centers at the City Hall and cooperation yard.

MTC has contracted with DKS Associates, as authorized by the Operations Committee in July 2021, to undertake the design phase of the project, which is expected to conclude in mid-2022. Upon completion of the design phase, the City of San Leandro will assume responsibility for construction and system integration (funded by MTC through this agreement), and ultimately ongoing operations and maintenance of the improvements (to be funded by the City). MTC and San Leandro will continue to collaborate on the project from the design phase through completion of construction.

Issues:

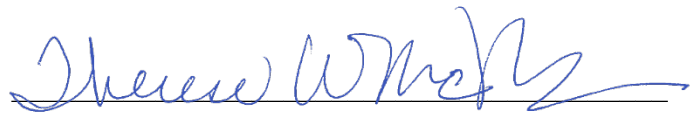
None identified.

Recommendations:

Staff recommends that the Operations Committee authorize the Executive Director or designee to negotiate and enter into a master funding agreement supplement with the City of San Leandro in an amount not to exceed \$1,498,000 for implementation of improvements to Interstate 880 Integrated Corridor Management Central Segment.

Attachments:

- None.



Therese W. McMillan

Request for Committee Approval

Summary of Proposed Contract Amendment

Work Item No.:	1235
Consultant:	City of San Leandro San Leandro, CA
Work Project Title:	Interstate 880 Integrated Corridor Management Central Segment
Purpose of Project:	To improve traffic coordination and network integration between Interstate 880 and arterial streets in San Leandro.
Brief Scope of Work:	Capital construction, construction management, operations and maintenance of adaptive traffic signals, fiber optic cable installation, and intelligent transportation system (ITS) equipment.
Project Cost Not to Exceed:	\$1,498,000
Funding Source:	Congestion Mitigation and Air Quality, FS1837
Fiscal Impact:	Funds are available in Fiscal Year 2021/2022 agency budget
Motion by Committee:	That the Executive Director or designee is authorized to negotiate and enter into a master funding agreement supplement with the City of San Leandro for Interstate 880 Integrated Corridor Management Central Segment described above and in the MTC Summary Sheet dated January 14, 2022 and that the Chief Financial Officer is authorized to set aside \$1,498,000 for such funding agreement supplement.
Operations Committee:	<hr/> Carol Dutra-Vernaci, Chair
Approved:	January 14, 2022

**Metropolitan Transportation Commission
Operations Committee**

January 14, 2022

Agenda Item 5a

Future Roles and Structure of the Bay Area Infrastructure Financing Authority (BAIFA)

Subject:

Request for MTC to support in concept restructuring BAIFA, a joint powers authority composed of MTC and BATA, to: (1) allow BAIFA to serve as the tolling agency for State Route 37, subject to legislative authorization, and (2) provide enhanced regional transportation conduit financing.

Background:

BAIFA was established in 2006 as a joint powers authority (JPA) between BATA and MTC for financing the State contribution to the toll bridge seismic retrofit program and other potential transportation projects. BAIFA was intended to be the infrastructure financing arm of MTC, which cannot issue debt. Between 2011 and 2013, administration of Regional Express Lanes was added to BAIFA's authority so BAIFA could implement and operate MTC's 270-mile Regional Express Lane Network. At that time, BATA and MTC redefined BAIFA membership, previously a subset of Commission and Committee officers, to reflect the commissioners representing the counties in the MTC Express Lanes Network (Alameda, Contra Costa and Solano), the MTC Chair, BATA Oversight Committee Chair, and California State Transportation Agency (CalSTA) representative. (See Attachment for additional detail on BAIFA's history and current responsibilities.)

Presently, there is an opportunity for BAIFA to fill two important additional roles: (1) as the regional tolling authority for State Route 37 (SR 37), subject to legislation that Senator Bill Dodd is expected to introduce early next year; and (2) as a regional transportation infrastructure conduit financing entity to help deliver the ambitious transportation investment program in Plan Bay Area 2050, starting with long-planned conduit financing of the BART car replacement project backed by Federal Transit Administration formula funds. Staff initiated conversations about these roles and potential changes to BAIFA's structure in Spring 2020. (See Attachment B for a summary.) At the time, a suggestion was made to bring the issue to BAIFA for consideration and recommendation to MTC. Soon thereafter, the COVID-19 pandemic paused

the associated legislative and financing activities, and the Commission turned its attention to other matters including the Blue Ribbon Transit Recovery Task Force, the BATA Recovery Ad Hoc Committee, and completion of Plan Bay Area 2050.

The Commission's work over the past two years on these topics underscores calls to action and inform staff's recommended approach to enabling BAIFA to assume the two additional roles.

1. Plan Bay Area 2050 includes an ambitious transportation investment program that will require tools including regional conduit financing. This activity can best be undertaken by a regional body with representation from all Bay Area counties.
2. The importance of a seamless approach to regional tolling is more evident than ever. It is a key foundation for transit priority and network management, and critical to serving the toll paying public. At the same time, SR-37 would be entering an especially complex tolling landscape, with new features including All Electronic Tolling, FasTrak® Equity Action Plan, and a growing, more connected regional express lanes network. There is tremendous value in creating a forum that has a big picture of the tolling landscape.
3. The stresses and strains of the past year have underscored the cost of administrative complexity. By appropriately streamlining the Commission's boards and committees, we can direct funds, staff time and commissioner time to achieving outcomes instead of toward administration.

Recommended Approach:

In November 2021, staff presented an approach to restructuring BAIFA to serve as a regional conduit financing entity and the SR 37 tolling authority while executing its current express lanes responsibilities. BAIFA directed staff to move the staff recommendation forward to MTC

The Bay Area Infrastructure Financing Authority would be restructured to be coterminous with the MTC board and responsible for all conduit borrowing for transportation infrastructure.

The new BAIFA board would establish a Tolling Committee of the Authority made up of the existing BAIFA Board and the North Bay counties on the MTC Board. The Tolling Committee would function much like the BATA Oversight Committee, providing in-

depth review and recommendations to the Authority on all matters related to express lanes and SR 37 as well as contract approvals.

A chief advantage of this approach is its strong support of the seamless principle. The larger board combined with the Tolling Committee create a structure with the knowledge and skills both to understand the region's complex tolling landscape and deliver and operate BAIFA's express lanes and SR 37. In the future the board could amend the committee to address other tolling opportunities, such as all lane tolling included in Plan Bay Area 2050.

Importantly, the revenues associated with each program would be segregated and fully protected. For this reason, the debt issued for one program should not affect the credit rating for the other programs, nor can revenue from one program be used as a backstop for another. Per California Streets and Highways Section 149.7, express lane toll revenue may be used for debt obligations, operations and maintenance and capital improvements of the toll facility (BAIFA facility approved by the California Transportation Commission) and reserves. Any remaining (net) revenue shall be used in the corridor in which it was generated. The SR 37 tolling legislation is expected to similarly restrict revenue from SR 37 to corridor improvements for mobility, safety and resiliency, including the ultimate project. Likewise, assuming BAIFA issues bonds backed by Federal Transit Administration revenue or other transportation revenue streams, those revenues will be dedicated to repayment of those bonds and not available for use on express lanes or SR 37.

BATA and MTC can alter BAIFA's governing board structure by approving an amendment to the Joint Powers Agreement that created BAIFA. The BAIFA board could subsequently establish the Tolling Committee. However, BAIFA's role as the tolling authority for SR 37 is dependent on state legislation; if that legislation fails to pass, BAIFA might choose to focus the Tolling Committee on express lanes only.

BAIFA endorsed the approach described above in November 2021 as preferable to two alternatives. The alternatives have higher administrative impacts, and more importantly, neither promotes seamlessness as effectively as the staff recommendation.

- Alternative A: Bay Area Infrastructure Financing Authority would be coterminous with the MTC board and would handle all conduit borrowing. The Authority would have two separate committees instead of a single tolling committee. One committee would provide in-depth review and recommendations for express lanes and would be composed of the current BAIFA membership. The second committee would provide review and recommendations for SR 37 and would be composed of commissioners representing the North Bay counties plus the MTC Chair, BATA Oversight Chair and CalSTA representative.
- Alternative B: MTC and BATA would create two new JPAs for a total of three separate JPAs. The JPA responsible for express lanes would have the same responsibilities and membership as BAIFA does today. The JPA responsible for regional transportation financing would be coterminous with the MTC board. The JPA responsible for SR 37 tolling would be composed of commissioners representing the North Bay counties plus the MTC Chair, BATA Oversight Chair and CalSTA representative. Staff does not recommend this alternative, which does little to advance seamlessness and has significantly higher administrative cost.

Next Steps:

If the Commission approves the staff recommendation in concept, the Executive Director would write a letter to Senator Dodd indicating the Commission's support for identifying BAIFA as the tolling authority in the State Route 37 tolling legislation to be introduced in early 2022.

In addition, staff would return to both MTC and BATA potentially as soon as February or March for approval to amend the BAIFA Joint Powers Agreement to establish the new board structure and recognize State Route 37 tolling responsibilities, the latter contingent upon enactment of Senator Dodd's bill. (The Joint Powers Agreement already provides conduit financing authority and should not require major revisions for that role.) The exact schedule for revisions to the Joint Powers Agreement will depend on two other major actions staff anticipates bringing to BAIFA in the first half of 2022. The timing of these actions remains somewhat fluid.

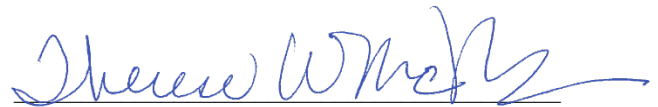
1. Staff will ask BAIFA to consider an amendment to BAIFA's Toll Facility Ordinance. Staff is currently reviewing the schedule for this amendment, originally planned to kick off in December 2021, to allow more time for Bay Area express lane operators to collectively discuss an approach to reduced penalties for express lane toll violations. Staff would like to avoid changing the board structure during four-month period from the start of the public comment on the proposed amendment to the date the amendment becomes effective.
2. Staff may ask BAIFA to authorize the previously approved BART car financing as early as Spring 2022 so that proceeds are available to BART in summer 2022 to accommodate to BART's current schedule for purchasing the replacement rail cars. It is advantageous for BAIFA's action on the financing to be taken by the restructured board.

Requested Action:

Staff requests this Committee refer this item to the Commission for support in concept the recommended approach to restructuring of BAIFA in order to: (1) allow BAIFA to serve as the tolling agency for State Route 37, subject to legislative authorization, and (2) provide enhanced regional transportation conduit financing.

Attachments:

- Attachment A: BAIFA History and Current Responsibilities
- Attachment B: Spring 2020 Discussion of Future BAIFA Roles
- Attachment C: Presentation



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Attachment A

BAIFA History and Current Responsibilities

The Bay Area Infrastructure Financing Authority, or BAIFA, was established in September 2006 as a joint powers authority (JPA) between BATA and MTC for the financing of the State contribution to the toll bridge seismic retrofit program and other potential transportation improvement projects. BAIFA was intended to be the infrastructure financing arm of MTC, which cannot issue debt.

Between 2011 and April 2013, administration of the Regional Express Lanes was added to BAIFA's authority. At that time, BATA and MTC revised the JPA agreement to define membership as: the chair of the Commission, chair of BATA Oversight, the commissioners representing each of the three counties in the express lane network approved by the California Transportation Commission (Alameda, Contra Costa and Solano), and the CalSTA representative (non-voting). BAIFA agreed to enter into a cooperative agreement with MTC through which MTC delegates authority to BAIFA to develop and operate its 270-mile Regional Express Lane Network (Network). With the April 2013 action, BAIFA took on responsibility for a range of policy decisions including: project sequencing; toll rates and discounts; the proposed means-based toll pilot project; violation penalties; and actions necessary to finance the Network. BAIFA also provides operational services for other express lanes through agreements with the Alameda CTC and the San Mateo County Express Lanes Joint Powers Authority.

BAIFA still has the powers to plan and finance infrastructure and related transportation projects but is primarily focused on express lane implementation and operations. The six members currently include: the chair of the Commission representing Napa (Pedroza), Chair of BATA Oversight (Worth), Dutra-Vernaci (representative chosen by the Chair, as per the JPA agreement when the Chair is a county commissioner), Glover (Contra Costa), and Spering (Solano) and CalSTA (El-Tawansy, non-voting).

Attachment B

Spring 2020 Discussion of Future BAIFA Roles

State Route 37 (March 2020 Legislation Committee)

Staff proposed BAIFA could potentially serve as the tolling entity called for in SB 1408 (Dodd), which would have authorized tolling on State Route 37 (SR 37) to help fund interim congestion relief and longer-term resilience to flooding and sea-level rise. In 2016, the SR 37 Policy Committee started exploring tolling in the corridor to generate funds for the interim congestion relief and ultimate resilience project. The Resilient SR 37 Program MOU signed in February 2019 by BATA, Caltrans and the four North Bay County Transportation Agencies incorporated the idea of authorizing tolling on the facility by adding it as the 8th toll bridge in the BATA enterprise. However, staff no longer recommends that SR 37 tolling authority be vested in BATA for several reasons, including financial covenants BATA has with bondholders.

A key factor is that BATA bridges operate as a single system. Carving out special rules applicable to a new facility would violate this underlying principle and would contradict bond indentures of the existing BATA bonds. To comply with these bond indentures, if SR 37 were added as an 8th toll bridge, revenue from the first three dollars (Regional Measures 1-3) of tolls on SR 37 would be pledged to those programs and could not be reserved for SR 37.

By the same token, if SR 37 were added to the BATA enterprise, even if the legislation narrowly circumscribed BATA's responsibility for operation and maintenance and for completing the ultimate project, investors and bond rating agencies could consider flooding and the cost of the ultimate project as risks to the BATA enterprise as a whole, potentially causing a bond rating downgrade that would drive up borrowing costs and reduce the availability of toll revenue for transportation improvements.

Regional Financing Considerations (April 2020 BAIFA)

Staff summarized the need for financing against future federal formula funding to meet the cashflow needs of the Region's Transit Capital Priorities. The most immediate need is the BART car replacement project, but other regional transit operators are likely to face a similar timing mismatch between major capital priorities and the Federal Transit Authority (FTA) formula funding stream.

In October 2016, the Commission directed staff to pursue FTA Financing for the BART railcar project (replacing existing 669-car fleet and expanding to 775 through FY26 at an estimated cost of \$2.6 billion). FTA granted a Letter of No Prejudice for BART railcar project and financing of \$1.3 billion on February 13, 2019. The FTA approval letter includes, "MTC states that it will annually program FT A formula funds from the San Francisco-Oakland, Concord, and Antioch urbanized areas (UZAs) for repayment of scheduled debt service for years 2021-2034. The LONP set forth a structure that included BAIFA as the entity to issue debt; the LONP request and approval did not provide any detail on the governance structure of BAIFA. The current estimated amount of the proceeds needed are \$933 million over next 3-4 years (FY21-FY24).

The BART/FTA financing is an example of the potential benefit BAIFA could provide in financing important regional transportation projects that might be otherwise delayed. As BAIFA may act as a financing entity for a number of projects in the region, over time, it is advantageous for the BAIFA board to be coterminous with the MTC board, as is the case with BATA. To the extent there may be future financings using BAIFA as the issuer, that benefit other parts of the region, it may well be that Commissioners representing those parts of the region may insist on having a seat on the BAIFA board.



FUTURE ROLES & STRUCTURE OF BAIFA

MTC OPERATIONS COMMITTEE

JANUARY 14, 2022

LANDSCAPE

CALLS TO ACTION

1. Ambitious 30-year transportation investment program will require innovative financing (Plan Bay Area 2050)
2. Regional tolling landscape is increasingly complex while seamlessness is more essential than ever (SR-37, BATA Equity Action Plan, Roadway Pricing Study, Blue Ribbon, Network Management)
3. Administrative simplicity enhances ability to achieve outcomes



OPPORTUNITIES

1. Create a regional body for conduit transportation financing that protects each program
2. Identify a tolling agency for SR-37 legislation to be introduced in early 2022 and create a forum equipped to identify synergies and conflicts in toll policies
3. Manage the number of boards and committees to reduce administrative demands on board members and staff

ORIGINAL BAIFA

- Created in 2006 to finance the State contribution to the toll bridge seismic program and other potential regional transportation projects – a financing arm for MTC

Original BAIFA Membership

1. MTC Chair
2. MTC Vice Chair
3. BATA Oversight Chair
4. BATA Oversight Vice Chair
5. Programming and Allocations Chair
6. Programming and Allocations Vice Chair



BAIFA TODAY

- Modified in 2013 to add responsibilities for delivery and operation of MTC express lanes
- Membership revised at that time to include one commissioner from each county in the MTC Network

Current BAIFA Membership

1. MTC Chair
2. BATA Oversight Chair
3. MTC Commissioner from Alameda County*
4. MTC Commissioner from Contra Costa County
5. MTC Commissioner from Solano County
6. Cal STA (non-voting)

* In 2019 Chair Haggerty appointed Commissioner Dutra-Vernaci to this slot, consistent with the Joint Powers Agreement



RECOMMENDATION: EXPAND BAIFA & CREATE TOLLING COMMITTEE

- BAIFA board coterminous with MTC to enable regional transportation financing
- Tolling Committee provides in-depth review/recommendations to the full board on all matters related to BAIFA express lanes and SR-37, similar to BATA Oversight Committee

	Full Board (21 members; 18 voting)	Tolling Committee (9 members; 8 voting)
Membership	Same as MTC	BATA Oversight Chair Operations Chair Express Lane County commissioners: ALA, CC, SOL* SR 37 County commissioners: MRN, SON, NAP Cal STA (non-voting) * Represents SOL for both express lanes and SR-37
Authority	Issue transportation financing Issue express lanes and SR-37 financing Approve policy, technical and recommendations for express lanes and SR-37 (forwarded by committee)	Provide policy and technical recommendations on <ul style="list-style-type: none">- Toll policy (rates, equity, HOV requirements, discounts)- Toll ordinance (violations)- Operating, capital and rehab budgets- Net revenue policy and expenditures- Grants and financing Approve contracts and agreements

HOW OPPORTUNITIES ARE ADDRESSED

OPPORTUNITIES

1. Create a regional body for conduit transportation financing that protects each program
2. Regional tolling landscape is increasingly complex while seamlessness is more essential than ever (SR-37, BATA Equity Action Plan, Roadway Pricing Study, Blue Ribbon, Network Management)
3. Manage the number of boards and committees to reduce administrative demands on board members and staff



PROPOSAL

1. Facilitates financing for projects throughout the region (BAIFA's original intent) because the board is coterminous with MTC. Programs are protected by statute and bond covenants
2. Builds on BAIFA's tolling knowledge and track record. Committee and board have good understanding of BATA, express lanes and SR-37 tolling context and can facilitate seamlessness, including consideration of broader roadway pricing called for in Plan Bay Area 2050
3. With one new committee, the additional meeting demands on board and staff is contained

SEAMLESS TOLLING

Requires a forum to understand synergies and conflicts in complex tolling policies

	BATA	SR-37 (pending legislation / future board action)	BAIFA Express Lanes
Violation Penalties	Reduction approved	Align with BATA	Pending future approval
Toll Rates	Based on statute and number of axles. Must cover debt service, O&M and Rehab and Regional Measures	Based on statute and number of axles. Must cover debt service and O&M.	Based on congestion
Discounts	HOV: 50% Clean air vehicles: 50%	Align with BATA (required in draft bill)	HOV: free or 50% Clean air vehicles: 50%
HOV Hours	Peak periods (match express lanes in future?)	Align with BATA (match express lanes in future?)	5 AM to 8 PM (same as tolling)
HOV Occupancy	HOV 2+/HOV 3+ Consultation with Caltrans	TBD Consultation with Caltrans	HOV 2+/HOV 3+ Consultation with Caltrans
Equity	Under development	Required in draft bill; build on BATA and express lanes	Pilot underway

Aligns with BATA

Consistent with Regional Express Lanes

PROGRAMS ARE PROTECTED

- Express lane statute restricts use of revenue to facility/corridor (SCH 149.7 excerpt attached)
- SR-37 legislation is expected to similarly restrict use of revenue
- FTA revenue used to back transit financing cannot be used for express lanes or SR-37
- Bottom Line: Revenue from one program cannot be used as a backstop for another program



FUTURE POTENTIAL TO ADD EXPRESS LANE CORRIDORS

- Proposal with comprehensive regional representation facilitates addition of corridors to BAIFA if willing parties reach agreement in the future
- BAIFA board could readily adjust Tolling Committee membership
- Promotes seamless customer experience and operational efficiency
- Counties in each corridor would approve use of net revenue



Regional Express Lane Network in Play Bay Area 2050

ALTERNATIVE A: EXPAND BAIFA AND CREATE TWO COMMITTEES (PRESENTED SPRING 2020)

- BAIFA board coterminous with MTC to enable regional transportation financing
- Separate committees for express lanes and SR-37; delegated authority may be limited

	Full Board (21 members; 18 voting)	Express Lanes Committee (6 members; 5 voting)	SR-37 Committee (7 members; 6 voting)
Membership	Same as MTC	MTC Chair <i>(or Ops Chair)</i> BATA O Chair County commissioners: ALA, CC, SOL Cal STA (non-voting)	MTC Chair <i>(or Ops Chair)</i> BATA O Chair County commissioners: SOL, NAP, SON, MRN Cal STA (non-voting)
Authority	Issue transportation financing Issue express lanes & SR-37 financing Adopt budgets Adopt toll ordinances (violations)	Provide policy & technical recommendations on <u>all</u> express lane matters and budgets <u>Potential delegated authority (subject to further review)</u> - Set toll policy (rates, equity, HOV requirements, discounts) - Approve net revenue policy and expenditures - Approve contracts and agreements	Provide policy & technical recommendations on <u>all</u> SR-37 matters and budgets Authority for toll policy, net revenue and contracts would be equivalent to Express Lanes committee

ALTERNATIVE B: CREATE NEW, INDEPENDENT JPAS

- Results in three separate JPAs
 - Financing JPA coterminous with MTC board
 - Two separate JPAs for express lanes and SR-37
- Additional risks:
 - Resource intensive, with no means to support
 - Need to determine whether BAIFA needs to be significantly restructured under this model

	Financing Authority (21 members; 18 voting)	Express Lanes Toll Authority (6 members; 5 voting)	SR-37 Toll Authority (7 members; 6 voting)
Membership	Same as MTC	MTC Chair BATA O Chair County commissioners: ALA, CC, SOL Cal STA (non-voting)	MTC Chair BATA O Chair County commissioners: SOL, NAP, SON, MRN Cal STA (non-voting)
Authority	Issue transportation financing (except MTC express lanes & SR-37 financing)	<ul style="list-style-type: none"> - Issue express lanes financing - Set toll policy (rates, equity, HOV rqts, discounts) - Adopt toll ordinance (violations) - Adopt operating, capital and rehab budgets - Approve net revenue policy and expenditures - Secure grants - Approve contracts and agreements 	Same as express lanes Plus, conservation and sea level rise / climate responsibilities in legislation

COMPARISON

	PBA 2050 - Regional Entity for Financing	Tolling Expansion - SR 37 & Exp Lanes	Seamless Travel - Toll Synergies & Conflicts	Admin Simplicity - Manage Number of Boards
RECOMMENDED BAIFA coterminous with MTC One Tolling Committee, (similar to BATA Oversight)	++ (best)	++ (best)	++ (best)	++ (best)
Alternative A: BAIFA coterminous with MTC Two Committees (Spring 2020 approach)	++ (best)	++ (best)	+ (fair)	- (poor)
Alternative B: Three Separate JPAs for Financing, SR 37 and Express Lanes	++ (best)	++ (best)	-- (worst)	-- (worst)

SCHEDULE

Date	Action
Early 2022	<p>Contingent on MTC approval, Executive Director notifies Senator Dodd MTC supports listing BAIFA as SR-37 tolling agency in legislation</p> <p>Dodd introduces SR-37 legislation</p> <p>BATA and MTC amend the BAIFA Joint Powers Agreement; BAIFA establishes committee structure (SR-37 elements activated once bill is enacted)</p>
Spring 2022	<p>BAIFA amends toll ordinance for Means Based Pilot and reduced violation penalties (timing to be confirmed)</p> <p>BAIFA approves BART car financing (timing to be confirmed)</p>
Summer 2022	<p>BART needs financing proceeds</p>
October 2022	<p>Deadline for governor's signature on new legislation</p> <p>If SR-37 legislation enacted, activate BAIFA SR-37 responsibilities</p>