

**Bay Area Infrastructure Financing Authority  
(BAIFA)**

**December 21, 2022**

**Agenda Item 4a - 22-1804**

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**Resilient State Route 37 Program**

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**Subject:**

Update on the Resilient State Route 37 (SR 37) Program and a request for approval to: 1) Submit a Toll Facility Application to the California Transportation Commission (CTC) to authorize tolling on SR 37 as part of the Sears Point to Mare Island Improvement Project, and 2) Amend the Resilient SR 37 Memorandum of Understanding (MOU) to integrate MTC/BAIFA and Sonoma-Marín Area Rail Transit District (SMART).

**Background:**

State Route 37 extends from US Highway 101 (US 101) in Novato, Marin County to Interstate 80 (I-80) in Vallejo, Solano County. It is an important regional connection linking the north, east, and west San Francisco Bay sub-regions. The corridor is faced with a number of challenges, including traffic congestion, seasonal flooding, environmentally-sensitive ecology, and sea level rise (SLR). MTC is working in partnership with Transportation Authorities in Solano, Sonoma, Napa and Marin and the California Department of Transportation (Caltrans) in the development of a Resilient SR 37 Program to address these challenges.

The Resilient SR 37 Program will deliver corridor improvements that provide both near-term and long-term benefits using a phased implementation approach. The Sears Point to Mare Island Improvement Project (Project), expected to be delivered by 2026, will improve traffic flow and peak travel times and increase vehicle occupancy on the corridor between State Route 121 and the Mare Island interchange. The SR 37 Corridor Sea Level Rise Adaptation Project (Ultimate Project) is being developed concurrently with the Project and will address long-term resiliency to SLR and flooding, provide ecological and hydraulic enhancements, and provide multimodal facilities to further improve traffic flow for the entire corridor between US 101 and I-80.

**California Transportation Commission (CTC) Toll Facility Application for SR 37 Sears Point to Mare Island Improvement Project:**

The Project proposes to provide one lane free to high occupancy vehicles and one tolled general purpose lane in each direction. The Project cost is currently estimated at \$430 million, subject to

change, which is anticipated to be funded by a number federal, state and local funds, as well as future toll funds from SR 37 through financing. BAIFA is proposed to serve as the SR 37 tolling authority that would operate tolling, administer toll revenue, and deliver corridor improvements. BAIFA, in partnership with Caltrans, will submit a Toll Facility Application (application) to the CTC to request authorization of tolling on the SR 37 corridor. The application is anticipated to be considered for approval at the March 2023 CTC meeting. Prior to the CTC meeting, a public hearing will be held for the CTC to receive public comments.

The application will follow CTC guidelines and demonstrate the engineering, operational, and financial feasibility of the toll facility, including how it will improve corridor performance and conform to Plan Bay Area 2050 and Streets and Highways Code Section 149.7. However, implementation and construction details are subject to further engineering and environmental considerations. As such, the application will not commit to specific toll policies, operational policies, phasing, or financing approaches. All these issues will be subject of subsequent BAIFA policy action after consultation with our partner agencies and opportunities for public comment.

**Resilient SR 37 Memorandum of Understanding Amendment:**

In February 2019, the BATA Oversight Committee approved authorization to enter into an MOU with Caltrans and the four North Bay Transportation Authorities in Solano, Sonoma, Napa, and Marin to deliver the Resilient SR 37 Program. An amended MOU was approved by the Operations Committee at its December 9, 2022 meeting, and staff is subsequently seeking approval from BAIFA. The amended MOU updates the organizational structure to include MTC and BAIFA and updates the proposed tolling authority from BATA to BAIFA. BATA is no longer envisioned to be the authority that will manage tolling along the SR 37 corridor. As such, it is no longer applicable to the Resilient SR 37 Program. The amended MOU will also add SMART, which owns the railroad corridor that is adjacent to portions of SR 37, to facilitate better coordination resulting in more multi-modal corridor planning.

**Recommendations:**

Staff recommends that the Authority: 1) Approve submittal of a Toll Facility Application to the California Transportation Commission (CTC) to authorize tolling on SR 37 as part of the Sears

Point to Mare Island Improvement Project, and 2) Authorize the Chair to negotiate and enter into the amended and restated Resilient SR 37 Memorandum of Understanding in substantially the form as Attachment A to integrate MTC/BAIFA and Sonoma-Marin Area Rail Transit District (SMART).

**Attachments:**

- Attachment A: Proposed Resilient State Route 37 Memorandum of Understanding Amendment
- Attachment B: PowerPoint Presentation



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Therese W. McMillan

AMENDED AND RESTATED MEMORANDUM OF UNDERSTANDING  
for  
THE RESILIENT STATE ROUTE 37 PROGRAM  
between  
METROPOLITAN TRANSPORTATION COMMISSION  
BAY AREA INFRASTRUCTURE FINANCING AUTHORITY  
CALIFORNIA DEPARTMENT OF TRANSPORTATION  
SOLANO TRANSPORTATION AUTHORITY  
SONOMA COUNTY TRANSPORTATION AUTHORITY  
TRANSPORTATION AUTHORITY OF MARIN  
NAPA VALLEY TRANSPORTATION AUTHORITY  
SONOMA-MARIN AREA RAIL TRANSIT DISTRICT

This Memorandum of Understanding (MOU) is entered into and effective as of the last date written below between the Metropolitan Transportation Commission (“MTC”), the Bay Area Infrastructure Financing Authority (“BAIFA”), the California Department of Transportation District 4 (“Caltrans”), the Solano Transportation Authority (“STA”), the Sonoma County Transportation Authority (“SCTA”), Transportation Authority of Marin (“TAM”) and Napa Valley Transportation Authority (“NVTA”) and Sonoma-Marín Area Transit District referred to herein collectively as the “Parties” or individually as a “Party”), to cooperatively determine their mutual responsibilities in delivering the Resilient State Route 37 Program (“Program”).

Recitals

1. The Resilient SR 37 Program aims to address resiliency of transportation infrastructure to sea level rise and flooding, traffic congestion, and opportunities for ecological enhancements, transit, multimodal use and public access along the SR 37 corridor from I-80 to US 101. The Program includes near- and longer-term improvements for a majority of the 20-mile corridor, including the long-term sea level rise vulnerability of a number of low-lying areas throughout the corridor.
2. The SR 37 Policy Committee, Executive Steering Committee (“ESC”) and the Project Leadership Team (“PLT”) currently have varying roles and responsibilities in the development and delivery of the Program. The SR 37 Policy Committee, composed of Executive Directors and Board Members representing MTC/BAIFA, Caltrans, STA, SCTA, TAM, and NVTA, provides policy oversight and dispute resolution to the respective staffs. The Executive Directors of MTC/BAIFA, Caltrans, STA, SCTA, TAM, and NVTA serve on the ESC to provide strategic direction to the Policy Committee and PLT. The Directors and their staffs of MTC/BAIFA, Caltrans, STA, SCTA, TAM, and NVTA participate in the PLT to vet technical, policy, and other related project issues and elevate them as appropriate to the ESC.

3. The MTC, Caltrans, STA, SCTA, TAM and NVTA completed a SR 37 Transportation and Sea Level Rise Corridor Improvement Plan that identified Segment B between and including Sears Point to the Mare Island Bridge (referred to herein as the “Segment B”) as the highest priority. On November 2, 2017, the SR 37 Policy Committee confirmed that Segment B is the priority segment. Subsequently, MTC, STA, SCTA, TAM and NVTA prepared a Project Initiation Document (PID) for Segment B improvements and submitted it to Caltrans for review and approval. Caltrans approved this PID on December 28, 2018.
4. On November 8, 2018 the SR 37 Policy Committee unanimously approved a funding plan and authorized the applicable sponsor(s) to submit Initial Project Reports to the Metropolitan Transportation Commission for funding consideration under Regional Measure 3, as follows: \$15 million to STA for Segment C-Fairgrounds Interchange, \$20 million to SCTA for Interim Segment B Environmental and Design Phases, \$4 million to SCTA for Environmental Phase for SR 37/121 improvements, \$3 million to TAM for Segment A levee study, and \$58 million to SCTA and TAM for Ultimate Segment A and Segment B improvements.
5. The Parties wish to organize the delivery of the SR 37 Program wherein:
  - a. MTC, Caltrans, SMART, SCTA and TAM are assigned to and have purview over Segment A (US 101 to SR121);
  - b. MTC, BAIFA, Caltrans, SCTA, SMART, STA and NVTA are assigned to and have purview over Segment B (Sears Point to Mare Island Bridge); and
  - c. MTC, Caltrans, SMART and STA are assigned to and have purview over Segment C (Mare Island Bridge to I-80).

The SR 37 Policy Committee, ESC and PLT continue to perform the same roles and responsibilities except for the technical work, discussions, actions and decisions of the individual Party would be targeted and applicable to the project segment for which that Party is assigned.

6. The Parties commit to continue to make progress on the delivery of the priority Segment B interim and ultimate projects, while also performing feasibility studies, environmental studies, PIDs, and related studies with the goal of coordinating the longer-term delivery of the SR 37 Program.
7. BAIFA intends to seek tolling authority between Sears Point and Mare Island.
8. The Parties acknowledge the likely need for funding above and beyond tolling and as such, intend to develop a financing and funding plan consisting of other traditional and untraditional funding sources to deliver the Program.

9. The Parties wish to work cooperatively to deliver the Program by exploring alternative project delivery methods (including, but not limited to, Design Build contracts), early environmental enhancements, and traditional and non-traditional funding and partnerships.
10. This MOU is amended and restated to update the organizational structure and the agency identified to be responsible for tolling from the Bay Area Toll Authority to BAIFA in the MOU. BAIFA is the authority that will, subject to authorization, be responsible for tolling, which is proposed along the SR 37 corridor.
11. This MOU is also amended and restated to add SMART to the MOU. SMART is the owner of the railroad corridor that is adjacent to portions of SR37, including running parallel in Segment A and in the proximity of Segments B and C. The addition of SMART to the Resilient State Route 37 Program is a commitment to the multi-modal nature of the Program beyond bus transit and carpooling.

I. Term

The term of this MOU shall commence when fully executed, and unless amended earlier, shall terminate at a date agreed upon by the Parties.

II. SR 37 Program Delivery Organization

A. Executive Steering Committee (ESC)

1. Role

The ESC shall guide the identification, development, funding plan and implementation of projects to improve State Route 37. The ESC will select a Chairperson. The Chairperson will rotate between the members every two years. The Chairperson shall preside over the meetings of the ESC and shall perform all other duties incident to the position or as assigned to her or him by the ESC.

2. Members

- a. Executive Director, MTC/BAIFA (or designee)
- b. District 4 Director, Caltrans (or designee)
- c. Executive Director, STA (or designee)
- d. Executive Director, SCTA (or designee)
- e. Executive Director, TAM (or designee)
- f. Executive Director, NVTA (or designee)
- g. General Manager, SMART (or designee)

3. Assignment

- a. Segment A: MTC, Caltrans, SMART, SCTA, TAM
- b. Segment B: MTC, BAIFA, Caltrans, SMART, SCTA, STA, NVTA
- c. Segment C: MTC, Caltrans, SMART, STA

4. Responsibilities

- a. Approve implementation and funding plan(s), which may include one or more projects.
- b. Define agency roles and responsibilities for individual projects, including project managers.
- c. Approve the scope, schedule, budget and funding plan for individual projects within funding levels approved by the MTC, BAIFA or other funding agencies, as applicable.
- d. Oversee overall project progress and reporting of project status, risk assessments, costs and schedule.
- e. Advise the MTC on contract matters.
- f. Review and approve project staffing plans.

5. Decision-making

The ESC will endeavor to make decisions on a consensus basis. To ensure public accountability, transparency and public disclosure, the decisions will be documented.

6. Meetings

Regular meetings of the ESC shall be held quarterly as otherwise determined by the ESC. Notice shall include an agenda of items on which the ESC will take action. Each member of the ESC has the right to place a matter on the ESC's agenda for consideration. Meetings to be rotated between MTC, Caltrans, STA, SCTA, NVTA, TAM offices or at a location determined by the ESC.

B. Corridor Director of the ESC

1. The Corridor Director serves as staff to the ESC, represents all ESC members and works directly with member agency Executive Directors and their staffs.
  - a. MTC will select, with the ESC, and employ the Corridor Director.
  - b. MTC reserves the right to make decisions regarding hiring, promotion, termination, compensation, and removal of the Corridor Director, in consultation with the ESC.
  - c. The Corridor Director may serve the SR37 Corridor Policy Committee in a similar capacity.

2. Responsibilities

The Corridor Director shall work with the Project Leadership Team, collaborate and provide direction to the project managers, as appropriate, to

- a. Develop an implementation plan(s) and funding plan(s), including delivery methods
- b. Develop the scope, schedule, budget and funding plan for individual projects.
- c. Report regularly to the ESC on project status, risks assessments, change, costs and schedule.
- d. Develop project staffing plans.
- e. Prepare agendas for ESC meetings.
- f. Deliver progress reports to and consult with the SR 37 Corridor Policy Committee.
- g. Deliver progress reports to ESC and Policy Committee.
- h. Provide oversight and direction to project managers.

The Corridor Director will also advise the SR37 Corridor Policy Committee on the SR 37 program.

C. Project Leadership Team

1. Role

The ESC hereby establishes a Project Leadership Team (PLT) that shall assist the ESC in the performance of its duties. The members of the PLT shall advise the Corridor Director on matters that are to be brought before the ESC.

2. Members

- a. Deputy Executive Director, Operations, MTC (or designee)
- b. Chief Deputy Director, Caltrans District 4 (or designee)
- c. Director of Projects, STA (or designee)
- d. Deputy Executive Director, SCTA (or designee)
- e. Principal Project Delivery Manager, TAM (or designee)
- f. Director of Programs, Projects and Planning, NVTA (or designee)
- g. Chief Engineer, SMART (or designee)

3. Assignment

- a. Segment A: MTC, Caltrans, SMART, SCTA, TAM
- b. Segment B: MTC, BAIFA, Caltrans, SMART, SCTA, STA, NVTA
- c. Segment C: MTC, Caltrans, SMART, STA



**4. Responsibilities**

The PLT shall assist the Corridor Director and ESC in the performance of their duties for their assigned segments by

- a. Developing an implementation plan(s) and funding plan(s)
- b. Developing the scope, schedule, budget and funding plan for individual projects.
- c. Reviewing cost estimates, risk assessments, and cash flow requirements.
- d. Reviewing project status, scope and budgets, expenditures, staffing and contractor services to anticipate, identify, evaluate, and report to the Corridor Director concerning any project issues.
- e. Developing project staffing plans and structures.
- f. Preparing other project related reports for ESC review.
- g. Performing such other assignments as appropriate.

**5. Meetings**

The PLT will meet on an as-needed basis as determined necessary by the members or by the Corridor Director.

**III. GENERAL**

**A. Integration Clause**

This MOU constitutes the complete and entire understanding among the Committee Members.

**B. Amendments**

This MOU may be amended in writing from time to time upon MOU of the Committee Members.

**C. Counter Parts**

This MOU may be executed in counterparts, each one of which will be an original or the equivalent thereof.

**D. Miscellaneous**

This MOU is intended solely as a guide to the obligations, intentions and policies of the Committee Members. It does not constitute an authorization for funding a project nor does it constitute a legally binding MOU amongst the Agencies.

IN WITNESS WHEREOF, the Parties hereto have agreed to this MOU on the date opposite their respective names.

\_\_\_\_\_/\_\_\_\_\_  
Alfredo Pedroza Date  
Chair  
Metropolitan Transportation Commission/Bay Area Infrastructure Financing Authority

\_\_\_\_\_/\_\_\_\_\_  
Dina El-Tawansy Date  
District 4 Director  
Caltrans

\_\_\_\_\_/\_\_\_\_\_  
Robert McConnell Date  
Chair  
Solano Transportation Authority

\_\_\_\_\_/\_\_\_\_\_  
Chris Rogers Date  
Chair  
Sonoma County Transportation Authority

\_\_\_\_\_/\_\_\_\_\_  
Stephanie Moulton-Peters Date  
Chair  
Transportation Authority of Marin

\_\_\_\_\_/\_\_\_\_\_  
Liz Alessio Date  
Chair  
Napa Valley Transportation Authority

\_\_\_\_\_/\_\_\_\_\_  
Date  
David Rabbitt  
Chair  
Sonoma-Marín Area Rail Transit District