

# Bay Area Infrastructure Financing Authority (BAIFA)

November 20, 2019

Agenda Item 3a

## Funding Agreement - San Mateo 101 Express Lane Civil Construction: San Mateo County Transportation Authority (SMCTA) (\$50,000,000)

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**Subject:** A request for approval of a funding agreement to allocate \$50 million, provided through the BAIFA Capital Budget, to San Mateo County Transportation Authority (SMCTA) which, will serve as a pass through agency in providing funds towards the San Mateo 101 civil construction.

**Background:** The San Mateo County US 101 Express Lanes Project (San Mateo 101) involves (1) converting an existing HOV lane to an Express Lane from the Santa Clara County line to Whipple Avenue in San Mateo County, and (2) constructing a new Express Lane from Whipple Avenue in San Mateo County to Interstate 380 in San Mateo County. In February 2019, BAIFA approved an arrangement whereby BAIFA will implement and operate the San Mateo 101 Express Lanes toll system for the owner, San Mateo County Express Lanes Joint Powers Authority (SMCEL-JPA), which was created on May 24, 2019 by the San Mateo City/County Council of Governments (C/CAG) and San Mateo County Transportation Authority (SMCTA).

The FY 2019-20 BAIFA Capital Budget includes \$95 million for San Mateo 101. These funds provided to BAIFA by the Bay Area Toll Authority (BATA) represent the regional commitment of bridge toll funding to the \$586.9 million project, which secured \$200 million in the first cycle of competitive Senate Bill 1 (SB 1) funding. The \$95 million includes \$45 million to pay for BAIFA's costs to implement the San Mateo 101 toll system and \$50 million to help fund contracts for civil construction such as adding a new lane in each direction north of Whipple Avenue, and constructing express lane signs and other improvements to the roadway necessary for the express lanes. This funding agreement would provide the referenced \$50 million in bridge toll funding to SMCTA, which will serve as a pass through agency in providing funds towards the San Mateo 101 civil construction to Caltrans, which is responsible for the civil construction.

BAIFA has begun its work to design the toll system as approved at the June 2019 BAIFA meeting with a budget of \$3 million. Staff expect to request authority from BAIFA to amend its agreement with SMCEL-JPA for this work early next year to add toll system implementation, estimated to cost \$45 million in total (inclusive of the \$3 million).

**Issues:** The current estimated cost of San Mateo 101 toll system and civil contracts along with several months of initial operation expenses, \$586.9 million in total, exceed the initial \$514.3 million project budget. The increase in project costs are due to: 1) increased scope to add State paving and roadway maintenance projects to San Mateo 101's civil contract to benefit from project efficiencies (\$33.1 million funded by State Highway Operation and Protection Program (SHOPP)); 2) higher than anticipated increases in labor and material costs for civil and toll system (\$33.5 million); 3) delay and redesign costs incurred by the US 101/Holly Interchange Reconstruction project due to scheduling priorities for San Mateo 101 (\$1.3

million); and 4) additional funds for several months of initial operations (\$4.7 million). Consistent with the SB1 application, project cost overruns are to be covered by SMCTA and C/CAG in partnership with MTC. In November 2019, SMCTA will consider making a loan of \$39.5 million to cover the project costs. When combined with a previous loan of \$53 million, the total loan amount equals \$92.5 million. These funds would be paid back with future San Mateo 101 Express Lanes toll revenue managed by the SMCEL-JPA.

**Recommendation:** Staff recommends that the Authority authorize the Executive Director or designee to negotiate and enter into a funding agreement with SMCTA to support civil construction of the San Mateo 101 project in an amount not to exceed \$50 million.

**Attachments:** Request for Committee Approval – Summary of Proposed Funding Agreement

  
Therese W. McMillan

## REQUEST FOR COMMITTEE APPROVAL

### Summary of Proposed Funding Agreement

Work Item No.:	6853
Agency:	San Mateo County Transportation Authority San Carlos, CA
Work Project Title:	San Mateo 101 Express Lane Funding Agreement for Civil Construction
Purpose of Project:	Implement an express lane on US 101 in San Mateo County
Brief Scope of Work:	Provide funding to SMCTA to support civil construction of the project.
Funding Obligation Not to Exceed:	\$50,000,000
Funding Source:	BAIFA Capital Budget
Fiscal Impact:	Funding is included in the FY 2019-20 BAIFA Capital Budget
Motion by Committee:	That the Executive Director or designee is authorized to negotiate and enter into a Funding Agreement with the San Mateo County Transportation Authority for civil construction services as described above and in the Bay Area Infrastructure Financing Authority Summary Sheet dated November 20, 2019, and the Chief Financial Officer is authorized to set aside \$50 million for such Funding Agreement.
Bay Area Infrastructure Financing Authority:	<hr/> Scott Haggerty, Chair
Approved:	November 20, 2019