



**DATE:** August 24, 2017

**TO:** Transportation Authority of Marin Board of Commissioners

**FROM:** Dianne Steinhauser, Executive Director  
Nicholas Nguyen, Principal Project Delivery Manager

**SUBJECT:** Receive a Presentation from Project Finance Advisory Ltd (PFAL) on Financial Opportunities to Fund State Route (SR) 37 Corridor Improvements (Discussion), Agenda Item No. 11

---

**RECOMMENDATION:**

Receive and provide comments to a presentation from Project Finance Advisory Ltd (PFAL) on financial opportunities to fund State Route (SR) 37 corridor improvements.

**BACKGROUND AND PAST ACTIONS:**

Highway 37 is a key transportation corridor linking the four North Bay counties. Due to its strategic transportation role and environmentally sensitive natural footprint, Highway 37 has been the subject of a long-range planning study conducted by UC Davis (UCD) and the California Department of Transportation (Caltrans). In addition, staff and elected officials from the four counties have been in discussion over the past three years about how local transportation authorities might play a role in advancing improvements in the corridor. The corridor is broken up into 3 segments. Segment A is from Hwy 101 to Hwy 121 with 3.4 miles in Marin and 3.9 miles in Sonoma. Segment B is from Hwy 121 to Mare Island with 2.3 miles in Sonoma and 7 miles in Solano. Segment C is 4.4 miles entirely in Solano.

In September 2015, the TAM Board approved entering into a memorandum of understanding between the Napa Valley Transportation Authority (NVTA), the Solano Transportation Authority (STA), and the Sonoma County Transportation Authority (SCTA). The intent of the MOU is to define how the four agencies will work together in cooperation to successfully promote and expedite the delivery of improvements in the SR 37 Corridor. The resultant Policy Advisory Committee is tasked with examining options to address the threat of sea level rise, traffic congestion, transit options and recreational activities. The MOU constitutes a guide to the intentions and strategies of the parties involved, and provides the overall framework, including outlining their respective roles, responsibilities and potential funding strategy for the SR 37 Corridor. The created SR 37 Policy Committee on which Chair Moulton-Peters, Commissioners Arnold and Connolly serve representing TAM has been meeting for nearly two years.

In January 2016, the TAM Board approved an agreement to fund TAM's share of a financial consultant to help assess likely costs, revenue sources and financial opportunities that will need to be addressed to complete a project in the corridor. Project Finance Advisory Ltd (PFAL) was selected. They have shared results with the Policy Advisory Committee, including numerous interest groups and members of the public. To bring all TAM's Board members up to speed on what is being considered by the 4-County PAC, the PFAL team will present their findings tonight. (See the attached presentation.)

## **DISCUSSION/ANALYSIS:**

### *On-going related Activities*

1. In January 2017, the TAM Board approved \$20,000 as TAM's contribution to matching funds for the SR 37 Transportation and Sea Level Rise Corridor Study, also referred to the Design Alternatives Analysis (DAA) to be conducted by MTC's consultant Kimley Horn. The nearly \$1 million scope of work, funded primarily through MTC, includes:
  - A. Corridor Plan from Hwy 101 to Hwy 80
    - i. Data Collection
    - ii. High level frame work
      1. Capacity Constraints
      2. Sea level rise, Storm Surge, Flooding
    - iii. Identify Priority Segments
  - B. Design Alternative Assessment of Priority Segment B for near and long term projects
    - i. Definition and detailed analysis:
      1. Traffic operation
      2. Design
      3. Cost Estimates
      4. Environmental Screening
  - C. Shoreline Protection
    - i. Identify key areas vulnerable to sea level rise and flooding
    - ii. Provide planning level projects and costs.

The draft Design Alternatives Assessment will be released at the September 7, 2017, SR 37 Policy Committee meeting. This plan will be presented to the full TAM Board at a future meeting.

2. In anticipation of the release of information from the DAA, Caltrans has hired MIG as a communications consultant to carry out several public outreach tasks; first of which will be outreach "open houses" that will take place starting in September. In Marin County, one such open house to present the draft Corridor Plan is tentatively scheduled on September 20th, from 6pm-8pm, in the Key Room at the Next Key Center (385 N. Hamilton Parkway, Novato, CA). The DAA will be released this winter followed by another public workshop, an online survey, focus groups and a telephone town hall.
3. At the SR 37 Policy Committee held on May 5, 2016, United Bridge Partners presented an unsolicited proposal addressing the section of highway between Highway 121 and Mare Island, but after two rounds of questions and answers with UBP they did not answer the questions with enough information to adequately evaluate their proposal. The unsolicited proposal has significant gaps in information, requires legislation, precludes a competitive process and includes significant risk to the corridor partners, while also not addressing any improvement opportunities within Marin's Segment A. The risks, challenges and unanswered questions of the UBP proposal make it necessary to remain open to other delivery methods.
4. On a separate track, MTC is working on Regional Measure 3 (AB 595, Beall). This legislation will grant MTC authority to place a bridge toll increase on the ballot in the Bay Area in 2018. There is an opportunity to include in the legislation an option for MTC/BATA to establish some yet-to-be-determined component of SR 37 as a future toll bridge corridor. The proposed language in the bill would not commit to the BATA delivery model or require immediate tolling but would keep the option open and streamline future delivery if the BATA model is selected.

5. At the SR 37 Policy Committee held on May 4, 2017, Supervisor James Spring of Solano County and Chair of the Solano Transportation Authority (STA), announced STA plans to proceed as the lead agency for Segments B and C. At the May 10, 2017, STA Board meeting they acted to support this approach and transmitted letters to the other North Bay Counties indicating their desire (see attached letters along with STA Board item).

There are many next steps to advance improvements in the corridor once the DAA is completed. Over time, the SR 37 Policy Committee, with input from MTC and Caltrans, will evaluate and implement both near and long term solutions for traffic operations, sea level rise, storm surge and flooding. The first priority is to fund an environmental document for a long-term, ultimate, solution. Due to the large financial commitments for these next steps, PFAL was engaged to analyze initial planning level costs and revenue opportunities.

**FISCAL CONSIDERATION:**

There are no new fiscal impacts to this action.

**NEXT STEPS:**

The Executive Director and staff will continue to work with the Policy Committee to complete the Design Alternative Assessment and finalize the deliverables from PFAL.

**ATTACHMENTS:**

1. PFAL Presentation
2. STA Board Item 12.B Staff Memo – May 10, 2017
3. STA letters to Policy Committee Members

THIS PAGE LEFT BLANK INTENTIONALLY



# SR 37: AFFORDABILITY ANALYSIS & FINANCING OPTIONS



# AGENDA

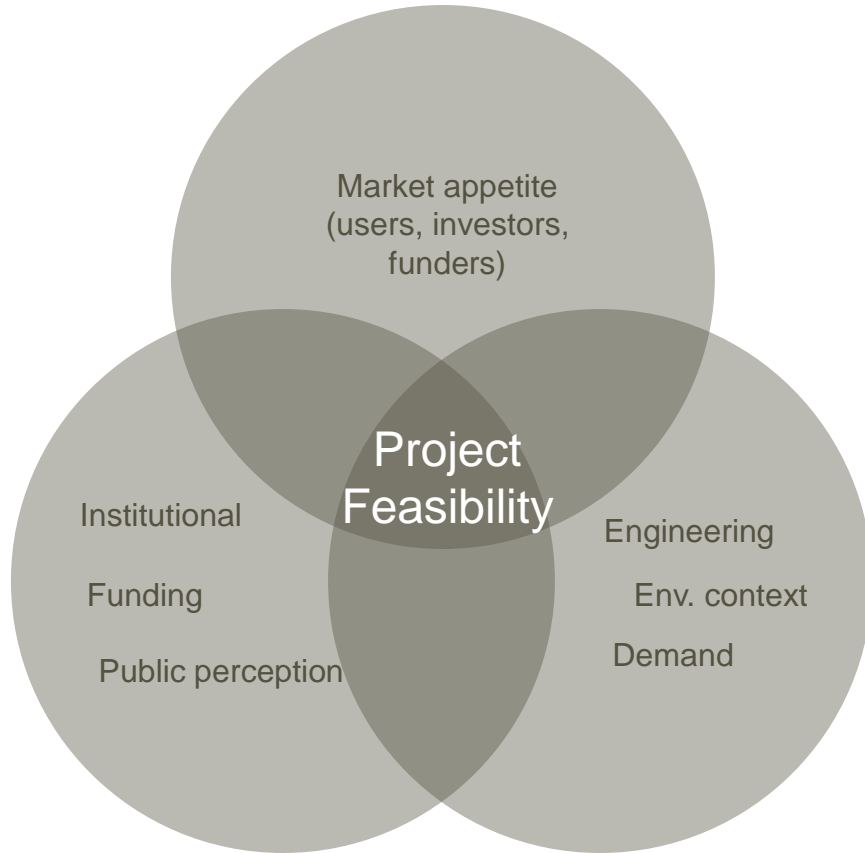
1. Introduction
2. Affordability analysis
3. Next steps
4. Q&A

# PFAL ROLE & SCOPE

- Financial and policy resource expertise for the SR 37 Policy Committee and Transportation Authorities of Marin, Napa, Solano and Sonoma Counties
- Scope included:
  - Deriving lessons learned from case studies (6) for similar facilities
  - Creating a decision making roadmap for project delivery alternatives
    - Traditional design-bid-build
    - Public Private Partnership (P3)
    - Bay Area Toll Authority Model (public-public)
    - Privatization
  - Sampling investor and developer market interest and feedback for a new project of this size and type
  - Developing high-level revenue forecasts for different tolling concepts
  - Defining financial affordability thresholds to define a project “feasibility envelope”



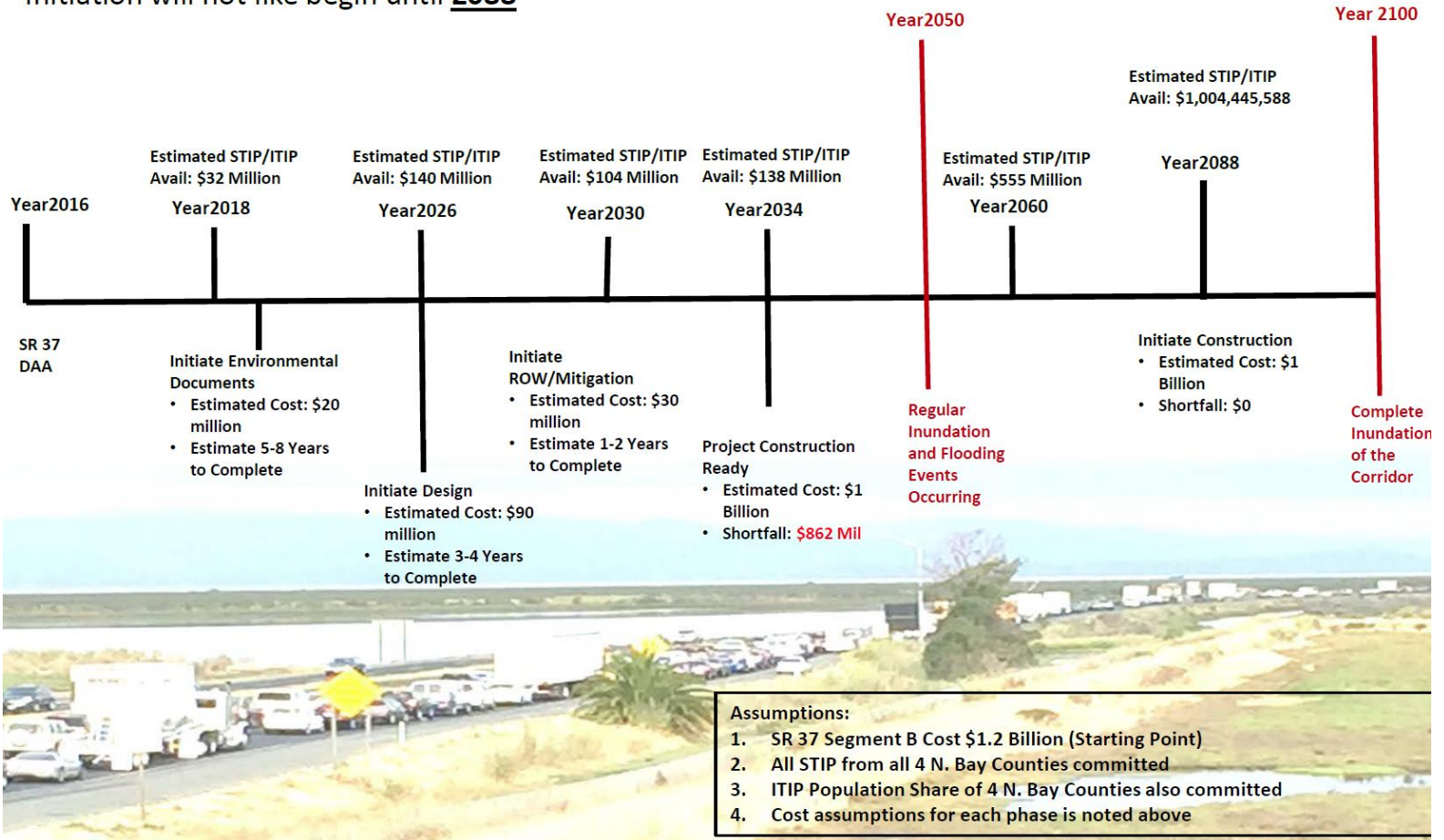
# FEASIBILITY ENVELOPE





# RATIONALE

Traditional Public Finance Option Timeline:  
 Under Ideal Traditional Funding Circumstances, Construction  
 Initiation will not like begin until **2088**



# GETTING TO THIS POINT

## May 2016

- Education & Background

## Jul.-Aug. 2016

- Six Case Studies

## January 2017

- Key Revenue & Affordability Concepts

## March 2017

- Revenue & Affordability Analysis

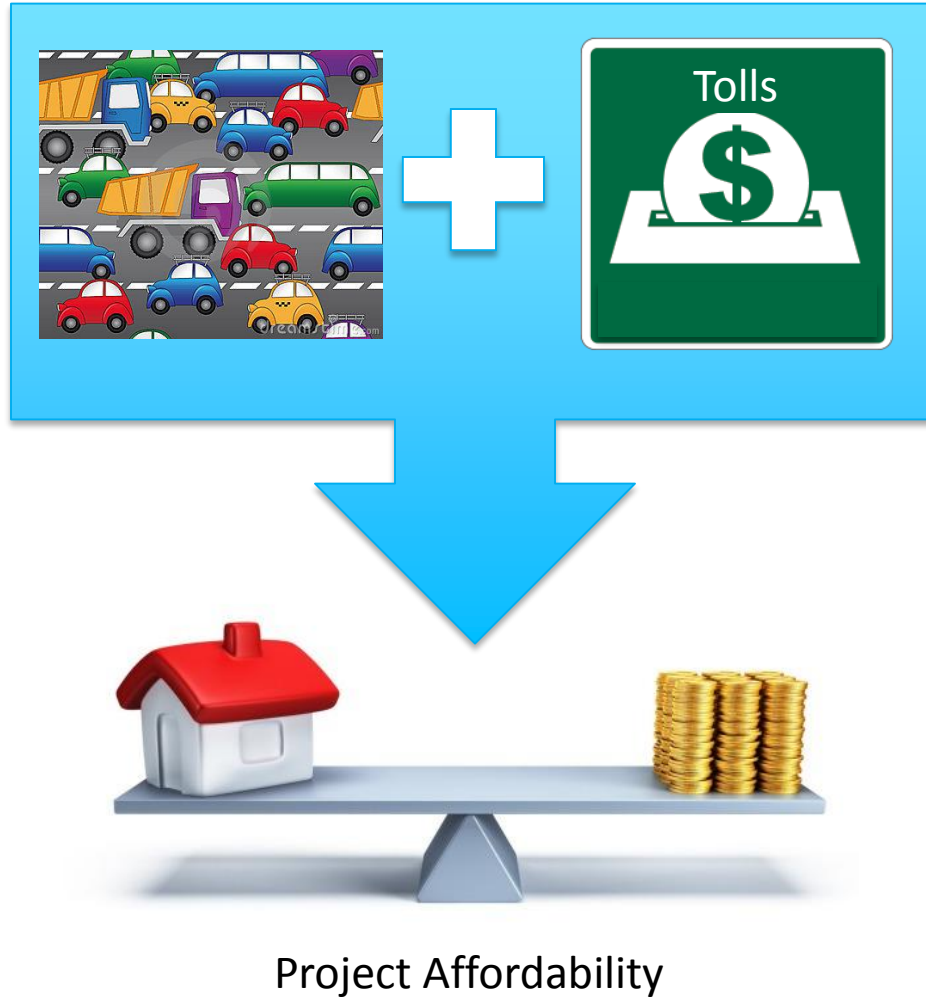
## April 2017

- Industry/ Market Outreach & Feedback

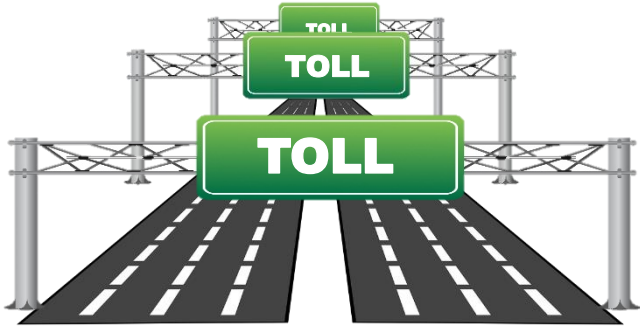
## May 2017

- Summary Findings & Next Steps

# PROCESS OVERVIEW



# TOLLING CONCEPTS



“Toll Road”

**Three toll locations**

Toll charge per mile travelled

Segment	Toll
A	\$1.70
B	\$2.25
C	\$1.05
Total	\$5.00



“Toll Bridge”

**One toll location**

Toll charge per “crossing”

Segment	Toll
A	-
B	\$5.00
C	-
Total	\$5.00

# ALTERNATIVE TOLL REVENUE GENERATION SCENARIOS TESTED

Scenario	Toll Rate	Toll Option	Total Revenue
Four lanes tolled	\$5 ⇄	Toll Road (3 locations)	\$12.5 b
		Toll Bridge (1 location)	\$9.3 b
Two lanes tolled one direction	\$7 →	Toll Road (3 locations)	\$9.4 b
		Toll Bridge (1 location)	\$7.5 b
One reversible lane tolled	\$5 ⇄	Toll Bridge (1 location) AM – westbound PM - eastbound	\$0.3 b

\* Total revenue generated over 50 years of tolling. Toll rate escalated over this period.

Order-of-magnitude comparison, for illustrative purposes only.

e/w = each way; o/w = one way

# TOLL REVENUE CONCLUSIONS

## Tolling

### Necessary to Accelerate Project Delivery

- Tolling is required to fund a replacement project.
- There are scenarios that generate enough toll revenue to fund a major replacement project.

## Revenue Potential

### Preliminary Analysis Supports Business Case

- Toll revenue generated is \$300 million to \$12.5 billion over 50 years depending on tolling strategy (i.e. toll road vs. toll bridge), toll rates and number of tolled lanes.

## Tolling Two Lanes

### Necessary to Support Project Costs

- Tolling at least two lanes in one direction is necessary to fund a viable project.
- Tolling only one reversible lane (i.e. leaving at least one lane free in each direction) is insufficient to fund the lowest cost \$1 billion solution.

## Additional Cash

### Surplus Expected in the Long Term

- Potential for “additional cash” beyond initial investment scope, which could be used for other project improvements in the corridor.

## Traffic Diversion

### Next Phase of Study

- Further analysis required to assess the impact of increased traffic diversion to “free” alternatives, if a toll is imposed on the SR 37 facility.



## FINANCING THE PROJECT - NEXT STEPS

Q1: What financing strategy(ies) should we pursue?

The strategy will determine what project size we can afford using a combination of tolling and financing options.

# TECHNICAL ALTERNATIVES



## 1. Levee/Embankment

Segment	Construction Cost in 2030	Construction Cost in 2022
A	\$0.5 b	\$0.4 b
B	\$0.7 b	\$0.5 b
C	\$0.1 b	\$0.1 b
<b>Total</b>	<b>\$1.3 b</b>	<b>\$1.0 b</b>



## 2. Slab Bridge Causeway

Segment	Construction Cost in 2030	Construction Cost in 2022
A	\$1.3 b	\$1.0 b
B	\$2.2 b	\$1.7 b
C	\$0.3 b	\$0.3 b
<b>Total</b>	<b>\$3.8 b</b>	<b>\$3.0 b</b>



## 3. Box Girder Causeway

Segment	Construction Cost in 2030	Construction Cost in 2022
A	\$1.4 b	\$1.1 b
B	\$2.5 b	\$2.0 b
C	\$0.4 b	\$0.3 b
<b>Total</b>	<b>\$4.3 b</b>	<b>\$3.4 b</b>

Source: UC Davis Study, 2016

# DELIVERY OPTIONS

1.  
Traditional

- **Revenue:** non-tolled facility
- **Facility Ownership:** public
- **Contract:** traditional inter-agency agreements
- **Funding:** only public funds (local/state/fed grants)
- **Delivery Method:** Design-Bid-Build (DBB)

2.  
Public-private  
partnership (P3)

- **Revenue:** tolls, sales tax
- **Facility Ownership:** public
- **Contract:** long term lease with private partner (e.g. 30 to 50 years)
- **Funding:** mix of public funds (local/state/fed grants) and private funds (equity & debt)
- **Delivery Method:** Design-Build-Finance-Operate-Maintain (DBFOM), DBFM and DBF

3.  
Public-Public

- **Revenue:** tolls, sales tax
- **Facility Ownership:** public
- **Contract:** Cooperative Agreement e.g. Bay Area Toll Authority (BATA)
- **Funding:** publicly financed (e.g. revenue bonds), grants
- **Delivery Method:** DBB, DB

4.  
Privatization

- **Revenue:** tolls
- **Facility Ownership:** private
- **Contract:** Acquisition & Development Agreement
- **Funding:** 100% privately financed (equity & debt)
- **Delivery Method:** full private responsibility for asset

Goals/Objectives:  
Roles &  
Responsibilities

Determine  
"Best Value"  
approach via  
Value-for-  
Money  
Assessment

Industry/Market  
Feedback

# AFFORDABILITY CONCLUSIONS

## Minimum Toll Rate

- Toll Road: \$6 one-way or \$3 each-way funds \$1 billion solution for Segment A, B & C.
- Toll Bridge: \$4 one-way or \$ 2 each-way funds \$500 million solution for Segment B.

## Upper End Toll Rate

Comparable to other Bay Area toll facilities

- Toll Road: \$7 each-way funds \$2.6 billion project.
- Toll Bridge: \$7 each-way funds \$1.9 billion project.

## Responsibilities & Transfer of Risk

Opportunities to create efficiencies in delivery

- Identify acceptance and transfer of risk.
- Desire for risk transfer needs to be balanced with a potential to have a higher or lower investment return.

Note: affordability assessment includes funding design, construction, O&M, full lifecycle and financing costs for years 1-50

# DELIVERY - NEXT STEPS

Q1: What risks and responsibilities can the public sector transfer to the private sector?

Q2: How will the public sector fund the risks and responsibilities it chooses to retain?

Trade-off analysis (considering cost, availability of funding, level of control and revenue sharing potential) will determine which delivery method is most appropriate.

# RISK TRANSFER

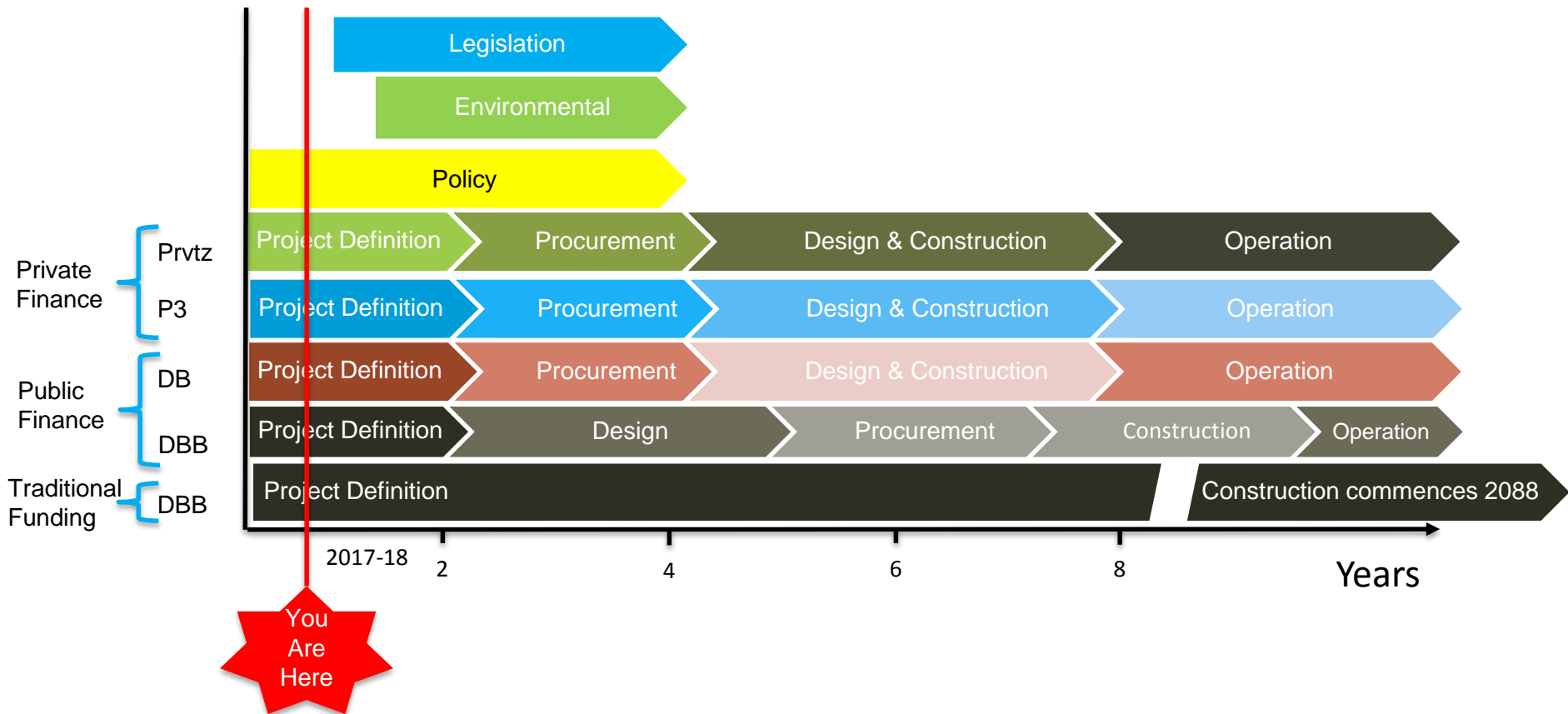
Typical risk transfer and funding responsibility under alternative delivery methods. Trade-offs include availability of public funding, level of control and revenue sharing.

Delivery Option	Project Definition	Environmental	Design	Construction	Operations & Maintenance	Toll Revenue
Traditional (DBB)	Public					N/A
P3 (DBFOM)	Public	Private				Public or Private
Public (DBB or DB)	Public	Private*			Public	Public
Privatization	Private					Private

\* Private sector does not fund or finance but is compensated on a “pay-go” basis



# PROJECT DEVELOPMENT INDICATIVE TIMELINES



Delivery models: Prvtz = Privatization, P3 = Public Private Partnership, DB = Design Build, DBB = Design Bid Build

Private finance means private debt/equity e.g. developer/infrastructure funds, bank debt, private placement, PABs;  
 Public finance means municipal/federal debt e.g. revenue bonds, TIFIA loan;  
 Traditional funding means the highway is not tolled e.g. federal/state/local funding such as STIP/ITIP;

# TOLL REVENUE CONCLUSIONS

## Tolling

### Necessary to Accelerate Project Delivery

- Tolling is required to fund a replacement project.
- There are scenarios that generate enough toll revenue to fund a major replacement project.

## Revenue Potential

### Preliminary Analysis Supports Business Case

- Toll revenue generated is \$300 million to \$12.5 billion over 50 years depending on tolling strategy (i.e. toll road vs. toll bridge), toll rates and number of tolled lanes.

## Tolling Two Lanes

### Necessary to Support Project Costs

- Tolling at least two lanes in one direction is necessary to fund a viable project.
- Tolling only one reversible lane (i.e. leaving at least one lane free in each direction) is insufficient to fund the lowest cost \$1 billion solution.

## Additional Cash

### Surplus Expected in the Long Term

- Potential for “additional cash” beyond initial investment scope, which could be used for other project improvements in the corridor.

## Traffic Diversion

### Next Phase of Study

- Further analysis required to assess the impact of increased traffic diversion to “free” alternatives, if a toll is imposed on the SR 37 facility.

# Q&A

---

THIS PAGE LEFT BLANK INTENTIONALLY



DATE: May 1, 2017  
 TO: STA Board  
 FROM: Daryl K. Halls, Executive Director  
 RE: Authorization to Serve as Lead Agency for Delivery of State Route 37 (SR 37) Corridor Segments B and C

---

**Background:**

Recognizing current and future congestion and sea level rise challenges facing the SR 37, Napa, Marin, Solano and Sonoma County Transportation Authorities have agreed to partner in planning near term and long term solutions for the corridor. In December 2015, a Memorandum of Understanding (MOU) was signed by all four North Bay County Transportation Authorities and the four county transportation authorities have been meeting for the past 16 months to begin identifying options for funding improvements to SR 37 and to determine initial phased improvements. In 2016, the SR 37 Corridor MOU, called the SR 37 Policy Committee, made progress in three specific areas.

First, the SR 37 Policy Committee now serves as the forum for discussion of the SR 37. This has been particularly beneficial during the recent winter storms during the month of January 2017 when portions of Segment A in Marin County and the off ramp at Mare Island in Segment in C were closed on several occasions due to a combination of heavy rains and King Tides. Attachment A denotes the three segments. Caltrans has regularly updated the Policy Committee on the status of flood protection efforts which resulted in an \$8 million repair project in Segment A in Marin County.

Second, the SR 37 Policy Committee formally requested the Metropolitan Transportation Commission (MTC) assist in providing funding for a Project Initiation Document (PID) equivalent, and was successful. Funding from MTC and the four transportation authorities has enable the initiation of a SR 37 Corridor Study that will identify necessary improvements to the entire SR 37 Corridor and an initial set of projects to be initiated by the appropriate project sponsors. Subsequently, Caltrans stepped up to fund the public outreach component for this Corridor Study. This Study is scheduled to conclude by the end of 2017 with initial recommendations expected in September 2017.

Finally, the four county transportation authorities funded a consultant study to assess the potential options for funding improvements to the corridor that looked preliminarily at the potential for public private partnerships, public financing, and facility tolling. This analysis concluded that if facility tolling is implemented that some combination of public, public/private or private financing would generate enough revenue to fund a viable first phase of project improvements for SR 37.

Concurrently, all four North County Transportation Authorities have submitted the SR 37 as a new priority project as part of the new Regional Transportation Plan, called Plan Bay Area.

**Discussion:**

SR 37 is 21 miles in length from Hwy 101 in Marin to I-80 in Solano. It has been divided into three Segments, Segment A which is located in Marin and Sonoma Counties, Segment B which is located in Solano and Sonoma Counties, and Segment C which is located in Solano County. Most of the immediate traffic problems occur in Segment B which is the two lanes Segment, while Segments A and C have four to six lanes (2/4 in each direction). All three Segments are projected to be impacted by future sea level rise and are vulnerable to near-term flooding.

The primary focus of the SR 37 Corridor Study is Segment B, from SR 37/SR 121 intersection in Sonoma County to the Mare Island Interchange in Solano County. The majority of Segment B is located in Solano County (approximately 70% of the corridor between Mare Island and SR 121 is within Solano County). In addition, early traffic analysis indicated that nearly 70% of the Average Annual Daily Traffic originates from Solano County. Segment C is located within Solano County and the majority of this Segment was elevated and widened to four lanes by Caltrans and STA back in 2005. A priority for this Segment is access improvements and flood protection at the Mare Island Interchange and access improvements at Fairgrounds Drive near Six Flags.

A critical next step once the Corridor Study is completed will be to begin advancing the project. This will require the designation of a lead agency that would be responsible for working with Caltrans, the Bay Area Toll Authority (BATA), and the SR 37 Policy Committee to advance the initial set of projects on SR 37 that will be identified in the SR 37 Corridor Study. Designation of a lead agency for the project will also enable more meaningful consideration on various options for financing the first set of SR 37 Corridor projects. This would include discussions with BATA, Caltrans, CalSTA, and potential private sector partners.

Based on recent discussions with Solano County's three representatives on the SR 37 Policy Committee, STA staff is recommending the STA Board authorize the STA to serve as the lead agency for Segments B and C of the SR 37 Corridor. The past ten years, STA staff has developed extensive experience in the various phases of project delivery. This has included completing nine environmental documents, 10 design documents, right of way activities for seven projects, and managed six construction projects. Equally important, the STA Board has exhibited the political leadership to provide policy direction and take action in support of these efforts.

STA project delivery staff has outlined the next steps necessary to transition from the Corridor Study to delivering the project. An important task will be to identify funding for the environmental phase of SR 37 project improvements.

**Fiscal Impact:**

None at this time.

**Recommendation:**

Authorize the STA to serve as the lead agency for Segments B and C of the SR 37 Corridor.

Attachment:

- A. SR 37 Fact Sheet



# State Route 37



ATTACHMENT A



### Corridor Description

SR 37 follows 21 miles along the northern shore of San Pablo Bay linking US 101 in Novato, Marin County with Interstate 80 (I-80) in Vallejo, Solano County. It serves as a vital connection between Marin, Sonoma, Solano and Contra Costa and the Central Valley. It is the northernmost non-mountainous east-west link between US 101 and I-5 (via I-80 and I-505) in the State.

### Congestion and Traffic Forecasting

Growing housing demand in the North Bay counties has produced a housing market that a high percentage of household cannot afford. Consequently, many have to live far away from their jobs. This jobs/housing imbalance is one cause of congestion Bay Area wide, and specifically for SR 37. Average Annual Daily Trips are projected to increase from 45,000 in 2013 to 58,000 by 2040.

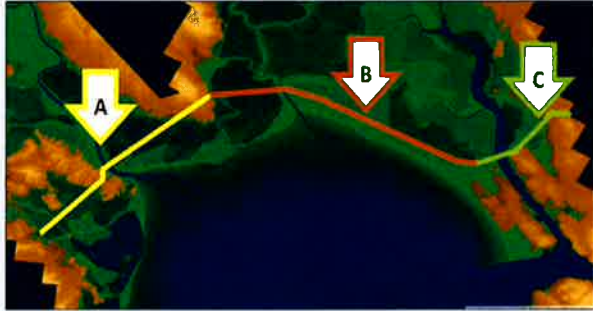
### Sea Level Rise

SR 37 is protected by a complex system of interconnected levee which makes the corridor vulnerable to Sea Level Rise inundation and flooding now and in future.

### SR 37 Policy Committee

In December 1, 2015, the Congestion Management Agencies (CMA) of Marin, Napa, Solano and Sonoma Counties have agreed to form the Policy Committee through a Memorandum of Understanding (MOU) to develop an expedited funding, financing and project implementation strategy for the reconstruction of SR 37 to withstand rising seas and storm surges while improving mobility and safety along the route.

The SR 37 Policy Committee membership include 3 elected officials from Marin, Napa, Solano and Sonoma Counties.



SEG	2013 VOLUMES		2040 FORECASTS	
	2013 AADT		2040 AADT	
	EB	WB	EB	WB
A	20,300	20,100	34,650	37,500
B	20,350	19,100	35,800	34,500
C	49,200	45,200	56,000	58,200

Source: Caltrans SR 37 TCR (2015)



January and February 2017 Corridor Closure

For more information please contact:

Robert Guerrero  
 STA Senior Project Manager  
 707.399.3211  
[rguerrero@sta.ca.gov](mailto:rguerrero@sta.ca.gov)



# State Route 37



## Corridor Characteristics

**SR-37  
Corridor Segments**

- Segment A** US 101 (NOVATO) IN MARIN COUNTY TO SR 121 (SEARS POINT) IN SONOMA COUNTY
- Segment B** SR 121 (SEARS PT.) IN SONOMA COUNTY TO MARE ISLAND (VALLEJO) IN SOLANO COUNTY
- Segment C** MARE ISLAND (VALLEJO) TO I-80 INTERCHANGE IN SOLANO COUNTY

SEGMENT	A	B	C	COMMENTS
LANE MILES	7.1	9.3	4.4	
GENERAL PURPOSE LANES	4-E	2-C	4-F	(E=EXPRESSWAY, C=CONVENTIONAL HIGHWAY, F=FREEWAY)
NATIONAL HIGHWAY SYSTEM	YES	YES	YES	
STAA TRUCK RTE	YES	YES	YES	
POSTED SPEED LIMIT	65 mph	55 mph	65 mph	
IMPACTED BY SEA LEVEL RISE	YES	YES	YES	

Source: Caltrans SR 37 TCR

## Toll Revenue Consideration

Even under optimal traditional transportation funding circumstances, **construction initiation will not likely begin until 2088**. Therefore, the SR 37 Policy Committee agreed to consider non traditional financing options such as a toll road or toll Bridge.

The recent **SR 37 Affordability Analysis** developed by Project Financial Advisory Limited (PFAL) estimated a potential toll revenue range of **\$4.6 Billion to \$16.9 Billion** based on several scenarios considered.



Toll Road Option



Toll Bridge Option



Solano Transportation Authority

... working for you!

## SOLANO TRANSPORTATION AUTHORITY

**Member Agencies:**

Benicia • Dixon • Fairfield • Rio Vista • Suisun City • Vacaville • Vallejo • Solano County

One Harbor Center, Ste. 130, Suisun City, CA 94585-2473 • Phone (707) 424-6075 / Fax (707) 424-6074  
Email: [info@sta.ca.gov](mailto:info@sta.ca.gov) • Website: [sta.ca.gov](http://sta.ca.gov)

June 7, 2017

Page 1 of 2

Supervisor David Rabbitt  
**Sonoma County Board of Supervisors, 2<sup>nd</sup> District**  
Chair, Sonoma County Transportation Authority  
Chair, SR 37 Policy Advisory Committee (PAC)

Supervisor Susan Gorin  
**Sonoma County Board of Supervisors, 1st District**  
Member, SR 37 Policy Advisory Committee (PAC)

Mayor Jake Mackenzie  
**City of Rohnert Park**  
Chair, Metropolitan Transportation Commission  
Member, SR 37 Policy Advisory Committee (PAC)

**RE: 1. STA Taking on Lead Agency for SR 37 Corridor Segments B and C**  
**2. Partnership with STA for Delivery of Improvements to Segments B and C of SR 37 Corridor**

Dear Supervisor Rabbitt, Supervisor Gorin, and Mayor Mackenzie:

I am writing to follow up with you, as the Sonoma County members of the SR 37 Policy Advisory Committee, to report that on May 10, 2017, the Solano Transportation Authority (STA) Board unanimously supported a recommendation from City of Vallejo Mayor Bob Sampayan, and myself, for STA to take responsibility for serving as lead agency for the delivery of Segments B and C of the SR 37 Corridor. STA would like to invite the Sonoma County Transportation Authority (SCTA) to partner with us in the project delivery and development of a funding strategy for segment B which is located in both Solano and Sonoma Counties and Segment C which is located within Solano County.

The past year, STA has worked in partnership through the SR 37 Corridor Memorandum of Understanding (MOU) with SCTA, the Transportation Authority of Marin (TAM) and the Napa Valley Transportation Authority (NVTA) to conduct an initial financial assessment of the SR 37 Corridor and to fund a SR 37 Corridor Study with assistance from the Metropolitan Transportation Commission (MTC). STA is ready to start the work necessary to advance the initial project into the various stages of project development (environmental, design, etc.), to pursue both initial funding to initiate the environment process for the first phase of corridor improvements to Segments B and C of SR 37, and to examine in more detail potential financing options in order to determine a preferred strategy for financing these initial set of SR 37 corridor improvements.

STA remains committed to the continuation of our proactive participation in the SR 37 Corridor MOU group at both the policy and staff level and we look forward to reviewing and discussing the results and recommendations from the SR 37 Corridor Study with initial recommendations scheduled to be ready by September of this year. At the same time, our STA Board is of the opinion that the longer we wait, the longer it will take to deliver the initial set of SR 37 projects.



STA Ltr. dated June 7, 2017 re. STA Taking on Lead Agency & Partnership with STA for Delivery Improvements for SR 37 Corridor Segments B/C

---

With the recent flooding episodes that closed segments of SR 37 on multiple occasions this year in Marin County and in the City of Vallejo and recent data that identifies drivers on SR 37 are now regularly experiencing trips with 80 minutes of delay in the eastbound direction (100 minutes versus 20 minutes during free flow) and 25 minutes of delay in the westbound direction (45 minutes versus 20 minutes of free flow), the time to begin advancing improvements is now.

Segment B, specifically, has a combination of capacity, design, sea level rise vulnerability, flooding, and environmental issues and constraints. Advancing improvements for SR 37 from concept to reality will be arduous and challenging. STA policymakers and staff would like to begin working with SCTA policymakers and staff so that we can transition from discussion to project implementation. We plan to begin coordinating and communicating with the Bay Area Toll Authority (BATA), Caltrans, private investments groups, and other potential financial and project delivery partners.

Similar to SCTA, STA has extensive experience in delivery of large capital projects. Since 2005, STA has delivered 9 environmental documents, completed 10 design documents, successfully completed 7 project related right of way activities totaling over 90 properties, and managed 6 construction projects. This has included partnering with Napa Valley Transportation Authority (NVTA) and Caltrans to design, fund and construct the award winning SR 12 Jameson Canyon Widening Project and our current partnership with the Bay Area Toll Authority (BATA) and Caltrans to environmentally clear and design 18 miles of the I-80 Express Lanes.

Having our two agencies work together to deliver improvements to Segments B and C will help ensure that local needs and issues are addressed as part of the environmental and design phases of the project which is particularly important for both Solano and Sonoma counties as improvements to the SR 37/SR 121 Intersection and SR 37 Mare Island Interchange are intended to be included as part of the initial phases of SR 37 Corridor improvements.

We look forward to discussing the delivery and financing of improvements to the SR 37 Corridor with you and your Sonoma County colleagues. Please give me call at (707) 784-6136, if you have any questions regarding this invitation to partner with the STA in support of SR 37.

Sincerely,



James P. Spering, Chair  
Solano Transportation Authority  
3<sup>rd</sup> District Supervisor, Solano County Board of Supervisors

Cc: Supervisor Erin Hannigan, 1st Supervisorial District and Vice-Chair, SR 37 PAC  
Mayor Bob Sampayan, City of Vallejo and Member of SR 37 PAC  
Suzanne Smith, Executive Director, SCTA



**SOLANO TRANSPORTATION AUTHORITY**

**Member Agencies:**

Benicia • Dixon • Fairfield • Rio Vista • Suisun City • Vacaville • Vallejo • Solano County

One Harbor Center, Ste. 130, Suisun City, CA 94585-2473 • Phone (707) 424-6075 / Fax (707) 424-6074  
Email: info@sta.ca.gov • Website: sta.ca.gov

June 8, 2017



Page 1 of 2

Supervisor Damon Connolly  
**Marin County Board of Supervisors, 1st District**  
Board Member, Metropolitan Transportation Commission  
Member, SR 37 Policy Advisory Committee (PAC)

**RECEIVED**

**JUN 12 2017**

Supervisor Judy Arnold  
**Marin County Board of Supervisors, 5th District**  
Member, SR 37 Policy Advisory Committee (PAC)

Transportation Authority of Marin

Vice Mayor Stephanie Moulton  
**City of Mill Valley**  
Member, SR 37 Policy Advisory Committee (PAC)

**RE: 1. STA Taking on Lead Agency for SR 37 Corridor Segments B and C  
2. Continued Partnership in SR 37 Memorandum of Understanding (MOU)**

Dear Supervisor Connolly, Supervisor Arnold, and Vice Mayor Moulton:

I am writing to follow up with you, as the Marin County members of the SR 37 Policy Advisory Committee, to report that on May 10, 2017, the Solano Transportation Authority (STA) Board unanimously supported a recommendation from City of Vallejo Mayor Bob Sampayan and myself for STA to take responsibility for serving as lead agency for the delivery of Segments B and C of the SR 37 Corridor. STA would also like to convey that we remain committed to continuing to partner with the Transportation of Marin (TAM) and the transportation authorities of Napa and Sonoma through the SR 37 Memorandum of Understanding (MOU) at both the policy and staff level.

The past year, STA has worked in partnership through the SR 37 Corridor Memorandum of Understanding (MOU) with TAM, the Napa Valley Transportation Authority (NVTA), and the Sonoma County Transportation Authority (SCTA) to conduct an initial financial assessment of the SR 37 Corridor and to fund a SR 37 Corridor Study with assistance from the Metropolitan Transportation Commission (MTC). We look forward to reviewing and discussing the results and recommendations from the SR 37 Corridor Study with initial recommendations scheduled to be ready for review by September of this year.

STA is ready to start the work necessary to advance the initial project into the various stages of project development (environmental, design, etc.), to pursue initial funding to initiate the environment process for the first phase of corridor improvements to Segments B and C of SR 37, and to examine in more detail potential financing options in order to determine a preferred strategy for financing these initial set of SR 37 corridor improvements. We are supportive of TAM's efforts to also advance efforts for segment A of the SR 37 corridor.

STA Ltr. To TAM dated June 8, 2017 re. STA Taking on Lead Agency & Partnership with  
STA for Delivery Improvements for SR 37 Corridor Segments B/C

---

At the same time, our STA Board is of the opinion that the longer we wait, the longer it will take to deliver the initial set of SR 37 projects. With the recent flooding episodes that closed segments of SR 37 on multiple occasions this year in Marin County and in the City of Vallejo and recent data that identifies drivers on SR 37 are now regularly experiencing trips with 80 minutes of delay in the eastbound direction (100 minutes versus 20 minutes during free flow) and 25 minutes of delay in the westbound direction (45 minutes versus 20 minutes of free flow), the time to begin advancing improvements is now.

Segment B, specifically, has a combination of capacity, design, sea level rise vulnerability, flooding, and environmental issues and constraints. Advancing improvements for SR 37 from concept to reality will be arduous and challenging. STA policymakers and staff would like to transition from discussion to project implementation. We plan to begin coordinating in more detail with SCTA in order to determine the specifics of improvements to segments B that are located in Solano and Sonoma counties, will continue to coordinate with the NVTa which is adjacent to segment C and to begin communicating with the Bay Area Toll Authority (BATA), Caltrans, private investments groups, and other potential financial and project delivery partners.

We look forward to discussing the delivery and financing of improvements to the SR 37 Corridor with you and your Marin County colleagues. Please give me call at (707) 784-6136, if you have any questions.

Sincerely,



James P. Spering, Chair  
Solano Transportation Authority  
3<sup>rd</sup> District Supervisor, Solano County Board of Supervisors

Cc: Supervisor Erin Hannigan, 1st Supervisorial District and Vice-Chair, SR 37 PAC  
Mayor Bob Sampayan, City of Vallejo and Member of SR 37 PAC  
Dianne Steinhauser, Executive Director, TAM





**SOLANO TRANSPORTATION AUTHORITY**

**Member Agencies:**

Benicia • Dixon • Fairfield • Rio Vista • Suisun City • Vacaville • Vallejo • Solano County

One Harbor Center, Ste. 130, Suisun City, CA 94585-2473 • Phone (707) 424-6075 / Fax (707) 424-6074  
Email: info@sta.ca.gov • Website: sta.ca.gov

June 8, 2017

Page 1 of 3

Supervisor Alfredo Pedroza  
**Napa County Board of Supervisors, 4th District**  
Board Member, Metropolitan Transportation Commission  
Member, SR 37 Policy Advisory Committee (PAC)

Supervisor Belia Ramos  
**Napa County Board of Supervisors, 5th District**  
Member, SR 37 Policy Advisory Committee (PAC)

Mayor Leon Garcia  
**City of American Canyon**  
Member, SR 37 Policy Advisory Committee (PAC)

- RE:    1. STA Taking on Lead Agency for SR 37 Corridor Segments B and C**  
       **2. Partnership with STA for Delivery of Improvements to Segments B and C of SR 37 Corridor**

Dear Supervisor Pedroza, Supervisor Ramos, and Mayor Garcia:

I am writing to follow up with you, as the Napa County members of the SR 37 Policy Advisory Committee, to report that on May 10, 2017, the Solano Transportation Authority (STA) Board unanimously supported a recommendation from City of Vallejo Mayor Bob Sampayan and myself for STA to take responsibility for serving as lead agency for the delivery of Segments B and C of the SR 37 Corridor. STA would like to invite the Napa Valley Transportation Authority (NVTA) to continue to partner with us in the delivery of initial SR 37 project improvements and in the development of a funding strategy for segment B which is located in both Solano and Sonoma Counties and Segment C which is located within Solano County in recognition of the close proximity of Napa County to SR 37.

The past year, STA has worked in partnership through the SR 37 Corridor Memorandum of Understanding (MOU) with NVTA, the Sonoma County Transportation Authority (SCTA), and the Transportation Authority of Marin (TAM) to conduct an initial financial assessment of the SR 37 Corridor and to fund a SR 37 Corridor Study with assistance from the Metropolitan Transportation Commission (MTC). STA is ready to start the work necessary to advance the initial project into the various stages of project development (environmental, design, etc.), to pursue initial funding to initiate the environment process for the first phase of corridor improvements to Segments B and C of SR 37, and to examine in more detail potential financing options in order to determine a preferred strategy for financing these initial set of SR 37 corridor improvements.

STA remains committed to the continuation of our proactive participation in the SR 37 Corridor MOU group at both the policy and staff level and we look forward to reviewing and discussing the results and recommendations from the SR 37 Corridor Study with initial recommendations

STA Ltr. To NVTA dated June 8, 2017 re. STA Taking on Lead Agency & Partnership with STA for Delivery Improvements for SR 37 Corridor Segments B/C

---

scheduled to be ready by September of this year. At the same time, our STA Board is of the opinion that the longer we wait, the longer it will take to deliver the initial set of SR 37 projects. With the recent flooding episodes that closed segments of SR 37 on multiple occasions this year in Marin County and in the City of Vallejo and recent data that identifies drivers on SR 37 are now regularly experiencing trips with 80 minutes of delay in the eastbound direction (100 minutes versus 20 minutes during free flow) and 25 minutes of delay in the westbound direction (45 minutes versus 20 minutes of free flow), the time to begin advancing improvements is now.

Segment B, specifically, has a combination of capacity, design, sea level rise vulnerability, flooding, and environmental issues and constraints. Advancing improvements for SR 37 from concept to reality will be arduous and challenging. STA policymakers and staff would like to transition from discussion to project implementation. We plan to begin coordinating in more detail with the Sonoma County Transportation Authority (SCTA) in order to determine the specifics of improvements to segments B that are located in Solano and Sonoma counties and to begin communicating with the Bay Area Toll Authority (BATA), Caltrans, private investments groups, and other potential financial and project delivery partners.

In recent years, STA has obtained extensive experience in delivery of large capital projects. Since 2005, STA has delivered 9 environmental documents, completed 10 design documents, successfully completed 7 project related right of way activities totaling over 90 properties, and managed 6 construction projects. This has included our award winning partnership with Napa Valley Transportation Authority (NVTA) and Caltrans to design, fund and construct the picturesque SR 12 Jameson Canyon Widening Project and our current partnership with the Bay Area Toll Authority (BATA) and Caltrans to environmentally clear and design 18 miles of the I-80 Express Lanes.

We have scheduled meeting with you and your staff in the forthcoming months to discuss issues pertaining to SR 37 segments B and C. Having our two agencies continue to work together to deliver improvements to Segments B and C will help ensure that local needs and issues are addressed as part of the environmental and design phases of the project. We would also be interested in coordinating with NVTA's Vine Transit and Solano County Transit (SolTrans), of which STA is a member, to plan for future transit service along this congested corridor. In recent years, STA and NVTA have successfully partnered to fund the Vine 21 transit service that provides transit service, with growing ridership, between the City of Napa and the cities of Fairfield and Suisun City and the Solano Napa Commuter Information (SNCI) program that provides rideshare services for employers and employees from both Napa and Solano Counties.

We look forward to discussing the delivery and financing of improvements to the SR 37 Corridor with you and your Napa County colleagues. Please give me call at (707) 784-6136, if you have any questions regarding this invitation to partner with the STA in support of SR 37.

Sincerely,



James P. Sperring, Chair  
Solano Transportation Authority

3<sup>rd</sup> District Supervisor, Solano County Board of Supervisors

STA Ltr. To NVTA dated June 8, 2017 re. STA Taking on Lead Agency & Partnership with STA  
for Delivery Improvements for SR 37 Corridor Segments B/C

---

Cc: Supervisor Erin Hannigan, 1st Supervisorial District and Vice-Chair, SR 37 PAC  
Mayor Bob Sampayan, City of Vallejo and Member of SR 37 PAC  
Kate Miller, Executive Director, NVTA