

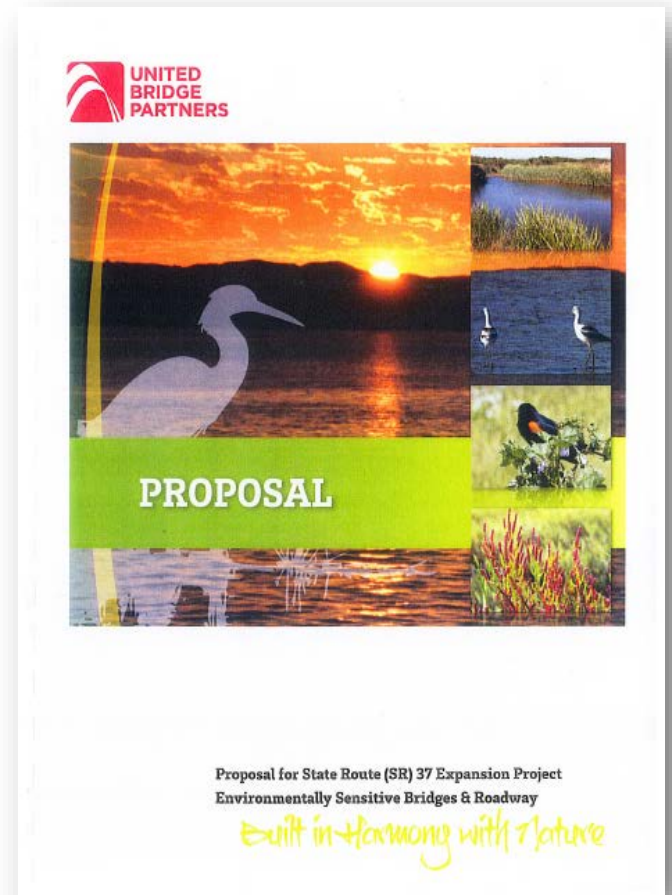
United Bridge Partners Unsolicited Proposal Response Letter

SR 37 Policy Committee Meeting
July 7, 2016



United Bridge Partners Unsolicited Proposal

- United Bridge Partners is a joint venture founded in 2010 between American Infrastructure (private investment firm) and FIGG (bridge contractor)
- The SR 37 Unsolicited Proposal was provided to the SR 37 Policy Committee at their May 5, 2016 meeting
- Unsolicited Proposal includes six sections:
 1. Proposal Summary
 2. Proposed Schedule
 3. Legal Steps for Implementation
 4. Endorsement Letters
 5. Information About United Bridge Partners
 6. Examples of UBP financed projects



United Bridge Partners Unsolicited Proposal

- Unsolicited proposal focuses on SR 37 facility financing and improvements in **two phases** from the SR 121 interchange to the Mare Island interchange
- **Phase 1:** Construct two new additional elevated lanes in the eastbound direction and converting the existing facility to two lanes in the westbound direction.
- **Phase 2:** Elevates both westbound lanes by 2040 or earlier depending on the impact created by sea level rise.
- Requires corridor relinquishment



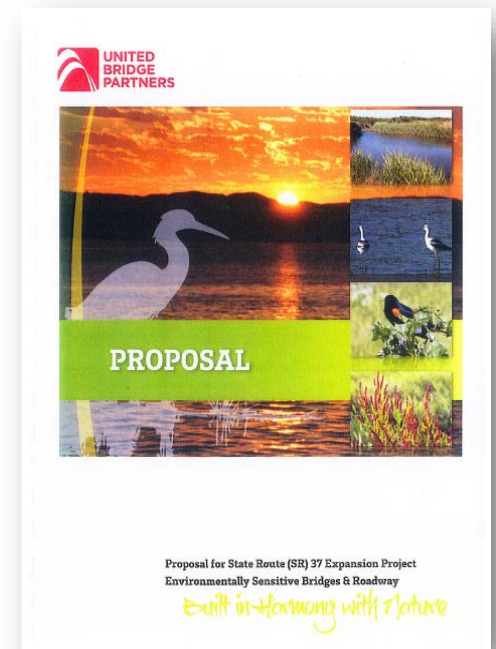
Staff Review of the Proposal

- SR 37 Project Leadership Team
- SR 37 Executive Committee
- Sonoma County Transportation Authority and Solano Transportation Legal Counsels
- Project Finance Advisory LTD (PFAL)



Focused Questions for United Bridge Partners Unsolicited Proposal

1. Legal/General Policy Questions
2. Schedule
3. Proposal Evaluation and Approval Process
4. Corridor Improvements
5. Financial
6. Environmental



Focus Area: Legal/General and Schedule Questions

- **Public Private Partnership (P3) legislative procedures and obligations**
- **Roles of responsibilities of the MOU Group, Caltrans, CTC and MTC**
- **Condemnation and Right of Way requirements**
- **Project implementation schedule including considerations for asset relinquishment and environmental phases**

Examples:

1. Is there an opportunity to see and understand what level of planning, studies and assumptions UBP has made to comply with the state's and region's transportation and land use objectives?
2. Who will perform any condemnation if any is required?
3. What has UBP assumed for easements and potential condemnation of rights for rail facilities at SR121/SR37 intersection, flooding easements and ROW throughout the corridor?

Focus Area: Proposal Evaluation and Approval Process Questions

- **Tolling assumptions**
- **Maintenance responsibilities**
- **Administrative procedures**
- **Asset management**

Examples:

1. Does UBP intend to maintain the right to toll the facility in both directions in the future?
2. How will UBP ensure it will maintain the needs of the public service (e.g. level of service, adding new lanes to minimize congestion etc.) in perpetuity?
3. Would UBP seek compensation and/or veto rights for new or changed access to the alignment?

Focus Area: Corridor Improvements

Questions

- **Design standards**
- **Specificity regarding interchange improvements at SR 121 and Mare Island**
- **Timing for Phase 2 construction**
- **Adjacent segments A and C considerations, including bicycle accommodations**

Example:

1. Does UBP specifically intend to meet Caltrans design standards and what level of Caltrans oversight is anticipated?
2. Will the flyover at SR121/SR 37 intersection and the Mare Island Interchange enhancements be considered for Phase 2 staging?
3. What are the metrics used to assess sea level rise in regards to when Phase 2 will be initiated for construction? How will the existing facility be replaced if sea-level rise occurs quicker than the anticipated 2040 date?

Focus Area: Financial Questions

- **Toll revenue assumptions and rate determination process**
- **Revenue impact and responsibilities for planned and unforeseen circumstances (examples: flooding or maintenance closures)**
- **Financial collection transparency process**
- **Financial liabilities and risk transfer**
- **Enforcement**

Example:

1. What is the traffic revenue being assumed by this proposal? What role will the public agencies play in this assumption?
2. What expectation would UBP have of state or local agencies in the event that Segment A or Segment B become inoperable or traffic lanes become restricted?
3. How does UBP propose to ensure that the toll revenue collection/profit be an open and transparent process?
4. Does UBP envision contracting with CHP for traffic enforcement/toll violations? Please clarify how the toll rates will be set and adjusted.

Focus Area: Environmental Questions

- **Roles and responsibilities for CEQA and NEPA processes**
- **Timing and financial risk assumptions**
- **Mitigation and approval process**

Example:

- Who will be the CEQA/NEPA lead?
- Recognizing that CEQA (and potentially NEPA) environmental process has substantial risks given 3rd party approvals and additional requirements from several agencies (e.g. BCDC, Army Corp., USWF and NOAA), who will bear the financial risks?
- How does UBP intend to complete an “accelerated environmental review” process?
- What commitments will UBP maintain to complete the environmental process? Would all the project information developed at that time transfer back to the local agencies?

SR 37 Policy Committee Overall Private and Public Financial Policy Questions

1. Proposal Evaluation Questions

General evaluation questions to consider when reviewing financial proposals.

2. General Policy Questions

Implementation questions for the SR 37 Policy Committee to consider.

SR 37 Policy Committee Overall Private and Public Financial Policy Questions

Proposal Evaluation Questions

General evaluation questions to consider when reviewing financial proposals.

Examples:

1. What provisions does the proposer provide to ensure qualified employees and contractors throughout the life of the project?
2. What provisions are included for toll revenue sharing?
3. What provisions will the proposer have in time of extreme events such as earth quakes or flooding? Are there special provisions provided in the event of special circumstantial corridor closures which may limit toll revenue collection (e.g. enforcement and construction/maintenance activities)?
4. What financial provisions are included to address financial risk sharing between the proposer and local agencies?
5. What provisions does the proposer have in place if SR 37 is relinquished to them and they default resulting in the need to the corridor back to Caltrans or the MOU Group?

SR 37 Policy Committee Overall Private and Public Financial Policy Questions

General Policy Questions

Implementation questions for the SR 37 Policy Committee to consider.

Examples:

- What role should the SR 37 MOU Group have in soliciting, responding and negotiating financial proposals? sponsoring tolling legislation for the corridor? design and environmental process? oversight and implementation of projects on the corridor?
- When should a JPA be formed? Should a JPA be responsible for the full SR 37 corridor or the segment in the proposal?
- What level of control should the local agency or JPA maintain? For example, should toll collection for the entire alignment and possibly revenues from other sources (development fees, etc.) be the responsibility of the local agency or JPA?

SR 37 Policy Committee Overall Private and Public Financial Policy Questions

General Policy Questions Examples Continued

- What legislative actions are necessary for charging a toll without a free alternative given the current facility is free?
- Which agency will be responsible to sponsor any required legislation for the corridor?
- How does the SR 37 Policy Committee intend to evaluate and approve the unsolicited proposal to determine if this proposal is acceptable or not?
- Which requirements (i.e. statutory, regulatory and goals) and evaluation factors (i.e. environmental, technical and financial) will the merits of a proposal be evaluated?

SR 37 Policy Committee Overall Private and Public Financial Policy Questions

General Policy Questions Examples Continued:

- Can a local agency sign a Letter of Intent (LOI) if they do not own the facility?
- What are the legal and financial risks if local agencies sign an LOI but legislation fails to pass in order to transfer the facility?
- What obligation does a LOI bind the JPA should legislation not be successful?
- What is Caltrans role?

Recommendation:

1. Authorize the SR 37 Executive Steering Committee to submit questions for United Bridge Partner's unsolicited proposal as included in Attachment B.
2. Authorize the SR 37 Executive Committee to forward the United Bridge Partner's unsolicited proposal to Caltrans for their review and comment

