

Capital Area Regional Tolling Authority
Board of Directors



Wednesday, April 9, 2025, at 9:30 AM

Caltrans Transportation Management Center-Second Floor Conference Room
3165 Gold Valley Drive, Rancho Cordova, CA 95742

Consistent with California Government Code Section 54953 a meeting of the board will be held in person.

Attend or watch

- Attend the meeting at the location noted above
- Watch on CARTA's [YouTube channel](#) where the meeting will be streamed. If you do not see the live broadcast, indicated by the red "live" icon, refresh your browser.

Provide public comment – Note: No public comment will be taken by telephone or through YouTube. Comments will be taken on the item at the time it is taken up by the board. Members of the public can participate in the meeting via written or verbal comments as described below:

• ***In-person:***

Public comment may be made in person at the meeting location. You will have 3:00 minutes to speak, unless a different time is set by the Chair. Please complete a speaker form and provide it to the clerk. If attending at an alternative meeting location, please inform an agency official in attendance that you request to speak.

• ***Written comments***

May be submitted via email to the clerk at rtadevich@sacog.org. Written comments will be read at the meeting and will be limited to 250 words. Written comments of more than 250 words will be distributed to board/committee/working group members if received by the clerk 48 hours or more in advance. Otherwise they will be shared after the meeting.

Agenda Timing: Time durations are estimates only. Action may be taken on any item on this agenda. The board may take up any agenda item at any time, regardless of the order listed.

Writings, Documents, Supplemental Materials: Any writings or documents provided to a majority of this board regarding any item on this agenda (other than writings legally exempt from public disclosure) are available on CARTA's website: <https://www.captollauthority.org/board-meetings>

Accessibility and Title VI: CARTA provides access to all agenda and meeting materials online at www.captollauthority.org. Additionally, interested persons can sign up for email notifications at www.captollauthority.org/about. CARTA provides modification or accommodation, auxiliary aids or services, including receiving this agenda and attachments in an alternative format accommodation in order to participate in this meeting. CARTA also provides services/accommodations to individuals who are limited-English proficient who wish to address agency matters. For accommodations or translations assistance, please call (916) 321-9000, or for TDD/TTY dial 711, or email at contact@captollauthority.org. We require three working days' notice to accommodate your request.

La CARTA puede proveer asistencia/facilitar la comunicación a las personas y los individuos con conocimiento limitado del inglés quienes quieran dirigirse a la agencia. Para asistencia, por favor llame al número 916.321.9000 o para TDD/TTY llame al número 711, o email a contact@captollauthority.org. Requerimos que solicite asistencia con tres días hábiles de anticipación para poderle proveer asistencia.

Pledge of Allegiance

Roll Call: Directors Aceves, Chapman, Kennedy, Vice Chair Early, Chair Villegas and Ex-Officio Members Click, Deloria and Talamantes

Public Communications: Any person wishing to address the committee on any item not on the agenda may do so at this time. After ten minutes of testimony, any additional testimony will be heard following the action items.

Disclosures:

Directors will disclose any item in which they have a conflict of interest under state law, and acknowledge whether they will recuse from that item. Among other state laws, the Levine Act may require recusal on items involving a contract or entitlement where a campaign donor is a participant.

Consent:

1. Approve Minutes of the March 10, 2025, Board Meeting
2. Final Mission, Vision, and Values

Action:

3. Toll Hours, Eligibility, Collection and Interoperability

Information:

4. Yolo 80 Traffic and Revenue Study Scope and Schedule
5. Toll Pricing and Discounts Policy Workshop
6. Draft Fiscal Year 2025-2026 Draft Budget

Receive and File:

7. Yolo 80 Managed Lanes Project Update
8. Sac-5 Managed Lanes Project Update
9. US 50 Managed Lanes Project Update
10. Cap City Corridor (State Route 51) Managed Lanes Project Update

Other Matters

Adjournment

The next meeting of CARTA will be held on Wednesday, May 28, 2025, at 2:00 PM in the SACOG Board Room, 1415 L Street, Suite 300, Sacramento, CA.

This agenda and attachments are available on CARTA's website at www.captollauthority.org. CARTA is accessible to the disabled. As required by Section 202 of the Americans with Disabilities Act of 1990 and the Federal Rules and Regulations adopted in implementation thereof, a person who requires a modification or accommodation, auxiliary aids or services in order to participate in a public meeting, including receiving this agenda and attachments in an alternative format, should contact CARTA by phone at (916) 321-9000, email contact@captollauthority.org or in person as soon as possible and preferably at least 72 hours prior to the meeting. Parking is available at the meeting location. To take transit to a meeting, go to google.com/maps.



Capital Area Regional Tolling Authority

Meeting Date: April 9, 2025

Agenda Item: 1

Approve Minutes of the March 10, 2025, Board Meeting

Prepared By: Robert Tadevich, Sacramento Area Council of Governments

Attachments: Yes

Recommendation:

Staff recommend approval of the minutes as submitted.

Background:

The board met on March 10, 2025.

Discussion:

Each meeting the board is asked to approve the minutes (Attachment 1A) from the previous meeting.



CARTA Board of Directors

Draft Action Minutes

The CARTA Board of Directors met in person on March 10, 2025, at 1:00 p.m. at the CARTA office, 1415 L Street, Suite 300, Sacramento, CA.

Call to Order: Chair Villegas called the meeting to order at 1:01 p.m.

Present: Directors Aceves, Chapman, Desmond, Chair Villegas and Ex-Officio Members Click, Deloria, and Talamantes

Absent: Vice Chair Early

Public Communications: None

Consent: It was moved, seconded (Chapman/Aceves) and passed by unanimous vote that the following Consent item be approved:

- 1. Minutes of the February 20, 2025, Board Meeting

Information:

- 2. Draft Agency Mission, Vision, and Values

The board received and reviewed this report, presented by Kathleen Hanley, SACOG staff.

- 3. Toll Policy Adoption Process

The board received and reviewed this report, presented by Sam Soules, HNTB Staff.

- 4. Toll Hours, Eligibility, and Technology Interoperability

The board received and reviewed this report, presented by Sam Soules, HNTB Staff.

Adjournment: The meeting was adjourned at 2:02 p.m.

Approved by:

James Corless
Secretary

Approved by:

Oscar Villegas
Board Chair



Capital Area Regional Tolling Authority

Meeting Date: April 9, 2025

Agenda Item: 2

Final Mission, Vision, and Values

Prepared By: Kathleen Hanley, Sacramento Area Council of Governments

Attachments: Yes

Recommendation:

Staff recommend the board adopt the Mission, Vision, and Values Statement for CARTA (Attachment 2A).

Background:

CARTA's Joint Exercise of Powers agreement establishes what CARTA can do, including:

- Plan, design, finance, construct, own, manage, operate, and maintain toll facilities
- Collect toll revenue
- Make policy decisions related to toll lane operations
- Prepare and adopt the plan for expenditure of toll revenue; and
- Create and implement an equity program.

However, the agreement does not indicate what CARTA should do, including its purpose and role within the region. As CARTA heads into a series of toll policy decisions this year, a clear articulation of the agency's purpose is needed to provide a framework for weighing policy tradeoffs.

Staff brought a draft Mission, Vision, and Values Statement as an information item at the March 10, 2025, board meeting and there were no comments.

Discussion:

CARTA's Mission, Vision, and Values Statement brings together elements from:

- The mission, vision, goals, values, and strategic plans from CARTA's member agencies
- The goals and strategies of the region's long-range managed lanes plans
- The mission, vision, goals, and values of tolling authorities across the country

The Mission articulates CARTA's focus on operations and maintenance. While CARTA can do project development and construction work, the bulk of planning, design, and construction will be led by CARTA's member agencies as "project sponsors". The Vision focuses on the role CARTA's infrastructure can play in the future. As the regional roadway pricing network is built out, it should serve multimodal connections and provide local funding. While Yolo 80, initially will have limited excess revenue, this vision is focused on the long-term network vision.

There are five Values, four of which are very common (in some form) across tolling authorities. The Safety, Reliability, Customer Service, and Responsibility values cover essential functions of a toll operator and center decision making on the issues that make tolling physically, politically, and financially viable. The fifth value, Partnership, is specific to CARTA's unique structure and carries through the intention for regional collaboration CARTA's members had during its creation. Together, these values set a framework for policy decision-making and focus CARTA's future work.

TAG Discussion

The CARTA TAG met on March 28, 2025, to discuss this agenda, including this action item. The TAG had no further comments on the Mission, Vision, and Values Statement and supports it moving forward for board adoption as a consent item.

Capital Area Regional Tolling Authority Mission, Vision, and Values



Final: April 2025

Mission

CARTA operates and maintains a safe and reliable roadway pricing system to advance mobility for all communities in the California Capital region.

Vision

An efficient and connected roadway pricing system that is an integral component of the Capital region's multimodal network and a reliable source of local funding.

Values

Safety: We operate and maintain our facilities in a way that promotes the health and safety of our employees, our contractors, our customers, and our communities.

Reliability: We deliver reliable roadways, prioritize maintenance and operations, and communicate regularly and transparently with the public.

Customer Service: We focus our services to meet the needs of our customers and provide consistent and clear information so they can easily navigate our system.

Partnership: We support the success of our project sponsors, are good teammates to our transportation partners, and strive for regional consensus in our work.

Responsibility: We commit to continuously earning the trust of the Capital region's communities by improving their quality of life, responsibly managing public funds, and working with our partners to minimize transportation's impact on the environment.



Capital Area Regional Tolling Authority

Meeting Date: April 9, 2025

Agenda Item: 3

Toll Hours, Eligibility, Collection and Interoperability

Prepared By: Sam Soules, HNTB

Attachments: Yes

Recommendation:

Staff recommend that the board adopt the following draft toll policies as detailed in Attachment 3B

- 24/7 management of CARTA's express lane facilities
- FasTrak® required for lane usage
- Follow California Vehicle Code for vehicle eligibility

Staff recommend that the board direct staff to

- Explore the possibility of a toll differential on license plate tolling with a FasTrak® account

Background:

CARTA staff intend to have a toll policy resolution for the board's approval by the end of 2025. To do this, CARTA staff will advance toll policy topics in the following sequence:

1. Staff will present information items about specific toll policies as part of "workshops" at board meetings
2. Using direction from the board "workshop" discussion and from the TAG, staff will bring a staff recommendation on the previously discussed policies as action items for the board. These items will include draft resolution language regarding each toll policy
3. Once each toll policy has been addressed using steps 1-2, staff will draft a complete toll policy resolution, that combines the language previously approved for each individual toll policy, for the board's consideration and approval

This series of workshops, individual toll policy approvals, and final toll policy resolution will occur over the course of 2025 with the final toll policy resolution adopted by the end of the year.

The CARTA Board of Directors heard an informational item at the March board meeting regarding toll facility hours of operation, eligibility, and toll collection/interoperability. The item generated additional discussion among CARTA staff and the TAG regarding which policies would best meet CARTA's long term financial and operational performance goals. The board expressed an interest in 24/7 hours of operation but wanted greater clarification on the cost of operating

24/7 vs. during set hours and what toll signage would look like. On toll collection, the board was leaning towards requiring FasTrak® to use CARTA's express lanes, but wanted further clarification on the longevity of FasTrak® in California. Staff's recommendation is based on this discussion, included in more detail in the following sections.

Discussion:

Hours of Operation

The current travel patterns on the Yolo 80 corridor as well as on future CARTA projects such as I-5, tend to result in congestion outside of the traditional peak congestion periods (5 AM – 8 PM). Additionally, the corridor experiences frequent scenarios where congestion occurs because of events and major destinations in the region. For example, a concert, sports game, and recreational traffic could coincide on the same day, resulting in peak traffic volumes outside of traditional peak commuting hours. 24/7 management of the lane would allow the regional network of express lanes to actively manage congestion during these conditions, even when traffic occurs outside of peak hours.

24/7 operations offers the greatest flexibility in responding to traffic and is inclusive of various operational modes, including non-tolling hours where the lane would be available to all drivers when traffic volumes are low. Both peak-hour and 24/7 operational options require a level of active management and monitoring, but the operational cost of running a system overnight, would not result in significantly higher operational costs.

Toll Collection & Interoperability

Requiring FasTrak® for use of the Express Lanes would be the most cost-effective means of collecting payment. While it could "penalize" well-meaning customers who aren't aware of the policy, it can also help convert customers to FasTrak® over time, resulting in even greater transaction processing efficiencies. As a new toll operator, CARTA will need to put upfront investment in increasing FasTrak® penetration in the Sacramento region prior to Yolo 80 opening. Marketing, incentives, and public engagement can help achieve this goal, and CARTA can use customer-friendly programs to forgive penalties in the early period after opening to reduce negative impacts to new users.

Eligibility

The California Vehicle Code (CVC) outlines the vehicles eligible in the express lanes statewide. These include two-axle vehicles, buses, and motorcycles. It is recommended that CARTA comply with the CVC.

TAG Discussion

The CARTA TAG met on March 28, 2025, to discuss this agenda, including this action item. The TAG supported staff recommendation to require FasTrak® and highlighted the importance of using marketing and communication to increase transponder penetration rates within the Sacramento Region. The TAG was overall supportive of 24/7 lane management, but wanted the adopted toll policy to be explicit that 24/7 lane management does not require 24/7 tolling. The TAG requested edits to the toll policy language that clarifies CARTA can operate facilities in different modes (e.g., tolling and non-tolling) as warranted by traffic conditions. The final toll policy language (Attachment 3B) was updated to reflect the TAG's direction.

Recommendation

Staff recommend the board approve all three policies together; however, each policy can be considered individually at the board's discretion. Should the board feel one or more toll policies require additional analysis or discussion, individual decisions could be deferred to future meetings.

Toll Hours, Eligibility, and Technology

Board of Directors

9 April 2025

Attachment 3A



Three-Step Policy Process

Feb - Sept

1. **Discuss:** workshop information item on individual policy issues
2. **Decide:** action item with draft language for individual policy issues

Oct-Dec

3. **Adopt:** Finalize toll policy resolution

Policy Decisions and Opportunities

Area	Discuss (Information)	Decide (Action)
Goals	March	April
Eligibility		
Hours of Operation		
Toll collection/interoperability		
Pricing Structure	April	May
FasTrak® account management		August
Toll discounts		June
Enforcement & Violations	May	September
Financing and Revenue	August	2027
Data retention and security	2026	2027
Equity Program		

Toll Policy

Review

Eligibility

Vehicle eligibility options

**Follow CA Vehicle
Code**

N/A

Hours of Operation

Operations management options

5 AM – 8 PM 7 days a
week

24/7

Toll Collection and Interoperability

Toll collection options

FasTrak[®] required

FasTrak[®] or Pay By
Plate

Toll Policy

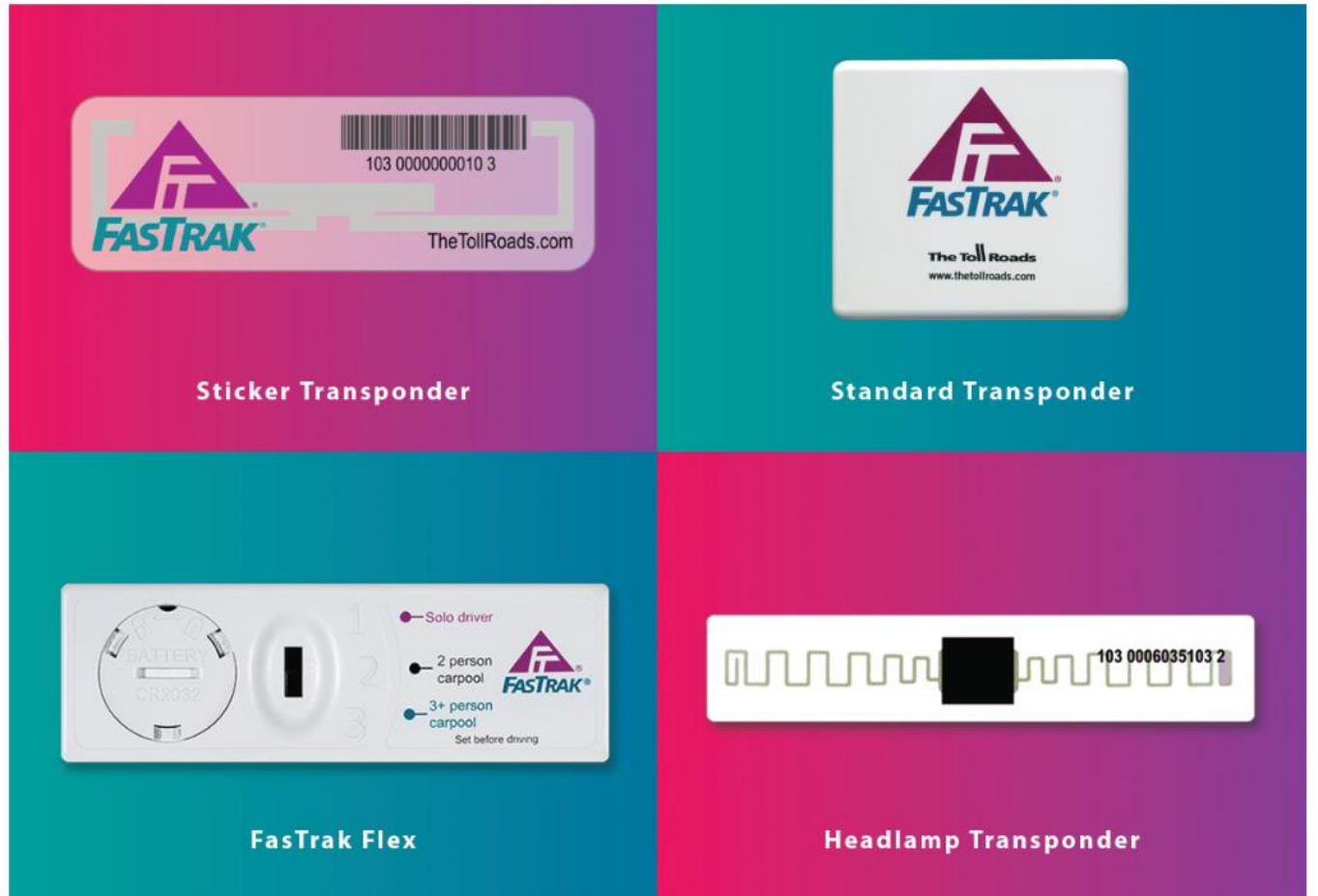
Information and Analysis

What we heard in March

- Questions about:
 - FasTrak® longevity
 - Hours of operation signage
 - Static operations costs
- Pros & Cons
 - Hours of Operation
 - Toll Collection

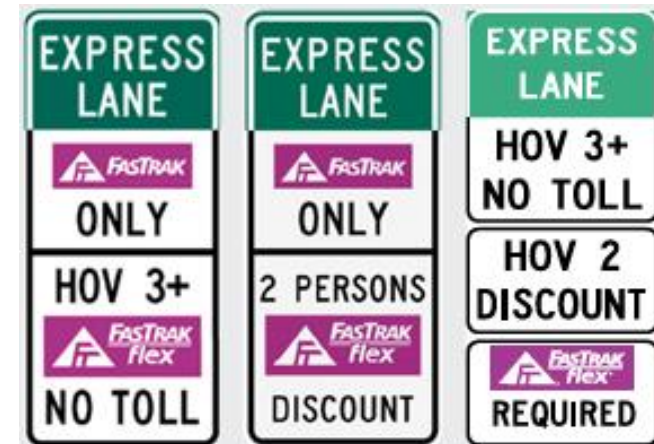
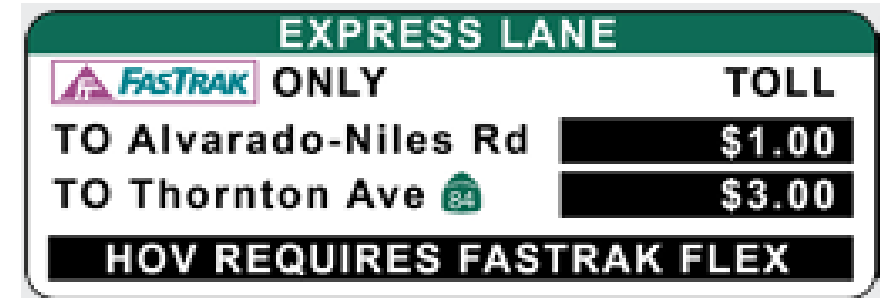
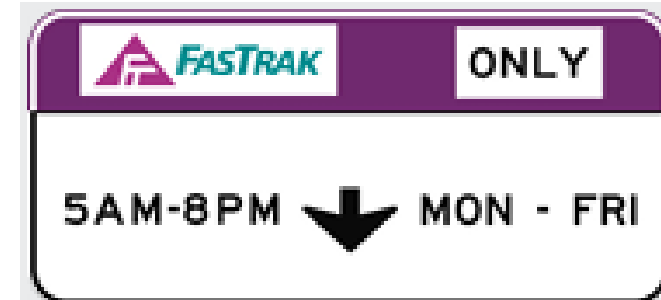
Transponder/Toll Tags

FasTrak® is the electronic toll collection system used on all tolled bridges, lanes, and roads in California and by all CTOC member agencies.



Toll Signage

- Toll signs convey several forms of information
 - Hours of Operation
 - **When** express lanes rules are in effect
 - Pricing
 - **Who** can use the lane
 - **What** the current tolls pricing is
 - **How** customers can get an HOV discount
 - HOV discounts
 - Minimum # of people to be an HOV



Peak Hour Signs



24/7 Managed Lane Signs



Hours of Operation

**5am-8pm,
7 days a week**

24/7

Pros

- More like carpool policy / Bay Area policy
- Saves operations costs (though minor) when not operating

- Captures irregular congestion off peak
- Can still have lane “open to all” or non-operational overnight
- Simpler customer messaging and likely less calls to customer service center

Cons

- No flexibility to operate earlier or later even if its congested
- Drivers have to pay attention when its free/tolled
- Requires more operations costs (though minor)
- Varies from carpool and Bay Area policy

Operations Cost Drivers

- Toll System Performance Measures
- Toll System Maintenance Response Time
- Transaction Volume
- Manual Image Review
- Non-Payment Escalation Process
- Roadway Operations Staff Hours
- Customer Service Center Hours
- CHP Enforcement Hours

Impacts to Operational Costs

Mode	Ops Staffing	Maintenance Response Time	System Availability	CHP Presence	Toll Collection Costs	Caltrans Incident Management
Peak Tolling	Full	Rapid	High KPI	High	High, offset by revenue	Routine
Midday/Weekend Tolling	Reduced	Reduced	Medium KPI	Medium	Medium, offset by revenue	Routine
Non-Tolling	None	None	Lower KPI	Routine	None	Routine

Toll Collection and Interoperability

Pros

Cons

FasTrak® Required

- Less leakage
- Consistent with most toll policy in CA
- Converts customers to FasTrak® over time

- Violation can “penalize” well-meaning customers who didn’t know they needed a FasTrak®

FasTrak® or Pay By Plate

- Doesn’t “penalize” customers who use the facility rarely
- Can convert customers to FasTrak® over time (when FasTrak® gets a discount compared to Pay By Plate)

- Potentially more leakage
- Doesn’t incentivize increased FasTrak® penetration over time

Eligibility

Eligible vehicles include two-axle vehicles, buses, and motorcycles

Ineligible vehicles established by CVC

Staff recommendation

Staff recommend that the board adopt the following draft toll policies

- 24/7 lane management
- FasTrak® required for lane usage
- Follow CVC for vehicle eligibility

Staff recommend that the board direct staff to

- Explore the possibility of a toll differential on license plate tolling with FasTrak® account

CARTA Toll Policy Register

Topic	Policy	Board Adoption Date
Hours of Operation	To maximize operational flexibility, CARTA express lanes will be managed 24 hours a day, 7 days a week, including weekends and holidays, using tolling and non-tolling modes as warranted by traffic congestion.	
Eligibility	Eligible use of the express lanes will comply with California Vehicle Code. Eligible express lanes users include qualified High Occupancy Vehicle (HOVs), motorcycles, transit buses, and toll-paying lower occupancy vehicles. Two-axle vehicles are eligible to access the express lanes but vehicles with 3-or-more axles (excluding transit vehicles) and vehicles towing a trailer are prohibited from the express lanes.	
Transponder requirements	Express lane users are required to use a valid FasTrak® transponder to pay their toll by deducting the amount due from their FasTrak® account.	



Capital Area Regional Tolling Authority

captollauthority.org | khanley@sacog.org

**Capital Area Regional Tolling Authority
CARTA Toll Policy Adoption Register**



Draft: April 2025

	Topic	Policy	Board Adoption Date
1	Hours of Operation	To maximize operational flexibility, CARTA express lanes will be managed 24 hours a day, 7 days a week, including weekends and holidays, using tolling and non-tolling modes as warranted by traffic congestion.	
2	Eligibility	Eligible use of the express lanes will comply with California Vehicle Code. Eligible express lanes users include qualified High Occupancy Vehicle (HOVs), motorcycles, transit buses, and toll-paying lower occupancy vehicles. Two-axle vehicles are eligible to access the express lanes but vehicles with 3-or-more axles (excluding transit vehicles) and vehicles towing a trailer are prohibited from the express lanes.	
3	Transponder requirements	Express lane users are required to use a valid FasTrak® transponder to pay their toll by deducting the amount due from their FasTrak® account.	



Capital Area Regional Tolling Authority

Meeting Date: April 9, 2025

Agenda Item: 4

Yolo 80 Traffic and Revenue Study Scope and Schedule

Prepared By: Carlos Contreras, C&M Associates

Attachments: Yes

Recommendation:

None; this item is for information only.

Background:

To aid in the timely delivery of Yolo 80, Yolo Transportation District is working with a consultant team to advance, among other tasks, a Traffic and Revenue Study for Yolo 80. While sketch-level analysis was done as part of the environmental and Assembly Bill 194 process, this more refined analysis will clarify CARTA's financial picture and inform key future decisions regarding toll rates and discounts. This item provides an overview of the scope and schedule of the Yolo 80 Traffic and Revenue Study. Staff will return in August with findings from the analysis.

Discussion:

The Traffic and Revenue Study (T&R) provides key data points to inform toll policy decisions. Critically, the T&R quantifies the impact different policy alternatives have on congestion and revenue generation. As previously discussed, toll policy is full of tradeoffs. For example, discounts can open up the lane to more drivers but that can lead to greater congestion and lower revenue. The T&R quantifies some of those tradeoffs for Yolo 80's specific context.

The Yolo 80 T&R is a "Level 2" T&R: more robust than the sketch-level work done previously but not as robust as the investment-grade analysis required for private sector bonds and federal infrastructure financing. The T&R's analysis is based in models. Population, employment, and other demand information is combined with multimodal transportation capacity information to predict how many people would use the toll lane under different scenarios. The T&R's model considers how "willing to pay" drivers of different incomes are, how much toll revenue leakage is likely based on transponder penetration, and other key "levers" toll policy can influence.

The Yolo 80 T&R will analyze two scenarios. There is a Traffic Optimizing Scenario that fosters greater throughput in the toll lane and less congestion in the "free" lanes but likely results in lower revenue. There is also a Revenue Maximizing Scenario that fosters lower throughput in the toll lane but likely generates more revenue and provides more reliable travel times in the toll lane. These two scenarios form the ends of spectrum in which CARTA can make policy decisions.

The Yolo 80 T&R work kicked off in fall 2024 and the analysis and final report are expected this summer. Staff intend to return in August with the results of the study and key takeaways for future policy decisions.

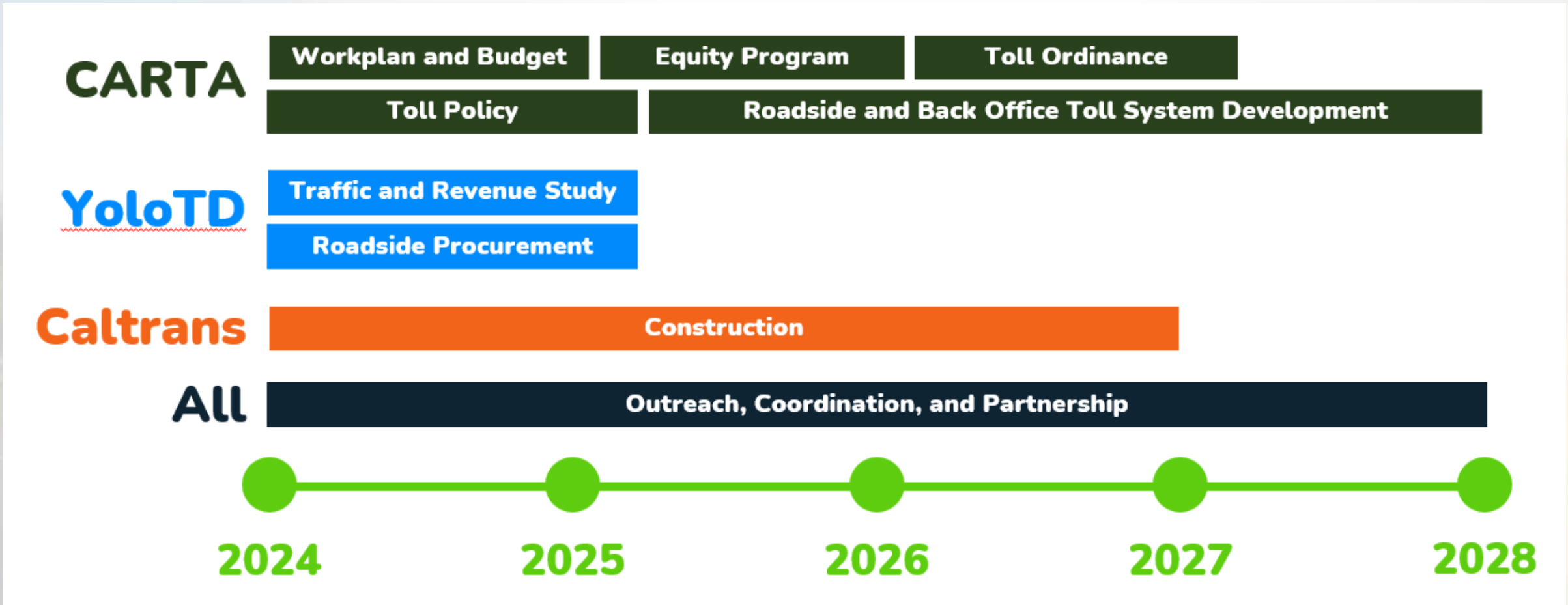


Source: NBCUniversal Media, LLC
<https://www.nbcbayarea.com/news/california/to-l-lanes-80-yolo-county/3542992/>

Yolo 80 Managed Lanes Level 2 Traffic and Revenue Study

April 9, 2025

- C&M Introduction
- Traffic & Revenue in Context
- Traffic & Revenue Forecasting Basics
- Yolo 80 Managed Lanes Characteristics
- T&R Study Schedule and Deliverables





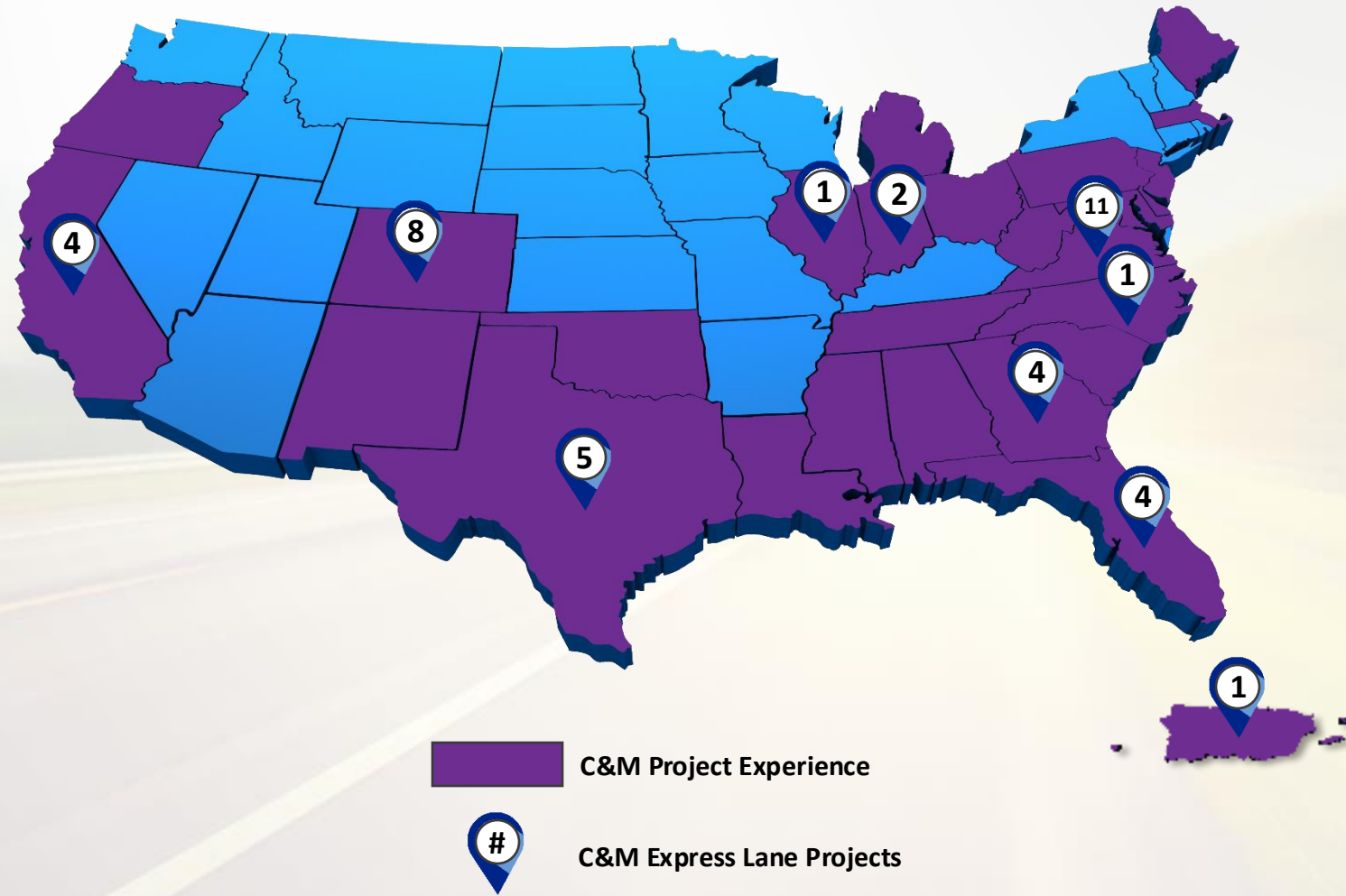
➤ **Carlos Contreras – President**

- ✓ 30 years of experience
- ✓ 20 years leading C&M’s T&R practice
- ✓ T&R forecasting; project evaluation; market analysis; financial community engagement

➤ **C&M Associates, Inc.**

- ✓ 40 T&R specialists in Sacramento, CA, Dallas, TX, and Arlington, VA locations
- ✓ Over 200 projects since 2004
- ✓ 41 express lane projects in 10 states
- ✓ Bond, State Infra Bank, TIFIA, and private loan financing experience

➤ **Subconsultant to STC in YCTD contract**



Role of T&R in the Managed Lane Development Process



Evaluate Congestion Impacts of Policy Alternatives



Estimate Revenue Generation

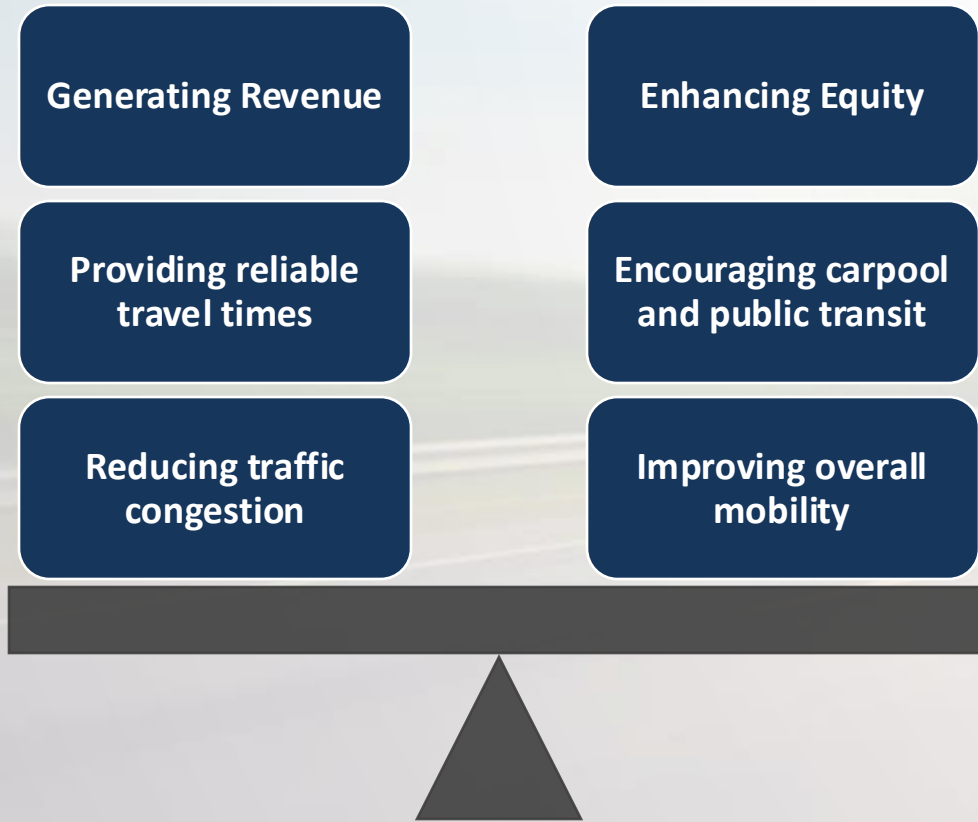


Support Project Financing



Support Stakeholder Outreach and Public Information Efforts

Toll Operations Objectives*



* CARTA Toll and Other Managed Lanes System Review presentation, 12-19-24

T&R informs all objectives/policy decisions:

- Toll rates
- Toll discounts
- Eligibility
- Hours of operation
- Managed lane separation
- Pricing structure (static, variable, dynamic)
- Available funds for O&M
- Quantifying outcomes

Levels of T&R Analysis and Certainty

Sketch (Level 1)

- Spreadsheet based
- Relies on existing information
- Used for project screening

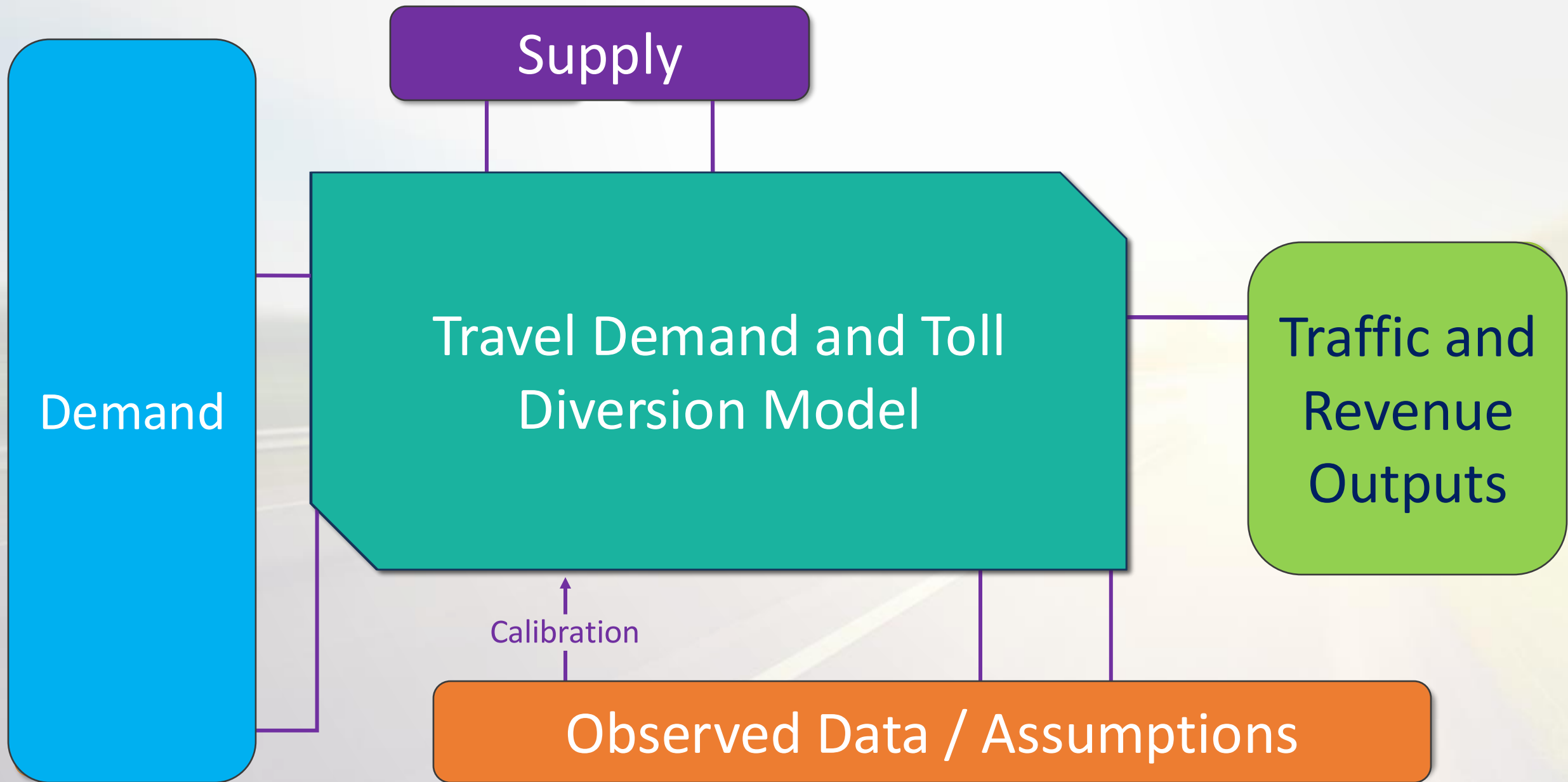
**Yolo
I-80**

Intermediate (Level 2)

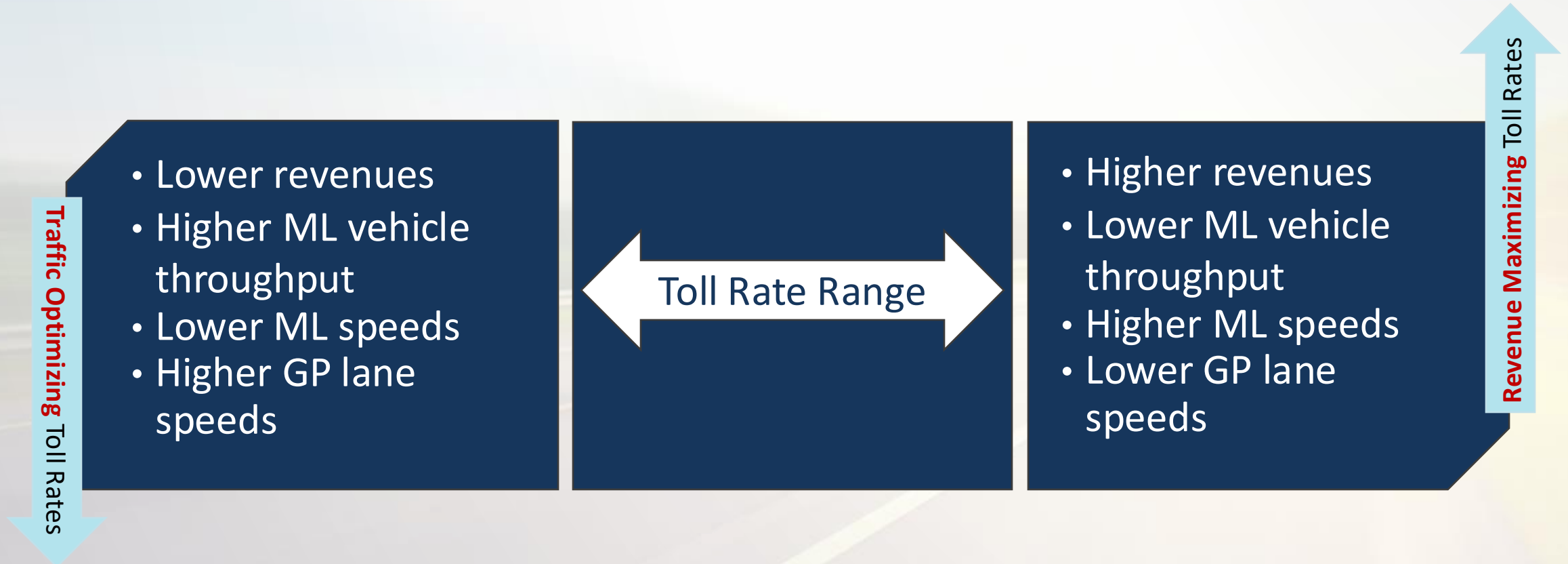
- Travel demand model based
- Includes limited data collection
- Used for project planning & feasibility

Investment Grade (Level 3)

- Travel demand model based
- Requires recent extensive surveys/data
- Used to support financing



Range of Toll Rates that provide Free Flow Speeds



Willingness to Pay

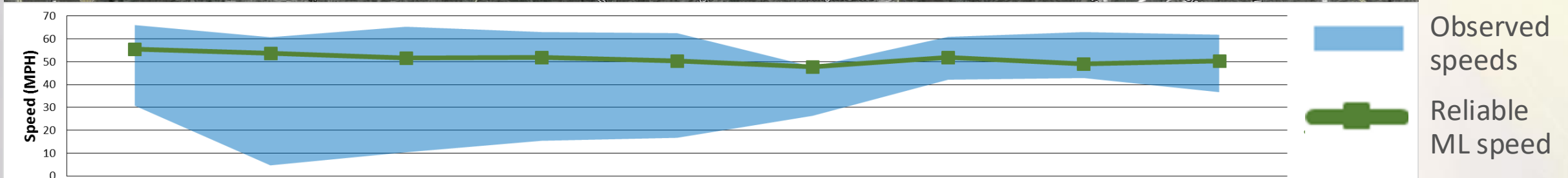
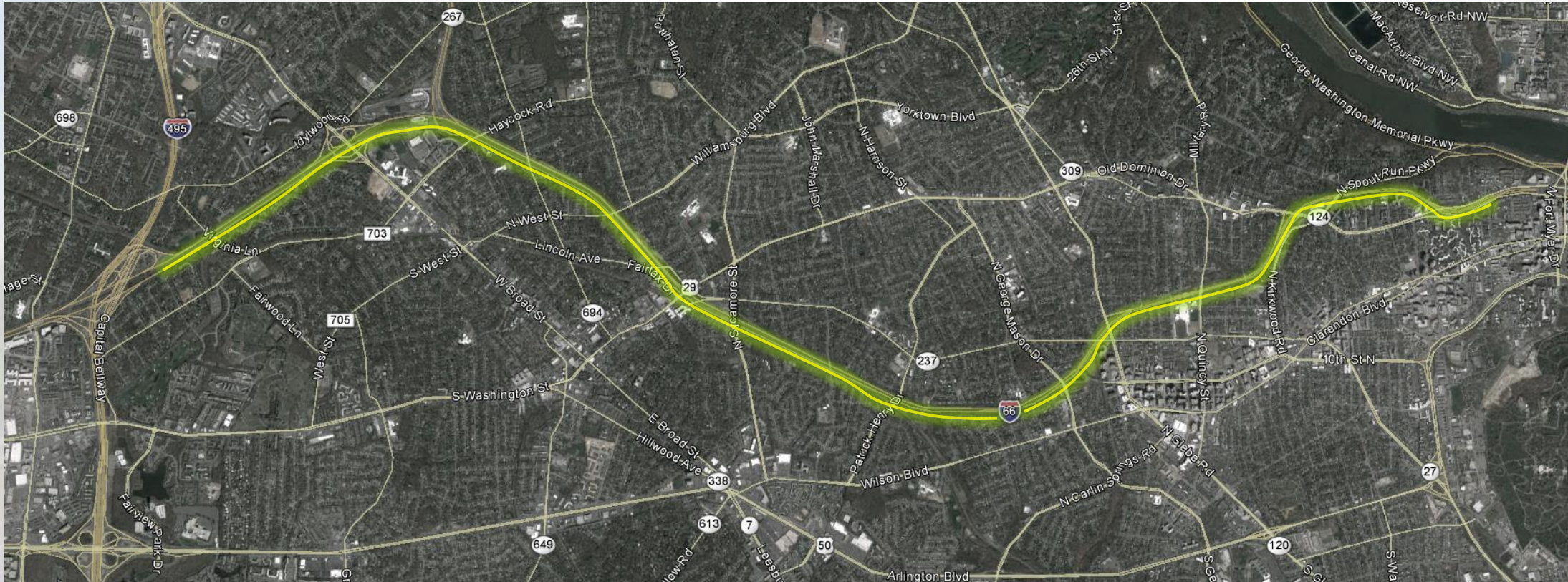
Value of Time

- The value of travel time saved on the managed lanes

Value of Reliability

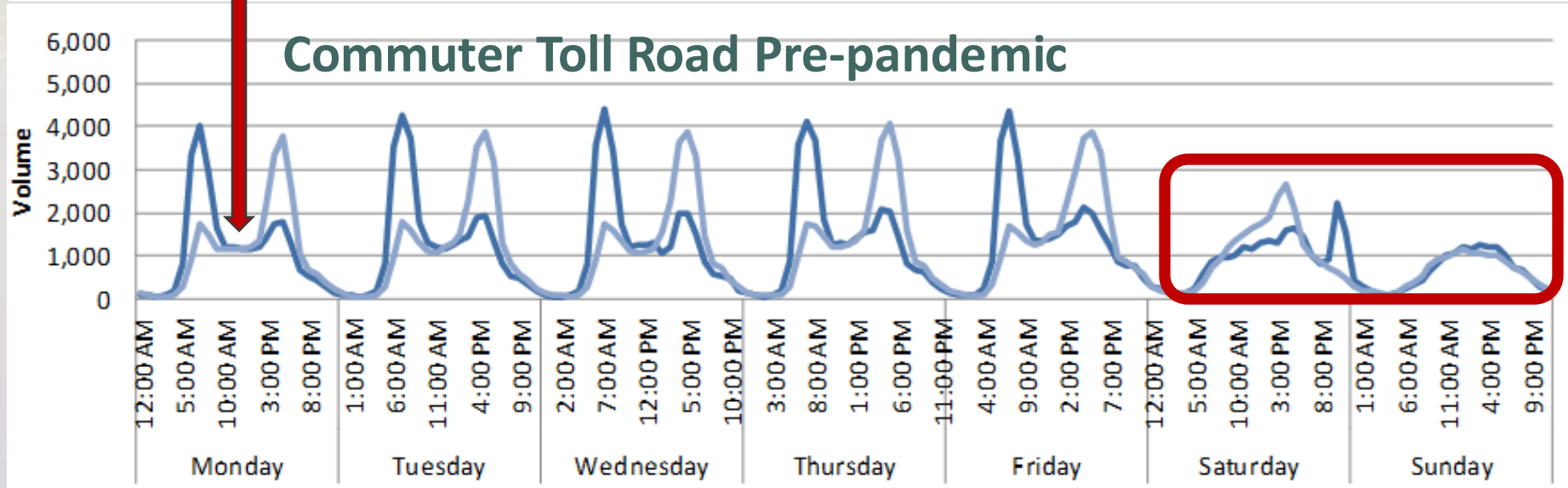
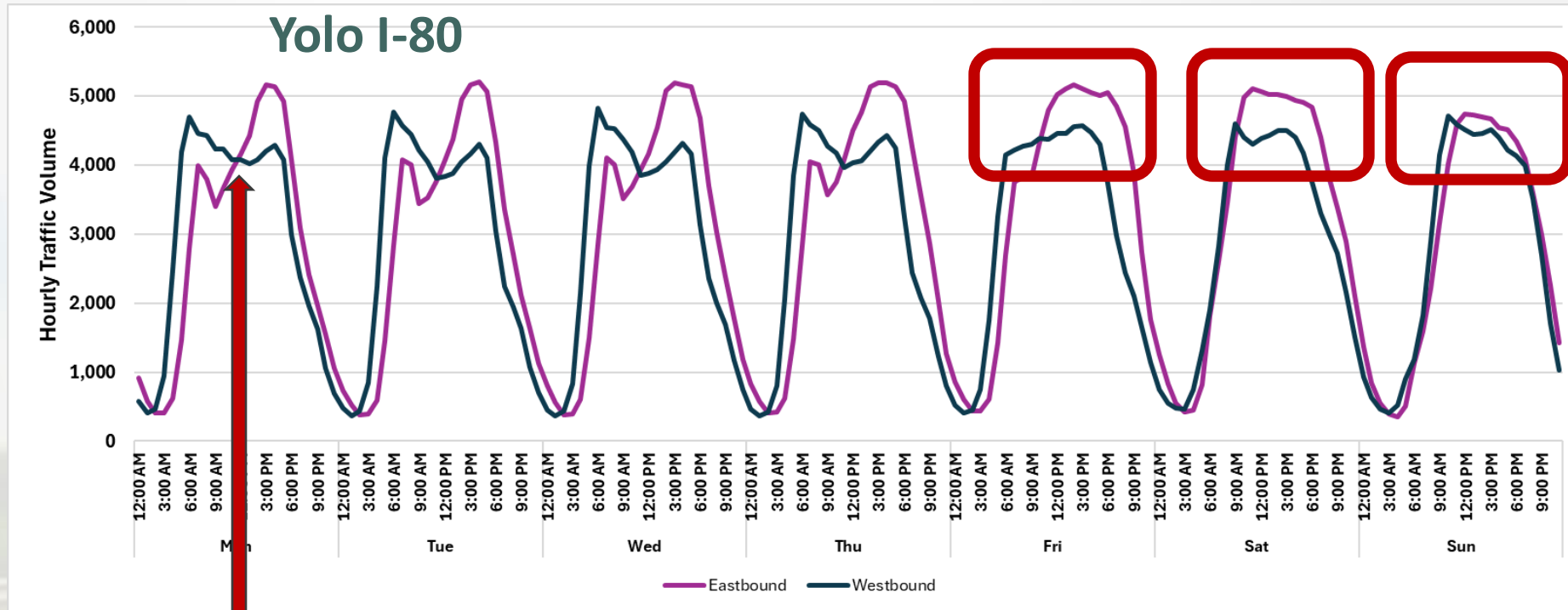
- The value of having predictable travel times

Value of Travel Time Reliability



Not a regular commuter road

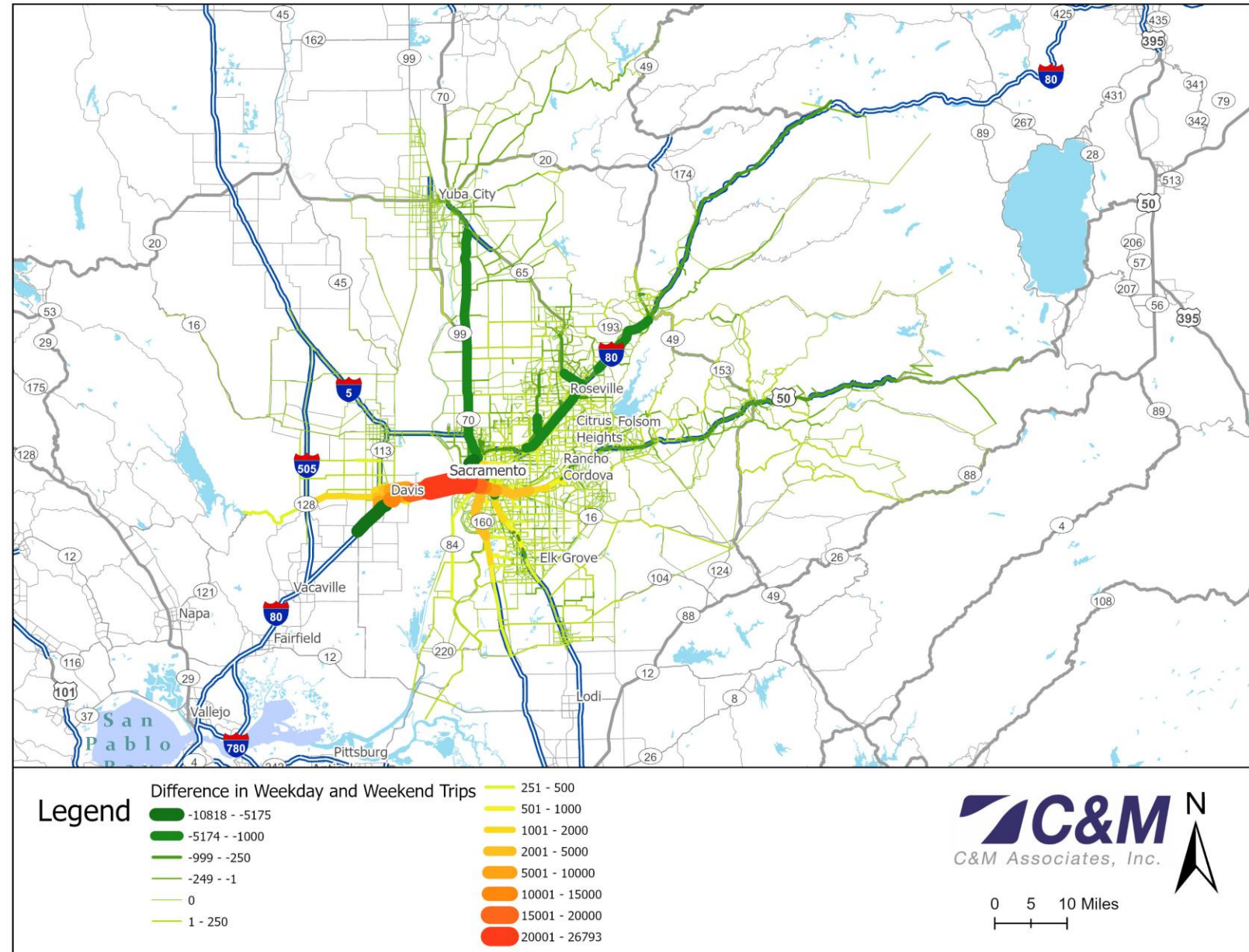
- Heavy traffic in both directions
- High mid-day volumes
- High weekend volumes



Yolo 80 Eastbound Weekend vs. Weekday Trips

For trips that go through Yolo 80:

- Green: highways where volumes are higher on weekends
- Red: highways where volumes are higher on weekdays



0 5 10 Miles

Project Management

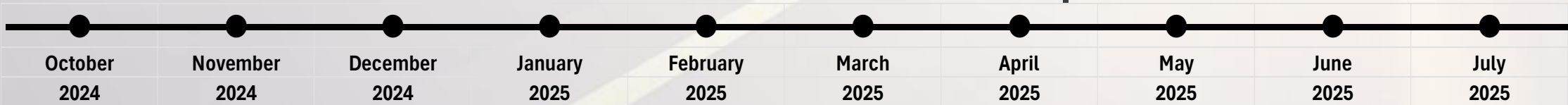
Data Collection and Analysis

Travel Demand Modeling

T&R Tables

T&R Report

Scenario Analysis





Source: NBCUniversal Media, LLC
<https://www.nbcbayarea.com/news/california/to-l-lanes-80-yolo-county/3542992/>

Questions/Comments

Carlos M. Contreras – President, C&M Associates, Inc.

cmcontreras@candm-associates.com

(916) 760-7418, Ext. 405



Capital Area Regional Tolling Authority

Meeting Date: April 9, 2025

Agenda Item: 5

Toll Pricing and Discounts Policy Workshop

Prepared By: Sam Soules, HNTB

Attachments: Yes

Recommendation:

None; this item is for information only.

Background:

CARTA staff intend to have a toll policy resolution for the board's approval by the end of 2025. To do this, CARTA staff will advance toll policy topics in the following sequence:

1. Staff will present information items about specific toll policies as part of "workshops" at board meetings
2. Using direction from the board "workshop" discussion and from the TAG, staff will bring a staff recommendation on the previously discussed policies as action items for the board. These items will include draft resolution language regarding each toll policy
3. Once each toll policy has been addressed using steps 1-2, staff will draft a complete toll policy resolution, that combines the language previously approved for each individual toll policy, for the board's consideration and approval

This series of workshops, individual toll policy approvals, and final toll policy resolution will occur over the course of 2025 with the final toll policy resolution adopted by the end of the year.

The April workshop will cover toll pricing and discount policies. Toll pricing and discounts affect a toll system's ability to respond to non-recurring congestion, involve different approaches to customer messaging, and require different levels of staff input/effort during the operation and maintenance period. The impacts of each policy option are discussed in the following sections.

Discussion:

Toll Pricing Structure

Toll systems use two different types of pricing structures, variable pricing (also known as "time of day") and dynamic pricing. Under a variable pricing scheme, tolls vary based on a set schedule. Rates are higher during periods known to be congested, and rates are lower during periods known to be generally free flowing. For example, prices will be set at the highest value during the AM and PM peak periods of congestion (rush hour) and lower during mid-day and

evenings. Dynamic pricing is an approach whereby tolls adjust in real time based on live traffic conditions. Prices are calculated by a dynamic pricing algorithm that uses data from traffic sensors that measure vehicle speeds and volumes to manage the demand and sustain generally free-flowing conditions.

Variable Pricing

Due to the set schedule, variable pricing is predictable and simple, making customer messaging clear and consistent. However, since the pricing scheme cannot actively respond to traffic patterns, multiple schedules are often needed. Moreover, the pricing schedule(s) requires regular, manual updating to adequately manage congestion. These updates require manual review by operational staff and additional coordination between the toll system vendors. Even with regular updating, variable pricing is not as effective for non-recurring or unanticipated congestion.

Due to these benefits and constraints, variable pricing works best on corridors with predictable congestion such as bridges or ports of entry. New facilities may use variable pricing since it is simple to communicate with new customers that are unfamiliar with toll facilities.

Dynamic Pricing

Dynamic pricing schemes can automatically adjust to real-time traffic conditions, making it a better congestion-relief tool for non-recurring events of congestion. The system can increase or decrease the price of the lane more rapidly than a variable pricing structure. The algorithm that calculates a dynamic pricing structure requires configuration and extensive testing; once the algorithm is established, it is reviewed on a semi-annual basis for calibration. When updates to a pricing algorithm is required, the process is relatively simple and performed by the system provider.

Dynamic pricing is commonly used in express lane facilities. While pricing can be less predictable for new customers, drivers are given signage to clearly communicate the cost of their trip. The widespread use of dynamic pricing gives new operators many examples of successful customer education methods to draw from.

Per-mile and Segment-based Pricing

Regardless of the pricing structure used, agencies may also decide to utilize either per-mile or segment-based pricing. With per-mile pricing, drivers pay a certain amount per-mile travelled in the corridor. Under segment-based pricing, drivers pay a set price based on a segment of the corridor traveled. In essence, under per-mile pricing, a driver that uses only a section of the corridor pays an adjusted toll based on how much of the corridor they drove. Under segment-based pricing, a driver pays a flat price for a section of the corridor, even if they did not drive the full length. Per-mile pricing tends to be viewed as the more equitable scheme of the two, but segment-based pricing offers operational and revenue advantages since all drivers pay the same amount along a corridor segment.

Toll Discounts

Toll operators can offer several types of toll discounts. Examples of these include discounts based on vehicle type (motorcycles, transit buses, etc.) and vehicle occupancy. As a congestion management tool, express lanes often do not charge public transit vehicles for using the lane. In some cases, HOVs receive a full or partial discount based on the number of customers in the vehicle. For example, HOV3+ will go free while HOV 2+ receive a discounted price. Allowing this type of tiered discount can impact revenue generation and results in additional transaction processing complexity. Finally, vehicles with exempt plates, maintenance, and emergency vehicles are usually toll exempt.

FasTrak® Account Management

At the February meeting, the board directed staff to pursue an interagency agreement with an existing toll authority to provide Back Office System (BOS) services to CARTA. By utilizing a BOS within California, the distribution and management of FasTrak® transponders will be managed by the BOS agency. During agreement negotiations, CARTA and the BOS provider will discuss the exact distribution structure, branding, communication, and customer service associated with transponders.

Summary

Staff request the board discuss this information item to consider the options for each toll policy issue and provide feedback on which options are preferred. This discussion will inform the development of a staff recommendation on each toll policy issue, which will be brought forward for action at the May meeting.

Toll Pricing and Discounts Workshop

Board of Directors

9 April 2025

Attachment 5A



Policy Decisions and Opportunities

Area	Discuss (Information)	Decide (Action)
Goals	March	April
Eligibility		
Hours of Operation		
Toll collection/interoperability		
Pricing Structure	April	May
FasTrak® account management		August
Toll discounts		June
Enforcement & Violations	May	September
Financing and Revenue	August	2027
Data retention and security	2026	2027
Equity Program		

Toll Pricing Structure

Toll Pricing Structure Options

**Variable
(Time-of-Day)**

Dynamic

Pricing Objectives

Outputs

- Reliable travel time
- Captured value
- Pricing consistency based on *traffic conditions*
- Pricing consistency based on *time of day*

Processes

- Minimized effort to maintain pricing structure
- Maximum control of pricing structure

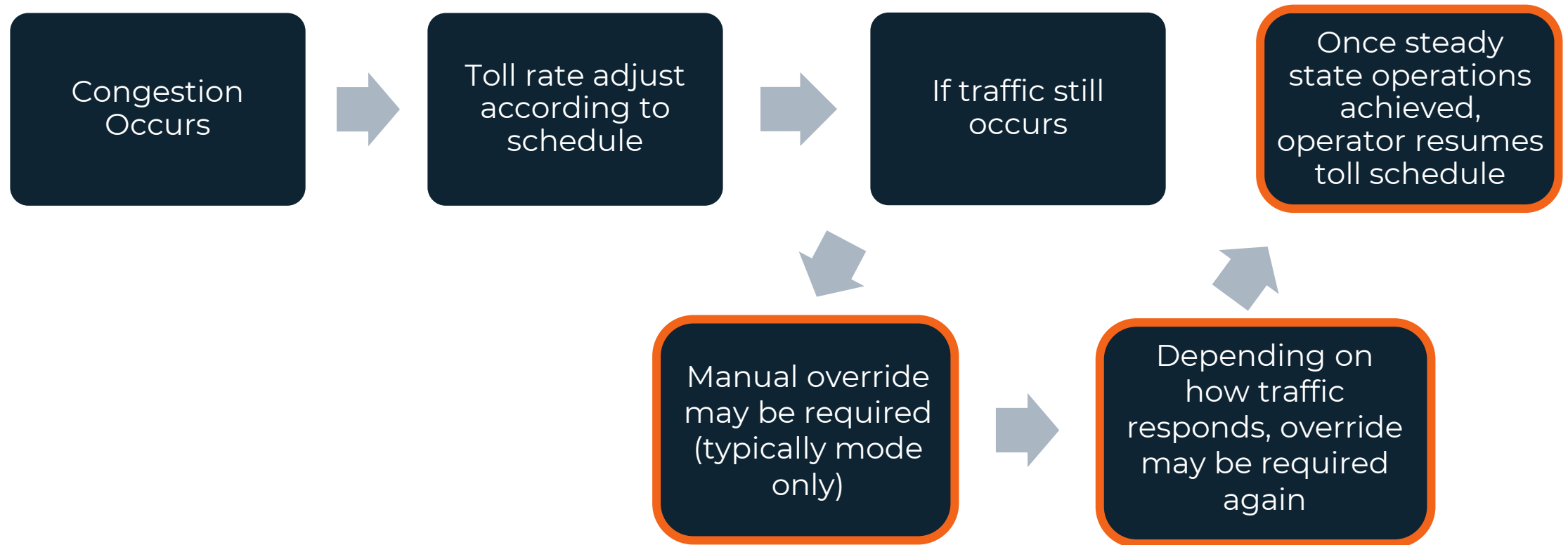
Pricing Definitions

- **Variable pricing** or “*time of day pricing.*”
 - Tolls vary based on a set schedule.
 - Rates are higher during known congested periods and lower during known free-flowing periods
- **Dynamic pricing**
 - Tolls adjust in real time based on traffic conditions
 - Prices controlled by a dynamic pricing algorithm
 - Based on traffic inputs (e.g., average speed and current volume)
 - Calculates a price designed to manage the demand and sustain generally free-flowing conditions

Dynamic Simulation: Non-recurring Congestion



Variable Simulation: Non-recurring Congestion



Pricing Structure Comparison

Pros

Cons

Variable

- Predictable
- Simple

- Multiple schedules needed
- Requires regular updating
- Not effective for non-recurring congestion

Dynamic

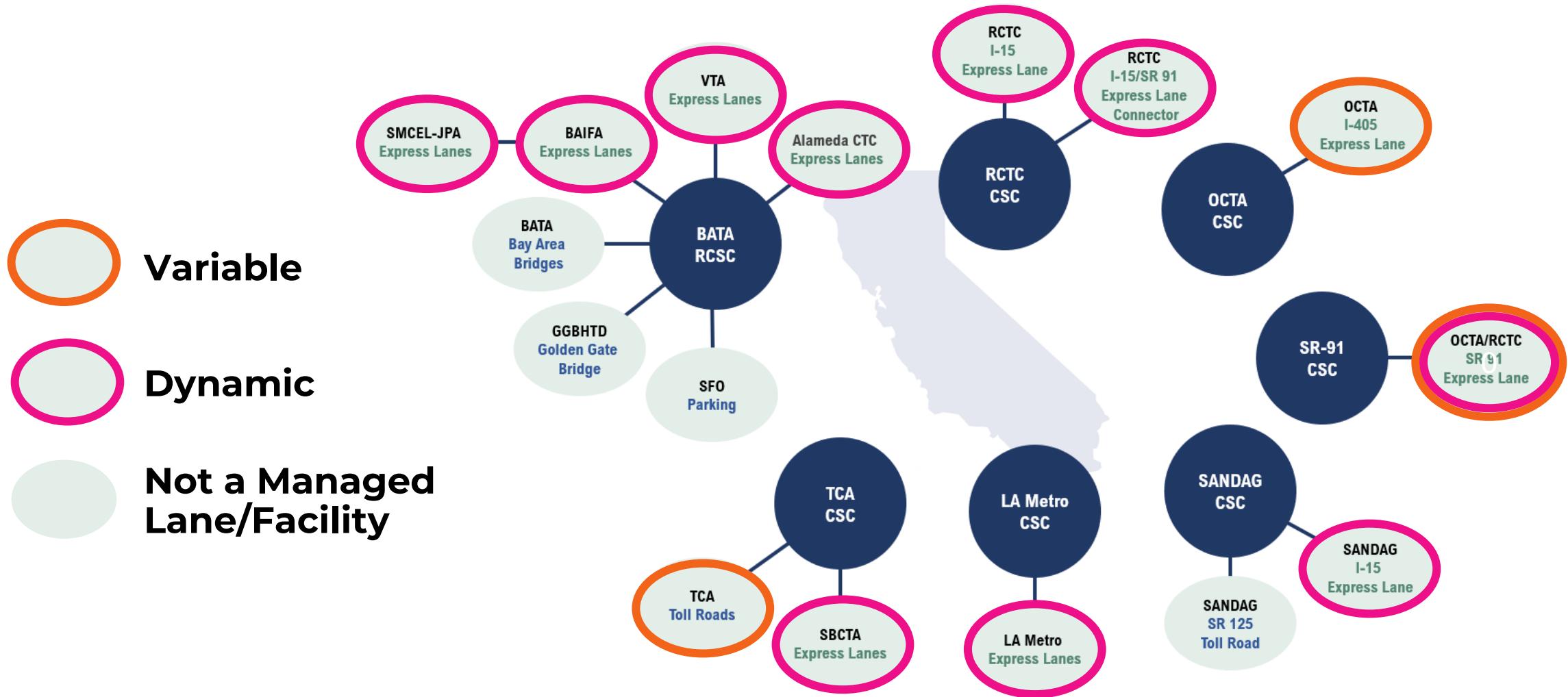
- Better for non-recurring congestion
- Typically does not require regular updating
- Simplified updating process

- Requires extensive testing
- Less predictable for customers

Pricing Structure Comparison Cont.

	Common Applications	Examples
Variable	<ul style="list-style-type: none">• Corridors with predictable congestion• New facilities• Bridges & Ports of Entry	<ul style="list-style-type: none">• 91 Express Lanes• Blue Water Bridge PoE
Dynamic	<ul style="list-style-type: none">• Express lanes	<ul style="list-style-type: none">• 1-15 Express Lanes• 1-66 inside the beltway

Toll Pricing Structure



Typical Toll Management Activities

- Toll overrides (pricing & mode)
- Updates to TOD toll rate
- Updates to toll pricing business rules (e.g. min/max toll)
- Verifying dynamic pricing results

Toll Pricing Approach

Toll Pricing Approach Options

Per-Mile

Segment-Based

Yolo 80 Traffic Patterns

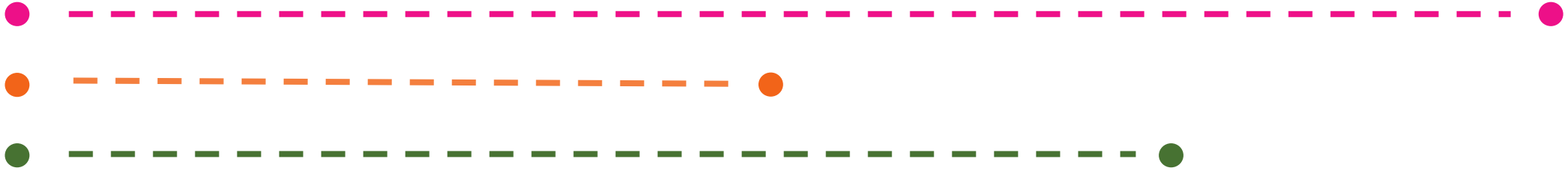
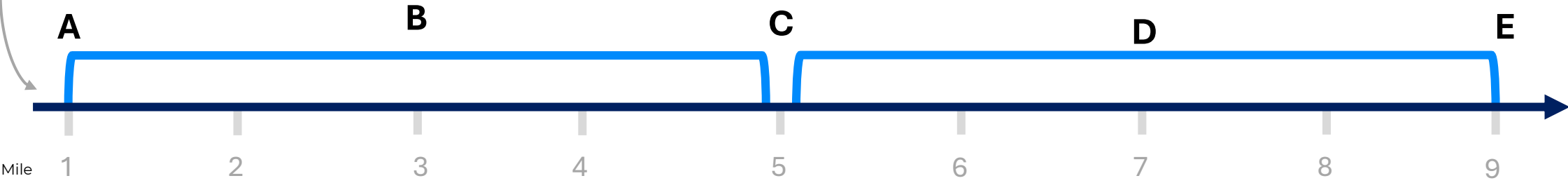
- 171,000 trips per day through the Yolo Causeway
- 75% of trips are non-work
- 93% of trips travel the full corridor
- 60% of trips start or end in the Bay Area
- 46% of trips start or end in Yolo County
- 58% of trips start or end in Sacramento County
- 6% of trips start or end in Placer County
- 5% of trips start or end in El Dorado County

Per-mile vs. segment-based pricing

- **Per-mile pricing** – drivers pay a certain \$\$ amount per mile traveled
- **Segment-based pricing** – drivers pay a set price based on a segment of the corridor, regardless of actual distance traveled

Segment-based Pricing

Pricing
Destination C **\$3.00**
Destination E **\$7.00**



● Driver X pays \$7.00

● Driver Y pays \$3.00

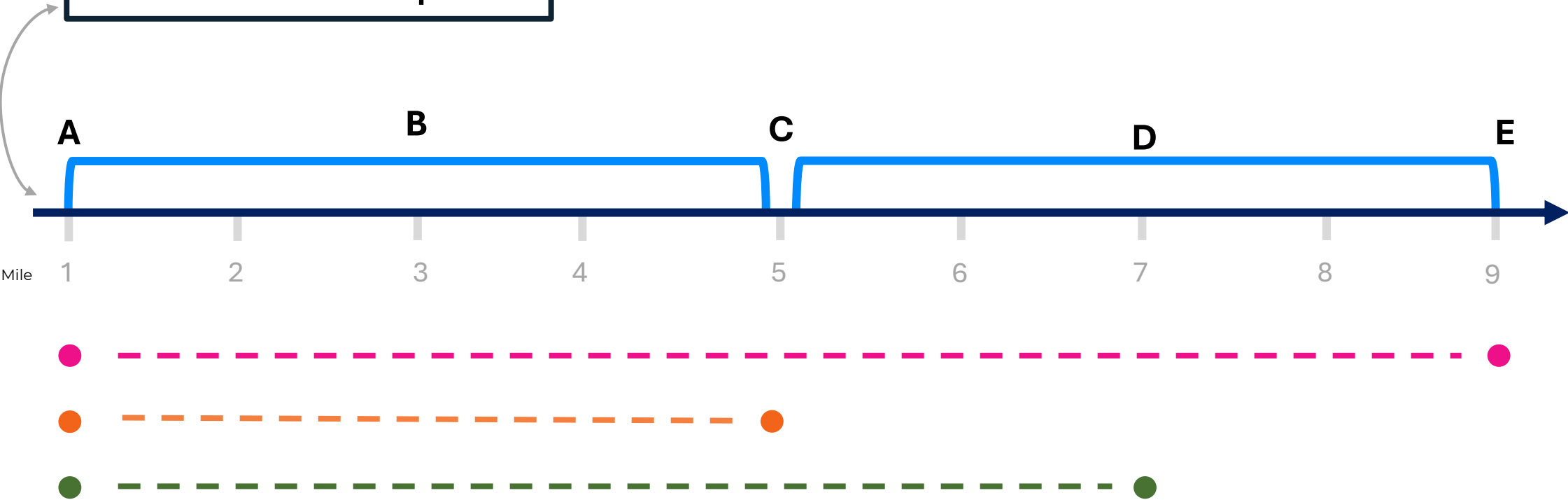
● Driver Z pays \$7.00

Per-mile pricing

Pricing

Destination C **\$3.00**

Destination E **\$7.00**



● Driver X pays \$7.00

● Driver Y pays \$3.00

● Driver Z pays \$5.40

Toll Pricing Approach



Toll Discounts and Exemptions

Discount Options

For Discussion

AND

**Legally Required/
Usually Exempt**

Toll Discounts and Exemptions

Toll discounts are usually a combination of discounts and toll exemptions based on occupancy and vehicle type

For Discussion

Frequent Driver
Low-income
Veterans
HOV
Motorcycles



Usually Exempt

Vanpools
Public transit
Paratransit
Maintenance vehicles
Legally Required
Emergency vehicles
Exempt Plates

Toll Discount Considerations

Revenue
Generation

Congestion
Relief

FasTrak® Account Management

Management Structure

BOS Provider

N/A



Capital Area Regional Tolling Authority

captollauthority.com | khanley@sacog.org



Capital Area Regional Tolling Authority

Meeting Date: April 9, 2025

Agenda Item: 6

Draft Budget Fiscal Year 2025-2026

Prepared By: Kathleen Hanley, Sacramento Area Council of Governments

Attachments: Yes

Recommendation:

None; this item is for information only.

Background:

The CARTA Joint Powers Authority agreement states the CARTA board will adopt an annual budget for each fiscal year. The agreement further states that a draft budget shall be provided at least 30 days prior to adoption of a final budget. CARTA's budget does not include the work conducted by Caltrans and YoloTD on the Yolo 80 Managed Lanes Project. Project expenses, including environmental, design, and construction, remain a part of the Yolo 80 project and are funded using separate revenue sources as part of those agencies' budgets. The CARTA budget includes only activities related to the creation and operations of a tolling authority.

At their February meeting, the CARTA board approved a staffing approach for fiscal year (FY) 2025-2026 through FY 2027-2028 that relies largely on consultants to staff CARTA and includes hiring an Executive Director in 2026.

Discussion:

Carryover from FY 2024-2025

CARTA's FY 2024-2025 Budget, adopted in May 2024, totaled \$1,300,000. The year was fully funded by a loan from SACOG's Managed Fund, and the bulk of its expenses were for SACOG staff work for CARTA and a consultant contract with HNTB. The FY 2024-2025 budget assumed all HNTB's work would occur in that fiscal year but based on costs to date, staff expect about \$275,000 of the \$700,000 contract will carry over into FY 2025-2026. Additionally, costs associated with SACOG staffing CARTA and direct legal, communications, and meeting costs are tracking to come in under budget, creating an additional \$293,000 carryover.

Revenue for FY 2025-2026

For revenues, the draft budget (Attachment 6A) includes \$568,000 in carryover from FY 2024-2025 and an additional \$1,300,000 loan from SACOG's Managed Fund. A draft loan agreement, mirroring terms from the original loan last year, is included as Attachment 6B. CARTA staff has requested that SACOG consider deferring the original repayment date by two years from the existing loan agreement (2 months, or June 30, 2028), to 24 months of initial receipt of toll revenue or June 30, 2030, whichever comes sooner. As CARTA staff have begun developing a

multiyear forecast of expenses, there will be several large upfront costs related to Yolo 80 that will be incurred in the years leading up to revenue service and in the first year of operations. This repayment delay gives CARTA additional flexibility to balance those costs. Additionally, as CARTA seeks other financing, this will provide more flexibility for CARTA in negotiating the repayment terms with other loan or financing agreements.

The SACOG board will consider approval of the additional loan as part of their final budget action at their April 17th meeting. The CARTA board will consider approval of the loan as part of the final budget action at the May meeting.

Expenditures for FY 2025-2026

The draft budget identifies \$1,868,000 in total expenditures, a 44% increase from the FY 2024-2025 budget.

Minor changes in the draft budget from FY 2024-2025 include:

- Continued SACOG staff support for administration but reduced SACOG staff for transportation to reflect the staffing transition approved by the board in February
- Right-sized legal budgets based on FY 2024-2025's actual costs
- Movement of the public outreach budget into the Toll Program Management consultant contract to better resource outreach work
- A new line item for membership in the International Bridge, Tunnel, and Turnpike Association (IBTTA) and conference attendance for one person

More substantive changes in the draft budget include:

- Creation of a Financing and Financial Planning line item to cover professional services and origination fees for CARTA to pursue financing to cover its pre-toll revenue costs.
- Addition of executive recruiter and on-call services to support CARTA's transition away from SACOG staffing the toll program towards the staffing model approved by the board in February
- Addition of a Financing and Financial Planning line item to cover loan origination fees and advising services to cover CARTA's start-up funding gap
- Expanded Toll Program Management consulting services contract to reflect the additional consulting services needed to "bridge" when SACOG staff transition off toll program work in January 2026 and an Executive Director is hired in July 2026.

Scopes of work and budgets for consulting services (financial planning, executive recruitment, toll program management, and on-call services) will be brought to the board as those procurements move forward. Attachment 6C is a draft Administrative Services Agreement between SACOG and CARTA formalizing the staffing arrangement between the new agencies. Approval of that agreement will be considered as part of CARTA's final budget action at the May meeting.

Bigger Financial Picture

Staff are working on a five-year budget forecast for CARTA and plan to bring it before the board for discussion at the May meeting along with a report on revenue options. At a high level, CARTA's expenses over the next 5 years fall into four categories:

- **Administrative** including finance, insurance, legal, administrative staffing, meetings, community engagement, and travel. Although these expenses start small (about \$400,000 in FY 2025-2026) they grow quickly to \$3.8-\$4 million per year for FY 2026-2027 through FY 2029-2030.
- **Program Management and Policy** including staff and consultant costs associated with managing CARTA, civil oversight on toll projects in development, performance monitoring of the toll system, and a regional equity study. These expenses range between \$1.4 and \$1.7 million per year.
- **Roadside Toll System** including the construction and operations of the roadside toll system and associated staff and consultant costs. These expenses start at \$500,000 annually, jump to \$13 million annually during construction, and settle down to \$2.7 million per year during operations.
- **Back Office System and Customer Service Center** including the construction and operations of the system, in partnership with an existing toll authority, and the associated staff and consultant expenses. These expenses are around \$2.1 million during construction and settle down to about \$1.1 million during operations.

Much of the Roadside Toll System and Back Office System and Customer Service Center expenses are capitalizable (i.e., are eligible for more traditional transportation infrastructure funding). Staff anticipate a funding gap for capitalizable expenses between \$10.6 million and \$30.6 million. The Administrative and Program Management and Policy expenses are non-capitalizable (i.e., "start-up" costs that aren't eligible for more traditional transportation infrastructure funding). Staff anticipate a funding gap between \$12.1 million and \$19.5 million for non-capitalizable expenses.

Staff are developing parallel strategies to cover these two funding gaps by focusing on infrastructure financing for the capitalizable gap and local agency loans for the non-capitalizable gap. These strategies will be discussed in more detail at the May meeting.

**CAPITAL AREA REGIONAL TOLLING AUTHORITY
FY 2025-2026 DRAFT BUDGET**

REVENUES:	FY 2025 BUDGET <i>Adopted May 2024</i>	FY 2026 BUDGET <i>Draft April 2025</i>	DIFFERENCE (\$) <i>FY 2026 vs FY 2025</i>	DIFFERENCE (%) <i>FY 2026 vs FY 2025</i>
Local				
Carryover from prior fiscal year	\$ -	\$ 568,000	\$ 568,000	N/A
Loan from SACOG Managed Fund	\$ 1,300,000	\$ 1,300,000	\$ -	0%
Subtotal - Local Revenues	\$ 1,300,000	\$ 1,868,000	\$ 568,000	44%
TOTAL REVENUES	\$ 1,300,000	\$ 1,868,000	\$ 568,000	\$ 0
EXPENDITURES:				
Administration:				
Administrative Staff Costs	\$ 87,529	\$ 94,000	\$ 6,471	7%
General Counsel	\$ 71,666	\$ 50,000	\$ (21,666)	-30%
Contracts Counsel	\$ 50,000	\$ 40,000	\$ (10,000)	-20%
Public Outreach / Education	\$ 60,000	\$ -	\$ (60,000)	-100%
Insurance	\$ 50,000	\$ 50,000	\$ -	0%
Audits	\$ 50,000	\$ 50,000	\$ -	0%
Website and Software	\$ 5,000	\$ 5,000	\$ -	0%
Meetings	\$ 10,000	\$ 10,000	\$ -	0%
IBTTA Membership and Travel	\$ -	\$ 7,500	\$ 7,500	N/A
Financing and Financial Planning		\$ 349,500	\$ 349,500	N/A
Executive Recruiter	\$ -	\$ 40,000	\$ 40,000	N/A
Subtotal - Administration Expenditures	\$ 384,195	\$ 696,000	\$ 311,805	81%
Toll Program				
Transportation Staff Costs	\$ 215,805	\$ 152,000	\$ (63,805)	-30%
Consulting Services: Toll Program Management	\$ 700,000	\$ 920,000	\$ 220,000	31%
Consulting Services: On-Call Services	\$ -	\$ 100,000	\$ 100,000	N/A
Subtotal - Toll Program Expenditures	\$ 915,805	\$ 1,172,000	\$ 256,195	28%
TOTAL EXPENDITURES	\$ 1,300,000	\$ 1,868,000	\$ 568,000	44%

AMENDED AND RESTATED LOAN AGREEMENT

THIS AMENDED AND RESTATED LOAN AGREEMENT (“Loan Agreement”) is made and entered into as of the 28th day of May 2025, by and between the CAPITAL AREA REGIONAL TOLLING AUTHORITY, a California joint powers agency (“Borrower”), and SACRAMENTO AREA COUNCIL OF GOVERNMENTS, a California joint powers agency (“Lender”).

RECITALS

WHEREAS, Borrower is a joint powers agency formed on February 15, 2024, by the Sacramento Area Council of Governments, Yolo Transportation District, and the California Department of Transportation District 3 for the purpose leading the implementation of toll facilities in the Sacramento region; and

WHEREAS, Lender desires to provide initial funding in order to develop, administer and operate toll lanes within the region, and Borrower intends to repay this debt as an operating expense payable from future toll revenues; and

WHEREAS, Lender and Borrower originally entered into this Loan Agreement on May 16, 2024, and Borrower simultaneously executed and delivered a Promissory Note for the Initial Loan Amount of One Million Three Hundred Thousand Dollars (\$1,300,000.00); and

WHEREAS, Lender and Borrower now wish to amend the Loan Agreement and increase the Loan from Lender to Borrower by an additional One Million Three Hundred Thousand Dollars (\$1,300,000) for a total of Two Million Six Hundred Thousand Dollars (\$2,600,000) with the execution and delivery of a second Promissory Note from Borrower.

NOW, THEREFORE, in consideration of the promises and covenants herein, Borrower and Lender agree as follows:

ARTICLE I

1.01 **Definitions.** When used in this Loan Agreement, the following terms shall have the indicated definitions:

- (a) “Additional Loan Amount” means the additional One Million Three Hundred Thousand Dollars (\$1,300,000) loan from the Lender to the Borrower as detailed in the Loan Documents executed with the approval of this Amended and Restated Loan Agreement on May 28, 2025.
- (b) “Borrower” means Capital Area Regional Tolling Authority, a California joint powers agency.
- (c) “Initial Loan Amount” means the One Million Three Hundred Thousand Dollars (\$1,300,000) loan from the Lender to the Borrower as detailed in the Loan Documents executed on May 16, 2024.

- (d) “Lender” means the Sacramento Area Council of Governments, a California joint powers agency.
- (e) “Loan” means the financial accommodation being made by the Lender to the Borrower in accordance with the terms and provisions of this Loan Agreement.
- (f) “Loan Documents” means this Loan Agreement, the Promissory Note, and all other documents executed in connection with the Obligations or under this Loan Agreement, with all addendums, modifications and amendments thereto.
- (g) “Note” means the Original Promissory Note and the Second Promissory Note from the Borrower as maker, to the Lender, as payee of even date herewith, and all amendments, extensions or renewals thereof.
- (h) “Obligations” means all obligations under the Note, all of the obligations hereunder and all other obligations and liabilities of the Borrower, or any guarantor, surety, endorser or accommodation party, to the Lender, its successors and assigns, arising from or evidenced by the Loan Documents, whether direct or indirect, primary or secondary, joint or several, absolute or contingent, or now or hereafter existing or due or to become due in connection therewith.

ARTICLE II

Terms of Note

2.01 Original Promissory Note. The Note has been executed and was delivered by the Borrower contemporaneously with the execution and delivery of the original Loan Agreement. The terms of the Promissory Note are as follows:

- (a) The Borrower shall repay the Initial Loan Amount of One Million Three Hundred Thousand Dollars (\$1,300,000.00) in annual installments bearing interest in the amount earned by the Sacramento County Pooled Investment Fund during the same period. Borrower’s payments shall begin within twenty-four (24) months of Borrower’s initial receipt of toll revenue or June 30, 2030, whichever is sooner, unless otherwise agreed to in writing by Lender. Annual installments shall be in the amount of \$325,000, with any additional amount due to accrued interest added to the final payment due June 30, 2033.
- (b) The parties acknowledge that in accordance with California Streets and Highways Code Section 149.7(e)(4), revenue generated from Borrower’s operation of a toll facility shall be available for repayment of the Loan and shall take priority over all other debt issued by Borrower, unless otherwise

agreed to in writing by Lender.

- (c) The Borrower may prepay the Initial Loan Amount or any portion thereof, at any time prior to the repayment term without penalty.

2.02 Second Promissory Note. The Note has been executed and delivered by the Borrower contemporaneously with the execution and delivery of this Amended and Restated Loan Agreement. The terms of the Promissory Note are as follows:

- (a) The Borrower shall repay the Additional Loan Amount of One Million Three Hundred Thousand Dollars (\$1,300,000.00) in annual installments bearing interest in the amount earned by the Sacramento County Pooled Investment Fund during the same period. Borrower's payments shall begin following full payment of the Initial Loan Amount or June 30, 2034, whichever is sooner, unless otherwise agreed to in writing by Lender. Annual installments shall be in the amount of \$325,000, with any additional amount due to accrued interest added to the final payment due June 30, 2037.

2.03 Accrual of Interest. Interest shall be separately computed, applied, and tracked separately for the Initial Loan Amount and the Additional Loan Amount based on the execution and delivery date of each Promissory Note.

2.04 Default. Each of the following shall constitute an Event of Default under this Agreement:

- (a) Borrower fails to make any payment when due.
- (b) Borrower fails to comply with or to perform any other term, obligation or covenant or condition contained in this Agreement or any of the Loan Documents.
- (c) The dissolution or termination of the Borrower's existence as a joint powers agency, insolvency of the Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of Borrower's creditors or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

2.05 Lender's Rights. Upon and Event of Default, Lender may declare the entire unpaid balance of the Loan Amount immediately due.

ARTICLE III

Miscellaneous

3.01 No Implied Waiver. Neither failure to exercise nor any delay on the part of Lender in exercising any right, power or privilege, nor any single or partial exercise of any right, power or privilege under this Agreement, nor under any of the documents executed by Borrower in connection herewith, shall preclude any further exercise thereof by Lender or the exercise of any other right, power or privilege.

3.02 Changes Must Be In Writing. No provisions of the Loan Documents may be changed, waived, discharged or terminated orally, by telephone or by any other means except an instrument in writing signed by the party against whom enforcement of the change, waiver, discharge or termination is sought and then the same shall be effective only in the specific instance for which it is given.

3.03 Applicable Law. This Agreement shall be deemed to be a contract made in the State of California and entered into under and pursuant to the laws of such state, and to be governed, construed and enforced in accordance with the laws of the State of California.

3.04 Counterparts. This Agreement and any of the other Loan Documents may be executed in any number of counterparts, each of which shall constitute an original.

3.05 Survival of Covenants. This Agreement and all covenants, agreements, representations and warranties made herein in any other Loan Document, shall survive the making by the Lender of the Loan and the execution and delivery to the Lender of the Note, and shall continue in full force and effect so long as the Note and any other indebtedness of the Borrower to the Lender hereunder or under any other Loan Document is outstanding and unpaid.

3.06 Successors and Assigns. Except as herein provided, this Agreement and the other Loan Documents shall be binding upon and inure to the benefit of Borrower and Lender and any other successors and assigns. Notwithstanding the foregoing, Borrower or any other person other than Lender, without the prior written consent of the Lender, which consent may be withheld in Lender's sole discretion, may not assign, transfer or set over to another person, in whole or in part, all or any part of its benefits, rights, duties and obligations hereunder, including, without limitation, performance of and compliance with conditions hereof and the right to receive the proceeds of current or future advances. Whenever in this Agreement or in any of the other Loan Documents any of the parties hereto or thereto is referred to, such reference shall be deemed to include the successors and assigns of such party (but without any implied consent to any transfer or other action which violates the term of any Loan Document); and all covenants, promises and agreements contained in this Agreement, or in any of the other Loan Documents by or on behalf of Borrower or any other Person other than Lender, shall inure to the benefit of the respective successors and assigns of Lender.

3.07 Severability. Any provision of this Agreement or of any other Loan Document which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or thereof or affecting the validity or enforceability of such provision in any other jurisdiction.

3.08 Amendment, Waiver or Consent. No waiver, consent, modification, or amendment shall be effective as against the Lender unless the same is in writing and signed by an authorized officer. No such waiver, consent, modification, or amendment shall extend to or affect any obligation or right except to the extent expressly provided for therein.

3.09 Applicable Law and Costs of Enforcement. The laws of the state of California shall govern the validity, performance and enforcement of this Loan Agreement. Borrower agrees to pay the costs and expenses, including but not limited to reasonable attorneys' fees and legal expenses incurred by Lender in the exercise of any right or remedy available to it, whether or not suit is commenced, including, without limitation, reasonable attorneys' fees and legal expenses incurred in connection with any appeal of a lower court's order or judgment.

3.10 Further Assurances. Borrower will execute and deliver such other and further instruments and documents, and will do such other and further acts as in the opinion of the Lender may be necessary or desirable to carry out more effectively the purposes of this Loan Agreement.

3.11 Binding Effect. This Loan Agreement shall be binding upon the Borrower and his successors and assigns, and shall inure to the benefit of the Lender and the benefit of its successors and assigns, including any subsequent holder or holders of the Note or any interest therein.

3.12 Survival. All representations, warranties, covenants, and agreements made herein shall survive the execution and delivery of this Loan Agreement, the Loan Documents and the issuance of the Note.

3.13 Integration of Loan Documents. The Parties agree that this Loan Agreement shall incorporate by reference all of the terms, covenants, conditions, obligations, stipulations and agreements contained in the Loan Documents, to the same extent and effect as if fully set forth herein and made a part of this Loan Agreement.

3.14 Entire Contract. This Loan Agreement with the Loan Documents constitutes the entire Loan Agreement between the parties. No oral representation shall be binding on any Party hereto, and all parties acknowledge that no reliance will be placed on any oral representations of any person or entity which vary, in any manner whatsoever, any portion of this Loan Agreement.

IN WITNESS WHEREOF, the Parties hereto have caused this Loan Agreement executed and delivered as of the day and year first above written.

[SIGNATURES ON NEXT PAGE]

SACRAMENTO AREA COUNCIL OF GOVERNMENTS

James Corless, Executive Director

APPROVED AS TO FORM:

Osman Mufti, Counsel
Sloan Sakai Yeung and Wong

CAPITAL AREA REGIONAL TOLLING AUTHORITY

Oscar Villegas, Board Chair

APPROVED AS TO FORM:

Michael Maurer, Counsel
Best Best & Krieger

ATTACHMENT 1

[insert executed original promissory note]

DRAFT

ATTACHMENT 2

PROMISSORY NOTE

Loan Amount: \$1,300,000

May 28, 2025

1. FOR VALUE RECEIVED, the CAPITAL AREA REGIONAL TOLLING AUTHORITY, a California joint powers agency (“Borrower”), promises to pay to the order of SACRAMENTO AREA COUNCIL OF GOVERNMENTS, a California joint powers agency (“Lender”), the Principal sum of One Million Three Hundred Thousand Dollars (\$1,300,000) with interest from the date first above written until paid at the rate earned by the Sacramento County Pooled Investment Fund during the same period (“Rate”).
2. The Principal sum borrowed pursuant to this Promissory Note, together with all interest due on it, is due and payable on or before June 30, 2033.
3. Borrower will use the Principal sum borrowed pursuant to this Promissory Note for Borrower’s administrative operations consistent with Borrower’s 2025-2026 fiscal year budget.
4. Borrower will timely pay to Lender all sums owing under this Promissory Note without deduction, offset, or counterclaim of any kind.
5. All payments on this Note will be applied first to the payment of any costs, fees, late charges, or other charges incurred in connection with the indebtedness evidenced by this Note; next, to the payment of accrued interest; then to the reduction of the principal balance; or in any other order that Lender requires.
6. Failure to pay any part of the Principal of this Promissory Note when due, or failure to carry out any of the terms, covenants, or conditions of this Promissory Note, shall authorize the holder of this Promissory Note to declare as immediately due and payable the then-unpaid Principal and to exercise any and all of the rights and remedies provided by the California Commercial Code as well as all other rights and remedies either at law or in equity possessed by the holder of this Promissory Note.
7. If Lender incurs fees and expenses for legal services by any attorney to enforce or construe any provision of this Note or as a consequence of any event of default, with or without the filing of any legal action or proceeding, then Borrower will immediately pay to Lender on demand all attorneys' fees and other costs incurred by Lender, together with interest from the date of the demand until paid.

8. Borrower hereby waives presentment, notice of dishonor, and protest.

9. This Note may be prepaid in whole or in part without penalty.

Dated: May 28, 2025

By: _____

Name: Oscar Villegas

Title: Capital Area Regional Tolling Authority, Chair

DRAFT

ADMINISTRATIVE SERVICES AGREEMENT

BETWEEN THE SACRAMENTO AREA COUNCIL OF GOVERNMENTS AND CAPITAL AREA
REGIONAL TOLLING AUTHORITY

This Administrative Services Agreement ("Agreement") is entered into between the Sacramento Area Council of Governments ("SACOG"), a California joint powers agency, and the Capital Area Regional Tolling Authority ("CARTA"), a California joint powers agency.

WHEREAS, CARTA is a joint powers agency formed on February 15, 2024, by the Sacramento Area Council of Governments, Yolo Transportation District, and the California Department of Transportation District 3 for the purpose of leading the implementation of toll facilities in the Sacramento region; and

WHEREAS, SACOG has been providing staffing services to CARTA on a cost reimbursement basis since July 2024; and

WHEREAS, CARTA desires to continue receiving staffing services from SACOG to support its operations and projects.

NOW, THEREFORE, in consideration of the promises and covenants herein, the parties agree as follows:

1. Services. SACOG shall provide staffing services to CARTA as requested and agreed upon by both parties. These services may include, but are not limited to, administrative support, contract management, financial management, and other related services (collectively, "non-technical services").
2. Planning and Project Management. SACOG shall provide limited technical planning and project management services to CARTA through January 31, 2026. CARTA acknowledges that SACOG does not employ a licensed engineer and will not provide engineering services to CARTA.
3. Evaluation of Services. In October 2026, SACOG and CARTA shall jointly evaluate the need for staffing support to CARTA from SACOG through the term of this Agreement. The need for additional staffing support shall be memorialized by a signed letter agreement between the Executive Director of each agency. In the event that CARTA does not have an executive director by such a date as such additional staffing support needs are identified, approval on CARTA's behalf shall be granted by its Board.
4. Annual Staffing Needs Assessment. CARTA shall develop by January 1 of each year a detailed estimate of staffing needs from SACOG and share this information with SACOG. SACOG shall respond to CARTA to confirm whether the staffing request can be met, or, if there need to be any modifications. SACOG will include agreed upon staffing estimates in its budget. CARTA will budget for a total dollar amount for staffing services as indicated by SACOG.
5. Control of Personnel. SACOG has and shall retain the right to exercise full control of the supervision of the services, employment, direction, compensation, and discharge of all SACOG employees performing services under this Agreement. SACOG shall be solely

responsible for all matters relating to the payment of its employees, including, but not limited to, compliance with California Public Employees' Retirement System, social security and income tax withholding, workers' compensation insurance, and all regulations governing such matters.

6. Reimbursement. CARTA agrees to reimburse SACOG for all costs incurred in providing the staffing services described in Section 1. Reimbursement shall be based on actual costs incurred by SACOG, including salaries, fringe benefits, indirect costs, and any direct costs associated with the staffing services. SACOG staff will submit timesheets detailing hours worked for CARTA on a monthly basis. SACOG will bill CARTA for costs based on the then-current rates by staff person. Any costs incurred shall be invoiced monthly or at least quarterly. CARTA shall remit payment to SACOG within thirty (30) days of receipt and verification of the itemized invoice.
7. Term and Termination. This Agreement shall commence on July 1, 2025, and shall continue through June 30, 2027, unless otherwise terminated as provided herein. Either party may terminate this Agreement for any reason upon ninety (90) days' written notice to the other party. In the event of termination, CARTA shall reimburse SACOG for all costs incurred up to the effective date of termination.
8. Amendments. Except as otherwise described herein, this Agreement may be amended only by a written agreement executed by both parties.
9. Integration. This Agreement constitutes the entire agreement between the parties and supersedes all prior agreements and understandings, whether written or oral, relating to the subject matter hereof.
10. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement executed and delivered as of the day and year first above written.

[SIGNATURES ON NEXT PAGE]

SACRAMENTO AREA COUNCIL OF GOVERNMENTS

James Corless, Executive Director

APPROVED AS TO FORM:

Osman Mufti, Counsel
Sloan Sakai Yeung and Wong

CAPITAL AREA REGIONAL TOLLING AUTHORITY

Oscar Villegas, Board Chair

APPROVED AS TO FORM:

Michael Maurer, Counsel
Best Best & Krieger



Capital Area Regional Tolling Authority

Meeting Date: April 9, 2025

Agenda Item: 7

Yolo 80 Managed Lanes Project Update

Prepared By: Gurtej Bhattal, Caltrans District 3

Attachments: No

Recommendation:

None; this item is for information only.

Background:

As outlined in the Caltrans Services Memorandum, Caltrans is committed to providing updates on the status of active managed lanes projects at each CARTA board meeting. These updates are intended to be high-level and track the overall progress of the project. For real-time travel information, including lane closures and detours, please visit roads.dot.ca.gov.

The Yolo 80 Corridor Improvements Project (Yolo 80) will add one high-occupancy toll (HOT 3+) lane to Interstate 80 (I-80) between Davis and West Sacramento. The project completed its environmental documents and final design May 2024 and has awarded the construction contract to De Silva Gates in the amount of \$124,800,000. For more detailed information about the project, including project documents, please visit <https://dot.ca.gov/caltrans-near-me/district-3/d3-projects/d3-i80-corridor-improvements>.

Discussion:

Caltrans opened bids on July 31, 2024, and awarded the contract to De Silva Gates on September 27, 2024. The anticipated construction start date is April 1, 2025. The project is anticipated to take 370 working days and is therefore likely to finish construction in late 2026 or early 2027. This means that the physical tolling infrastructure will likely be fully constructed before CARTA is ready to collect tolls.

Two lawsuits have been filed against the project by (1) the National Resource Defense Council, Planning and Conservation League, and Center for Biological Diversity; and (2) the Sierra Club and Environmental Council of Sacramento. Both are in the process and further updates will be provided as appropriate.



Capital Area Regional Tolling Authority

Meeting Date: April 9, 2025

Agenda Item: 8

Sac-5 Managed Lanes Project Update

Prepared By: Jess Avila, Caltrans District 3

Attachments: No

Recommendation:

None; this item is for information only.

Background:

As outlined in the Caltrans Services Memorandum, Caltrans is committed to providing updates on the status of active managed lanes projects at each CARTA board meeting. These updates are intended to be high-level and track the overall progress of the project.

The project proposes to construct managed lanes in both directions on Interstate 5 (I-5) in Sacramento County from I-5/US 50 Interchange to Sacramento River Bridge (Br. No. 22-0025). Intelligent Transportation System (ITS) infrastructure will also be added to actively manage recurrent and non-recurrent congestion. For more information on the project, visit <https://dot.ca.gov/caltrans-near-me/district-3/d3-projects/d3-i5-managed-lanes-project>.

Discussion:

The project is currently in the environmental phase where nine managed lane options (including no-build) are being studied to determine environmental impacts. The build options include construction of an additional lane to accommodate HOV, HOT, Express, Transit Only, and Dual HOT (where 1 existing general purpose (GP) lane is converted to HOT) managed lanes and an option to convert 1 existing GP lane to HOV lane. The target to complete the environmental documents (CEQA/NEPA) is March 2027.

The total project cost is estimated to be between \$450 million and \$500 million depending on the managed lane option chosen. Total project cost estimates assume \$50 million for vehicle miles traveled (VMT) mitigation. There is \$30.9 million of available funding for the project. To date, \$11.9 million has been spent on the environmental phase of the project. Available funding has been made possible by SACOG flexible funding rounds and STA. STA funding is primarily in future years for construction of the project.

The funding strategy is to apply for qualifying local, state and federal grants.



Capital Area Regional Tolling Authority

Meeting Date: April 9, 2025

Agenda Item: 9

US 50 Managed Lanes Project Update

Prepared By: Daniel Kwong, Caltrans District 3

Attachments: No

Recommendation:

None; this item is for information only.

Background:

As outlined in the Caltrans Services Memorandum, Caltrans is committed to providing updates on the status of active managed lanes projects at each CARTA board meeting. These updates are intended to be high-level and track the overall progress of the project. For real-time travel information, including lane closures and detours, please visit roads.dot.ca.gov.

The US 50 Multimodal Corridor Enhancement & Rehabilitation Project will add carpool, or High-Occupancy Vehicle (HOV), lanes in each direction on U.S. Highway 50 from Interstate 5 to east of Watt Avenue, construct sound walls from Stockton Blvd to 65th Street, and incorporate Intelligent Transportation System (ITS) elements into the HOV system. The project completed its environmental documents in May 2017. The project was combined with the State Highway Operation and Protection Program (SHOPP) project to rehabilitate the highway assets and is utilizing a Design Build project delivery method. The total combined Construction Capital funds of \$368,900,000 were allocated in March 2019. The Design-Build contract was awarded in April 2020, to Flatiron West Inc. for a total Construction Capital cost of \$397,790,000 with 925 Working Days. Additional funds were allocated in December 2023 and October 2024. Currently the total Construction Capital Cost is \$455,730,500.

For more detailed information about the project, including project documents, please visit <https://www.fix50.com/> or <https://dot.ca.gov/caltrans-near-me/district-3/d3-projects/d3-us-50-hov-lane-0h08u>.

Discussion:

Currently, the project is 87% complete. Below is list of activities on the project in the past couple of months.

- Structure construction completed.
- Coordination with City of Sacramento on adjacent projects, parking impacts and utility work.
- The contractor working on the final design package i.e., Local Roads Plans.

- Roadway construction: Pavement Demo and off hauling, Install Electrical elements, work on drainage, traffic staging.

The project has experienced significant delays due to late execution of Construction and Maintenance (C&M) Agreement from Union Pacific Railroad (UPRR). The State has realized 242 working day schedule impact from the delay. Design-Build contractor disagrees with the State on the level of the impact. The contractor has filed dispute and the issue is following its process.



Capital Area Regional Tolling Authority

Meeting Date: April 9, 2025

Agenda Item: 10

Cap City Corridor (State Route 51) Managed Lanes Project Update

Prepared By: Andrew Huang, Caltrans District 3

Attachments: No

Recommendation:

None; this item is for information only.

Background:

As outlined in the Caltrans Services Memorandum, Caltrans is committed to providing updates on the status of active managed lanes projects at each CARTA board meeting. These updates are intended to be high-level and track the overall progress of the project.

The Cap City Corridor Improvements Project proposes to construct managed lanes in both directions on State Route 51 (SR 51) between N Street to El Camino Avenue Overcrossing in Sacramento County. Intelligent Transportation System (ITS) infrastructure will also be added to actively manage recurrent and non-recurrent congestion.

Discussion:

Caltrans is continuing its preliminary design and environmental studies to clear the Cap City Corridor project, coordinate with exterior agencies for input, and analyze multiple alternatives to complete the initial Project Approval and Environmental Document phase. The project is targeting to complete its environmental documents in June 2026 and has a targeted design completion date of February 2029. Currently the total project cost is estimated to be between \$450 million to \$550 million depending on the managed lane option chosen and includes \$50 million for VMT mitigation.

When grant opportunities are available the Caltrans team intends to apply for funding where applicable to fund the project.