

California Department of Transportation

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October 17, 2024

Capital Area Regional Tolling Authority
(CARTA)
1415 L Street, #300
Sacramento, CA 95814

Dear Chair Villegas,

Caltrans' mission is to provide a safe and reliable transportation network that serves all people and respects the environment, and as the owner and operator of the State Highway System, we support the addition of tolled managed lanes.

We would like to see the tolling system in the Sacramento Region work to the benefit of all users and having Caltrans District 3 as a voting member of the Capital Area Regional Toll Authority (CARTA) puts our region in the best position to have toll projects succeed and meet our shared safety, climate action, and equity goals.

This memorandum has been developed to meet the requirement of Section 6.4 of the CARTA joint powers authority agreement.

Including Caltrans as a voting member of CARTA provides three main benefits to the Sacramento Region:

- 1) Reduced operational, maintenance, and engineering costs;
- 2) Improved efficiency in obtaining required approvals and permits; and
- 3) A more productive and transparent relationship with Caltrans.

These benefits result in quantifiable cost savings for CARTA that are not available to other tolling authorities in the state.

	Estimated One-Time or Per-Project Savings	Estimated Annual Savings
In-Kind* Use of Transportation Management Center	\$135k - \$1M	\$0k - \$500k
Discounted Maintenance Services	\$300k - \$600k	\$210k - \$325k
Engineering Services without Oversight Costs	\$3m - \$7m	
In-Kind* Access to Communications Network		\$250k - \$500k
Expedited Permitting and Approvals	50%-75% less toll revenue lost	
Transparency and Collaboration		
Total	\$3.4m - \$8.6m	\$460k - \$1.2m

IN-KIND* USE OF THE TRANSPORTATION MANAGEMENT CENTER (TMC):

All tolling authorities are required to monitor conditions of the tolled managed lanes during hours of operation and provide real-time incident management. This optimizes the safety and reliability of the toll lane and maximizes revenue generation. Other tolling authorities in California meet this requirement in two ways:

- Creating an independent traffic operations center (TOC)
- Embedding the TOC within their Caltrans District's TMC

A TMC is a central hub for all communications. It receives information from roadway detection, roadway weather information systems, CCTV cameras, workers in the field, and reporting parties. It sends information to the traveling public through changeable message signs, highway advisory radios, traffic alerts, and Caltrans QuickMap. Most of the congestion comes as a result of non-recurring events like debris in the roadway, crashes, weather events, and special events, called incidents.

Caltrans District 3 already has a 24/7 TMC in Rancho Cordova with the workstations, hardware, essential staff, redundant power, and communications infrastructure needed to serve as the tolling authority's TMC. As an added benefit, California Highway Patrol (CHP) shares the Caltrans District 3's TMC, optimizing our incident detection, verification, response, clearance, and recovery efforts. Caltrans' close relationship with CHP would benefit the JPA when traffic breaks or lane closures are needed, and when maintenance is required on the tolled facility.

As a voting member of CARTA, Caltrans District 3 will allow CARTA to leverage its existing TMC facility and staff, in-kind*. In this scenario, existing Caltrans TMC staff will split their time between monitoring the toll lane and their other responsibilities. If CARTA would like to have additional staff dedicated only to the toll facility, CARTA must pay for the staff and equipment costs associated with that additional personnel.

This arrangement saves CARTA significant costs compared to other toll authorities, especially compared to creating a Traffic Operation Center from scratch. But even when other toll authorities embed their TOC within their District's TMC, they are required to pay overhead costs that CARTA will not have to pay. The table below provides an estimate of the cost savings. Actual costs will be calculated as part of a Traffic Operations Agreement between CARTA and Caltrans, which will be brought to the CARTA board for discussion and decision.

	Other Toll Authorities		CARTA	
	Independent TOC	TOC within TMC	TMC with no additional staff	TMC with one additional staff
One-Time Facility/Equipment	\$500k - \$1m	\$150k-\$200k	\$0	\$10k-\$15k
Annual Staffing	\$400k-\$500k	\$150k-\$225k	\$0	\$100k-\$150k

DISCOUNTED MAINTENANCE SERVICES:

Maintenance is our first line of defense for safe and reliable travel. All tolling authorities are required to pay the maintenance costs for their toll facilities, including signs, striping, pavement, communications, and any other infrastructure. Maintenance activities generally come in two categories:

- Ongoing minor maintenance, including sweeping, restriping, sign replacement, and pavement patching
- Maintenance capital projects, including full or substantial replacement of pavement, electric infrastructure, and barriers

Caltrans does not provide maintenance services for other toll authorities. Those toll authorities must hire their own contractors to perform all maintenance work. Those toll authorities are required to meet Caltrans' maintenance standards, obtain various permits, and pay Caltrans for oversight of their maintenance work.

With Caltrans District 3 as a voting member, CARTA's maintenance costs will be significantly discounted. Caltrans will provide ongoing minor maintenance of CARTA's toll lane road infrastructure, in-kind*. CARTA will be responsible for ongoing maintenance of toll-specific infrastructure (including toll gantries, cameras/transponder infrastructure, and changeable toll signs). CARTA will also be responsible for maintenance capital projects, including major rehabilitation or replacement of the roadway. However, when toll-specific maintenance or maintenance capital projects are needed, Caltrans will provide CARTA with a quote for Caltrans maintenance staff to do the work. CARTA may choose to use Caltrans or select another contractor. Caltrans will not charge CARTA oversight for maintenance work, regardless of selected contractor.

This arrangement significantly reduces CARTA's maintenance expenses through services in-kind*, better coordination, and limited duplication of work. The table below provides an estimate of the cost savings. Actual costs will be calculated as part of a Maintenance Agreement between CARTA and Caltrans, which will be brought to the CARTA board for discussion and decision.

	Other Toll Authorities		CARTA	
	One-time 1 mile pavement rehabilitation	Annual minor maintenance for 6 miles	One-time 1 mile pavement rehabilitation	Annual minor maintenance for 6 miles
Caltrans Oversight	\$300k-\$600k	\$35k-\$75k	\$0	\$0
Maintenance Work	\$1.5m-\$2m	\$175k-\$250k	\$1.5m-\$2m	\$0

ENGINEERING SERVICES WITHOUT OVERSIGHT COSTS:

In other regions, toll authorities must contract with consultants for environmental, civil, electrical, and traffic engineering services to design and construct projects. In addition to the

significant costs of these consultants, those toll authorities must also pay Caltrans to cover Design oversight. This process increases design costs and creates delays, as each party must respond to each other's comments.

As a voting member of CARTA, Caltrans District 3 will offer our internal engineering staff for CARTA to use on a contract basis. When CARTA has a need for environmental, civil, electrical, or traffic engineering work, Caltrans District 3 will provide CARTA a quote for our engineering staff to do the work. CARTA may choose to use Caltrans or another contractor. If CARTA chooses to use another contract, Caltrans' will not charge oversight costs.

This arrangement provides a significant cost and time savings to CARTA. Caltrans providing these services improves process efficiency and ensures a quality product where safety and reliability of the transportation network remains at the forefront. The table below provides an estimate of the cost savings. Actual costs will be calculated as part of a project-specific Engineering Services Agreement between CARTA and Caltrans, which will be developed based on the specific needs CARTA has for engineering work. These agreements will be brought to the CARTA board for discussion and decision.

	Other Toll Authorities	CARTA
	One-time/per-project Environmental and Design Engineering Work for 17-mile managed lanes project	
Caltrans Oversight	\$3m-\$6m	\$0
Engineering Work	\$15m-\$17m	\$15m-\$16m

IN-KIND* ACCESS TO COMMUNICATION NETWORK:

Access to redundant and reliable communication is vital to the successful operation of tolled managed lanes. Specifically, communication is needed to inform the public, operate the toll system, and monitor the toll facility operations. Other toll authorities are required to install or lease their own fiber and conduit. Leasing communications infrastructure can range from \$250,000 to \$500,000 annually.

As a voting member of CARTA, Caltrans District 3 will provide CARTA in-kind* access to our existing communications backbone, specifically to fiber or conduit, saving CARTA from contracting the service out or installing separate facilities. CARTA will be responsible for costs for infrastructure above and beyond what Caltrans requires, but Caltrans will work with CARTA to reduce duplication and increase efficiency whenever communications upgrades are needed.

As new managed lane corridors are under development, Caltrans will inform CARTA and project sponsors of existing communications infrastructure on the corridor. If the existing communications infrastructure is sufficient, Caltrans and CARTA will enter into a Communications Agreement that establishes the exact bandwidth Caltrans will provide CARTA and how outages or other issues will be handled. If the existing communications infrastructure is insufficient, Caltrans and CARTA's Communications Agreement for that facility

will specify the responsibilities of each entity to upgrade the infrastructure. These Communications Agreements will be developed for each toll facility and brought to the CARTA board for discussion and decision.

	Other Toll Authorities	CARTA
Annual communication infrastructure lease	\$250k - \$500k	\$0

EXPEDITED PERMITTING AND APPROVALS:

All tolling authorities must submit encroachment permits for Caltrans approval to access the state highway system for maintenance and construction, as well as for lane closures. These services have typical and required timeframes and require advanced notification for approvals in non-emergency situations.

As a voting member of CARTA, Caltrans District 3 will be aware of upcoming encroachment and lane closure needs, and work to expedite CARTA's approvals. This will save CARTA significant costs in downtime and delays. Expediting these reviews will help maximize toll collecting capabilities and reduce loss of revenue. For example, if one of the Yolo 80 toll signs were broken and needed to be repaired, CARTA would need an encroachment permit to do work in the state right of way. Streets and Highways code gives Caltrans up to 60 days to approve or deny an encroachment permit. If the Yolo 80 toll sign were down for 60 days, CARTA could lose \$3 million in gross toll revenue. If, as an example, Caltrans could expedite that approval in 30 days or 15 days, CARTA's revenue loss would be closer to \$1.5 million or \$750,000, respectively, saving 50 to 75 percent of costs.

	Other Toll Authorities	CARTA
	Encroachment permit for toll sign repair on Yolo 80	
Estimated time for permit approval	60 days	15 - 30 days
Estimated loss of toll revenue	\$3 million	\$750k - \$1.5m

TRANSPARENCY AND COLLABORATION:

As a voting member of CARTA, Caltrans staff will regularly update CARTA on the development of managed lane projects, providing opportunities for CARTA Directors and their constituents to weigh in earlier. This does not replace the robust stakeholder engagement that Caltrans conducts with cities and counties along a project corridor but adds an additional venue where CARTA can weigh in on regional issues related to tolling. Caltrans will provide a written project update memorandum for all active projects at each CARTA Board meeting. Caltrans will also provide more detailed presentations on active projects as requested and will inform the CARTA Board for upcoming major milestones on managed lane projects.

In conclusion, Caltrans District 3 works extremely hard to manage and optimize conditions on the State Highway System. As a voting member of CARTA, we are committed to providing

different resources to CARTA in-kind* to create efficiencies for our region's toll system, including but not limited to:

- A state-of-the-art, regional, multi-agency TMC,
- Maintenance services and existing equipment,
- Expertise in Environmental, Civil, Electrical, and Traffic engineering services to design and construct projects and operate the network,
- Access to our robust communications network, which supports thousands of field elements, fiber, CCTV Cameras, and changeable message signs,
- Expedited review of lane closures or any needed permits.

Caltrans looks forward to the opportunity to work directly with other CARTA Directors to better understand perspectives of their respective communities, and to share expertise to help optimize and maximize toll lane performance. We're committed to making this a successful partnership and ensuring the Sacramento Region has a productive relationship with Caltrans.

Sincerely,



Sergio Aceves
District Director (Acting)

*All references to in-kind services and contributions by Caltrans are made pursuant to the Joint Exercise of Powers Act (Government Code Section 6504), which specifies that contributions may be made by parties of a Joint Powers Agreement for the purposes set forth in the Joint Powers Agreement.