

Attachment B - Evaluation of Tolling Governance Options

This attachment summarizes the evaluation SACOG staff and partners have done of potential tolling governance structures. The evaluation is based on four criteria: risk to the Yolo 80 project, risk to SACOG, regional partnership, and local representation. Staff believe Option 2A performs best on these criteria and therefore is the staff-recommended governance structure.

1. Option 1A: SACOG serves as the tolling authority permanently.
 - a. Overview: In this option, the SACOG existing Board structure and practices would be carried over to the tolling authority. This could be accomplished by SACOG becoming the tolling authority itself, or through the creation of a separate agency managed by the SACOG Board and staffed by SACOG staff, similar to Capital Valley Regional Service Authority for Freeways and Expressways (CVR-SAFE).
 - b. Risk to Yolo 80: This option creates significant risk to the Yolo 80 project. Both Caltrans and YoloTD have significant concerns with this option and a lack of clarity among the project partners creates additional barriers to delivering the discretionary federal funding on-time.
 - c. Risk to SACOG: This option creates significant risk to SACOG. SACOG alone would have to carry the financial burden and liability of the tolling authority. Serving as the tolling authority would also require SACOG to significantly alter its staffing to bring in expertise related to project implementation and tolling operations. These requirements would significantly impact SACOG's ability to complete its mandated planning and programming responsibilities.
 - d. Regional Partnership: This option promotes strong regional partnership by including representation from all jurisdictions within the six-county region on the tolling authority board.
 - e. Local Representation: This option promotes weak local representation as the jurisdictions with toll facilities are greatly outnumbered on the tolling authority board and would have limited voice in decisions that impact their facilities.
2. Option 1B: SACOG serves as the tolling authority temporarily to provide more time to discuss a JPA governance structure.
 - a. Overview: In this option, SACOG would serve as the tolling authority temporarily to keep the Yolo 80 project on track while providing more time for discussions on the ultimate governance structure. Once the ultimate governance structure has been decided, the tolling authority would be transferred.
 - b. Risk to Yolo 80: This option creates significant risk to the Yolo 80 project. The CTC is unlikely to approve tolling authority for an agency that does not intend to serve as a tolling authority long term. This option is also not supported by YoloTD or Caltrans and a lack of clarity among the project partners creates additional barriers to delivering the discretionary federal funding on-time.
 - c. Risk to SACOG: This option creates moderate risk to SACOG. The risks for Option 1A are maintained while SACOG is the tolling authority but could be mitigated once the risk is transferred.
 - d. Regional Partnership: Without a clear understanding of what the ultimate governance structure will be, the level of regional partnership is unclear.

- e. Local Representation: Without a clear understanding of what the ultimate governance structure will be, the level of local representation is unclear.
3. Option 2A (Staff Recommendation): A JPA is the tolling authority with one voting seat for Caltrans, one voting at-large seat for SACOG, and three voting seats for each county that has a toll facility.
- a. Overview: With this option, In the initial structure, SACOG has one at-large voting seat, Caltrans has one voting seat, and Yolo County has three voting seats (two appointed by YoloTD and one appointed by SACOG). When a toll facility is added in Sacramento County, three additional voting seats are added (two appointed by STA and one appointed by SACOG). Similarly, Placer and El Dorado Counties would have the option to join and add three seats each (two appointed by PCTPA or EDCTC and one appointed by SACOG).
 - b. Risk to Yolo 80: This option is agreed upon by YoloTD but not preferred by Caltrans. Agreement between the project partners minimizes barriers to successfully delivering the discretionary federal funds.
 - c. Risk to SACOG: This option creates a separate entity, minimizing SACOG's financial risk and preserving its capacity to complete its mandated planning and programming responsibilities.
 - d. Regional Partnership: This option promotes regional partnership by creating a clear structure for the tolling authority to grow regionally as tolling facilities are developed. It also provides non-voting seats for potential future members to provide a means to weigh in on decisions that could impact them in the future.
 - e. Local Representation: This option promotes regional partnership by giving the counties with toll facilities the greatest power on the Board, elevating their voices in decisions that impact their facilities.
4. Option 2B: A JPA with a similar structure to Option 2A is the tolling authority but Caltrans has two voting seats
- a. Overview: In this option, the tolling authority Board's initial structure has one SACOG at-large voting seat, two Caltrans voting seats, and Yolo County has three voting seats (two appointed by YoloTD and one appointed by SACOG). The board would grow in the same manner as Option 2A.
 - b. Risk to Yolo 80: This option is preferred by Caltrans and was initially proposed by YoloTD. Agreement between the project partners minimizes barriers to successfully delivering the discretionary federal funds.
 - c. Risk to SACOG: This option creates a separate entity, minimizing SACOG's financial risk and preserving its capacity to complete its mandated planning and programming responsibilities.
 - d. Regional Partnership: This option promotes regional partnership by creating a clear structure for the tolling authority to grow regionally as tolling facilities are developed. It also provides non-voting seats for potential future members to provide a means to weigh in on decisions that could impact them in the future.
 - e. Local Representation: This reduces local representation compared to Option 2A. Caltrans, as a state agency, reflects statewide interests and goals and priorities of the state administration, in addition to its interests as the owner and operator of the state

highway system within the SACOG region.

5. Option 2C: A JPA with a similar structure to Option 2A is the tolling authority but Sacramento County gets a fourth seat once a significant amount of toll lanes are operational in Sacramento County.
 - a. Overview: This option has the same initial board structure and expansion structure as Option 2A but Sacramento County receive a fourth voting seat appointed by STA once a significant portion of toll facilities are in operation in Sacramento County. This option was proposed by STA, but discussions with STA has shifted away from an extra seat in favor of voting rules. This information is included to reflect the analysis that was done when this option was in discussion.
 - b. Risk to Yolo 80: This option creates significant risk to the Yolo 80 project. This option is not supported by YoloTD and other counties and a lack of clarity among the project partners creates additional barriers to delivering the discretionary federal funding on-time.
 - c. Risk to SACOG: This option creates a separate entity, minimizing SACOG's financial risk and preserving its capacity to complete its mandated planning and programming responsibilities.
 - d. Regional Partnership: This option may discourage other counties from joining the tolling authority in the future and reduces the effectiveness of regional partnership.
 - e. Local Representation: While this option improves local representation for Sacramento County, it reduces local representation for all other counties.
6. Option 2D: A JPA is the tolling authority with one voting seat for Caltrans, one voting at-large seat for SACOG, and three total county seats that shift as new toll facilities are developed.
 - a. Overview: This option presents a fundamentally different structure that focuses on keeping the total number of board members as small as possible by maintaining five voting seats and shifting the seats between counties.
 - b. Risk to Yolo 80: This option creates significant risk to the Yolo 80 project. This option is not supported by YoloTD or other counties and a lack of clarity among the project partners creates additional barriers to delivering the discretionary federal funding on-time.
 - c. Risk to SACOG: This option creates a separate entity, minimizing SACOG's financial risk and preserving its capacity to complete its mandated planning and programming responsibilities.
 - d. Regional Partnership: This option moderately promotes regional partnership. At the ultimate configuration with one seat per county, power is balanced across the region.
 - e. Local Representation: This option reduces local representation by limiting each county to one seat. This limits the ability for different jurisdictions within a county to be represented on the Board and requires the one member to represent multiple communities' needs.