

Attachment 2

**PUBLIC-PRIVATE AGREEMENT COMPLIANCE WITH
STREETS AND HIGHWAYS CODE SECTION 143**

**PUBLIC-PRIVATE AGREEMENT COMPLIANCE WITH
STREETS AND HIGHWAYS CODE SECTION 143**

The following table identifies the provisions of the draft Public-Private Agreement (“Agreement”) and related Lease that implement and comply with requirements of Streets and Highways Code Section 143.

Section 143 Requirement	Agreement Compliance Provisions
143(a)(2), (c)(1) - Contracting entity or lessee	Introduction and signature page of both Agreement and Lease - Developer will be a private entity and a lessee.
143(a)(2), (c)(1) – Transportation project	Project is a highway owned and operated by Department. 2.1.1 - provides for financing, design, construction, operation, maintenance and repair of Project.
143(c)(1) – Only Department, in cooperation with a regional transportation agency, or a regional transportation agency may enter into comprehensive development lease agreements	Signature page of both Agreement and Lease – Department is signatory party. 1.2 – States intent that the Agreement and Lease, together with Technical Requirements and related Contract Documents, provide for a comprehensive development lease agreement under Section 143. Department continues to pursue the project in cooperation with San Francisco County Transportation Authority (“SFCTA”) pursuant to several cooperative agreements.
143(d) – Agreements may include provisions for the lease of rights-of-way in highways, for the granting of necessary easements, and for the issuance of permits or other authorizations to enable construction	2.1.2 – Grants right of entry to Developer for purpose of carrying out its obligations. 2.1.3 – Provides for delivery of executed Lease of Project and Project Right of Way at Substantial Completion. 19.7 – Lease is coterminous with the Agreement.

Section 143 Requirement	Agreement Compliance Provisions
<p>143(d) – Facilities subject to agreement shall, at all times, be owned by the Department</p>	<p>2.1.4 – Confirms that Department has sole ownership of fee simple title to the Project, subject to the Developer’s leasehold estate.</p> <p>Nothing in Agreement or Lease purports to grant to the Developer ownership of the Project or Project Right of Way.</p>
<p>143(d) – Agreement shall provide for complete reversion of leased facility, together with rights to collect tolls and user fees, to Department at expiration of the lease at no charge to Department.</p>	<p>New 19.8.1.1 – Expiration of term will cause a complete reversion to Department, and cessation, of Developer’s Interest, without charge to Department for the Developer’s Interest. (Note: 33-year term is granted in 2.2.1.)</p> <p>Appendix 1, new definition of Developer’s Interest – All right, title and interest of Developer in the Project and Project Right of Way, including its leasehold estate under the Lease and any rights to collect tolls and user fees.</p>
<p>143(d) – At time of reversion, facility shall be delivered to Department in a condition that meets performance and maintenance standards established by Department.</p>	<p>5.9, 5.10 – Together with applicable Technical Requirements, create a detailed set of Handback Requirements, and liquid security for performance of Handback Requirements. Handback Requirements will incorporate specified requirements and standards for asset condition to assure all Project components are in good, safe and sound condition and have a reasonable remaining useful life at expiration of the term.</p>
<p>143(d) – At time of reversion, facility shall be delivered to Department free of any encumbrance, lien or other claim.</p>	<p>New 19.8.1.3 – At expiration or earlier termination, the Project and the Project Right of Way automatically shall be and remain free and clear of any lien, encumbrance or other claim of record created, permitted or suffered by Developer or anyone claiming by, through or under Developer.</p>
<p>143(e) – Agreements shall authorize contracting entity to use a design-build method of procurement.</p>	<p>Not applicable to this Project; Developer will select its design-builder and negotiate terms prior to entering into the Agreement.</p>

Section 143 Requirement	Agreement Compliance Provisions
<p>143(f)(2) – Department shall require the contracting entity to maintain and operate the facility according to adopted standards.</p>	<p>5.2 – Developer obligated to perform operations and maintenance work according to specified requirements, terms, conditions and standards, including changes thereto. Technical Requirements will set forth performance and other standards and requirements for operations and maintenance.</p>
<p>143(g)(3) –Requires that proposing firms, to be qualified, deliver evidence of capacity to obtain payment and performance bonding. However, Section 143 contains no mandate that the lease agreement require payment or performance bonding.</p>	<p>16.2 – Although not required by Section 143, Department is considering whether to contractually require performance and/or payment security for design and construction work, in the form of a bond or a letter of credit.</p>
<p>143(i) – No agreement may infringe on Department’s authority to develop, maintain, repair, rehabilitate, operate or lease any transportation project, but may provide for reasonable compensation to the contracting entity for adverse effects thereof on toll and user fee revenues.</p>	<p>Agreement and Lease contain no restraint of any kind on other transportation projects of the Department.</p> <p>Agreement and Lease require no compensation to Developer for loss of toll revenues or user fees due to Department’s development, maintenance, repair, rehabilitation, operation or leasing of any other transportation project.</p>
<p>143(j)(1) – Agreement shall authorize contracting entity to impose tolls and user fees for use of facility. Toll revenues in excess of contracting entity’s costs and reasonable return on investment to be applied to its indebtedness, to project improvements and/or to State Highway Account.</p> <p>143(j)(2) – Agreement shall establish specific toll or user fee rates, and proposed increases not otherwise established or identified in agreement require prior Department approval.</p>	<p>11.6 – Grants Developer a right to toll, subject to satisfying specified conditions, including (a) Department’s approval of toll and user fee rates and (b) agreement between Department and SFCTA on use of excess toll and user fee revenue consistent with 143(j)(1).</p> <p>Note: The Department disagrees with the statements in the staff report that the Agreement is not authorized by statute due to lack of Project tolling. The Department believes Section 143, read as a whole, is not limited to tolled projects. A complete analysis of this issue of statutory interpretation is beyond the scope of this table. As a matter of prudence, however, the Department has included Section 11.6 in order to comply with any contrary interpretation of Section 143.</p>

Section 143 Requirement	Agreement Compliance Provisions
<p>143(k) – Agreements shall include indemnity, defense and hold harmless provisions, including indemnifying the State against claims or losses resulting or accruing from the performance of the contracting entity.</p>	<p>16.4 and 16.5 – comprehensive Developer indemnity, defense and hold harmless provisions in favor of Indemnified Parties, including against claims and losses due to negligence, willful misconduct, breach of law or contract, or other culpable act, culpable omission or misconduct of Developer or its related entities.</p> <p>Appendix 1, definition of Indemnified Parties – Includes Department and State</p>
<p>143(l) – Agreements shall include performance standards, including levels of service, and shall require facilities on state highway system to meet all requirements for noise mitigation, landscaping, pollution control and safety that otherwise would apply if Department were designing, building and operating facility.</p>	<p>4.1.2 and 5.2 – Developer must perform design and construction, operation and maintenance according to specified requirements, terms, conditions and standards, including changes thereto.</p> <p>Technical Requirements will set forth performance and other standards for design, construction, operations and maintenance, including requirements for noise mitigation, landscaping, pollution control and safety at least to the level the Department applies to its other facilities.</p> <p>8.3 – Developer must implement Safety Compliance pursuant to Safety Compliance Orders, and must meet Safety Standards.</p> <p>Appendix 1, definitions of Safety Compliance, Safety Compliance Order and Safety Standards.</p>
<p>143(m) – Failure to comply with agreement in any significant manner is a default giving Department option to initiate processes to revert facility to Department.</p>	<p>18.1.1 – Defines Developer defaults in detail, including failure to observe or perform any material covenant or obligation.</p> <p>19.4 – Department right to terminate Agreement and Lease for listed types of uncured Developer defaults deemed to be material.</p> <p>New 19.8.1.2 – Termination will cause a</p>

Section 143 Requirement	Agreement Compliance Provisions
	complete reversion to Department, and cessation, of Developer's Interest.
143(p) – Section 143 not intended to infringe on Department's authority to develop high occupancy toll lanes.	<p>Not applicable. 143(p) is a statement of intent as to the interrelation between statutory authority under Section 143 and statutory authority under Sections 149.4 <i>et seq.</i> It does not create any mandated content of the Agreement, Lease or ITP.</p> <p>Furthermore, nothing in Agreement, Lease or ITP prevents future development of high occupancy toll lanes for the Presidio Parkway (although it could result in incremental changes in the Developer's costs entitling it to adjustment of the Maximum Availability Payments).</p>
143(q) – Section 143 does not allow conversion of any existing non-toll lanes into tolled lanes, except for high occupancy lanes.	11.6 – Grants Developer a right to toll, subject to satisfying specified conditions, including that 143(q) is (a) repealed, (b) amended to not preclude tolling of the Project or (c) determined by the Department or a court of competent jurisdiction to not apply to the Project.
143(r) – Agreement shall require contracting entity to provide any information or data requested by the California Transportation Commission or Legislative Analyst.	New 21.6 – Requires Developer to promptly provide to California Transportation Commission or the State Legislative Analyst any information or data either of them may request that is in the possession of or reasonably available to any Developer-Related Entity concerning the Project or the Work.
143(s) – Agreement may not affect, alter, or supersede the 11/26/2008 MOU relating to financing of U.S. Highway 101/Doyle Drive reconstruction project.	Nothing in Agreement or Lease purports to affect, alter or supersede the terms of the MOU.
143(t) – No agreement may be entered into under Section 143 on or after 1/1/2017.	Agreement and Lease will meet this requirement.

The following table identifies the provisions of the final Request for Proposals (“RFQ”) and/or draft Instructions to Proposers (“ITP”) that implement and comply with requirements of Streets and Highways Code Section 143.

Section 143 Requirement	RFQ/RFP Compliance Provisions
<p>143(c)(5) At least 60 days prior to executing a final lease agreement authorized pursuant to this section, the department or regional transportation agency shall submit the agreement to the Legislature and the Public Infrastructure Advisory Commission for review. Prior to submitting a lease agreement to the Legislature and the Public Infrastructure Advisory Commission, the department or regional transportation agency shall conduct at least one public hearing at a location at or near the proposed facility for purposes of receiving public comment on the lease agreement. Public comments made during this hearing shall be submitted to the Legislature and the Public Infrastructure Advisory Commission with the lease agreement. The Secretary of Business, Transportation and Housing or the Chairperson of the Senate or Assembly fiscal committees or policy committees with jurisdiction over transportation matters may, by written notification to the department or regional transportation agency, provide any comments about the proposed agreement within the 60-day period prior to the execution of the final agreement. The department or regional transportation agency shall consider those comments prior to executing a final agreement and shall retain the discretion for executing the final lease agreement.</p>	<p>ITP § 6.2.2</p>
<p>143(g) (1) In selecting private entities with which to enter into these agreements, notwithstanding any other provision of law, the department and regional transportation agencies may utilize, but are not limited to utilizing, one or more of the following procurement approaches:</p> <p>(A) Solicitations of proposals for defined projects and calls for project proposals within defined parameters.</p>	<p>Proposers shortlisted through RFQ process; best value determination made in accordance with ITP Section 5; pass/fail criteria set forth in ITP § 5.3; evaluation criteria set forth in ITP Appendix F.</p>

Section 143 Requirement	RFQ/RFP Compliance Provisions
<p>(B) Prequalification and short-listing of proposers prior to final evaluation of proposals.</p> <p>(C) Final evaluation of proposals based on qualifications and best value. The California Transportation Commission shall develop and adopt criteria for making that evaluation prior to evaluation of a proposal.</p> <p>(D) Negotiations with proposers prior to award.</p> <p>(E) Acceptance of unsolicited proposals, with issuance of requests for competing proposals. Neither the department nor a regional transportation agency may award a contract to an unsolicited bidder without receiving at least one other responsible bid.</p> <p>(2) When evaluating a proposal submitted by the contracting entity or lessee, the department or the regional transportation agency may award a contract on the basis of the lowest bid or best value.</p>	
<p>143(h) The contracting entity or lessee shall have the following qualifications:</p> <p>(1) Evidence that the members of the contracting entity or lessee have completed, or have demonstrated the experience, competency, capability, and capacity to complete, a project of similar size, scope, or complexity, and that proposed key personnel have sufficient experience and training to competently manage and complete the design and construction of the project, and a financial statement that ensures that the contracting entity or lessee has the capacity to complete the project.</p>	<p>RFQ §§ 6.2.1.1, 6.2.1.1, 6.2.1.2, 6.2.1.3, 7.2, 7.3, 7.4; Exhibit D; Forms C-1, D-1, D-2, D-3</p>
<p>143(h)(2) The licenses, registration, and credentials required to design and construct the project, including, but not limited to,</p>	<p>RFQ §§ 2 (definition of Lead Contractor and Lead Engineer), 4.2.6; Form F Questions 24, 25 (Add. 2 or 4); ITP §1.11;</p>

Section 143 Requirement	RFQ/RFP Compliance Provisions
information on the revocation or suspension of any license, credential, or registration.	
143(h)(3) Evidence that establishes that members of the contracting entity or lessee have the capacity to obtain all required payment and performance bonding, liability insurance, and errors and omissions insurance.	RFQ §§ 6.2.1.2(f), 6.2.1.2(g); ITP Appendix B, § 2.2.12
143(h)(4) Evidence that the contracting entity or lessee has workers' compensation experience, history, and a worker safety program of members of the contracting entity or lessee that is acceptable to the department or regional transportation agency.	RFQ § 7.2(i); Form F, Questions 16, 17, 18, 19 (Add. 2 or 4)
(B) Any instance where members of the contracting entity or lessee were debarred, disqualified, or removed from a federal, state, or local government public works project.	RFQ § 7.2(i); Form F, Questions 1, 3 (Add. 2 or 4)
(C) Any instance where members of the contracting entity or lessee, or its owners, officers, or managing employees submitted a bid on a public works project and were found to be nonresponsive or were found by an awarding body not to be a responsible bidder.	RFQ § 7.2(i); Form F, Question 4 (Add. 2 or 4)
(D) Any instance where members of the contracting entity or lessee, or its owners, officers, or managing employees defaulted on a construction contract.	RFQ § 7.2(i); Form F, Question 5 (Add. 2 or 4)
(E) Any violations of the Contractors' State License Law (Chapter 9 (commencing with Section 7000) of Division 3 of the Business and Professions Code), including, but not limited to, alleged violations of federal or state law regarding the payment of wages, benefits, apprenticeship requirements, or personal income tax withholding, or Federal Insurance Contribution Act (FICA) withholding requirements.	RFQ § 7.2(i); Form F, Question 9 (Add. 2 or 4)
(F) Any bankruptcy or receivership of any	RFQ § 7.2(i); Form F, Questions 2, 11 (Add. 2

Section 143 Requirement	RFQ/RFP Compliance Provisions
member of the contracting entity or lessee, including, but not limited to, information concerning any work completed by a surety.	or 4)
(G) Any settled adverse claims, disputes, or lawsuits between the owner of a public works project and any member of the contracting entity or lessee during the five years preceding submission of a bid under this article, in which the claim, settlement, or judgment exceeds fifty thousand dollars (\$50,000). Information shall also be provided concerning any work completed by a surety during this five-year period.	RFQ § 7.2(i); Form F, Questions 11, 13 (Add. 2 or 4)
143(h)(5)(H) If the contracting entity or lessee is a partnership, joint venture, or an association that is not a legal entity, a copy of the agreement creating the partnership or association that specifies that all general partners, joint venturers, or association members agree to be fully liable for the performance under the agreement.	RFQ § 7.2(l)

ITP EXCERPTS REGARDING SECTION 143(h)

ITP Section 1.11 Qualification of Developer and Construction and Design Licensing

At the time of award, Developer and all entities performing work in the State shall be properly qualified to do business in California. The Lead Contractor shall have a Class A California contractor’s license Please contact the Contractors State License Board for further information or licensing assistance at <http://www.cslb.ca.gov> or 1-800-321-CSLB (2752). The Architect of Record and Engineer of Record shall each be properly licensed in the State of California.

Appendix B, Section 2.2.12 Letter of Commitment from Surety or Bank

The Proposal shall include a letter from a surety licensed to issue bonds in the State indicating that the surety has reviewed the Agreement, including [insert Agreement cross reference] and operations and maintenance security to the Proposer in the form and amount required by the Agreement. The surety providing such letter must be a surety or an insurance company authorized to issue bonds in the State that is rated in the top two categories by two of the three nationally recognized rating agencies or at least A- or better and “AX” or better according to A.M. Best’s Financial Strength Rating and Financial Size . The letter must specifically state that the surety has read the RFP (including the ITP) and has evaluated the Proposer’s backlog and

work-in-progress in determining its willingness to issue the performance bond and payment bond. Separate letters for one or more of the individual Equity Members or Major Non-Equity Members are acceptable, as is a single letter covering all Proposer team members.

As an alternative to the performance bond surety letter required by this section, the Proposal may include a letter from a bank that must have long-term, unsecured debt ratings of not less than “A” or “A2,” as applicable, issued by at least two of the three major rating agencies (Fitch Ratings, Moody’s Investor Service and Standard & Poors Ratings Group) indicating a willingness to issue a letter of credit in the form and amount set forth in [insert Agreement cross reference] to the Agreement, covering the performance bond requirements related to NTP 1 and NTP 2. The bank letter shall state the unsecured debt rating of the issuing institution.

AVAILABILITY PAYMENTS

AVAILABILITY PAYMENTS

A. Estimated Semi-Annual Availability Payments

All values in YOES, Millions				
Payment Number	Availability Payment Date	Assumed fixed 85% portion*	Assumed 15% O&M portion indexed to inflation*	Total Estimated Availability Payment* in the Analysis
1	12/31/13	\$15.05	\$2.76	\$17.80
2	06/30/14	\$15.05	\$2.76	\$17.80
3	12/31/14	\$15.05	\$2.81	\$17.86
4	06/30/15	\$15.05	\$2.81	\$17.86
5	12/31/15	\$15.05	\$2.87	\$17.92
6	06/30/16	\$15.05	\$2.87	\$17.92
7	12/31/16	\$15.05	\$2.93	\$17.98
8	06/30/17	\$15.05	\$2.93	\$17.98
9	12/31/17	\$15.05	\$3.00	\$18.04
10	06/30/18	\$15.05	\$3.00	\$18.04
11	12/31/18	\$15.05	\$3.06	\$18.11
12	06/30/19	\$15.05	\$3.06	\$18.11
13	12/31/19	\$15.05	\$3.13	\$18.17
14	06/30/20	\$15.05	\$3.13	\$18.17
15	12/31/20	\$15.05	\$3.19	\$18.24
16	06/30/21	\$15.05	\$3.19	\$18.24
17	12/31/21	\$15.05	\$3.26	\$18.30
18	06/30/22	\$15.05	\$3.26	\$18.30
19	12/31/22	\$15.05	\$3.33	\$18.37
20	06/30/23	\$15.05	\$3.33	\$18.37
21	12/31/23	\$15.05	\$3.40	\$18.45
22	06/30/24	\$15.05	\$3.40	\$18.45
23	12/31/24	\$15.05	\$3.47	\$18.52
24	06/30/25	\$15.05	\$3.47	\$18.52
25	12/31/25	\$15.05	\$3.55	\$18.59
26	06/30/26	\$15.05	\$3.55	\$18.59
27	12/31/26	\$15.05	\$3.62	\$18.67
28	06/30/27	\$15.05	\$3.62	\$18.67
29	12/31/27	\$15.05	\$3.70	\$18.75
30	06/30/28	\$15.05	\$3.70	\$18.75
31	12/31/28	\$15.05	\$3.78	\$18.82
32	06/30/29	\$15.05	\$3.78	\$18.82
33	12/31/29	\$15.05	\$3.86	\$18.91
34	06/30/30	\$15.05	\$3.86	\$18.91
35	12/31/30	\$15.05	\$3.94	\$18.99
36	06/30/31	\$15.05	\$3.94	\$18.99
37	12/31/31	\$15.05	\$4.03	\$19.07
38	06/30/32	\$15.05	\$4.03	\$19.07
39	12/31/32	\$15.05	\$4.11	\$19.16
40	06/30/33	\$15.05	\$4.11	\$19.16
41	12/31/33	\$15.05	\$4.20	\$19.25
42	06/30/34	\$15.05	\$4.20	\$19.25
43	12/31/34	\$15.05	\$4.29	\$19.34
44	06/30/35	\$15.05	\$4.29	\$19.34
45	12/31/35	\$15.05	\$4.39	\$19.43
46	06/30/36	\$15.05	\$4.39	\$19.43
47	12/31/36	\$15.05	\$4.48	\$19.52
48	06/30/37	\$15.05	\$4.48	\$19.52
49	12/31/37	\$15.05	\$4.58	\$19.62
50	06/30/38	\$15.05	\$4.58	\$19.62
51	12/31/38	\$15.05	\$4.67	\$19.72
52	06/30/39	\$15.05	\$4.67	\$19.72
53	12/31/39	\$15.05	\$4.78	\$19.82
54	06/30/40	\$15.05	\$4.78	\$19.82
55	12/31/40	\$15.05	\$4.88	\$19.92
56	06/30/41	\$15.05	\$4.88	\$19.92
57	12/31/41	\$15.05	\$4.98	\$20.03
58	06/30/42	\$15.05	\$4.98	\$20.03
59	12/31/42	\$15.05	\$5.09	\$20.14
60	06/30/43	\$15.05	\$5.09	\$20.14
Total Estimated Availability Payments in the Analysis				\$1,131.00

* See the Analysis in Attachment - 1 for details. The Analysis used a 2.2% CPI inflation estimate by HIS Global Insight (USA) Inc.

* Above schedule assumes no deductions due to poor performance or closures.

B. Payment Mechanism Principles

Introduction

The Sponsors intend to develop a performance based payment mechanism to cover all the regular scheduled payments made by them to the Developer to cover all services related to the Project. Payments to the Developer are based on delivery of service outputs provided under the contract. Partial payments will be made if the Developer provides operations and maintenance of the highway under Phase 1 during construction of Phase 2. Full payment to the Developer will not commence until Phase 2 of the facility is available to road users and/or completion of the Design Build of Phase 2 has occurred.

Payments will be at risk for deductions if the Developer fails to make highway lanes available (e.g. unplanned lane closures) or does not meet operating and maintenance performance standards developed by the Sponsors. The payment mechanism will be calibrated so that the severity of the failure (e.g., duration, time of day, number of lanes affected, etc.) will correlate with the level of deductions and non-compliance points the Developer suffers.

Deductions must meet the requirements of California law for liquidating damages resulting from breach of contract obligations. A provision liquidating damages will be enforced unless it is unreasonable under the circumstances existing at the time the contract is made. If the deductions are a reasonable forecast of the probable damages that would result from the breach, then they will be enforceable. The damages being liquidated through the deductions probably can include loss or harm to the public whose interests are a subject of the contract and would be affected by the breach. Deductions that do not meet these criteria for liquidating damages would constitute a penalty for breach of contract. Penalties are not enforceable under contract law.

High level principles driving the development of the Payment Mechanism

The performance based payment mechanism needs to consider the following factors in its development:

- Payment performance criteria is based upon items that are within the control and responsibility of the Developer;
- It is beneficial for the payment mechanism to be based on previous precedent to ensure market acceptance from private developer market and financiers;
- Mechanism incentivizes the Developer to minimize disruption to road users and place an emphasis on whole life maintenance of the road;
- Develop a structure that strikes a balance between delivery a high quality facility and service and best value to the Sponsors; and
- Mechanism is practical to implement for the life of the Project – to ensure fewer delays in negotiations and easier management during operations.

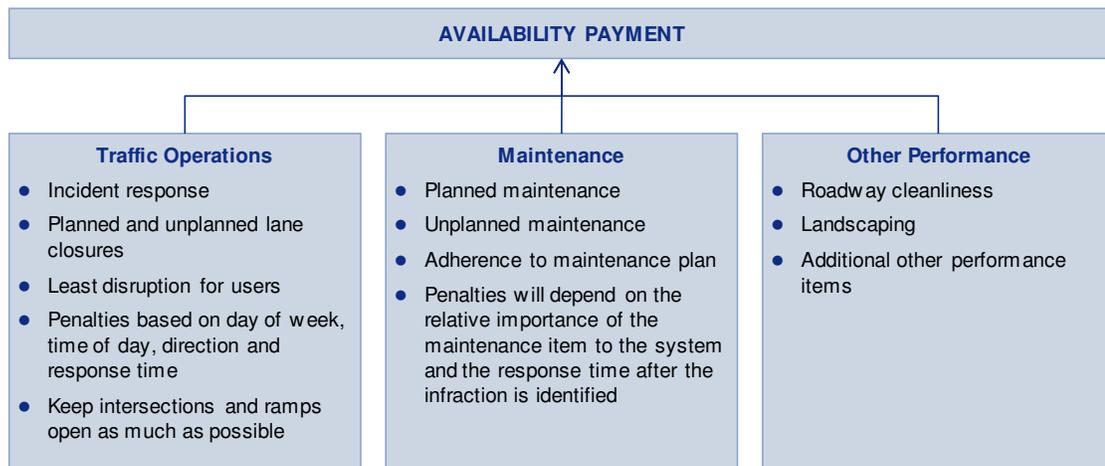
Overview of the Availability Payment

The Public-Private Partnership Agreement will provide for an Availability Payment (AP) to be paid in periodic installments commencing upon availability of facility to road users and/or status of project completion. The payment will typically commence at the end of construction although in Presidio Parkway a proportion of the AP may be paid earlier, if, as is currently assumed, the Developer is responsible for operations and maintenance of Phase I commencing prior to completion of Phase II.

The AP should cover all the Developer's costs associated with delivering the P3 Project (e.g., design, construction, financing, operations and maintenance). The payment itself will be base dated for indexation purposes and a proportion of the AP will be adjusted on an annual basis for changes in the general rate of inflation (e.g., CPI). The proportion of the payment that inflates is linked to the proportion of the costs of the P3 Project that are subject to movements in inflation such as operations and maintenance – typically debt used to finance the capital expenditure is a fixed cost and therefore the portion of the AP corresponding to debt repayment does not inflate.

The Public-Private Partnership Agreement typically will divide the AP into smaller payments linked to sections of highway, days of the week and time of day so that there is a precise incentive to maintain availability. Each time a non-availability event occurs, the individual payment is lost, so the actual AP in each period is reduced.

The AP will also be at risk for deductions for failure to achieve other performance standards and requirements that are the responsibility of the Developer and are within its control, including operating performance, asset condition, safety, operation/maintenance of surveillance systems, scheduled maintenance, unscheduled maintenance (including repair of deficient elements), and incident response times.



The performance standards and technical specifications will also need to consider traffic growth on the facility which could have an impact on the operation and maintenance costs of the Developer as more traffic uses the highway. This may have an impact on the structure of the AP which could involve as a solution banding of the AP to take impact of volume of traffic into account.

Development of availability and performance standards

Prior to issuing the Request for Proposals to the market, the Sponsors, in conjunction with their advisors, will develop output specifications and performance standards which will be used as the basis for calibrating the payment mechanism (e.g., sizing the individual availability payments and deductions associated with non-availability and poor performance).

- Definition of the minimum operating performance and maintenance performance;
- Determine the relative priority of holidays vs. non-holiday periods and peak hours vs. off-peak hours;
- Determine, if appropriate, the relative priority of road sections that are more important than others;
- Determine policies re: shoulder lanes, contra-flow arrangements, narrow lanes, intersections and ramps, maximum length of road works, minimum distance between road works, minimum number of lanes available;
- Determine monitoring requirements including self monitoring requirements and remedies (which must be easy to monitor and measure); and
- Determine hand back conditions of the Presidio Parkway Facility at the end of the agreement.

Milestone payment

The Sponsors may also opt to pay a milestone payment to the Developer. This payment is typically made when the facility is available to receive traffic and all outstanding work in relation to the construction of the facility has been completed.

The milestone payment will be conditional on achieving completion criteria on the construction contract and may be linked to performance of the construction contract (e.g., failure to comply with design-build performance standards).

Non-financial contractual remedies

In addition to financial remedies, the accumulation of certain availability and performance failures by the Developer will lead to other remedies

- For minor failures, for example, a warning letter would be sent and the Developer would be required to put in place a remedial plan and correct within a certain time frame;
- For major failures or repeated minor failures the remedies could eventually lead to termination of the Developer; and
- As termination is the last resort it is important for the Public-Private Partnership Agreement to be structured in a way that there is enough opportunity for the parties to work together to avoid termination.

SCENARIO ANALYSIS

BACKGROUND

The Sponsors will not proceed with the Public-Private Partnership (P3) delivery option unless it represents value for money.

The Instructions to Proposers (ITP) and the Concession Agreement (CA) will require the preferred bid to represent value for money at both Commercial Close and Financial Close. The Sponsors intend to ensure a competitive procurement process including:

- prior to Commercial Close, retaining the option to (1) reject all proposals, (2) issue a request for revised proposals (i.e., Best and Final Offers), or (3) proceed to the next most highly ranked proposal; and
- between Commercial and Financial Close, conducting a Financing Competition.

The scenario analysis has been calculated based on (1) the Delivery Options Analysis, (2) a fixed \$150m Milestone Payment paid at Substantial Completion, and (3) 15% of the Availability Payment (AP) escalating in line with the consumer price index.

The CTC staff requested that the Sponsors calculate theoretical APs that would result from different TIFIA loan terms than those assumed by the Sponsors. The Sponsors believe that this analysis is conservative, as it assumes an increase in the size of a commercial bank loan, whereas a bidder could include a Private Activity Bond (PAB) as part of its funding if it were a lower cost option.

ANALYSIS

The results of the analysis are set out in the table below, presenting the annual whole year AP in the first full year of the operating period, which is assumed to be 2014, consistent with the Initial FHWA Financing Plan of May 2009.

Scenario	Description	2014 AP
Base Case	Public-Private Partnership (P3), DBFOM base case as per Presidio Parkway Delivery Options Analysis Report	\$35.5 million
Scenario A	as per Base Case, but with: <ul style="list-style-type: none">• TIFIA interest rate of 4.6%• limit of TIFIA as 50% of total project debt• TIFIA subsidy of 10% paid by the Project	\$41.4 million
Scenario B	as per Scenario A, but with TIFIA interest rate of 5.5%	\$43.6 million

SUMMARY OF FUNDING ALLOCATION MODEL

SUMMARY OF FUNDING ALLOCATION MODEL

1.1 OBJECTIVE

The following analysis is in response to Request 7 in the CTC Staff Information Request. Specifically, Project Sponsors were asked to provide “a long-range, year-by-year multi-source funding plan (combining phases I and II) identifying the sources and uses for making the Phase I payments and then the Phase II milestone and availability payments to be made over the concession term (including amounts spent-to-date and through execution of the P3 agreement).”

1.2 DISCUSSION

A long range, year-by-year funding allocation model was developed taking into account funding sources and their uses for the Project. The model, [2010-05-05_DoyleDrive_FundAllocation_CTC_v2.xlsx](#), is included in the Appendix. All dollars shown in this report and in the model are in year of expenditure dollars. Please note that \$YOE, or nominal, terms do not reflect the time value of money, which is essential for investment decision making with any significant time horizon.

The most recent approved Caltrans financial plan as of April 8, 2010 (v5.3 Final Financial Plan)¹ forms the basis for this analysis by providing budget numbers by source and use of funds. The project, as proposed in the PPR submitted April 23, 2010, is based on this budget with additional budget needed in Phase II to cover proposed Availability Payments. Certain funding sources are not eligible for use in Availability Payments, therefore these funds are proposed to be used prior to final acceptance. Table 1 below summarizes the proposed budget sources by project phase and compares it to the v5.3 Final Financial Plan, as well as the May 2009 FHWA Initial Funding Plan budget.

Table 1. Budget and Expenditure Summary for the Project

(\$ in Millions, \$YOE)	Proposed		FHWA	Budget v5.3			Spent*		
	Total	Phase II	Initial Funding	Total	Phase I	Phase II	Program Risk	Phase I	Phase II
Sources of Funds									
Fed C- PLHD	36.77	13.20	14.50	36.77	23.57	13.20		12.96	7.78
Fed C - High Priority	12.60	0.00	14.00	12.60	12.60			6.28	3.69
Fed C - UPA	27.30	0.00	47.30	27.30	27.30			26.44	
Fed R - ER Demo (Devil's Slide)	6.00	6.00	6.00	6.00		6.00			
Fed R - Earmark (Port Sonoma)	20.00	20.00	20.00	20.00		20.00			
Fed Stim. (TIGER)	46.00	46.00	50.00	46.00		46.00			
Fed Stim. (ARRA SHOPP)	106.32	0.00	50.00	106.32	106.32				
State – SHOPP	236.36	62.51	405.00	348.68	157.59	174.83	16.25	19.13	0.13
State – SHA (Non-SHOPP)	1,047.05	1,047.05	n/a	n/a					
State - TCRP – CalTrans/SFCTA	14.75		15.00	14.75	14.75			10.15	2.38
SFCTA - Prop K - XGEN	67.90	38.80	67.90	67.90	29.10	38.80		6.33	3.52
SFCTA - RIP	71.10	54.23	71.10	71.10	16.87	54.23		6.77	
SFCTA – RIP (Future)	13.00	13.00	13.00	13.00		13.00			
SFCTA - SLPP	21.00	21.00	21.00	21.00		21.00			
MTC	80.00	0.00	80.00	80.00	80.00			7.49	
GGBHTD	75.00	75.00	75.00	75.00		75.00			
County of Sonoma	1.00	1.00	1.00	1.00		1.00			
County of Marin	4.00	4.00	4.00	4.00		4.00			
TOTALS	1,886.14	1,401.79	954.80	951.40	468.09	467.06	16.25	95.56	17.51

* There have been no Program Risk expenditures so this column is not shown.

The total proposed budget for Phases I and II of the project is \$1,886 million (\$YOE).

¹ File name: DDoyle_Drive_Financial_Worksheet_Ver_5.3_Proposed_Final.xls

Phase I of the proposed budget is identical to Phase I of the v5.3 Final Financial Plan, i.e., it totals \$468 million (\$YOE).

Phase II of the proposed budget is also similar to Phase II of the v5.3 Final Financial Plan, with the major exception of a \$1047 million (\$YOE) future appropriation that would be necessary to cover Availability Payments starting in Fiscal Year 2012/13.

The proposed uses of funds for Phase II are shown in Table 2 below.

Table 2. Proposed Phase II Uses of Funds

USES (\$ in Millions, \$YOE)	Proposed
Risk Reserve	46.52
Transaction Costs	50.77
Milestone Payment	173.43
Availability Payments	1,131.07
TOTAL	1,401.79

The expenditures for Phase I and Phase II are based on figures from Caltrans and SFCTA reported as of February 28, 2010². Detailed expenditure data is illustrated on page 5 of this document.

The cash flow of the sources and uses of funds for Phase II, which are based on the financial model, are illustrated on pages 6 and 7. The actual cash flow, which includes a revenue schedule showing when each source becomes available and is drawn down, can be found on pages 8 and 9. The sources of funds in the cash flow are drawn down for each proposed use (as listed in Table 2 above) according to the assumptions in Table 3 below.

Table 3. Assumptions for Drawing Down Phase II Sources of Funds

Fiscal Year is July 1 to June 30
Risk Reserve, Transaction Costs, and Availability Payments remain the same as the base case
Milestone Payment is increased to make use of all available funding sources dedicated to capital works
Following Caltrans Budget v5.3 (through Feb 28, 2010)
Risk Reserve: covered by SHOPP funds (because Department carries cost-over run risk)
Transaction Costs: SFCTA and Caltrans cover construction oversight 50/50 split; SHA covers O&M oversight costs
Milestone Payment: Use all available Federal funds, RIP funds, and SLPP funds
Availability Payments: Draw down GGBHTD funds, then County funds, then use any remaining Prop K, then then use SHA for remainder

Approximately \$62 million (\$YOE) of SHOPP funds would be spent on Transaction Costs, Risk Reserve, and the Milestone Payment. As stated above, State Highway Account (SHA) total funding for Phase II is \$1047 million.

Table 4 below summarizes when the funding sources for Phase II become available to the Project.

Table 4. Availability of Phase II Sources

Source of Funding	Funding Availability
<ul style="list-style-type: none"> • Federal funds • State funds (SHA) • MTC • SFCTA funds 	Available as drawn per revenue schedule in the cash flows on pg 7 and 8 (Appendix A)
<ul style="list-style-type: none"> • GGBHTD • County of Sonoma • County of Marin 	Available at Substantial Completion (December 2012)

² File name: Doyle_Dr_Budget_vs_Exp_thru_Feb_2010.xls

1.3 DOWNSIDE SCENARIO

A downside scenario was developed to understand how a change in Availability Payments would impact the SHA funding. Table 5 below compares the proposed base case with this downside scenario. The result of this downside scenario is an increase in total delivery cost of approximately \$252 million (\$YOE). The cash flow for this scenario can be found on pages 10 and 11.

Table 5. Phase II Uses: Base Case vs. Downside Scenario

USES (\$ in Millions, \$YOE)	Base Case	Downside Scenario*	Net Change
Risk Reserve	46.52	46.52	0
Transaction Costs	50.77	50.77	0
Milestone Payment	173.43	173.43	0
Availability Payments	1,131.07	1,382.62	251.55
TOTAL	1,401.79	1,653.34	251.55

* The downside scenario assumes a first full year operating period Availability Payment of \$43.53 million (\$YOE)

1.4 APPENDIX

Please see the following worksheets:

- Project Totals (page 4)
- Budget and Expenditure Summaries (page 5)
- Phase II cash flow charts (pages 6 and 7):
 - Chart 1: Annual Funding Availability and Expenditures
 - Chart 2: Cumulative Revenues and Expenditures
 - Charts 3 and 4: Sources and Uses of Funds
- Phase II Cash Flows – Proposed (Base Case) (pages 8 and 9)
- Phase II Cash Flows – Downside Scenario (pages 10 and 11)

DOYLE DRIVE FUNDING ALLOCATION EXERCISE FOR CTC STAFF

(in \$ Millions, Nominal)

PROJECT TOTALS

BUDGET TOTALS Sources of Funds	Proposed (Base Case)		FHWA	Budgeted (v5.3 as of 4/8/10)						Spent		
	Total	Phase II		Total	Phase I	Phase II	Program Risk	Phase I	Phase II	Program Risk		
Federal C- PLHD	36.77	13.20	14.50	36.77	23.57	13.20		12.96	7.78			
Federal C - High Priority	12.60	0.00	14.00	12.60	12.60			6.28	3.69			
Federal C - UPA	27.30	0.00	47.30	27.30	27.30			26.44				
Federal R - ER Demo (Devil's Slide)	6.00	6.00	6.00	6.00		6.00						
Federal R - Earmark (Port Sonoma Ferry)	20.00	20.00	20.00	20.00		20.00						
Federal Stimulus Regional (TIGER) Share	46.00	46.00	50.00	46.00		46.00						
Federal Stimulus State Share (ARRA SHOPP)	106.32	0.00	50.00	106.32	106.32							
State - SHOPP	236.36	62.51	405.00	348.68	157.59	174.83	16.25	19.13	0.13	0.00		
State - SHA (Non-SHOPP)	1047.05	1047.05	n/a	n/a								
State - TCRP - Caltrans/SFCTA	14.75		15.00	14.75	14.75			10.15	2.38			
SFCTA - Prop K - XGEN	67.90	38.80	67.90	67.90	29.10	38.80		6.33	3.52			
SFCTA - RIP (2008 STIP)	71.10	54.23	71.10	71.10	16.87	54.23		6.77				
SFCTA - RIP (future)	13.00	13.00	13.00	13.00		13.00						
SFCTA - SLPP	21.00	21.00	21.00	21.00	21.00							
MTC	80.00	0.00	80.00	80.00	80.00			7.49				
GGBHTD	75.00	75.00	75.00	75.00		75.00						
County of Sonoma	1.00	1.00	1.00	1.00		1.00						
County of Marin	4.00	4.00	4.00	4.00		4.00						
TOTALS	1886.14	1401.79	954.80	951.40	468.09	467.06	16.25	95.56	17.51	0.00		
check	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	

Phase II Proposed Base Case	
Risk Reserve	46.52
Transaction Costs	50.77
Milestone Payment	173.43
Availability Payments	1,131.07
TOTAL	1,401.79

Phase II Downside Scenario	
Risk Reserve	46.52
Transaction Costs	50.77
Milestone Payment	173.43
Availability Payments	1,382.62
TOTAL	1,653.34

BUDGET BY USE (BASED ON v5.3 as of 4/8/10)

Sources of Funds	All Contracts	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Right of	Phase I Risk	Program Risk	TOTALS
	Pre-split	1	2	3	4	5	6	7	8	Way	Reserve	Reserve		
		Phase I					Phase II				Phase I			
Federal C- PLHD	15.900					13.200					7.665	0.004		36.769
Federal C - High Priority	9.163										2.622	0.813		12.598
Federal C - UPA											27.300			27.300
Federal R - ER Demo (Devil's Slide)								6.000						6.000
Federal R - Earmark (Port Sonoma Ferry)								20.000						20.000
Federal Stimulus Regional (TIGER) Share						46.000								46.000
Federal Stimulus State Share (ARRA SHOPP)					95.319							11.001		106.320
State - SHA (SHOPP)	7.284	3.647	0.920	81.570	4.150	104.000	56.110	10.880	3.840	5.310	54.710	16.254		348.676
State - TCRP - Caltrans/SFCTA	12.000	0.177	1.345	1.224										14.747
SFCTA - Prop K - XGEN						19.000	12.500		7.300	29.097				67.897
SFCTA - RIP (2008 STIP)	6.765					9.030	45.200			10.101				71.096
SFCTA - RIP (14/15)							13.000							13.000
SFCTA - SLPP						16.600	4.400							21.000
MTC		7.280	19.350	18.200	23.287							11.883		80.000
GGBHTD								75.000						75.000
County of Sonoma								1.000						1.000
County of Marin								1.000	3.000					4.000
TOTALS	51.113	11.105	21.615	100.994	122.756	207.830	131.210	113.880	14.140	82.095	78.411	16.254		951.403

EXPENDITURES TO DATE (2/28/2010)**

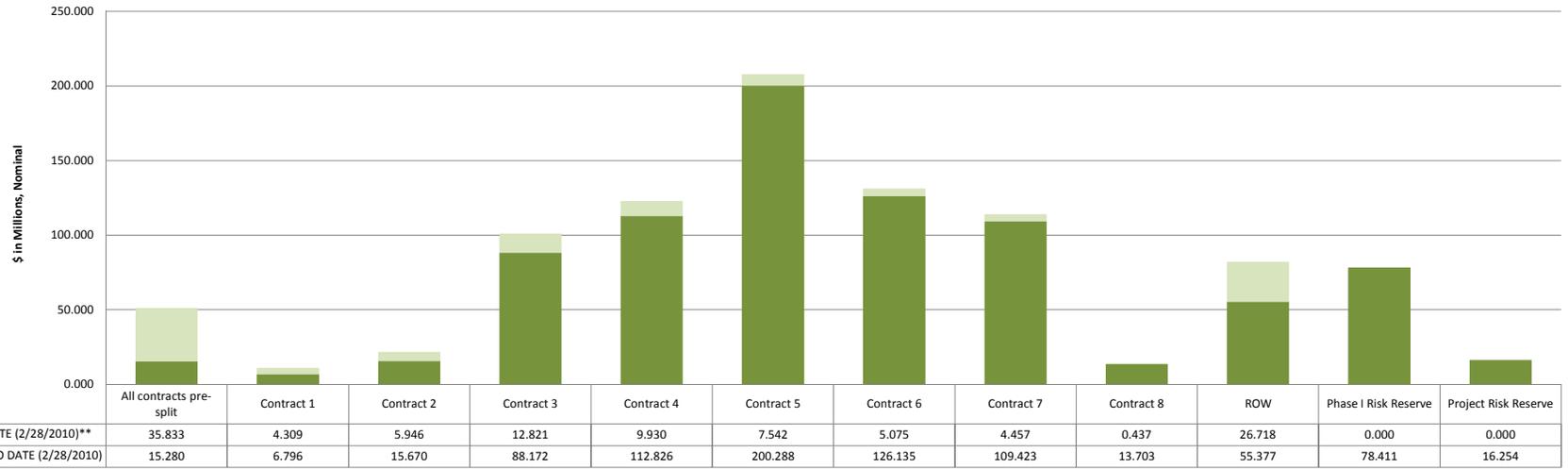
Sources of Funds	All Contracts	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Right of	Phase I Risk	Program Risk	Phase I	Phase II
	Pre-split	1	2	3	4	5	6	7	8	Way	Reserve	Reserve	Spent to date	Spent to date
		Phase I					Phase II				Phase I			
Federal C- PLHD	7.465	0.168	0.359	2.304	2.667	3.367	2.270	1.948	0.195				12.963	7.779
Federal C - High Priority	3.675	0.080	0.171	1.093	1.265	1.598	1.077	0.924	0.092				6.284	3.691
Federal C - UPA										26.439			26.439	0.000
Federal R - ER Demo (Devil's Slide)													0.000	0.000
Federal R - Earmark (Port Sonoma Ferry)													0.000	0.000
Federal Stimulus Regional (TIGER) Share													0.000	0.000
Federal Stimulus State Share (ARRA SHOPP)													0.000	0.000
State - SHA (SHOPP)	7.270	0.274	0.867	6.456	3.985		0.015	0.114	0.003	0.279			19.131	0.132
State - TCRP - Caltrans/SFCTA	5.984	0.442	0.253	2.267	1.208	1.052	0.685	0.588	0.059				10.154	2.384
SFCTA - Prop K - XGEN	4.673	0.051	0.108	0.695	0.805	1.525	1.028	0.883	0.088				6.333	3.524
SFCTA - RIP (2008 STIP)	6.765												6.765	0.000
SFCTA - RIP (14/15)													0.000	0.000
SFCTA - SLPP													0.000	0.000
MTC		3.295	4.187	0.006	0.000								7.488	0.000
GGBHTD													0.000	0.000
County of Sonoma													0.000	0.000
County of Marin													0.000	0.000
TOTALS	35.833	4.309	5.946	12.821	9.930	7.542	5.075	4.457	0.437	26.718	0.000	0.000	95.557	17.512

FUNDS REMAINING TO DATE (2/28/2010)

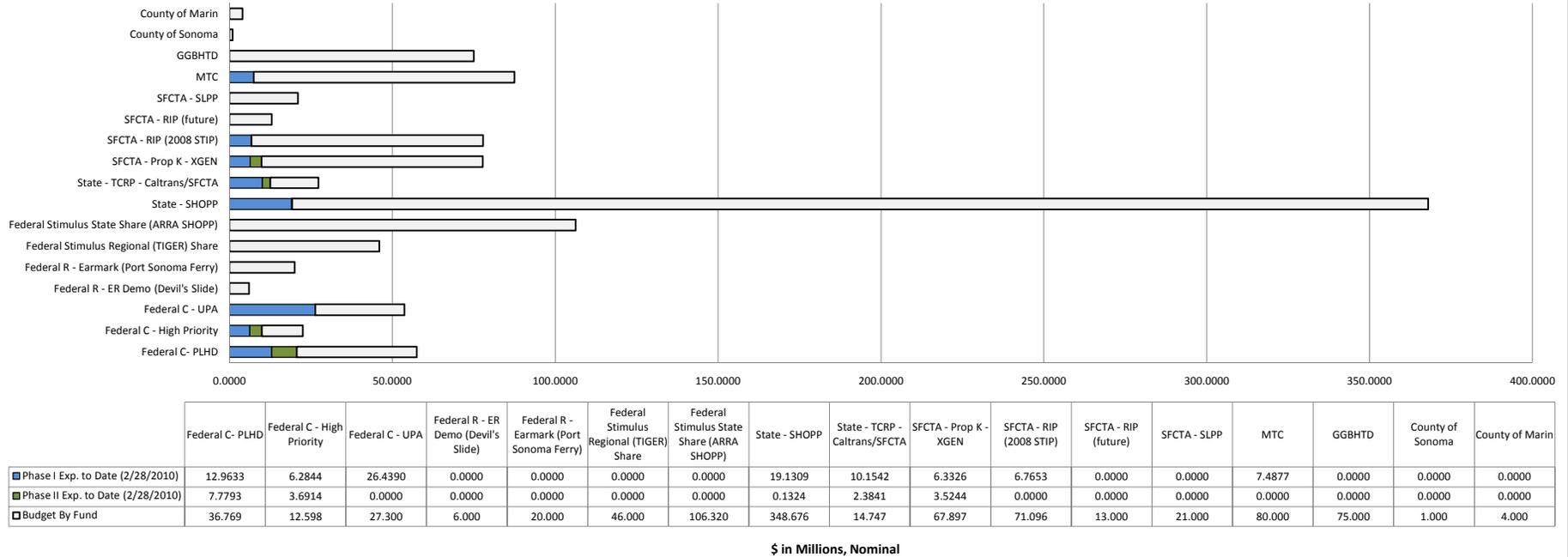
	15.280	6.796	15.670	88.172	112.826	200.288	126.135	109.423	13.703	55.377	78.411	16.254	838.334	check
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BUDGET AND EXPENDITURE SUMMARY

Budget and Expenditure Summary for Doyle Drive/Presidio Parkway P3 - All Contracts based on v5.3 as of April 8, 2010



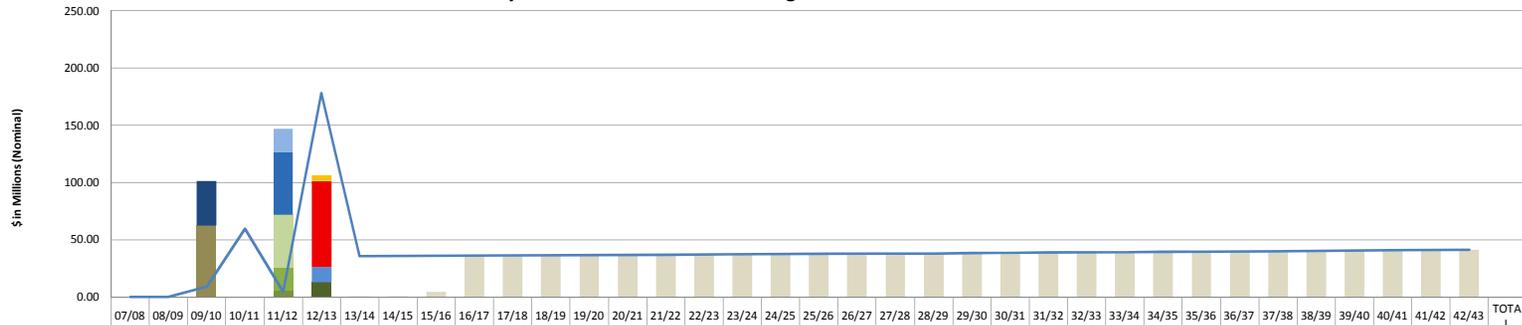
Budget and Expenditure Summary for Doyle Drive/Presidio Parkway P3 - All Funds as of February 28, 2010, Totals Based on v5.3



\$ in Millions, Nominal

ANNUAL FUNDING AVAILABILITY AND EXPENDITURES

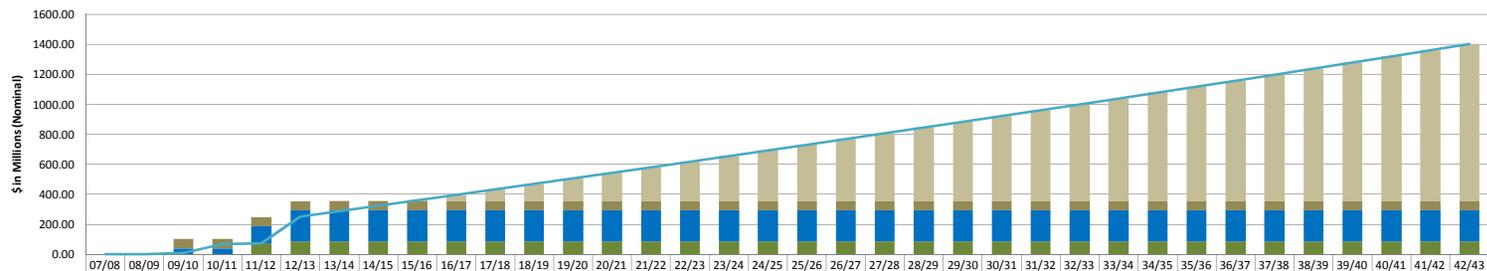
Presidio Parkway P3 - Indicative Public Funding Allocation - Phase II



	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/35	35/36	36/37	37/38	38/39	39/40	40/41	41/42	42/43	TOTAL		
Total			101.31	0.00	147.23	102.20	0.34	0.46	4.39	36.22	36.41	36.56	36.77	36.83	37.04	37.20	37.42	37.49	37.72	37.90	38.13	38.22	38.46	38.66	38.91	39.01	39.27	39.49	39.76	39.87	40.16	40.39	40.68	40.82	41.12	41.38	1401.7		
County of Marin										4.00																												4.00	
County of Sonoma										1.00																													1.00
GGBHTD										75.00																													75.00
SFCTA - SLPP											21.00																												21.00
SFCTA - RIP (future)																																							13.00
SFCTA - RIP (2008 STIP)																																							54.23
SFCTA - Prop K - XGEN																																							38.80
State - TCRP - Caltrans/SFCTA																																							0.00
State - SHOPP																																							62.51
State - SHA (Non-SHOPP)																																							1047.0
Federal Stimulus Regional (TIGER) Share																																							46.00
Federal R - Earmark (Port Sonoma Ferry)																																							20.00
Federal R - ER Demo (Devil's Slide)																																							6.00
Federal C-PLHD																																							13.20
Annual Expenditures	0.00	0.00	9.25	59.87	4.85	177.97	35.84	35.98	36.17	36.22	36.41	36.56	36.77	36.83	37.04	37.20	37.42	37.49	37.72	37.90	38.13	38.22	38.46	38.66	38.91	39.01	39.27	39.49	39.76	39.87	40.16	40.39	40.68	40.82	41.12	41.38	1401.7		

CUMULATIVE REVENUES AND EXPENDITURES

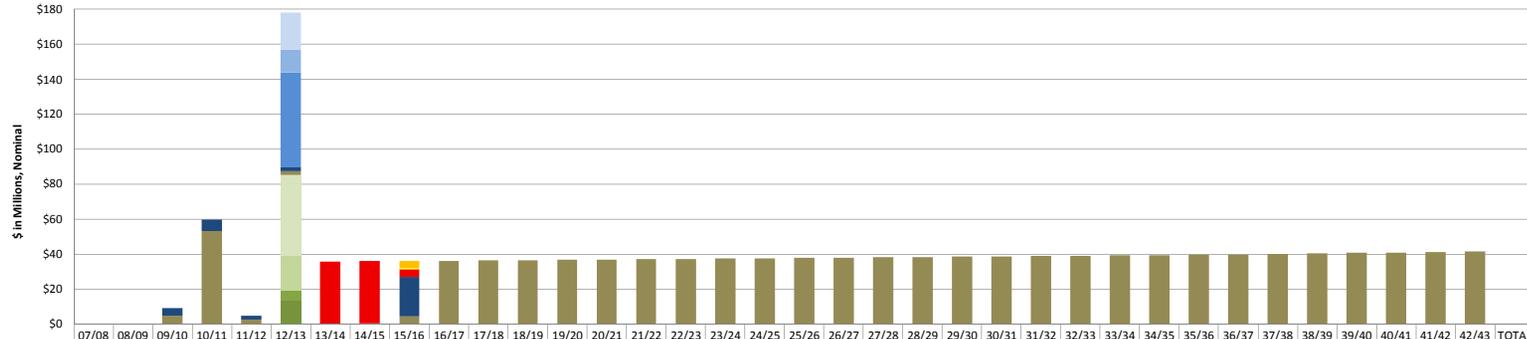
Presidio Parkway P3 - Indicative Public Funding Allocation - Phase II



	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/35	35/36	36/37	37/38	38/39	39/40	40/41	41/42	42/43		
State - SHA (future appropriations for APs)	0.00	0.00	0.00	0.00	0.00	0.00	0.34	0.79	5.18	41.40	77.81	114.37	151.14	187.97	225.00	262.20	299.62	337.12	374.83	412.73	450.86	489.08	527.54	566.20	605.11	644.12	683.39	722.87	762.63	802.50	842.66	883.05	923.73	964.55	1005.6	1047.0		
State - SHA (already committed for Phase II)	0.00	0.00	62.51	62.51	62.51	62.51	62.51	62.51	62.51	62.51	62.51	62.51	62.51	62.51	62.51	62.51	62.51	62.51	62.51	62.51	62.51	62.51	62.51	62.51	62.51	62.51	62.51	62.51	62.51	62.51	62.51	62.51	62.51	62.51	62.51	62.51	62.51	62.51
Local	0	0	38.8	38.8	114.03	207.03	207.03	207.03	207.03	207.03	207.03	207.03	207.03	207.03	207.03	207.03	207.03	207.03	207.03	207.03	207.03	207.03	207.03	207.03	207.03	207.03	207.03	207.03	207.03	207.03	207.03	207.03	207.03	207.03	207.03	207.03	207.03	207.03
Federal	0.00	0.00	0.00	0.00	72.00	85.20	85.20	85.20	85.20	85.20	85.20	85.20	85.20	85.20	85.20	85.20	85.20	85.20	85.20	85.20	85.20	85.20	85.20	85.20	85.20	85.20	85.20	85.20	85.20	85.20	85.20	85.20	85.20	85.20	85.20	85.20	85.20	85.20
Expenditures	0.00	0.00	9.25	69.13	73.97	251.94	287.78	323.76	359.93	396.14	432.56	469.12	505.89	542.71	579.75	616.95	654.37	691.86	729.58	767.47	805.61	843.82	882.28	920.94	959.85	998.86	1038.1	1077.6	1117.3	1157.2	1197.4	1237.7	1278.4	1319.2	1360.4	1401.7		

SOURCES

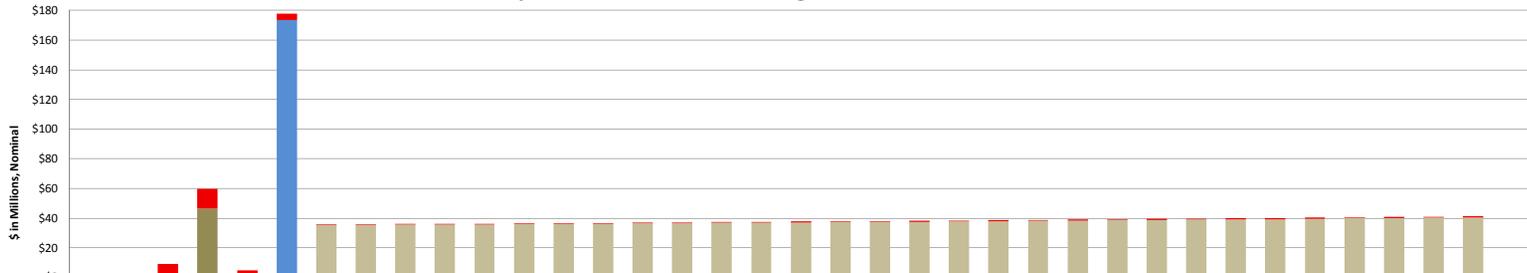
Presidio Parkway P3 - Indicative Public Funding Allocation - Phase II



	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/35	35/36	36/37	37/38	38/39	39/40	40/41	41/42	42/43	TOTAL		
Total			9.25	59.87	4.85	177.97	35.84	35.98	36.17	36.22	36.41	36.56	36.77	36.83	37.04	37.20	37.42	37.49	37.72	37.90	38.13	38.22	38.46	38.66	38.91	39.01	39.27	39.49	39.76	39.87	40.16	40.39	40.68	40.82	41.12	41.38	1401.7		
County of Marin									4.00																													4.00	
County of Sonoma									1.00																														1.00
GGBHTD							35.39	35.52	4.09																														75.00
SFCTA - SLPP						21.00																																	21.00
SFCTA - RIP (future)						13.00																																	13.00
SFCTA - RIP (2008 STIP)						54.23																																	54.23
SFCTA - Prop K - XGEN			4.63	6.68	2.42	2.27	0.11		22.69																														38.80
State - TCRP - Caltrans/SFCTA																																							0.00
State - SHOPP			4.63	53.19	2.42	2.27																																	62.51
State - SHA (Non-SHOPP)							0.34	0.46	4.39	36.22	36.41	36.56	36.77	36.83	37.04	37.20	37.42	37.49	37.72	37.90	38.13	38.22	38.46	38.66	38.91	39.01	39.27	39.49	39.76	39.87	40.16	40.39	40.68	40.82	41.12	41.38		1047.0	
Federal Stimulus Regional (TIGER) Share						46.00																																46.00	
Federal R - Earmark (Port Sonoma Ferry)						20.00																																20.00	
Federal R - ER Demo (Devil's Slide)						6.00																																6.00	
Federal C- PLHD						13.20																																13.20	

USES

Presidio Parkway P3 - Indicative Public Funding Allocation - Phase II



	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/35	35/36	36/37	37/38	38/39	39/40	40/41	41/42	42/43	TOTAL	
Total	0.00	0.00	9.25	59.87	4.85	177.97	35.84	35.98	36.17	36.22	36.41	36.56	36.77	36.83	37.04	37.20	37.42	37.49	37.72	37.90	38.13	38.22	38.46	38.66	38.91	39.01	39.27	39.49	39.76	39.87	40.16	40.39	40.68	40.82	41.12	41.38	1401.7	
Transaction Costs			9.25	13.36	4.85	4.54	0.45	0.46	0.47	0.48	0.49	0.50	0.51	0.52	0.53	0.55	0.56	0.57	0.58	0.60	0.61	0.62	0.64	0.65	0.66	0.68	0.69	0.71	0.72	0.74	0.76	0.77	0.79	0.81	0.82	0.84		50.77
Milestone Payments						173.43	0.00																															173.43
Risk Reserve				46.52																																		46.52
Availability Payments							35.39	35.52	35.70	35.74	35.92	36.06	36.26	36.30	36.50	36.66	36.86	36.92	37.14	37.30	37.52	37.60	37.83	38.01	38.25	38.33	38.58	38.78	39.03	39.13	39.40	39.62	39.89	40.01	40.30	40.53		1131.0

DOYLE DRIVE FUNDING ALLOCATION EXERCISE FOR CTC STAFF

(in \$ Millions, Nominal)

Phase II Cash Flows - Proposed (Base Case)

PLEASE SEE DRAWDOWN ASSUMPTIONS BELOW

FUNDING AVAILABILITY SCHEDULE (remaining \$ is brought forward to next year until all drawn down)

Sources	Budget v5.3		Proposed	FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY 11/12	FY 12/13	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23
	Total Project	Phase II	Phase II																
Federal C - PLHD	36.77	13.20	13.20						13.20	0.00									
Federal C - High Priority	12.60	-	0.00																
Federal C - UPA	27.30	-	0.00																
Federal R - ER Demo (Devil's Slide)	6.00	6.00	6.00					6.00	6.00	0.00									
Federal R - Earmark (Port Sonoma Ferry)	20.00	20.00	20.00					20.00	20.00	0.00									
Federal Stimulus Regional (TIGER) Share	46.00	46.00	46.00					46.00	46.00	0.00									
Federal Stimulus State Share (ARRA SHOPP)	106.32	-	0.00																
State - SHOPP	348.68	174.83	62.51			62.51	57.89	4.69	2.27	0.00									
State - SHA (Non-SHOPP)	n/a	n/a	1047.05							0.34	0.46	4.39	36.22	36.41	36.56	36.77	36.83	37.04	37.20
			1109.56	SHA subtotal															
State - TCRP - Caltrans/SFCTA	14.75	-	0.00																
SFCTA - Prop K - XGEN	67.90	38.80	38.80			38.80	34.17	27.49	25.07	22.80	22.69	22.69	0.00						
SFCTA - RIP (2008 STIP)	71.10	54.23	54.23					54.23	54.23	0.00									
SFCTA - RIP (future)	13.00	13.00	13.00							13.00	0.00								
SFCTA - SLPP	21.00	21.00	21.00					21.00	21.00	0.00									
MTC	80.00	-	0.00																
GGBHTD	75.00	75.00	75.00						75.00	75.00	39.61	4.09	0.00						
County of Sonoma	1.00	1.00	1.00						1.00	1.00	1.00	1.00	0.00						
County of Marin	4.00	4.00	4.00						4.00	4.00	4.00	4.00	0.00						
TOTALS	951.40	467.06	1,401.79	0.00	0.00	101.31	92.06	179.42	280.77	103.14	67.76	36.17	36.22	36.41	36.56	36.77	36.83	37.04	37.20

PHASE II CASH FLOWS (\$ spent in the fiscal year)

Sources	Budget v5.3		Proposed	FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY 11/12	FY 12/13	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23
	Total Project	Phase II	Phase II																
Federal C - PLHD	36.77	13.20	13.20						13.20										
Federal C - High Priority	12.60	-	0.00																
Federal C - UPA	27.30	-	0.00																
Federal R - ER Demo (Devil's Slide)	6.00	6.00	6.00						6.00										
Federal R - Earmark (Port Sonoma Ferry)	20.00	20.00	20.00						20.00										
Federal Stimulus Regional (TIGER) Share	46.00	46.00	46.00						46.00										
Federal Stimulus State Share (ARRA SHOPP)	106.32	-	0.00																
<i>Subtotal</i>			85.20	0.00	0.00	0.00	0.00	0.00	85.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
State - SHOPP	348.68	174.83	62.51			4.63	53.19	2.42	2.27										
State - SHA (Non-SHOPP)	n/a	n/a	1047.05							0.34	0.46	4.39	36.22	36.41	36.56	36.77	36.83	37.04	37.20
State - TCRP - Caltrans/SFCTA	14.75	-	0.00																
<i>Subtotal</i>			1109.56	0.00	0.00	4.63	53.19	2.42	2.27	0.34	0.46	4.39	36.22	36.41	36.56	36.77	36.83	37.04	37.20
SFCTA - Prop K - XGEN	67.90	38.80	38.80			4.63	6.68	2.42	2.27	0.11		22.69							
SFCTA - RIP (2008 STIP)	71.10	54.23	54.23						54.23										
SFCTA - RIP (future)	13.00	13.00	13.00						13.00										
SFCTA - SLPP	21.00	21.00	21.00						21.00										
MTC	80.00	-	0.00																
GGBHTD	75.00	75.00	75.00							35.39	35.52	4.09							
County of Sonoma	1.00	1.00	1.00									1.00							
County of Marin	4.00	4.00	4.00									4.00							
<i>Subtotal</i>			207.03	0.00	0.00	4.63	6.68	2.42	90.50	35.50	35.52	31.78	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTALS	951.40	467.06	1,401.79	0.00	0.00	9.25	59.87	4.85	177.97	35.84	35.98	36.17	36.22	36.41	36.56	36.77	36.83	37.04	37.20

Funds Remaining			FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY 11/12	FY 12/13	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23
	check	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Uses	Phase II	Proposed	FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY 11/12	FY 12/13	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23
Risk Reserve	46.52	46.52				46.52												
Transaction Costs	50.77	50.77			9.25	13.36	4.85	4.54	0.45	0.46	0.47	0.48	0.49	0.50	0.51	0.52	0.53	0.55
Milestone Payments	173.43	173.43						173.43										
Availability Payments	1,131.07	1,131.07							35.39	35.52	35.70	35.74	35.92	36.06	36.26	36.30	36.50	36.66
TOTALS	1,401.79	1,401.79	0.00	0.00	9.25	59.87	4.85	177.97	35.84	35.98	36.17	36.22	36.41	36.56	36.77	36.83	37.04	37.20
	check	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Assumptions for Phase II Sources and Uses Timing:
 Fiscal Year is July 1 to June 30
 Risk Reserve, Transaction Costs, and Availability Payments remain the same as the base case
 Milestone Payment is increased to make use of all available funding sources dedicated to capital works
 Following Caltrans Budget v5.3 (through Feb 28, 2010)
 Risk Reserve: covered by SHOPP funds (because Department carries cost-over run risk)
 Transaction Costs: SFCTA and Caltrans cover construction oversight 50/50 split; SHA covers O&M oversight costs
 Milestone Payment: Use all available Federal funds, RIP funds, and SLPP funds
 Availability Payments: Draw down GGBHTD funds, then County funds, then use any remaining Prop K, then then use SHA for remainder
GGBHTD, County of Sonoma, and County of Marin funding sources become available on the date of substantial completion, which is December 2012 on the current schedule

DOYLE DRIVE FUNDING ALLOCATION EXERCISE FY

(in \$ Millions, Nominal)

FUNDING AVAILABILITY SCHEDULE (remaining \$ is brought forw

	FY	TOTALS																			
	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/35	35/36	36/37	37/38	38/39	39/40	40/41	41/42	42/43	
Sources																					
Federal C - PLHD																					
Federal C - High Priority																					
Federal C - UPA																					
Federal R - ER Demo (Devil's Slide)																					
Federal R - Earmark (Port Sonoma Ferry)																					
Federal Stimulus Regional (TIGER) Share																					
Federal Stimulus State Share (ARRA SHOPP)																					
State - SHOPP																					
State - SHA (Non-SHOPP)	37.42	37.49	37.72	37.90	38.13	38.22	38.46	38.66	38.91	39.01	39.27	39.49	39.76	39.87	40.16	40.39	40.68	40.82	41.12	41.38	
State - TCRP - Caltrans/SFCTA																					
SFCTA - Prop K - XGEN																					
SFCTA - RIP (2008 STIP)																					
SFCTA - RIP (future)																					
SFCTA - SLPP																					
MTC																					
GGBHTD																					
County of Sonoma																					
County of Marin																					
TOTALS	37.42	37.49	37.72	37.90	38.13	38.22	38.46	38.66	38.91	39.01	39.27	39.49	39.76	39.87	40.16	40.39	40.68	40.82	41.12	41.38	1902.48

PHASE II CASH FLOWS (\$ spent in the fiscal year)

	FY	TOTALS																			
	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/35	35/36	36/37	37/38	38/39	39/40	40/41	41/42	42/43	
Sources																					
Federal C - PLHD																					13.20
Federal C - High Priority																					0.00
Federal C - UPA																					0.00
Federal R - ER Demo (Devil's Slide)																					6.00
Federal R - Earmark (Port Sonoma Ferry)																					20.00
Federal Stimulus Regional (TIGER) Share																					46.00
Federal Stimulus State Share (ARRA SHOPP)																					0.00
<i>Subtotal</i>	<i>0.00</i>	<i>85.20</i>																			
State - SHOPP																					62.51
State - SHA (Non-SHOPP)	37.42	37.49	37.72	37.90	38.13	38.22	38.46	38.66	38.91	39.01	39.27	39.49	39.76	39.87	40.16	40.39	40.68	40.82	41.12	41.38	1047.05
State - TCRP - Caltrans/SFCTA																					0.00
<i>Subtotal</i>	<i>37.42</i>	<i>37.49</i>	<i>37.72</i>	<i>37.90</i>	<i>38.13</i>	<i>38.22</i>	<i>38.46</i>	<i>38.66</i>	<i>38.91</i>	<i>39.01</i>	<i>39.27</i>	<i>39.49</i>	<i>39.76</i>	<i>39.87</i>	<i>40.16</i>	<i>40.39</i>	<i>40.68</i>	<i>40.82</i>	<i>41.12</i>	<i>41.38</i>	<i>1109.56</i>
SFCTA - Prop K - XGEN																					38.80
SFCTA - RIP (2008 STIP)																					54.23
SFCTA - RIP (future)																					13.00
SFCTA - SLPP																					21.00
MTC																					0.00
GGBHTD																					75.00
County of Sonoma																					1.00
County of Marin																					4.00
<i>Subtotal</i>	<i>0.00</i>	<i>207.03</i>																			
TOTALS	37.42	37.49	37.72	37.90	38.13	38.22	38.46	38.66	38.91	39.01	39.27	39.49	39.76	39.87	40.16	40.39	40.68	40.82	41.12	41.38	1401.79

Funds Remaining	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	500.69
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Uses																					
Risk Reserve																					46.52
Transaction Costs	0.56	0.57	0.58	0.60	0.61	0.62	0.64	0.65	0.66	0.68	0.69	0.71	0.72	0.74	0.76	0.77	0.79	0.81	0.82	0.84	50.77
Milestone Payments																					173.43
Availability Payments	36.86	36.92	37.14	37.30	37.52	37.60	37.83	38.01	38.25	38.33	38.58	38.78	39.03	39.13	39.40	39.62	39.89	40.01	40.30	40.53	1131.07
TOTALS	37.42	37.49	37.72	37.90	38.13	38.22	38.46	38.66	38.91	39.01	39.27	39.49	39.76	39.87	40.16	40.39	40.68	40.82	41.12	41.38	1401.79
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

DOYLE DRIVE FUNDING ALLOCATION EXERCISE FOR CTC STAFF

(in \$ Millions, Nominal)

Phase II Cash Flows - Downside Scenario

PLEASE SEE DRAWDOWN ASSUMPTIONS BELOW

FUNDING AVAILABILITY SCHEDULE (remaining \$ is brought forward to next year until all drawn down)

Sources	Budget v5.3		Downside Scenario	FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY 11/12	FY 12/13	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23
	Total Project	Phase II	Phase II																
Federal C - PLHD	36.77	13.20	13.20						13.20	0.00									
Federal C - High Priority	12.60	-	0.00																
Federal C - UPA	27.30	-	0.00																
Federal R - ER Demo (Devil's Slide)	6.00	6.00	6.00					6.00	6.00	0.00									
Federal R - Earmark (Port Sonoma Ferry)	20.00	20.00	20.00					20.00	20.00	0.00									
Federal Stimulus Regional (TIGER) Share	46.00	46.00	46.00					46.00	46.00	0.00									
Federal Stimulus State Share (ARRA SHOPP)	106.32	-	0.00																
State - SHOPP	348.68	174.83	62.51			62.51	57.89	4.69	2.27	0.00									
State - SHA (Non-SHOPP)	-	-	1298.60							0.34	7.66	21.60	44.44	44.61	44.77	44.94	45.12	45.29	45.47
			1361.11																
State - TCRP - Caltrans/SFCTA	14.75	-	0.00																
SFCTA - Prop K - XGEN	67.90	38.80	38.80			38.80	34.17	27.49	25.07	22.80	22.69	22.69							
SFCTA - RIP (2008 STIP)	71.10	54.23	54.23					54.23	54.23	0.00									
SFCTA - RIP (future)	13.00	13.00	13.00						13.00	0.00									
SFCTA - SLPP	21.00	21.00	21.00					21.00	21.00	0.00									
MTC	80.00	-	0.00																
GGBHTD	75.00	75.00	75.00						75.00	75.00	31.47	0.00							
County of Sonoma	1.00	1.00	1.00						1.00	1.00	1.00	0.00							
County of Marin	4.00	4.00	4.00						4.00	4.00	4.00	0.00							
TOTALS	951.40	467.06	1,653.34	0.00	0.00	101.31	92.06	179.42	280.77	103.14	66.82	44.29	44.44	44.61	44.77	44.94	45.12	45.29	45.47

PHASE II CASH FLOWS (\$ spent in the fiscal year)

Sources	Budget v5.3		Downside Scenario	FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY 11/12	FY 12/13	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23
	Total Project	Phase II	Phase II																
Federal C - PLHD	36.77	13.20	13.20						13.20										
Federal C - High Priority	12.60	-	0.00																
Federal C - UPA	27.30	-	0.00																
Federal R - ER Demo (Devil's Slide)	6.00	6.00	6.00						6.00										
Federal R - Earmark (Port Sonoma Ferry)	20.00	20.00	20.00						20.00										
Federal Stimulus Regional (TIGER) Share	46.00	46.00	46.00						46.00										
Federal Stimulus State Share (ARRA SHOPP)	106.32	-	0.00																
			85.20	0.00	0.00	0.00	0.00	0.00	85.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
State - SHOPP	348.68	174.83	62.51			4.63	53.19	2.42	2.27										
State - SHA (Non-SHOPP)	n/a	n/a	1298.60							0.34	7.66	21.60	44.44	44.61	44.77	44.94	45.12	45.29	45.47
State - TCRP - Caltrans/SFCTA	14.75	-	0.00																
			1361.11	0.00	0.00	4.63	53.19	2.42	2.27	0.34	7.66	21.60	44.44	44.61	44.77	44.94	45.12	45.29	45.47
SFCTA - Prop K - XGEN	67.90	38.80	38.80			4.63	6.68	2.42	2.27	0.11									
SFCTA - RIP (2008 STIP)	71.10	54.23	54.23						54.23										
SFCTA - RIP (future)	13.00	13.00	13.00						13.00										
SFCTA - SLPP	21.00	21.00	21.00						21.00										
MTC	80.00	-	0.00																
GGBHTD	75.00	75.00	75.00							43.53	31.47								
County of Sonoma	1.00	1.00	1.00								1.00								
County of Marin	4.00	4.00	4.00								4.00								
			79.77	0.00	0.00	4.63	6.68	2.42	90.50	43.64	36.47	22.69	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTALS	951.40	467.06	1,653.34	0.00	0.00	9.25	59.87	4.85	177.97	43.98	44.13	44.29	44.44	44.61	44.77	44.94	45.12	45.29	45.47

Funds Remaining	check	0.00	0.00	0.00	0.00	92.06	32.19	174.57	102.80	59.16	22.69	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
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Uses	Phase II	Downside Scenario	FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY 11/12	FY 12/13	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	
Risk Reserve	46.52	46.52				46.52													
Transaction Costs	50.77	50.77			9.25	13.36	4.85	4.54	0.45	0.46	0.47	0.48	0.49	0.50	0.51	0.52	0.53	0.55	
Milestone Payments	173.43	173.43						173.43											
Availability Payments	1,131.07	1382.62							43.53	43.67	43.82	43.97	44.12	44.27	44.43	44.59	44.76	44.93	
TOTALS	1,401.79	1,653.34	0.00	0.00	9.25	59.87	4.85	177.97	43.98	44.13	44.29	44.44	44.61	44.77	44.94	45.12	45.29	45.47	
	check	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Total Additional AP over base case 251.55

Assumptions for Phase II Sources and Uses Timing:
 Fiscal Year is July 1 to June 30
 Risk Reserve and Transaction Costs remain the same as the base case
 Milestone Payment is increased to make use of all available funding sources dedicated to capital works
 Availability Payments: first AP is equal to \$43.6M, as reflected in Scenario B of the Scenario Analysis
 Following Caltrans Budget v5.3 (through Feb 28, 2010)
 Risk Reserve: covered by SHOPP funds (because Department carries cost-over run risk)
 Transaction Costs: SFCTA and Caltrans cover construction oversight 50/50 split; SHA covers O&M oversight costs
 Milestone Payment: Use all available Federal funds, RIP funds, and SLPP funds
 Availability Payments: Draw down GGBHTD funds, then County funds, then use any remaining Prop K, then then use SHA for remainder
GGBHTD, County of Sonoma, and County of Marin funding sources become available on the date of substantial completion, which is December 2012 on the current schedule

DOYLE DRIVE FUNDING ALLOCATION EXERCISE FC

(in \$ Millions, Nominal)

FUNDING AVAILABILITY SCHEDULE (remaining \$ is brought forth)

	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31	FY 31/32	FY 32/33	FY 33/34	FY 34/35	FY 35/36	FY 36/37	FY 37/38	FY 38/39	FY 39/40	FY 40/41	FY 41/42	FY 42/43	TOTALS	
Sources																						
Federal C- PLHD																						
Federal C - High Priority																						
Federal C - UPA																						
Federal R - ER Demo (Devil's Slide)																						
Federal R - Earmark (Port Sonoma Ferry)																						
Federal Stimulus Regional (TIGER) Share																						
Federal Stimulus State Share (ARRA SHOPP)																						
State - SHOPP																						
State - SHA (Non-SHOPP)	45.66	45.85	46.04	46.24	46.44	46.65	46.86	47.07	47.29	47.52	47.75	47.99	48.23	48.47	48.72	48.98	49.24	49.51	49.78	50.06		
State - TCRP - Caltrans/SFCTA																						
SFCTA - Prop K - XGEN																						
SFCTA - RIP (2008 STIP)																						
SFCTA - RIP (future)																						
SFCTA - SLPP																						
MTC																						
GGBHTD																						
County of Sonoma																						
County of Marin																						
TOTALS	<u>45.66</u>	<u>45.85</u>	<u>46.04</u>	<u>46.24</u>	<u>46.44</u>	<u>46.65</u>	<u>46.86</u>	<u>47.07</u>	<u>47.29</u>	<u>47.52</u>	<u>47.75</u>	<u>47.99</u>	<u>48.23</u>	<u>48.47</u>	<u>48.72</u>	<u>48.98</u>	<u>49.24</u>	<u>49.51</u>	<u>49.78</u>	<u>50.06</u>	<u>2136.81</u>	

PHASE II CASH FLOWS (\$ spent in the fiscal year)

	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31	FY 31/32	FY 32/33	FY 33/34	FY 34/35	FY 35/36	FY 36/37	FY 37/38	FY 38/39	FY 39/40	FY 40/41	FY 41/42	FY 42/43	TOTALS	
Sources																						
Federal C- PLHD																						13.20
Federal C - High Priority																						0.00
Federal C - UPA																						0.00
Federal R - ER Demo (Devil's Slide)																						6.00
Federal R - Earmark (Port Sonoma Ferry)																						20.00
Federal Stimulus Regional (TIGER) Share																						46.00
Federal Stimulus State Share (ARRA SHOPP)																						0.00
<i>Subtotal</i>	<i>0.00</i>	<i>85.20</i>																				
State - SHOPP																						62.51
State - SHA (Non-SHOPP)	45.66	45.85	46.04	46.24	46.44	46.65	46.86	47.07	47.29	47.52	47.75	47.99	48.23	48.47	48.72	48.98	49.24	49.51	49.78	50.06	1298.60	
State - TCRP - Caltrans/SFCTA																						0.00
<i>Subtotal</i>	<i>45.66</i>	<i>45.85</i>	<i>46.04</i>	<i>46.24</i>	<i>46.44</i>	<i>46.65</i>	<i>46.86</i>	<i>47.07</i>	<i>47.29</i>	<i>47.52</i>	<i>47.75</i>	<i>47.99</i>	<i>48.23</i>	<i>48.47</i>	<i>48.72</i>	<i>48.98</i>	<i>49.24</i>	<i>49.51</i>	<i>49.78</i>	<i>50.06</i>	<i>1361.11</i>	
SFCTA - Prop K - XGEN																						38.80
SFCTA - RIP (2008 STIP)																						54.23
SFCTA - RIP (future)																						13.00
SFCTA - SLPP																						21.00
MTC																						0.00
GGBHTD																						75.00
County of Sonoma																						1.00
County of Marin																						4.00
<i>Subtotal</i>	<i>0.00</i>	<i>207.03</i>																				
TOTALS	<u>45.66</u>	<u>45.85</u>	<u>46.04</u>	<u>46.24</u>	<u>46.44</u>	<u>46.65</u>	<u>46.86</u>	<u>47.07</u>	<u>47.29</u>	<u>47.52</u>	<u>47.75</u>	<u>47.99</u>	<u>48.23</u>	<u>48.47</u>	<u>48.72</u>	<u>48.98</u>	<u>49.24</u>	<u>49.51</u>	<u>49.78</u>	<u>50.06</u>	<u>1653.34</u>	

Funds Remaining	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	483.47
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Uses	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31	FY 31/32	FY 32/33	FY 33/34	FY 34/35	FY 35/36	FY 36/37	FY 37/38	FY 38/39	FY 39/40	FY 40/41	FY 41/42	FY 42/43	TOTALS	
Risk Reserve																						46.52
Transaction Costs	0.56	0.57	0.58	0.60	0.61	0.62	0.64	0.65	0.66	0.68	0.69	0.71	0.72	0.74	0.76	0.77	0.79	0.81	0.82	0.84	50.77	
Milestone Payments																						173.43
Availability Payments	45.10	45.28	45.46	45.64	45.83	46.03	46.22	46.43	46.63	46.84	47.06	47.28	47.50	47.73	47.97	48.21	48.45	48.70	48.96	49.22	1382.62	
TOTALS	<u>45.66</u>	<u>45.85</u>	<u>46.04</u>	<u>46.24</u>	<u>46.44</u>	<u>46.65</u>	<u>46.86</u>	<u>47.07</u>	<u>47.29</u>	<u>47.52</u>	<u>47.75</u>	<u>47.99</u>	<u>48.23</u>	<u>48.47</u>	<u>48.72</u>	<u>48.98</u>	<u>49.24</u>	<u>49.51</u>	<u>49.78</u>	<u>50.06</u>	<u>1653.34</u>	
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	

PERFORMANCE OBJECTIVES

PERFORMANCE OBJECTIVES

This note is in response to the request to demonstrate the “specific section(s) of the project proposal report, business case, or EIR that quantify air quality benefits and reductions in vehicle hours of delay.”

As defined in Section 143 (a)(6) of the Streets and Highways Code, the Presidio Parkway, Doyle Drive Replacement Project is a reconstruction project that has received full state and federal environmental clearances including all required public involvement, with a Final EIS/EIR certified in December of 2008. Phase I of the project is underway and Phase 2 is covered under the same environmental document.

The Presidio Parkway Project is primarily designed to improve the safety of the structure, both for daily operations and for the underlying seismic integrity. Beyond the critical life-safety improvements, the project’s performance objectives are measured against impacts to mobility, air quality, and the local and regional economies in the event of a closure caused by a failure of the structure and its related facilities.

A. MOBILITY

The project will provide mobility benefits under **normal conditions, during incidents** on the facility (e.g. breakdowns and crashes) and by preventing a **major closure** due to a seismic event.

1. Normal Conditions

The project will improve roadway geometry and traffic flow, particularly at the interchange between US 101 and SR 1 (Park Presidio). Specific improvements include:

- *Ramp from US 101 Southbound to SR 1 Southbound (Golden Gate Bridge to Veteran’s Boulevard).* This ramp, which has only one lane in the No Project condition, will be expanded to two lanes. This change is expected to improve the Level of Service (LOS) at all peak¹ travel times on the segment, as shown in Exhibit 1.

Exhibit 1: LOS at Ramp from US 101 Southbound to SR 1 Southbound

Time	Level of Service	
	Presidio Parkway	No build
Weekday AM Peak Hour	D	F
Weekday PM Peak Hour	D	F
Weekend Peak Hour	D	F

Source: Pages 4-29 to 4-31, Ramp No. 1, *Traffic and Transit Operations Report*, Doyle Drive Environmental and Design Study.

- *Ramp from SR 1 Northbound to US 101 Southbound (Veteran’s Boulevard to Doyle Drive).* This ramp, which has a restrictive ramp design in the No Project condition, will receive benefit from an improved design. This change is expected to improve the Level of Service at major travel times on the segment, as shown in Exhibit 2.

¹ Peak hours refer to the times generally from 7:45 am to 8:45 am and 5:00 pm to 6:00 pm on weekdays. The weekend peak hour is generally assumed to be 4:00 to 5:00 pm.

Exhibit 2: LOS at Ramp from SR 1 Northbound to US 101 Southbound

Segment	Time	Level of Service	
		Presidio Parkway	No build
Merging off ramp	Weekday PM Peak Hour	C	D
Merging off ramp	Weekend Peak Hour	C	D
Merging on ramp	Weekday AM Peak Hour	D	E

Source: Pages 4-29 to 4-31, Ramps No. 2 and 8, *Traffic and Transit Operations Report*, Doyle Drive Environmental and Design Study

- *Southbound Weaving Patterns between SR 1 Northbound and Marina Boulevard.* All southbound exiting traffic to Marina Boulevard in the current design exits on the left, and the replacement design properly establishes the exit on the right. The reduced weaving will improve the Level of Service on this segment, as shown in Exhibit 3.

Exhibit 3: LOS at Ramp from SR 1 Northbound to US 101 Southbound

Time	Level of Service	
	Presidio Parkway	No build
Weekday AM Peak Hour	C	D
Weekday PM Peak Hour	B	C
Weekend Peak Hour	B	C

Source: Pages 4-32 to 4-34, *Traffic and Transit Operations Report*, Doyle Drive Environmental and Design Study

2. Incidents

The project will significantly improve the safety of the roadway by upgrading the facility to modern geometric highway design criteria, and by adding a physical median barrier and shoulders. The safety improvements are anticipated to **reduce the frequency and severity of incidents**, and **the amount of delay resulting from incidents**.

- *Incident Frequency*
Currently, Doyle Drive has nonstandard design elements, including travel lanes from 2.9 to 3 meters (9.5 to 10 feet) in width, no fixed median barrier, no shoulders, and exit ramps that have tight turning radii. Because the number of lanes is restricted on the Golden Gate Bridge and on Doyle Drive, the direction of the two center lanes are changed daily, depending upon traffic demands. During peak traffic hours, plastic pylons are manually moved to provide a median lane as well as to reverse the direction of traffic flow for center lanes. Because of the lack of shoulders or other safe refuge, the Golden Gate Bridge Highway and Transportation District operates the freeway service patrol (FSP) to respond to incidents on the Waldo Grade north of the Golden Gate Bridge, the Golden Gate Bridge itself, Veterans Boulevard and Doyle Drive. On Doyle Drive alone, the FSP typically responds to 5-10 calls a day to address lane blockages such as disabled vehicles, accidents and debris.

Within the Doyle Drive corridor, the prevalent accident types for the 3-year period from 2003 to 2006 were Sideswipe (30.8%) and Rear End (47.4%). The next highest category was Hit Object (13.7%). These types of accidents are typical of driver error in congested traffic. Median barriers, wider lanes, shoulders, and more standard design elements would improve safety. A median barrier would significantly reduce the occurrence and

severity of head-on collisions²; wider lanes would alleviate sideswipes, and shoulders provide space outside of the traveled way for disabled vehicles, evasive maneuvers to avoid potential crashes, and emergency and maintenance vehicle operation³. Improvements to the geometry of the ramps, especially the ramp connecting northbound Doyle Drive to southbound Veterans Boulevard, would provide smoother transitions for vehicles entering and exiting the roadways, resulting in improved traffic safety. The goal of the project is to implement these safety improvements in a way that has the least impact on the Presidio's natural and cultural resources.

- *Incident Delay*

In addition to reducing the frequency of incidents, the addition of shoulders will help reduce the the vehicle-hours of delay associated with events. Roadways without shoulders experience major reductions in traffic capacity when lanes are blocked. For a freeway with 3 lanes in each direction, a blockage in one lane results in a 47% reduction in capacity, compared to a 16% reduction in capacity if the vehicle is moved to the shoulder⁴. Evidence suggests that incidents blocking lanes on freeways result in 2.5 to 5 times more vehicle-hours of delay than incidents that are moved to the shoulder⁵. For example, traffic simulations for the Doyle Drive corridor indicate that in the morning peak direction a stalled vehicle on southbound Doyle Drive will cause delays for over half an hour extending all the way back through the toll plaza on to the Golden Gate Bridge. The same incident modeled on the proposed facility with full outside shoulders indicates that the delays are localized to the incident site with no widespread back-ups as drivers are able to maneuver around the blockage.

3. Regional Impacts of a Major Closure

The project will avoid traffic impacts that would result from a collapse of the existing structures in a significant earthquake. A collapse of the existing structures would result in the effective closure of the Golden Gate Bridge. At best, only minor roadway approaches (e.g., Lincoln Boulevard) would remain open on the San Francisco side of the bridge. As a result, traffic between the North Bay and San Francisco would be diverted to the Richmond-San Rafael Bridge, I-80, and the Bay Bridge which is already at capacity in peak periods of demand. It has been estimated with Golden Gate Bridge access closed, the Bay Area region would experience a 13.6% increase in auto person-hours during the AM peak hour⁶.

B. AIR QUALITY

The air quality improvements realized by the project are largely related to the mobility improvements. Specific examples of air quality improvements are detailed below.

1. Under normal operations, higher vehicle speeds enabled by the Presidio Parkway design and O&M will reduce the release of toxic air contaminants (TACs) from vehicles.

- The new design will improve traffic flow and vehicle speeds, as described in Section A. Mobility; this improvement will have the additional benefit of reducing TAC emissions (EIR/EIS 3-202). This is because the rate of release of TACs decreases with increased vehicle speeds, as shown in Exhibit 4.

² Guidance Memorandum on Consideration and Implementation of Proven Safety Countermeasures. Federal Highways Administration, 2008.

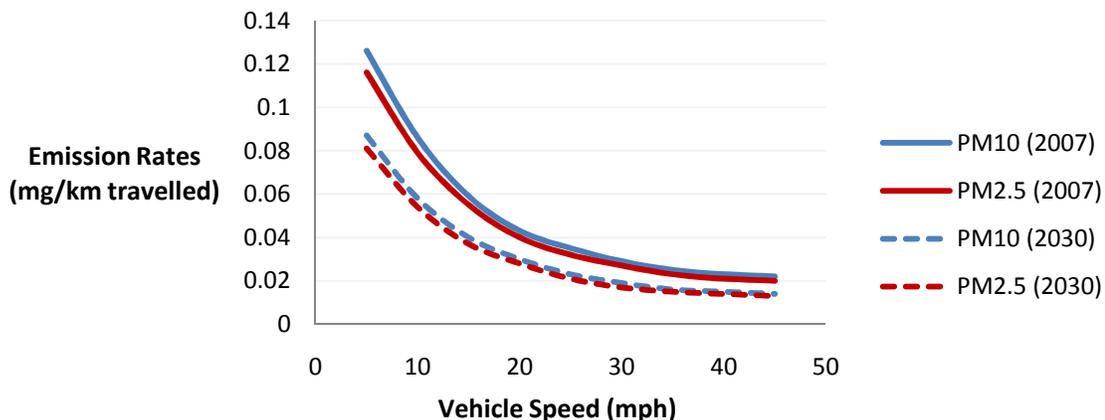
³ A Policy on Geometric Design of Highways and Streets. AASHTO, 2004.

⁴ Traffic Incident Management Handbook. Federal Highway Administration, Office of Travel Management, November 2000.

⁵ Incident Management: Challenges, Strategies and Solutions for Advancing Safety and Roadway Efficiency – Final Technical Report, ATA Foundation in association with Cambridge Systematics, February 1997.

⁶ Doyle Drive Intermodal Study. San Francisco County Transportation Authority, November 1996.

Exhibit 4: Rate of TAC Emissions by Speed, for 2007 and 2030 vehicle fleet mixes



Source: Arup, 2010

- Reduction in accidents will reduce congestion and improve vehicle speeds. This will result from improvements in sight distances, from the introduction of a median barrier between opposing travel direction, and from enhanced flow characteristics from the addition of shoulders; all of these improvements are afforded by the new Presidio Parkway design.
- The concessionaire will be fiscally incentivized to clear incidents quickly and regularly invest in maintenance of the asset to achieve the level of service required by the Concession Agreement.

2. Reduced delays at key intersections (Broderick Street and Marina Boulevard, and Divisadero Street and Marina Boulevard) reduce idling times and emissions near residential neighborhoods.

- Design improvements afforded by the Presidio Parkway will result in improved traffic flow on both weekdays and weekends at these two intersections. Delays will be reduced by 20-85% at these junctions, and the level of service (LOS) will improve at these intersections. Exhibits 5 and 6, give details of these improvements.
- As can be seen in Exhibit 4, the most significant drop off in TAC emissions is achieved by increasing the speed of the slowest travelling vehicles (<10mph), even if only by a few miles per hour.
- The reduction in idling time benefits the air quality in the residential neighborhood adjacent to Marina Boulevard and for the public recreating on the Marina Green, Exhibit 7.

Exhibit 5: LOS at Intersections for Presidio Parkway vs. No Build

Intersection	Time	Level of Service	
		Presidio Parkway	No build
Broderick St. and Marina Blvd.	Weekend	B	F
Divisadero St. and Marina Blvd.	Weekend	B	F

Source: Presidio Parkway Air Quality Study, 2004.

Exhibit 6: Delay Times at Intersections for Presidio Parkway vs. No Build

Intersection	Time	Average Delay in 2030 (seconds)	
		Presidio Parkway	No build
Broderick St. and Marina Blvd.	Weekday	79	> 100
Divisadero St. and Marina Blvd.	Weekday	78	> 100
Broderick St. and Marina Blvd.	Weekend	14	> 100
Divisadero St. and Marina Blvd.	Weekend	14	> 100

Source: Presidio Parkway Air Quality Study, 2004.

Exhibit 7: Location of Intersections Showing Major Traffic Improvements



Source: Google Maps.

3. The Presidio Parkway would eliminate potential regional air quality impacts that would result from the collapse or closure of the existing structures in a significant earthquake and the attendant traffic congestion.

- As detailed in *Section A. Mobility*, if San Francisco were to experience an earthquake that damages Doyle Drive, traffic speeds and congestion would increase significantly throughout the city. Slower vehicle speeds result in much higher emissions of the carcinogenic Toxic Air Contaminants (TACs), including PM_{10} and $PM_{2.5}$, as shown in Exhibit 1. Improved seismic construction standards would significantly reduce the likelihood that such an earthquake would compromise the Presidio Parkway in this way.
- Specifically, closure of Doyle Drive would result in an 82% decrease in the average speed during the morning peak commutes on the Richmond-San Rafael Bridge, from 46mph to 8mph, in the short-term. This speed reduction would result in five times the TAC emissions per kilometer travelled.
- Under this same model, congestion on the Bay Bridge would increase by 71% with average speeds decreasing from 17mph to 5mph following a closure of Doyle Drive and the Golden Gate Bridge. This speed reduction would result in 2.5 times the TAC emissions per kilometer travelled.
- Overall, the 1996 Doyle Drive Intermodal Study showed that such closures would result in a 13.6% increase in AM peak hour auto-person-hours in the Bay Area.