



WORKSHOP AGENDA

TIME/DATE: 1:30 p.m. / Thursday, January 31, 2013
10:00 a.m. / Friday, February 1, 2013

LOCATION: SANTA ROSA B AND C
EMBASSY SUITES LA QUINTA
50-777 Santa Rosa Plaza, La Quinta, CA

☞ COMMISSIONERS ☛

Chair – Karen Spiegel

First Vice Chair – Marion Ashley

Second Vice Chair – Daryl Busch

Kevin Jeffries, County of Riverside
John F. Tavaglione, County of Riverside
Jeff Stone, County of Riverside
John J. Benoit, County of Riverside
Marion Ashley, County of Riverside
Bob Botts / Deborah Franklin, City of Banning
Roger Berg / Jeff Fox, City of Beaumont
Joseph DeConinck / To Be Appointed, City of Blythe
Ella Zanowic / Jeff Hewitt, City of Calimesa
Mary Craton / To Be Appointed, City of Canyon Lake
Greg Pettis / Kathleen DeRosa, City of Cathedral City
Steven Hernandez / Eduardo Garcia, City of Coachella
Karen Spiegel / Eugene Montanez, City of Corona
Scott Matas / Yvonne Parks, City of Desert Hot Springs
Adam Rush / Ike Bootsma, City of Eastvale
Larry Smith / Robert Youssef, City of Hemet
Douglas Hanson / Ty Peabody, City of Indian Wells
Glenn Miller / Michael Wilson, City of Indio
Frank Johnston / Micheal Goodland, City of Jurupa Valley
Terry Henderson / Don Adolph, City of La Quinta
Bob Magee / To Be Appointed, City of Lake Elsinore
Scott Mann / Wallace Edgerton, City of Menifee
Tom Owings / Marcelo Co, City of Moreno Valley
Rick Gibbs / Kelly Bennett, City of Murrieta
Berwin Hanna / Kathy Azevedo, City of Norco
Jan Harnik / To Be Appointed, City of Palm Desert
Ginny Foat / Steve Pougnet, City of Palm Springs
Daryl Busch / Al Landers, City of Perris
Ted Weill / Scott Hines City of Rancho Mirage
Steve Adams / Andy Melendrez, City of Riverside
Andrew Kotyuk / Scott Miller, City of San Jacinto
Ron Roberts / Jeff Comerchero, City of Temecula
Ben Benoit / Timothy Walker, City of Wildomar
Basem Muallem, Governor's Appointee

Comments are welcomed by the Commission. If you wish to provide comments to the Commission, please complete and submit a Speaker Card to the Clerk of the Board.

RIVERSIDE COUNTY TRANSPORTATION COMMISSION

www.rctc.org

WORKSHOP AGENDA *

** Actions may be taken on any item listed on the agenda*

JANUARY 31 AND FEBRUARY 1, 2013

**EMBASSY SUITES LA QUINTA
50-777 Santa Rosa Plaza
La Quinta, CA**

In compliance with the Brown Act and Government Code Section 54957.5, agenda materials distributed 72 hours prior to the meeting, which are public records relating to open session agenda items, will be available for inspection by members of the public prior to the meeting at the Commission office, 4080 Lemon Street, Third Floor, Riverside, CA, and on the Commission's website, www.rctc.org.

In compliance with the Americans with Disabilities Act and Government Code Section 54954.2, if you need special assistance to participate in a Commission meeting, please contact the Clerk of the Board at (951) 787-7141. Notification of at least 48 hours prior to meeting time will assist staff in assuring that reasonable arrangements can be made to provide accessibility at the meeting.

1:30 P.M.

THURSDAY, JANUARY 31, 2013

- | | |
|------------------------------|--|
| 1:30 p.m. – 1:40 p.m. | WELCOME AND WORKSHOP OVERVIEW
<i>Karen Spiegel, Chair and Anne Mayer, Executive Director</i> |
| 1:40 p.m. – 2:05 p.m. | SELF-HELP COUNTIES COALITION
<i>Keith Dunn, Executive Director of the Self-Help Counties Coalition</i> |
| 2:05 p.m. – 3:00 p.m. | TRANSPORTATION GAPS – STATE FUNDING NEEDS ASSESSMENT AND REGIONAL TRANSPORTATION PLAN
<i>Mitchell Weiss, Deputy Director of the California Transportation Commission</i> |
| 3:00 p.m. – 3:15 p.m. | BREAK |
| 3:15 p.m. – 4:15 p.m. | CLOSING THE REVENUE GAP – POTENTIAL FUNDING OPTIONS
<i>Anne Mayer, Executive Director</i> |
| 4:15 p.m. – 4:30 p.m. | BREAK |

4:30 p.m. – 5:30 p.m. INTERSTATE 15 CORRIDOR IMPROVEMENT PROJECT SCOPE CHANGE

Michael Blomquist, Toll Program Director

This item is for the Commission to:

- 1) Establish the new scope of the Interstate 15 Corridor Improvement Project (I-15 CIP) to include two Tolled Express Lanes in each direction from approximately State Route 60 to Cajalco Road;
- 2) Authorize staff to negotiate a contract amendment with HDR, Inc. for environmental and preliminary engineering services consistent with the I-15 CIP scope change and bring back to the Commission for future consideration; and
- 3) Authorize the Executive Director to amend existing cooperative agreements and execute new cooperative agreements with Caltrans consistent with the I-15 CIP scope change for the current and future project development phases of work.

5:30 p.m.– 6:30 p.m. BREAK

6:30 p.m. DINNER

6:30 p.m. – 7:30 p.m. UPDATE ON FEDERAL AND STATE LEGISLATIVE MATTERS

Kathy Ruffalo, Federal Legislative Advocate
Mark Watts, State Legislative Advocate

This item is for the Commission to receive an oral report and provide comments and possible action.

7:30 p.m. ADJOURNMENT

The workshop will continue at 9:00 a.m., Friday, February 1, 50-777 Santa Rosa Plaza, La Quinta, CA

9:00 A.M.
FRIDAY, FEBRUARY 1, 2013

- 9:00 a.m. – 9:55 a.m. COMMISSION MEETING (Separate Agenda)**
- 10:00 a.m. – 10:30 a.m. RCTC 101 – COMMISSION OVERVIEW**
John Standiford, Deputy Executive Director
- 10:30 a.m. – 10:45 a.m. BREAK**
- 10:45 a.m. – Noon DELIVERY PLAN ACCOMPLISHMENTS AND UPCOMING PROJECTS**
Anne Mayer, Executive Director
- Noon – 12:30 p.m. WORKING LUNCH – LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY'S TOLL PROGRAM**
Stephanie Wiggins, Executive Officer of the Metro Congestion Reduction Demonstration Initiative
- 12:30 p.m. WORKSHOP CLOSING REMARKS AND ADJOURNMENT**
Karen Spiegel, Chair

RIVERSIDE COUNTY TRANSPORTATION COMMISSION

DATE:	January 31, 2013
TO:	Riverside County Transportation Commission
FROM:	Interstate 15 Corridor Improvement Project Ad Hoc Committee Michael Blomquist, Toll Program Director
THROUGH:	Anne Mayer, Executive Director
SUBJECT:	Interstate 15 Corridor Improvement Project Scope Change

INTERSTATE 15 CORRIDOR IMPROVEMENT PROJECT AD HOC COMMITTEE AND STAFF RECOMMENDATION:

This item is for the Commission to:

- 1) Establish the new scope of the Interstate 15 Corridor Improvement Project (I-15 CIP) to include two tolled express lanes in each direction from approximately State Route 60 to Cajalco Road;
- 2) Authorize staff to negotiate a contract amendment with HDR, Inc. for environmental and preliminary engineering services consistent with the I-15 CIP scope change and bring back to the Commission for future consideration; and
- 3) Authorize the Executive Director to amend existing cooperative agreements and execute new cooperative agreements with Caltrans consistent with the I-15 CIP scope change for the current and future project development phases of work.

BACKGROUND INFORMATION:

Early Development of the I-15 Corridor Improvement Project

In 2002, Riverside County voters approved a 30-year extension of Measure A through 2039 including improvements to the I-15 corridor. Specifically, the project commitment contained in the 2009-2039 Measure A extension is to add a lane in each direction on I-15 from SR-60 to the San Diego County line.

In the spring of 2006, the Commission assessed the feasibility of tolling four freeway corridors in Riverside County and concluded that portions of the SR-91 and I-15 corridors were generally feasible from a financial, traffic operation, and engineering standpoint.

Additional engineering, project scoping, and traffic and revenue study work were performed throughout 2006. An ambitious I-15 project scope consistent with the significant traffic needs of the corridor was created as follows:

- Phase 1: 15/91 interchange to Cajalco Road (south Corona) – two tolled express lanes each direction.
- Phase 2: San Bernardino County line to 15/91 interchange – two tolled express lanes each direction.
- Phase 3: Cajalco Road to SR-74 – two tolled express lanes each direction.
SR-74 to Bundy Canyon Road – one carpool lane each direction.
- Phase 4: Bundy Canyon Road to 15/215 interchange – one carpool lane each direction.

This scope of work was proposed to meet the Measure A commitment to voters as well as to use tolling as a way to build more improvements and provide more congestion relief than would have otherwise been possible using Measure A funds and other more traditional state and federal freeway funding sources.

Also in 2006, at the request of the Commission, staff completed a project study report (PSR) in conjunction with Caltrans to study the addition of one general purpose lane in each direction on the I-15 corridor from the San Bernardino County line to SR-74. This general purpose lane was in addition to the tolled express lanes already being proposed.

In December 2006, the Commission approved the 2009 Measure A Western Riverside County Highway 10-Year Delivery Plan (10-Year Delivery Plan) to advance the development of the highest priority projects in the 30-year Measure A extension. The 10-Year Delivery Plan calls for the development of high occupancy toll lanes within the I-15 corridor. The Commission's approval of the 10-Year Delivery Plan also authorized staff to begin environmental and preliminary engineering studies for projects within the plan including those for the I-15 corridor.

As part of the 10-Year Delivery Plan approval, the Commission also directed staff to include in the I-15 project scope a general purpose lane in each direction from the San Bernardino County line to SR-74, approximately 31 miles. The Commission's direction to include general purpose lanes added significant costs to the project and reduced its financial feasibility; however it was decided that it added significant value and the I-15 corridor improvements should replicate those on SR-91, which also called for both tolled express lanes and general purpose lanes.

In early 2008, the Commission advanced the project to the next project development step of preliminary engineering and environmental studies for 46 miles of the I-15 corridor from SR-60 to I-215 and named the project the I-15 CIP. The Commission hired HDR, Inc. to perform environmental and preliminary engineering services for this 46-mile corridor.

Tolling Authority

After the 2006 Commission approval of the I-15 CIP and its tolling element, staff worked to obtain the necessary tolling authority for Interstate 15.

State Tolling Authority

AB 1467 (Nunez, 2006) established a statewide pilot program for tolled express lanes by authorizing four projects in California, two in Northern California and two in Southern California. This Public Partnership pilot program required a comprehensive application, a finding of eligibility by the California Transportation Commission (CTC), and ratification of the CTC's finding by the State Legislature via statute.

In December 2007, the Commission submitted an application under the Public Partnership pilot program. At its April 2008 meeting, the CTC found the project eligible for the pilot program. Later that year AB 1954 (Jeffries, 2008) was signed into law, which ratified the CTC's April 2008 decision. The passage of AB 1954 provides the Commission the state authority to build and operate two tolled express lanes in each direction within the I-15 corridor.

Federal Tolling Authority

In March 2008, the Commission submitted an expression of interest (EOI) to the Federal Highway Administration (FHWA) as the first step in obtaining federal tolling authority for I-15. Based on the EOI, FHWA advised the Commission that the I-15 CIP would best fit under FHWA's Value Pricing Pilot Program (VPPP). In July of 2008, the Commission submitted an application for federal tolling authority and in July 2009 entered into an agreement with FHWA making the I-15 CIP part of the VPPP. This agreement provides the Commission the federal authority to build and operate two tolled express lanes in each direction within the I-15 corridor.

Economic Challenges and The Impact on the Commission's Toll Projects

The Commission's 10-Year Delivery Plan was conceived and approved in 2006, a bullish economic time when the unemployment rate was at 4.6 percent in the county. Since that economic peak, state and federal funding for freeway transportation projects has generally been in decline for a variety of reasons and

the recession that began around 2007 hastened that trend. For the Commission, local Measure A receipts dropped from \$157.1 million in FY 2006/07 to \$111.8 million in FY 2009/10, a 29 percent decrease in three years.

Factors that directly impact the financial feasibility of tolling projects are many but the long-term demographic trends of job creation, number of households, and population are particularly significant. Each of these factors was negatively impacted by the recession in Riverside County and the Southern California region as a whole – both areas have impact to the financial results. The changes in these demographic factors negatively impacted the amount of projected toll revenues.

The bond markets, including the toll revenue bond market, have changed since the economic peak of 2006/2007 as well. The financial crisis impacted the bond markets initially through a significant decrease in liquidity, a precipitous drop in the value of real estate, the default of a variety of mortgage-backed securities, and the subsequent failure of significant financial institutions. These failures heightened the sensitivity of bond buyers to credit risk. In the post-crisis environment, the Commission's proposed toll revenue bond financing structure, much lower rated than the Measure A sales tax bonds, incurs a higher interest cost relative to its sales tax debt. This additional cost consequently negatively impacts debt service coverage ratios and other financial results.

As the 10-Year Delivery Plan was being developed, the Commission realized that the timely delivery of its projects would require an increase in the Measure A debt limit beyond the \$500 million limit established in the original Measure A Ordinance approved by the voters in 2002. In addition, the impacts of the financial crisis led to a fundamental shift in the financial feasibility results of the Commission's two toll projects. The availability of Measure A funds became the key criterion/limiting factor that constrained both the scope of work for each project as well as the timing to complete each project. This shift further reinforced the need for a substantial increase in Measure A funds to fully fund the Commission's planned improvements, including the toll revenue based projects. The need for greater Measure A funds on an expedited basis drove the Commission to seek voter approval to raise the Commission's Measure A bonding limit in 2010 through Measure K. The impact of the approval was to counter the trend of lower Measure A receipts and the economic downturn.

At the January 2010 annual workshop, the Commission adopted a re-prioritization strategy that bifurcated all of the 10-Year Delivery Plan projects between the Commission's highest priority projects and all the rest. Projects in the I-215 and SR-91 corridors, among others, were categorized as the highest priority and staff was directed to continue to develop these projects using Measure A and other funding sources.

The I-15 CIP was not placed in the highest priority category, making less Measure A dollars available for the I-15 corridor in the first 10 years of the renewed measure and beyond. However, the Commission adopted the following I-15 CIP recommendations at the 2010 annual workshop:

- Complete the current work phase (preliminary engineering and environmental studies);
- Assume a deferral of the next work phase (final design);
- Re-evaluate the project work scope and financial plan; and
- Staff to return later with an I-15 update and recommendations.

DISCUSSION:

Since the Commission directed staff to re-evaluate the I-15 CIP work scope and financial plan and return with recommendations, several activities have occurred:

- An ad hoc committee, composed primarily of Commissioners representing cities along the I-15 corridor, was created to discuss and provide input to the development of a new I-15 CIP scope of work and provide staff direction; the ad hoc committee met four times between November 2010 and September 2012;
- Staff and its consultants performed additional engineering, traffic analysis, and project cost estimating and evaluated a variety of project scope alternatives;
- Staff and its consultants performed new traffic and revenue studies with current demographic data for several project scope of work alternatives to better understand the long-term toll revenue impacts; and
- Staff and its consultants performed new financial analysis based on several project scope of work alternatives, project capital and operations and maintenance costs, traffic and revenue estimates, and estimated available funding.

Guiding Principles and Constraints

Through this ongoing re-evaluation effort several guiding principles and practical constraints emerged further guided the I-15 CIP development and the ultimate recommendation of the ad hoc committee and staff.

- Minimize the use of Measure A funds in the short/mid-term.
 - Other higher-priority projects are using the majority of short/mid-term Measure A funds; and
 - Consistent with the re-prioritization at the 2010 annual workshop and the new economic reality facing the Commission's capital program.

- Maximize the value of improvements by building in the portion of the I-15 corridor with the greatest need for congestion relief.
 - “Most bang for the buck” approach;
 - Of the 46-mile corridor from SR-60 to I-215, the 14-mile segment from SR-60 to Cajalco Road was determined to have the greatest congestion through traffic modeling and analysis work; and
 - Construct primarily in the I-15 median with a reduced project scope as opposed to a project requiring outside lane widening and accompanying right of way acquisition costs and challenges.

- Build off the investment being made on SR-91 by constructing tolled express lanes on I-15, north and south of SR-91.
 - As part of the SR-91 CIP, a direct tolled express lane connector is being constructed from the median of SR-91 to the median of I-15 providing an express lane connection for north-to-west and east-to-south movements.

- Complete construction by 2020 to provide some relief soonest.
 - Completing the I-15 CIP by 2020 is consistent with both the 10-Year Delivery Plan and the ad hoc committee’s desire to improve the corridor in the short/mid-term timeframe; and
 - Start I-15 CIP construction in 2018 after the completion of SR-91 CIP construction.

- Recognize, support, and advocate for other I-15 corridor improvements constructed by other projects.
 - SR-91 CIP by 2017
 - Makes significant improvements to the 15/91 interchange and eliminates the chokepoint on the existing 15/91 connector;
 - Constructs a new tolled express lane direct connector on 15/91 interchange; and
 - Constructs one tolled express lane each direction on I-15 from SR-91 to Ontario Avenue.
 - I-215 South Segment (Scott Road to I-15)
 - I-215 SB to I-15 Connector widening gap closure
 - Interchange improvements within the I-15 corridor
 - Limonite Avenue, Cajalco Road, and French Valley Parkway

- Construct tolled express lanes in an area where financially feasible.
 - There are few locations in the County where tolling can be used to generate significant revenue to fund the construction of a project.
 - Tolling this portion of the I-15 corridor allows the I-15 CIP to be funded primarily by future tolls; and
 - Future surplus revenue (if any) to help fund other I-15 projects.

- Meet the Measure A voter commitment.
 - Build at least one lane in each direction from SR-60 to Cajalco Road; and
 - Measure A funds not spent on the I-15 CIP can be allocated to future I-15 corridor projects and/or other Commission programs and projects.

Project Scope Alternatives

Project scope alternatives were created and analyzed that varied in number of lanes, type of lanes (e.g. carpool, general purpose, tolled express), construction completion dates, location within the I-15 corridor (SR-60 to I-215), and other factors. These alternatives were then narrowed to a shorter list for further detailed evaluation and the results were presented to the I-15 CIP Ad Hoc Committee, which is attached:

- 1) Tolled express lanes by 2020:
 - Two tolled express lanes in each direction from SR-60 to Cajalco Road.
- 2) Tolled express lanes by 2020, general purpose lanes by 2039:
 - Two tolled express lanes in each direction from SR-60 to Cajalco Road; and
 - One general purpose lane in each direction from SR-60 to Cajalco Road.
- 3) Carpool lane by 2020:
 - One carpool lane in each direction from SR-60 to Cajalco Road.

Alternatives were evaluated and compared based on several quantitative factors including Measure A funds required, number of new lanes constructed, traveler time savings, Measure A cost per minute saved, and other factors.

ALTERNATIVES, PROPOSED FUNDING SOURCES, AND TOTAL COST		
Tolled Express Lanes by 2020	Tolled Express Lanes by 2020 + General Purpose (GP) Lane by 2039	Carpool Lane by 2020
Measure A = \$166 M	Measure A = \$717 M	Measure A = \$330 M
TIFIA Loan = \$124 M	TIFIA Loan = \$121 M	TIFIA Loan = \$0 M
Toll Rev. Bond = \$124 M	Toll Rev. Bond = \$262 M	Toll Rev. Bond = \$0 M
* Other = \$1 M	*Other = \$219 M	*Other = \$0 M
Total = \$415 M	Total = \$1,319 M	Total = \$330 M
* Other funds include income during construction (both tolled express lanes alternatives) and retained cash used for the future construction phase ("tolled express lanes by 2020 + general purpose lane by 2039" alternative only)		

ALTERNATES	FACTOR		
I-15 Alternative	Lanes of Traffic After Construction (lanes each direction)	Travel Time 6 a.m. - 9 a.m. NB Cajalco Road to SR-60 Year 2039 (minutes:seconds)	Measure A Cost per Minute Saved 6 a.m. - 9 a.m. NB Cajalco Road to SR-60
No Project	3 (3 existing)	38:22 GP lane	n/a, baseline
Tolled Express Lanes by 2020	5 (3 existing + 2 Tolled Express Lanes)	13:30 Express Lanes 31:53 GP lane	\$6.7 million Express Lanes \$25.6 million GP lane
Tolled Express Lanes by 2020 + General Purpose (GP) Lane by 2039	6 (3 existing + 2 Express Lanes + 1 GP lane)	13:30 Express Lanes 26:51 GP lane	\$28.8 million Express Lanes \$62.3 million GP lane
Carpool Lane by 2020	4 (3 existing + 1 carpool lane)	13:30 Carpool lane 33:05 GP lane	\$13.3 million Carpool lane \$62.5 million GP lane
<ul style="list-style-type: none"> • Total length of trip = 13.9 miles • Morning northbound (NB) peak period is 6 a.m. to 9 a.m. • Travel times for year 2039 			

Several qualitative factors were also used to compare these three alternatives as summarized below:

FACTORS	TOLLED EXPRESS LANES 2020	TOLLED EXPRESS LANES 2020 + GENERAL PURPOSE LANES 2039	CARPOOL LANES 2020
Meets/exceeds Measure A commitment	+	+	+
Consistent with regional toll network	+	+	
Constructs future general purpose lanes		+	
Perceived constituent preference		+	
*Most financially feasible	+		
*Initial construction by 2020	+		
Maximizes Measure A funds for other Commission uses	+		
Maximizes surplus revenues/future I-15 projects	+		
<p>*In order to complete construction by 2020, Measure A funds would be needed by 2017 as follows: TEL 2020 option = \$166 million TEL 2020 + GP 2039 option = \$717 million Carpool 2020 option = \$330 million</p>			

Alternative Meeting the Most Needs

Staff identified the tolled express lanes by 2020 alternative as the alternative that would meet the most needs while maintaining financial constraints.

The alternative is estimated to cost \$415 million (2011) for development and construction and proposed to be funded as follows:

\$166 million	Measure A (possibly offset by state/federal funds, e.g. CMAQ)
\$124 million	Toll revenue bonds (paid back by future toll revenue)
\$124 million	Federal TIFIA loan (paid back by future toll revenue)
\$ 1 million	Interest income during construction
\$415 million	Total cost

The estimated project development schedule, should the Commission adopt this alternative in early 2013, is as follows:

Restart environmental studies and preliminary engineering	February 2013
Complete environmental studies and preliminary engineering	2015/2016
Complete procurement for final design and construction	2016/2017
Financial close (sell toll revenue bonds, fund TIFIA loan, etc.)	2017
Start construction	2018
Complete construction	2020

Particularly, the tolled express lanes by 2020 alternative from SR-60 to Cajalco Road offers the following benefits:

- Adds capacity: largest fundable capacity increase in the short/mid-term.
 - Increases lanes generally from three to five in each direction; and
 - Reduces congestion in the I-15 general purpose lanes.
- Offers the best-value for the Measure A dollar among alternatives studied.
 - Low Measure A cost: per lane-mile constructed and per minute saved;
 - Focuses limited Measure A resources on the largest I-15 problem;
 - Exceeds Measure A commitment to voters; and
 - Builds upon 91 Project improvements including tolled express lanes.
- Provides new driver choices not currently available.
 - Congestion-free travel on I-15 for a fee (toll); and
 - Carpooling for free (three or more persons constitutes a carpool).
- Fastest path to construction.
 - Less right-of-way needs due primarily to widening within the median;
 - Less time for environmental permitting due to reduced project limits (32 mile reduction) and smaller impact due to median widening; and
 - Lower level National Environmental Policy Act/California Environmental Quality Act document expected = less time.

- Fundable project allows for completion of construction by 2020.
- Consistent with the recently adopted Regional Transportation Plan.
 - Consistent with multi-county tolled lane network (express lanes, high occupancy toll lanes).
- Results in the most financially feasible alternative.
 - Minimizes Measure A funding for the project; and
 - Accesses alternative funding (tolls) and financing (toll revenue bonds and Transportation Infrastructure Finance and Innovation Act (TIFIA) loan sources.
- Provides enhanced public transit and carpooling opportunities.
 - Aids existing and future regional express bus operations through the use of congestion-free tolled express lanes; and
 - Constructs the first I-15 lanes for carpoolers.
- Produces revenue in future years.
 - Future tolls pay for the majority of the initial construction through toll revenue bonds and a federal TIFIA loan;
 - Future surplus revenue, if any, could fund future I-15 freeway projects, I-15 transit, and/or other I-15 transportation purposes; and
 - 50 years of estimated operations and maintenance expenses are paid by future tolls and factored into the overall financial feasibility.

Therefore, based on the quantitative and qualitative factors identified, analyzed, and discussed, staff sought and the I-15 CIP Ad Hoc Committee adopted the tolled express lanes by 2020 alternative at its September 2012 meeting. Staff and the I-15 CIP Ad Hoc Committee are seeking to change the current scope of the I-15 CIP to two tolled express lanes in each direction from SR-60 to Cajalco Road.

RECOMMENDATIONS:

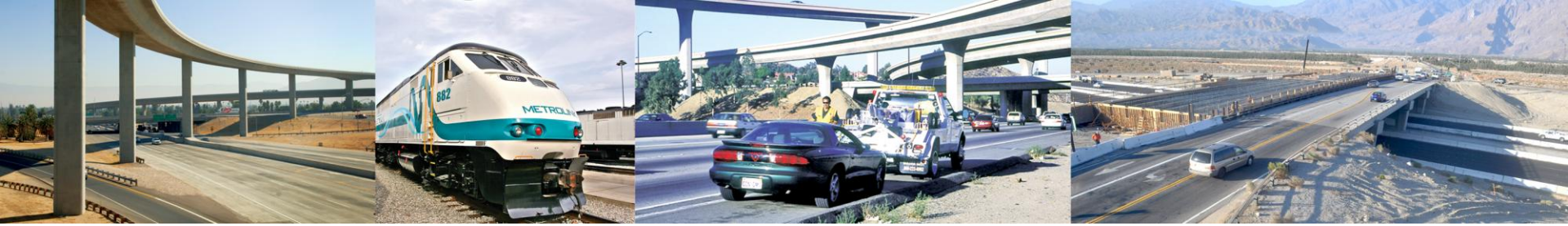
Staff requests the Commission establish the new scope of the I-15 CIP to include two tolled express lanes in each direction from approximately SR-60 to Cajalco Road.

Further, staff requests the Commission to authorize staff to negotiate a contract amendment with HDR, Inc. for environmental and preliminary engineering services consistent with the I-15 CIP scope change and bring back to the Commission for future consideration.

Lastly, staff requests the Commission authorize the Executive Director to amend existing cooperative agreements and execute new cooperative agreements with Caltrans consistent with the I-15 CIP scope change for the current and future project development phases of work.

Financial Information					
In Fiscal Year Budget:	N/A	Year:	FY 2013/14 +	Amount:	\$415,000,000
Source of Funds:	Measure A, TIFIA loan, toll revenue bonds, state and/or federal funds, other			Budget Adjustment:	N/A
GL/Project Accounting No.:	003027 81XXX 262 31 81XXX				
Fiscal Procedures Approved:	<i>Theresa Trevino</i>			Date:	01/22/13

Attachment: I-15 CIP Ad Hoc Committee Presentation: *I-15 Corridor Improvement Project, The Path Forward, April 12, 2012*



Interstate 15 Corridor Improvement Project

The Path Forward
April 12, 2012



Today's Agenda & Expectations



- Review Where We Are
- Obtain Specific Direction
 - Scope
 - Type
 - Funding
- Timing of Next Steps
 - Options Regarding Project Delivery
 - Full Commission Approval

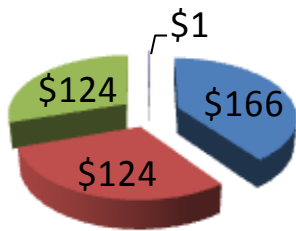


Quick Review

- Considered Narrower Project Scope
 - SR-60 to Cajalco Road (14 miles)
 - Sought More Info on 91 CIP Improvements to the I-15
- Weighed the financial and commute impacts of various project types
- Expressed a need to make a sustained commitment to providing ongoing improvements
- Considered schedule impacts for revised environmental work

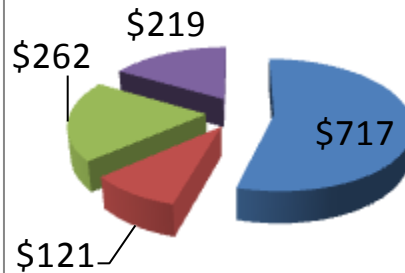
3 Options: Varied Funding Sources and Costs

Tolled Express Lanes 2020 \$415 Million



- Measure A
- TIFIA Loan
- Toll Revenue Bond
- Other

Tolled Express Lanes 2020 + GP 2039 \$1,319 Million



- Measure A
- TIFIA Loan
- Toll Revenue Bond
- Other

Carpool 2020 \$330 Million



- Measure A
- TIFIA Loan
- Toll Revenue Bond
- Other

NOTE:

* Other funds include income during construction (both options) and retained cash used for the future construction phase ("Tolled Express Lanes 2020 + GP by 2039" option only)

I-15 Project Options – Time Savings Value



	Factor		
I-15 Option	Lanes of Traffic After Construction (lanes each direction)	Travel Time 3 p.m. - 7 p.m. SB SR-60 to Cajalco Road Year 2039 (minutes)	Measure A Cost per Minute Saved 3 p.m. - 7 p.m. SB SR-60 to Cajalco Road
No Project	3 (3 existing)	58:14 GP lane	n/a, baseline
Tolled Express Lanes (TEL) 2020	5 (3 existing + 2 Express Lanes)	13:18 Express Lanes 54:34 GP lane	\$3.7 million Express Lanes \$45.3 million GP lane
Tolled Express Lanes (TEL) 2020 + Gen. Purpose 2039	6 (3 exist. + 2 Express Lanes + 1 GP lane)	13:18 Express Lanes 41:39 GP lane	\$16 million Express Lanes \$43.2 million GP lane
Carpool Lanes 2020	4 (3 existing + 1 carpool)	13:18 Carpool lane 53:36 GP lane	\$7.3 million Carpool lane \$71.2 million GP lane

NOTES: 1) Total length of trip = 13.9 miles, 2) Morning northbound (NB) peak period is 6 a.m. - 9:00 a.m., afternoon southbound (SB) peak period is 3 p.m. - 7 p.m., 3) Travel times for year 2039

I-15 Project Options – Time Savings Value



I-15 Option	Factor		
	Lanes of Traffic After Construction (lanes each direction)	Travel Time 6 a.m. - 9 a.m. NB Cajalco Road to SR-60 Year 2039 (minutes)	Measure A Cost per Minute Saved 6 a.m. - 9 a.m. NB Cajalco Road to SR-60
No Project	3 (3 existing)	38:22 GP lane	n/a, baseline
Tolled Express Lanes (TEL) 2020	5 (3 existing + 2 Express Lanes)	13:30 Express Lanes 31:53 GP lane	\$6.7 million Express Lanes \$25.6 million GP lane
Tolled Express Lanes (TEL) 2020 + Gen. Purpose 2039	6 (3 existing + 2 Express Lanes + 1 GP lane)	13:30 Express Lanes 26:51 GP lane	\$28.8 million Express Lanes \$62.3 million GP lane
Carpool Lanes 2020	4 (3 existing + 1 carpool)	13:30 Carpool lane 33:05 GP lane	\$13.3 million Carpool lane \$62.5 million GP lane

NOTES: 1) Total length of trip = 13.9 miles, 2) Morning northbound (NB) peak period is 6 a.m. - 9 a.m., afternoon southbound (SB) peak period is 3 p.m. - 7 p.m., 3) Travel times for year 2039

Qualitative Comparison



Factor	Tolled Express Lanes 2020	Tolled Express Lanes 2020 + Gen. Purpose Lanes 2039	Carpool Lanes 2020
Meets/Exceeds Measure A commitment	+	+	+
Consistent with regional toll network	+	+	
Constructs future GP lanes		+	
Perceived constituent preference		+	
*Most Financially Feasible	+		
*Initial construction by 2020	+		
Maximizes Meas. A \$'s for other RCTC uses	+		
Maximizes surplus revs./future I-15 projects	+		

* In order to complete construction by 2020, Measure A funds would be needed by 2017 as follows:

TEL 2020 option = \$166 M

TEL 2020 + GP 2039 option = \$717 M

Carpool 2020 option = \$330 M

The 91 Project Improves the I-15

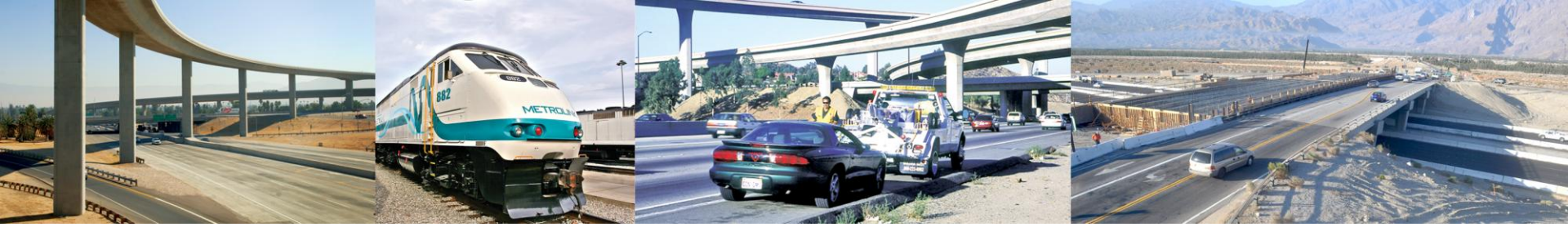


- Order and timing of I-15 improvements
- 2017
 - 91 Project
 - I-15 Tolled Express Lanes
 - I-15/SR-91 interchange
- 2020
 - I-15 Project
 - I-15 Tolled Express Lanes



Benefit of Surplus Revenue

- What can surplus revenue do for RCTC?
 - Fund future I-15 corridor transportation needs
 - Interchanges, general purpose lanes, tolled express lanes, transit, express bus
 - Help meet Measure A voter commitments for I-15 corridor by 2039
- Example Project
 - Surplus revenue generated
 - Begin generating in 2022, annual surplus revenue through 2070
 - Total generated by 2032 = \$44M +/- (\$PV)
 - What Could be Done?
 - 3.6 mi. tolled express lane extension, Cajalco to Temescal Canyon
 - two express lanes each direction
 - constructed by 2035, approx. construction cost \$48M (\$2011)



Staff Recommendation



Staff Recommendation

- Initial focus between SR 60 and Cajalco Road
 - Most Congested Area
 - Continues Progress Made by SR 91 Project
 - Continue ongoing efforts on key interchanges
 - French Valley Parkway
 - Limonite
 - Cajalco



Staff Recommendation



- **Seek Development of Express Lanes**
 - Offers biggest, fundable capacity increase
 - Exceeds Measure A commitment to voters
 - Minimizes Measure A funding for the project
 - Accesses alternative funding sources
 - Consistent with regional toll network direction
 - Provides opportunity for enhanced Express Bus service
 - Excess revenues could speed additional improvements
 - Limited right-of-way needs
 - Simplified environmental approval
 - Can start construction by 2020

Considerations & Alternatives

- Alternatives to Express Lanes
 - Environmental approval of single GP Lane is challenging
 - Single HOV Lane offers less capacity
 - Lost opportunity of funding other projects
- Other Funding Options
 - Federal and State Funding Unpredictable
 - Additional Half-Cent Sales Tax Measure?
 - Uncertain voter approval
 - Would delay project implementation



Project Delivery



Implementation

- **First Order of Business: Finalize the 91**
 - TIFIA Loan approval expected early this year
 - Environmental Approval (ROD) Expected in July
- **Commission Action on I-15 – After 91 ROD Approval**
 - New Project Scope
- **Future Need to Consider Project Delivery Options**
 - Private involvement
 - decrease Measure A cost
 - Legislative limitations regarding design build options



California Authorizing Statute – SB 4

Design-Build and Public-Private Partnerships

SB 4: Authorized Use of Design Build



- Set up a Design Build pilot program
- Requires California Transportation Commission authorization
- Different rules for P3's versus publicly-owned Design Build



SB 4: Authorized Design Build Projects

- Public DB agreements must be entered into before January 1, 2014
 - Limited number of projects statewide
 - RCTC's I-15 Express Lanes project would not be eligible for Design Build under SB 4
 - Low bid Design Build still may be possible



SB 4: Authorized P3 Projects



- Unlimited number of projects authorized
- Includes highway and rail projects
- May include:
 - Planning, design, construction, finance, operation, maintenance, etc., or combinations of them
- Must apply and be selected through CTC
- **SB 4 Sunsets – P3/Lease agreements must be entered into before January 1, 2017**



Next Steps

- Receive input & direction on project scope and staff recommendation regarding Express Lanes
- Await action on TIFIA financing and ROD prior to full Commission Action
- Consider Delivery Options – i.e. private financing after full Commission action