



**METROPOLITAN  
TRANSPORTATION  
COMMISSION**

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## *Memorandum*

TO: Planning Committee

DATE: October 3, 2008

FR: Deputy Executive Director, Policy

W. I.

RE: Regional HOT Network Next Steps

In July, the Commission approved inclusion of the Regional HOT Network in the Transportation 2035 Plan. As part of that action, the Commission approved a set of principles that recognize the need for collaboration among Caltrans, the California Highway Patrol (CHP) and the county congestion management agencies (CMAs) to implement the network. (See attached excerpt from MTC Resolution No. 3868). This report outlines steps to be taken over the next several months, many of which are already underway, to move this effort forward.

### **Background**

HOT lanes, also called “express lanes”, are a proven tool for managing congestion and offering a reliable travel option. HOT lanes have been in operation for over a decade in Southern California, and expanded authority under federal and state law has spurred a proliferation of projects in recent years. Projects opened recently in Minneapolis, Denver and Seattle. New projects or extensions will open in the next two years in Miami, Los Angeles, San Diego and Houston. The first Bay Area HOT lanes/express lanes are expected to open in 2010 on I-580 and I-680 in Alameda County, followed by Route 85 in Santa Clara County in 2012.

The innovation in the Transportation 2035 Plan is to expand the concept of individual HOT lanes to a network of connected HOT corridors. The proposed regional HOT Network comprises 800 lane miles of HOT lanes. Existing carpool lanes, and those that are already funded, would be converted to HOT lanes (approximately 500 lane miles). The revenue generated would to finance construction of the remaining 300 lane miles 20 to 40 years faster than if we rely on traditional state and local sales tax funding.

The network approach provides benefits to drivers and express buses from completing the carpool network, such as:

- (1) Faster completion of the network means earlier congestion relief and emissions reductions.
- (2) The network is a stronger financial enterprise than individual corridors and is likely to receive better financing terms if backed by the toll bridges.
- (3) A common toll structure avoids confusion.
- (4) A network approach makes a strong case for design exceptions that will keep costs down and speed delivery.

Technical studies to date demonstrate the regional network is financially feasible. They have outlined minimum (“Rapid Delivery”) and maximum (“Caltrans’ Preferred Design”) design “footprints” and associated delivery schedules and costs. Work now underway will attempt to fine tune various design options - and find a middle ground where necessary - by reviewing with Caltrans and the CMAs the possibilities and constraints in specific corridors.

A second major finding from studies to date is that a majority of net HOT revenue is generated in a handful of corridors. This is acknowledged in the HOT Network Principles, which call for reinvestment in each corridor commensurate with the revenue generated.

### **Next Steps**

To develop the regional network, the region would need to seek authority under State law, which currently only authorizes a limited number of individual corridors and does not anticipate a network of this size and institutional complexity. Consistent with the adopted HOT Network Principles, staff has begun to meet monthly with executives from Caltrans, CHP and CMAs to lay the foundation for legislation. The group has identified three areas to address by the end of the year:

- (1) Governance, which is necessarily related to financing. An entity (or entities) will need to be vested with authority to develop the HOT network, set tolls and operating policies, arrange financing, and direct investment.
- (2) Network phasing and integration with existing projects, by adding needed HOT network infrastructure (e.g., electrical conduit, full median pavement section) to HOV projects expected to be under construction within the next few years. Staff is exploring options to fund the additional infrastructure. The HOT Network discussion will also consider phasing for other corridor improvements, including those proposed to be funded with net HOT revenues.

To inform decisions about financing and network phasing, staff has initiated additional technical studies that will refine HOT Network cost and revenue estimates. Staff is working with Caltrans, CHP and the CMAs on these studies with the goal to develop revised, broadly-supported estimates by spring 2009.

- (3) Outreach and education, which necessarily varies within the region. For Alameda and Santa Clara counties, efforts will focus on linking nearer-term HOT projects with the regional network and coordinating with upcoming marketing, public education and media outreach efforts. A near-term opportunity is the I-680 HOT lane ground breaking in October. For other counties, outreach will be conducted through presentations to CMA boards to introduce the regional HOT Network concept and answer questions and concerns.

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Therese McMillan

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J:\COMMITTEE\Planning Committee\2008\October08\2\_HOT Network Update memo (Klein).doc

**Attachment:  
MTC Resolution No. 3868 - HOT Network Principles Excerpt**

Date: July 23, 2008  
W.I.: 1121  
Referred by: Planning Committee

Attachment B  
Resolution No. 3868  
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***High-Occupancy Toll (HOT) Network Implementation Principles***

## OBJECTIVES

Development and implementation of a Bay Area Express/High-Occupancy Toll (HOT) Network has five primary objectives:

- More effectively manage the region's freeways in order to provide higher vehicle and passenger throughput and reduce delays for those traveling within each travel corridor;
- Provide an efficient, effective, consistent, and seamless system for users of the network;
- Provide benefits to travelers within each corridor commensurate with the revenues collected in that corridor, including expanded travel options and funding to support non-highway options that enhance effectiveness and throughput;
- Implement the Express/HOT Lane Network in the Bay Area, as shown in Exhibit 1 and as amended from time to time, using a rapid delivery approach that takes advantage of the existing highway right of way to deliver the network in an expedited time frame; and
- Toll revenue collected from the HOT network will be used to operate the HOT network; to maintain HOT system equipment and software; to provide transit services and improvements in the corridors; to finance and construct the HOT network; and to provide other corridor improvements.

## IMPLEMENTATION

1. Collaboration and Cooperation. To accomplish the objectives requires collaboration and cooperation by numerous agencies at several levels of government, including the Congestion Management Agencies (CMA), Caltrans, California Highway Patrol (CHP) and the Bay Area Toll Authority (BATA). This collaborative process shall establish policies for implementation of the HOT network including, but not limited to, (a) phasing of HOV conversion and HOT construction, (b) phasing of corridor investment plan elements, and (c) occupancy and pricing policies for HOT network operations.
2. Corridor-Based Focus & Implementation. Utilize a corridor-based structure that recognizes commute-sheds and geographic communities of interest as the most effective and user-responsive models for Bay Area Express/HOT Lane facilities implementation.

3. Reinvestment within the Corridor. Recognize that popular, political and legislative support will rest on demonstrating that the revenues collected in a corridor benefit travelers – including the toll payers – in the corridor through a variety of mechanisms, including additional capital improvements on the freeway and parallel arterials, providing support for transit capital and operations that increase throughput capacity in the corridor, and providing funds for enhanced operations and management of the corridor.
4. Corridor Investment Plans. Corridor Investment Plans, developed by stakeholder agencies within the corridor, will direct reinvestment of revenues to capital and operating programs serving the corridor, commensurate with the revenue generated by each corridor.
5. Simple System. Users deserve a simple, consistent and efficient system that is easy to use and includes the following elements: (a) consistent geometric design; (b) consistent signage; (c) safe and simple operations; (d) common technology; and(e) common marketing, logo and terminology.
6. Toll Collection. BATA shall be responsible for toll collection.
7. Financing. A collaborative process will determine the best financing mechanism, which could include using the state owned toll bridge enterprise as a financing pledge to construct the network.

# Attachment: HOT Network Map

