Pursuing the Regional HOT Network: An Update

MTC Planning Committee

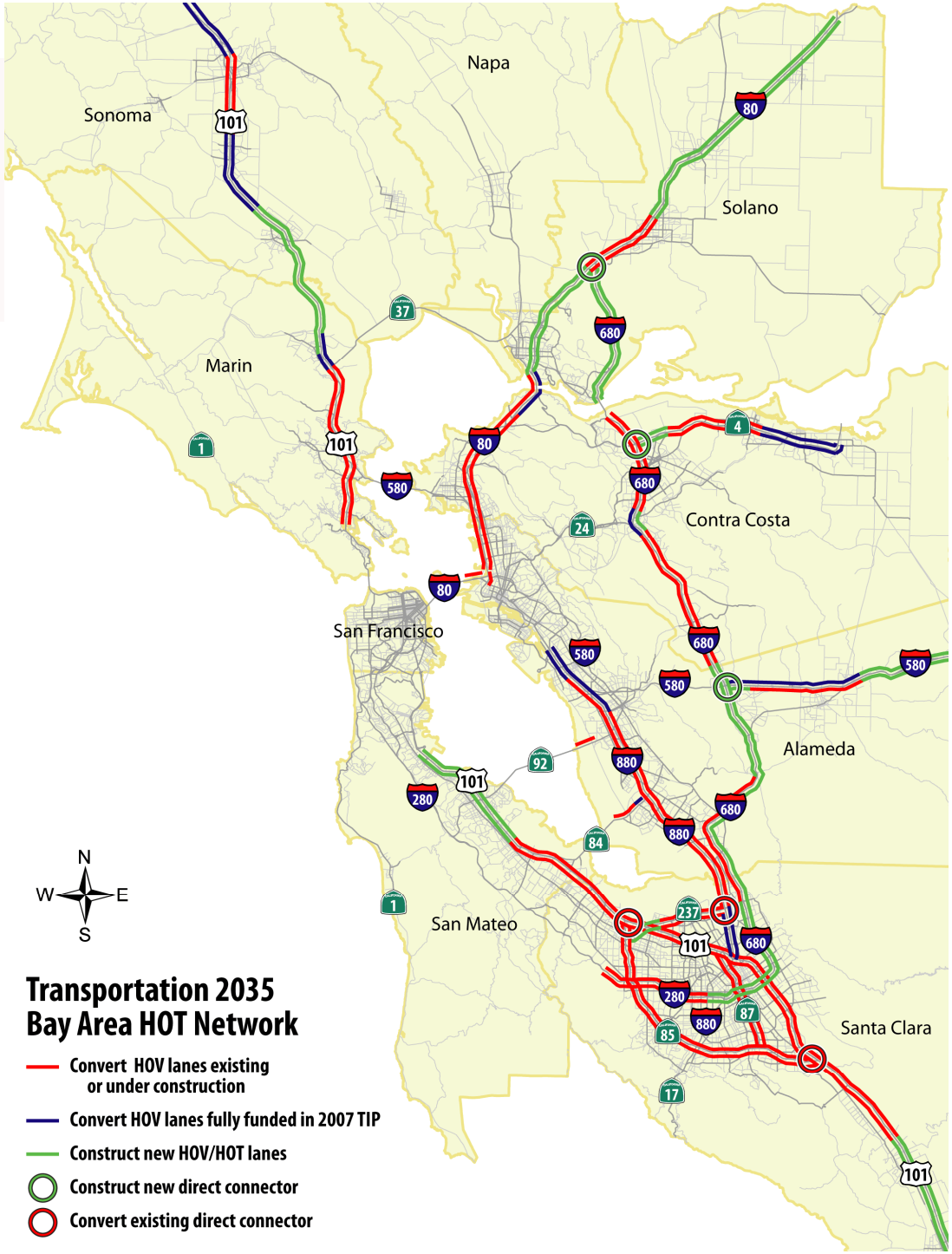
October 10, 2008

HOT Lanes (aka "Express Lanes") Around the U.S.

Orange County (1995)
San Diego (1998)
Houston (1998)
Minneapolis (2005)
Denver (2006)
Seattle (2008)
San Diego extension (2008)
Miami (2008)
Houston expansion (2009)
Los Angeles (2010)
Bay Area I-680 & I-580 (2010)
Bay Area Route 85 (2012)
Riverside (2015)

BAY AREA TOLL AUTHORITY

Bay Area HOT Network



Why a Bay Area HOT Network?

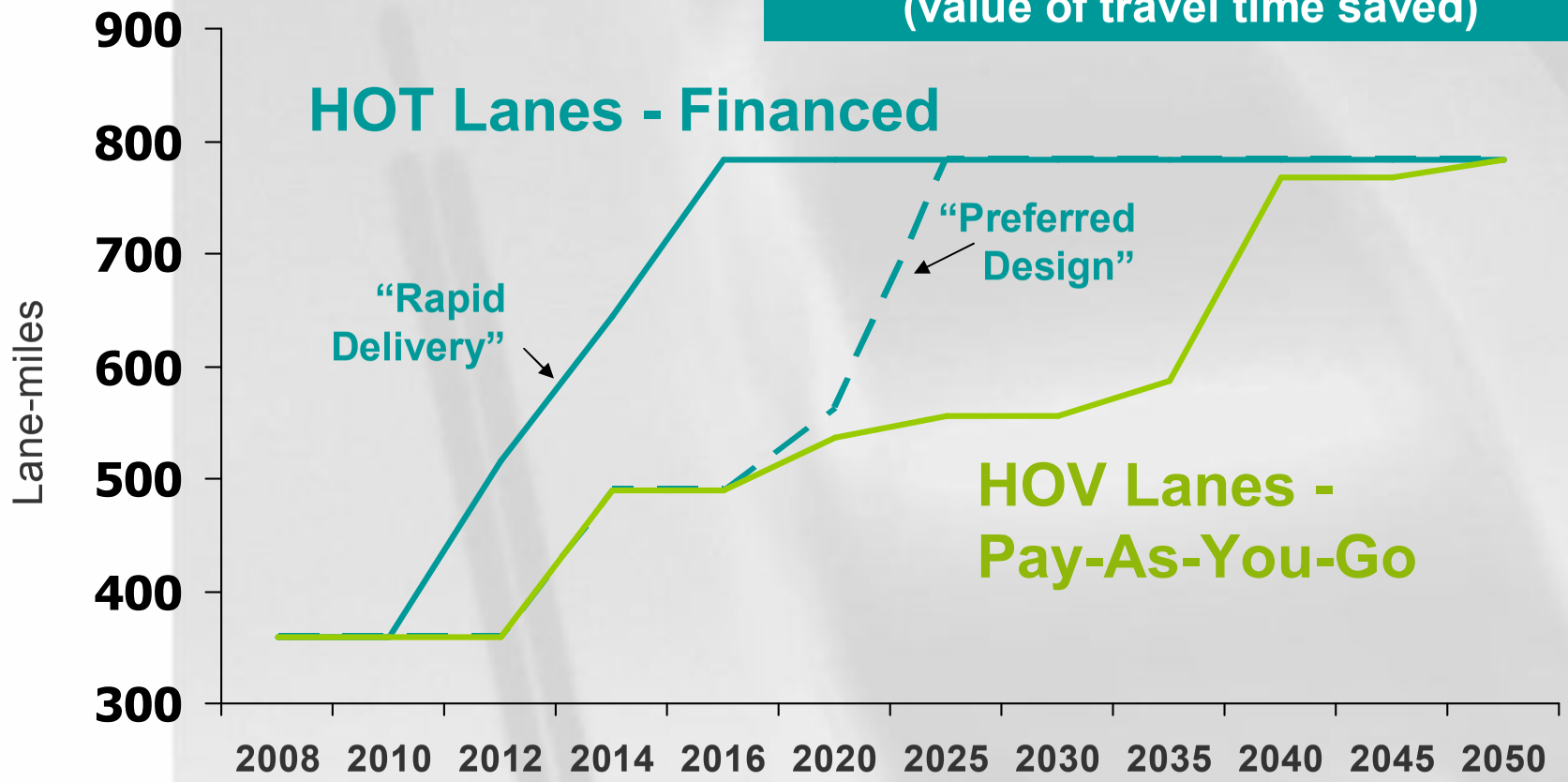
- Completion of HOV network 20 to 40 years faster
- Reduce congestion and emissions
- Advantages of regional approach:
  - Traffic forecasts are higher when a full network is in place as travel is not limited to county boundaries
  - Viable financing plan using toll bridge backstop
  - Consistent Caltrans design exceptions
  - Common tolls across a full network avoids confusion and is politically fair
  - Selective tolling can create public backlash on roads that are free and those that are not

Technical Studies

- Phase 1 and 2 – Network is feasible
  - Can help manage HOV lanes as demand grows
  - Design preferences outlined
- Phase 2b - Faster and less expensive approach possible - "Rapid Delivery"
  - Best fit: Maximize available pavement
  - Design exceptions and project delivery innovations required
  - Transportation 2035: full HOT network build out and $6.1 B net revenue for other improvements

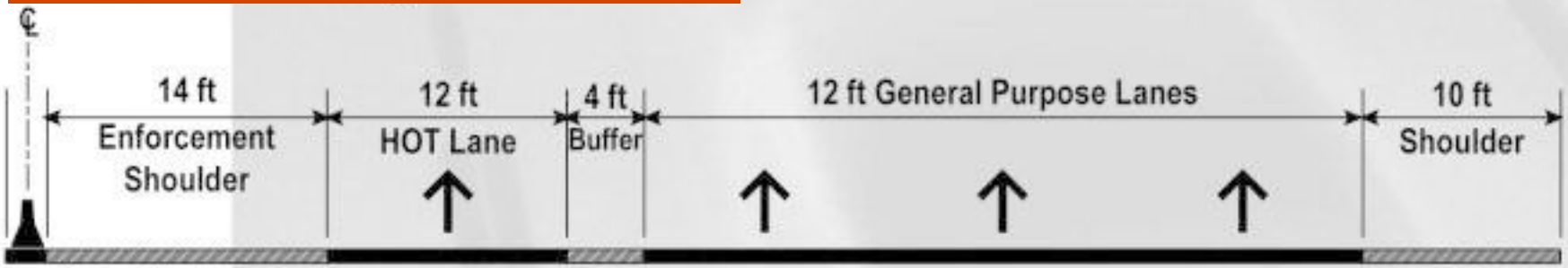
HOT Lanes Complete Faster than HOV

Savings from HOT Lanes = $100 B (value of travel time saved)

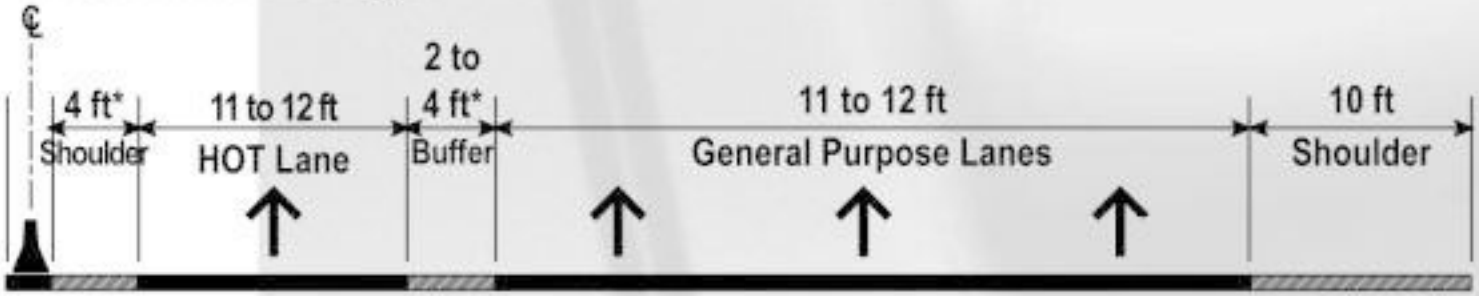


Comparison of Typical Sections

"Preferred" HOT Design



"Rapid Delivery" HOT Design



* Fits available right-of-way

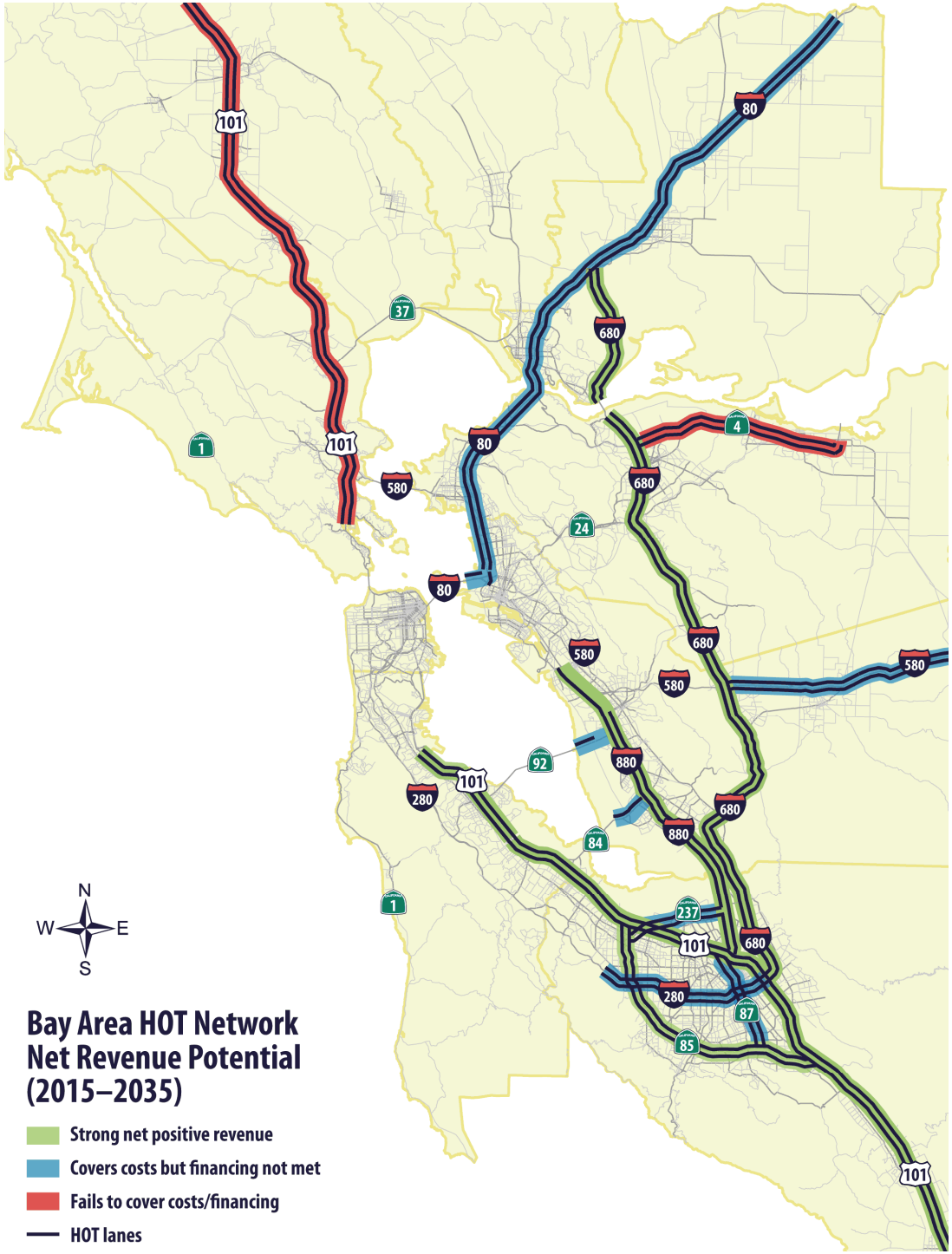
Options for Faster Delivery

- Accelerated design-bid-build with dedicated program support
- Design-build (SR 125, SR 73)
- Design-build-operate-maintain (DBOM) (Miami I-95 HOT lanes)
- Public Private Partnership (SR 91 original setup, Virginia I-495)
- Various JPA arrangements and combinations of above

Start-Up vs. Existing Credit

	Start-Up	Existing
Construction Costs	**$1 Billion**	**$1 Billion**
Financing Rate	**5.5%**	**5.5%**
Term (years)	**25**	**30**
Accrued Interest	**$307 Million**	**—**
Total Financed	$1.4 Billion	$1.1 Billion
Total Debt Service	$2.7 Billion	$2.3 Billion
Savings	**—**	**$400 Million**

Net Revenue Distributed by Corridor of Generation



Potential Corridor Expenditures

- I-580/680
  - —Express bus/BRT and rail
  - —ITS management technologies
- US 101/SR 85
  - —Transit – 2000 Measure A capital and operating needs
  - —Local road rehabilitation & transportation projects
- Toll Bridges (Regional)
  - —Corridor mobility improvements TBD

HOT Network Principles (adopted July 2008)

1. **Collaboration and cooperation –** CMAs, Caltrans, CHP, BATA
2. **Corridor-based focus and implementation –** user orientation
3. **Reinvestment within the corridor –** capital and operating
4. **Corridor investment plans –** guide reinvestment
5. **Simple system –** consistent design, signage, marketing
6. **Toll collection –** BATA
7. **Financing –** could include BATA toll bridge enterprise

Regional Network Needs Regional Partnership

Partners bring diverse strengths

- **MTC/BATA –** toll financing and electronic collection
- **CMA's –** HOT pioneers and delivery innovations
- **Caltrans –** freeway ownership, operations and construction
- **CHP** – enforcement

Next Steps

- **Legislation in 2009**
  - Flesh out principles with Executive Advisory Group
    - BATA financing case/governance
    - Balance between regional network and corridor
  - Technical studies
    - Refine design and costs (Phase 3 underway)
    - Refine demand and revenue (fall 2008 - early 2009)
- **Selected outreach**
- **Integration with existing projects (RM2/other)**