

Regional Express Lanes Application to the CTC

Presentation to MTC Planning Committee

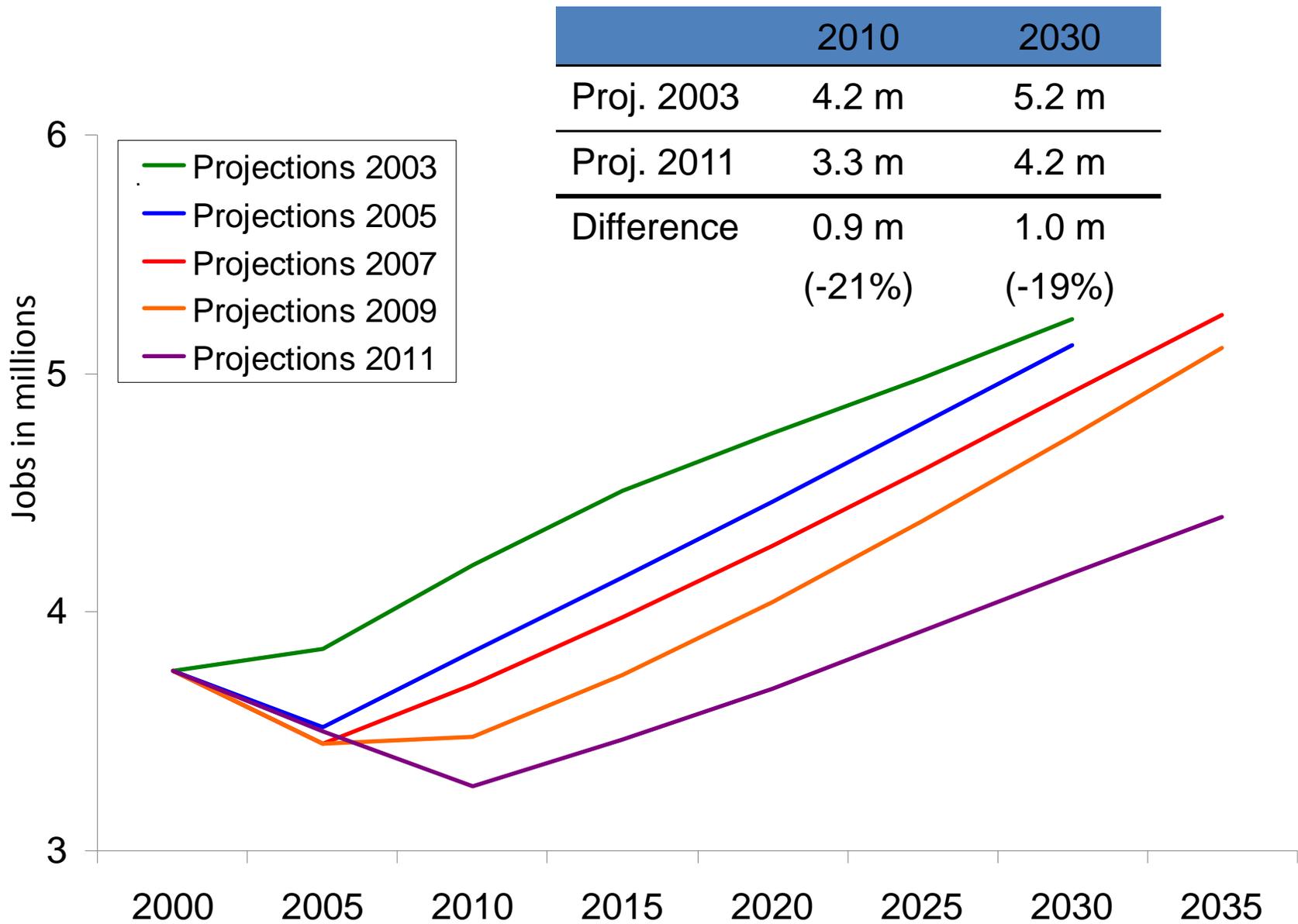
on

September 9, 2011

Reasons to Chart a New Course

- Financial analysis was out of date:
 - T-2035 revenue projections were too high, given prolonged economic slump and lower longer-term job forecasts.
 - Delivery schedule was aggressive, with network completion in 2016 and increased HOV occupancy assumed at date of express lane opening.
- Cost estimates and design assumptions deserved a second look, in coordination with Caltrans.
- I-680 Express Lane opened, providing hands-on experience.
- AB 744 encountered various legislative difficulties.

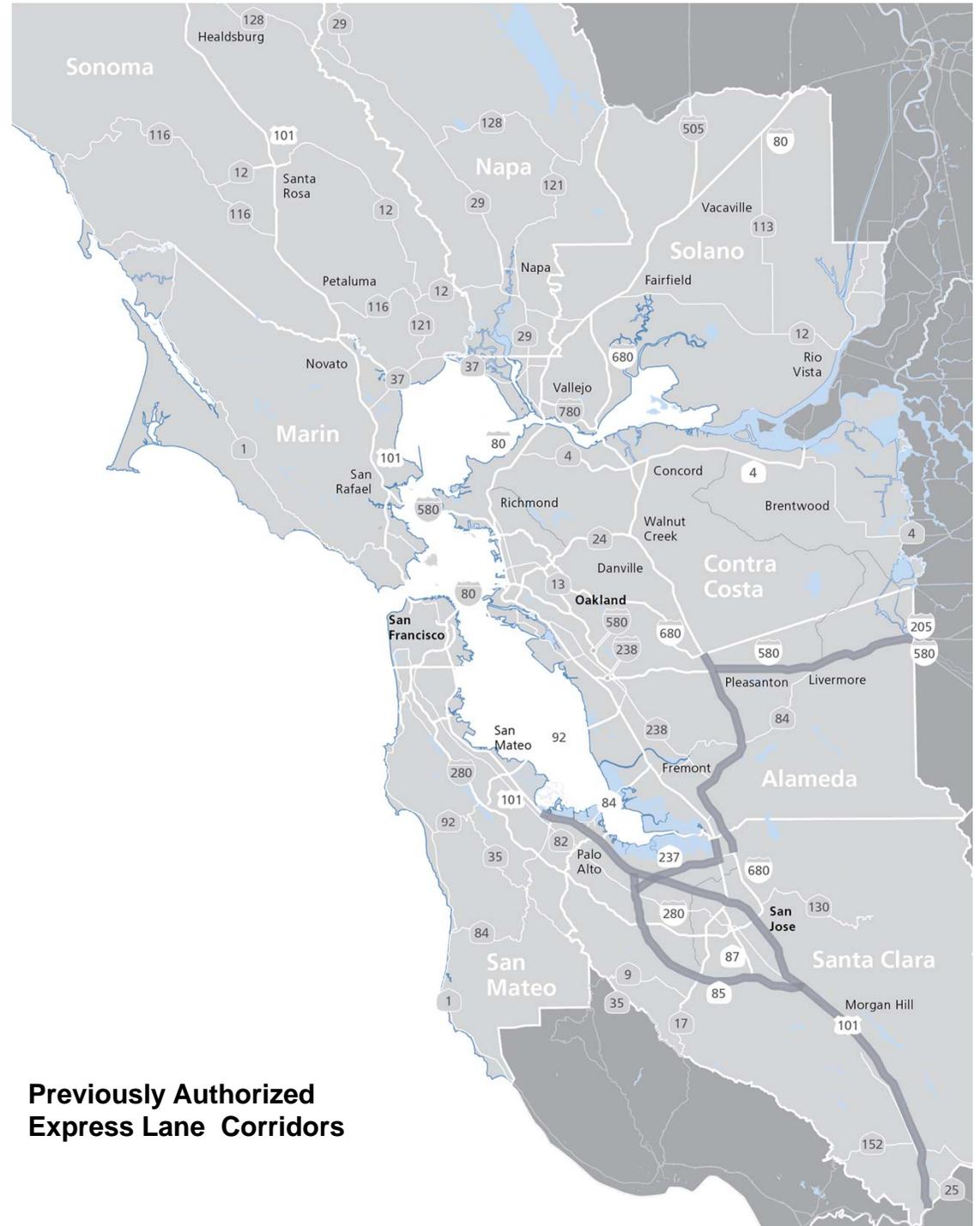
Regional Job Projections



Previously Authorized Corridors

280 miles

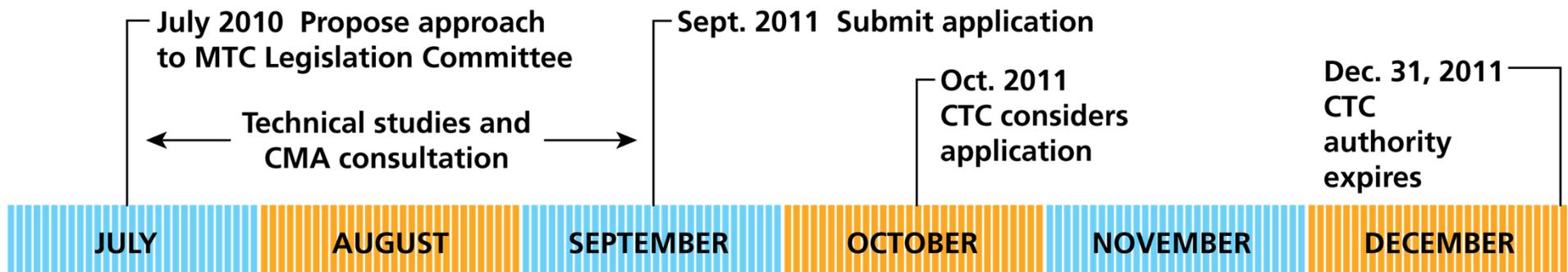
- ✓ Ala-680 SB Sunol Grade already in operation
- ✓ 237/880 operational early 2012



**Previously Authorized
Express Lane Corridors**

Current Approach

- Seek authorization from the CTC for a smaller regional network under existing law (S&H Code §149.7)
- Already authorized express lanes could become part of the network through negotiated agreements
- Update costs and revenues to reflect current conditions



Application to CTC

- Provides basis for CTC to grant authority for express lanes not authorized under current law
- Demonstrates feasibility based on reasonable assumptions
- **Does not** commit region to specific tolling policies, phasing, financing or project delivery

After CTC approval

- Establish final Express Lane Network in Plan Bay Area
- Conduct detailed analyses of revenue, toll policy, financing
- Develop policies for public input and agency consultation
- Explore delivery approaches and assign responsibilities

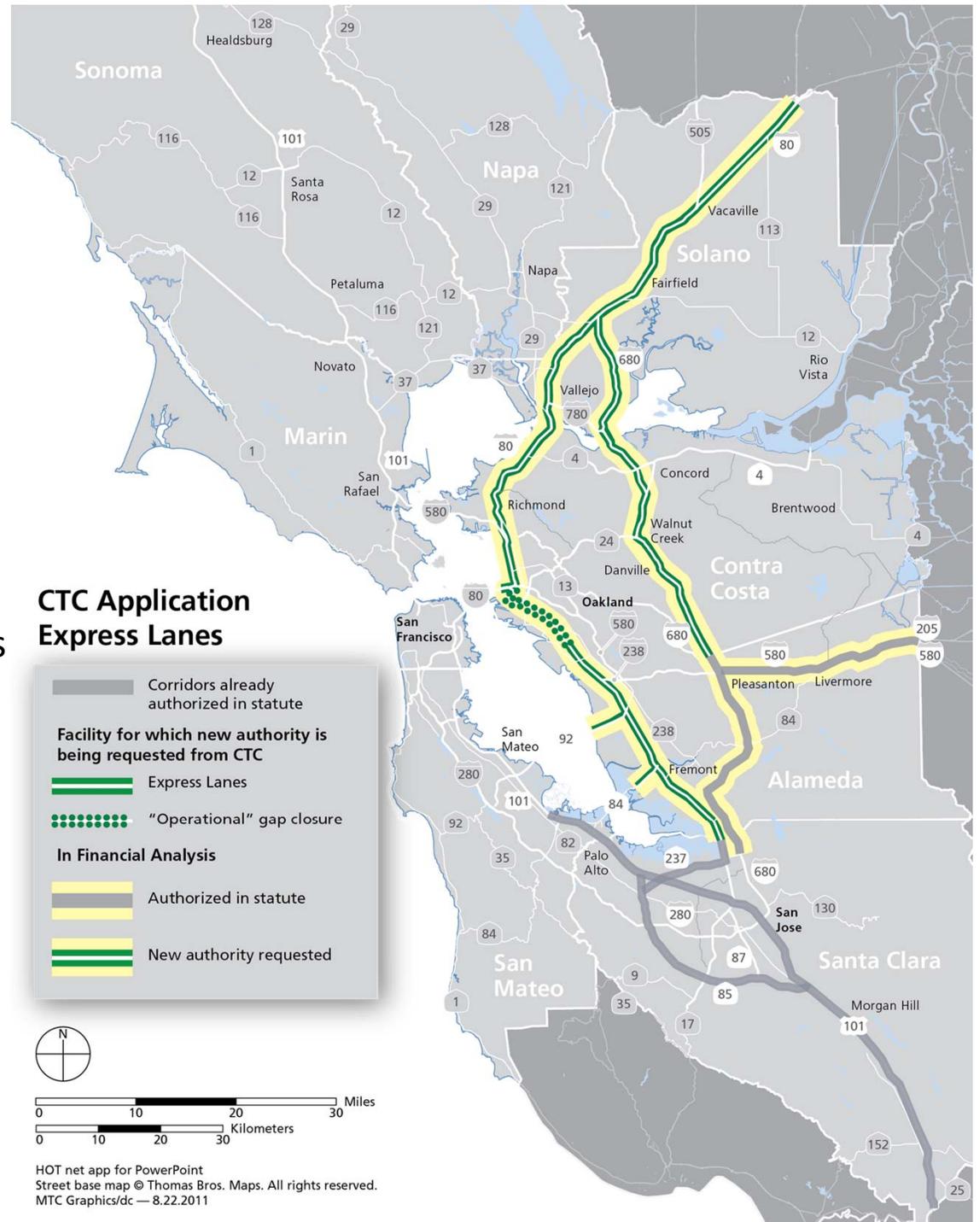
Authority Requested in CTC Application

New Authority for 290-mile* Facility

- ✓ 150 miles of converted HOV lanes
- ✓ 120 miles of new lanes
- ✓ 20 miles of operational gap closures (no tolling)

Financial Analysis

Includes Facility plus previously authorized lanes in Alameda County, subject to agreement (70 miles)

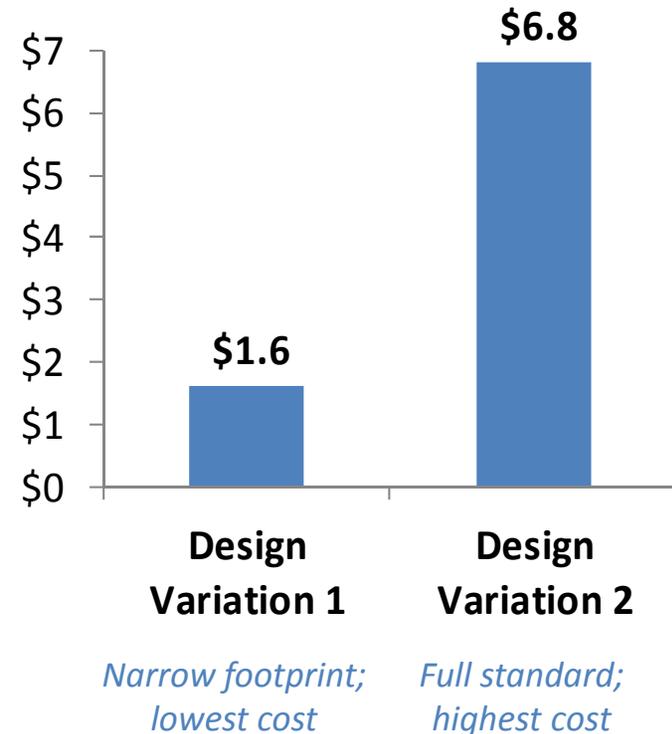


* Directional miles

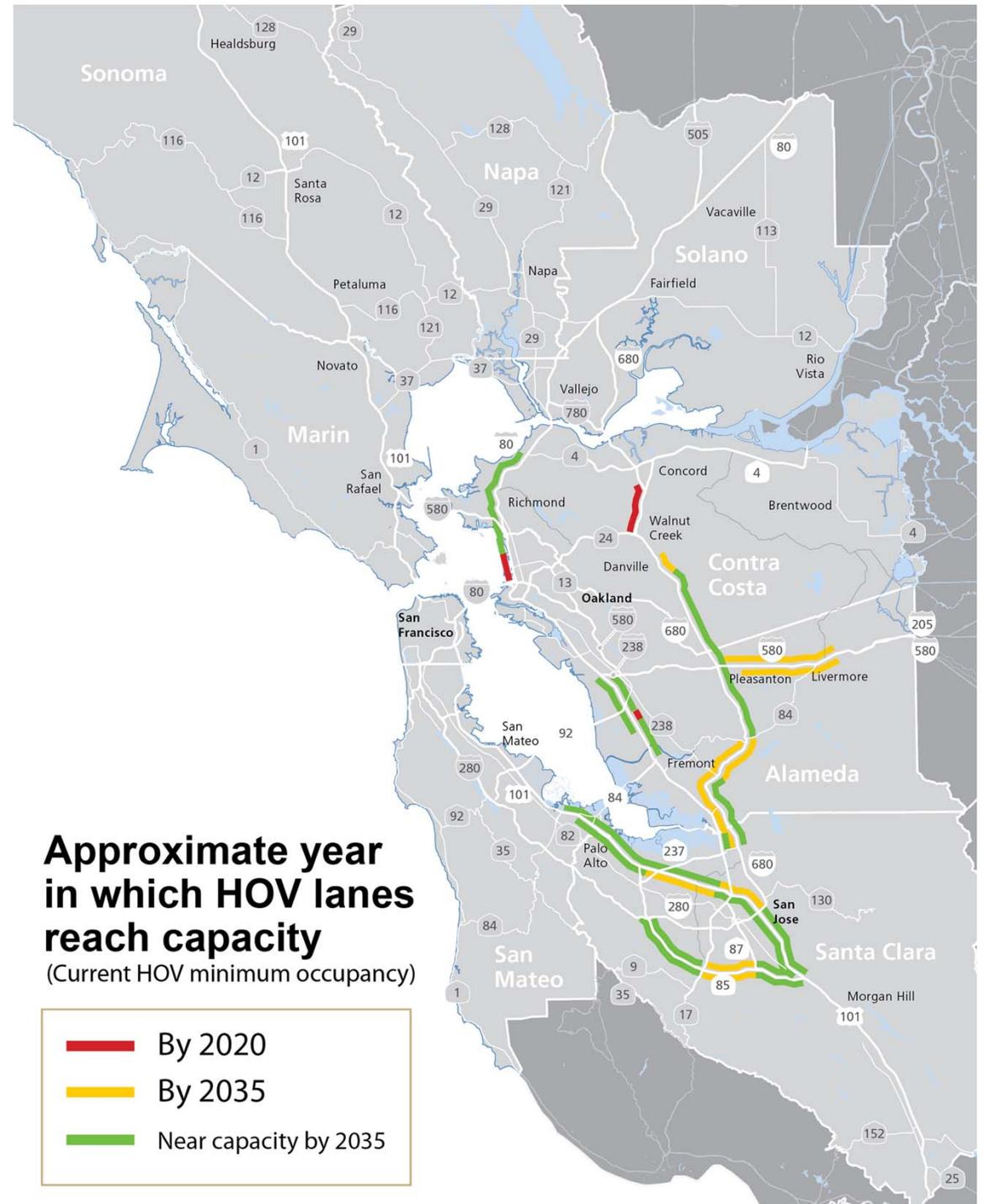
Project Study Report Establishes Engineering Feasibility and Cost Range

- Substantial level of detail:
 - Each corridor analyzed in 1/5th mile segments
 - Unit cost data averaged from active and planned express lane projects
- Caltrans HOV guidelines used to prioritize lane & shoulder reductions
- O&M cost from active and planned express lane facilities
- Frequent CHP enforcement areas, video license plate detection & violations processing
- 40% contingency factor applied to capital cost, 25% contingency to O&M cost

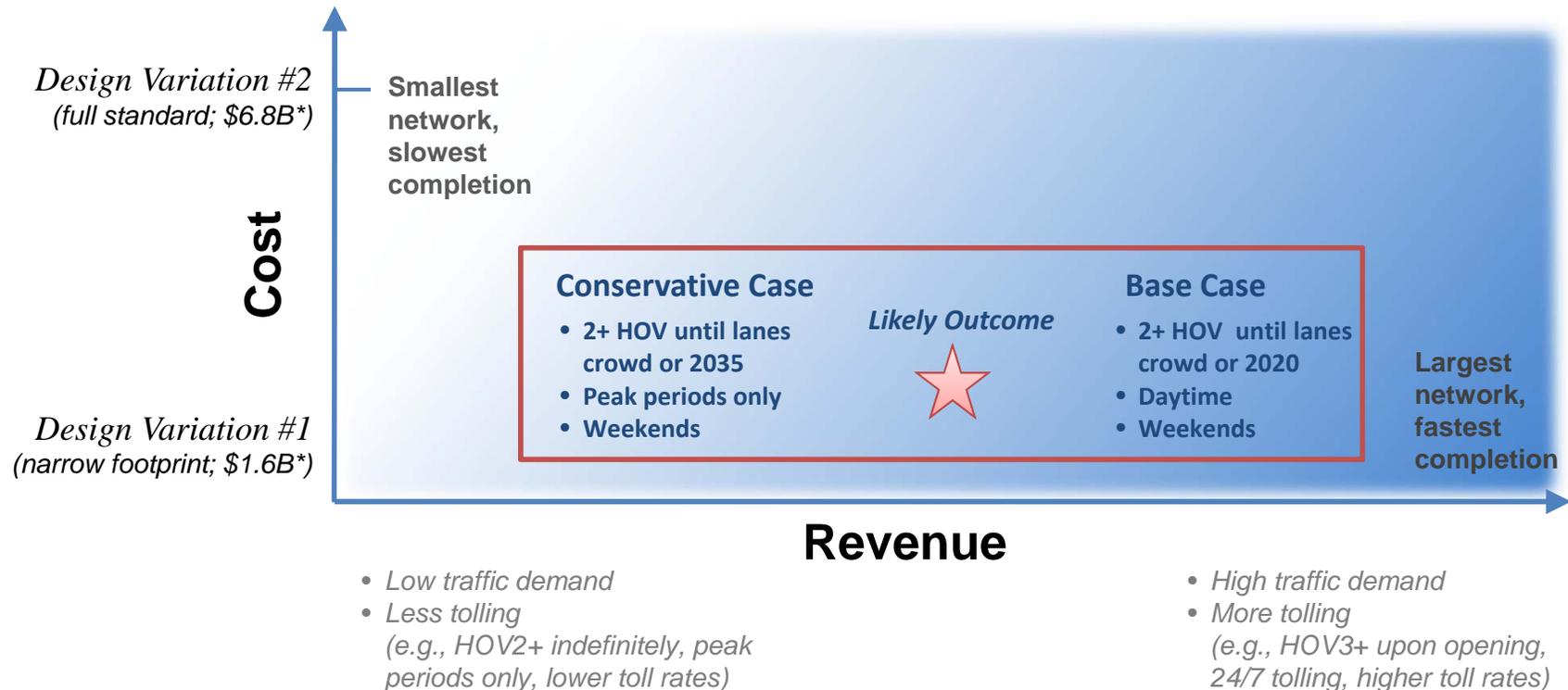
Capital Cost Range
(Billions of 2010\$)



When do HOV lanes fill?



“Bookends” for Financial Analysis in Application



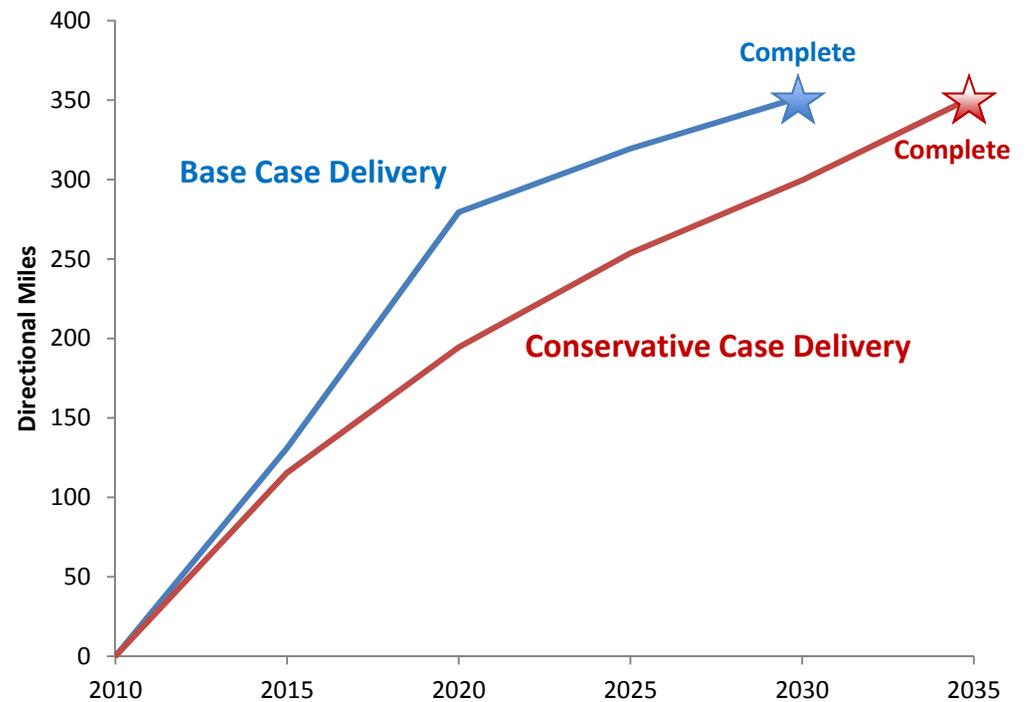
- Financial analysis cases, expressed as tolling policy scenarios, provide an envelope for variations in other factors including costs and financing terms.
- Implementation of specific tolling policies would be subject to future MTC Commission actions, in consultation with regional partners.
- Emphasizes need to contain costs within Caltrans design assumptions.

Network Phasing

Phasing approach in financial analysis prioritizes segments based on financial feasibility, subject to operational considerations.

In general,

1. Conversions, first
2. Then gap closures
3. Then extensions and direct connectors



Financial Summary

Total amounts through 2040 (millions of inflated dollars)

	Base Case	Conservative Case
Express Lane Toll Revenue	6,500	4,400
Debt Proceeds (Bonds/TIFIA)	2,100	2,400
Local Funding	100	100
Grant Funding	400	800
Capital Costs	(3,000)	(3,600)
Operations, Maintenance and Rehabilitation	(1,500)	(1,300)
Debt Service	(3,400)	(2,300)
Other*	100	100
Potential Net Revenue**	1,300	600

** Net amount including financing fees, reserves funding/releases and interest income*

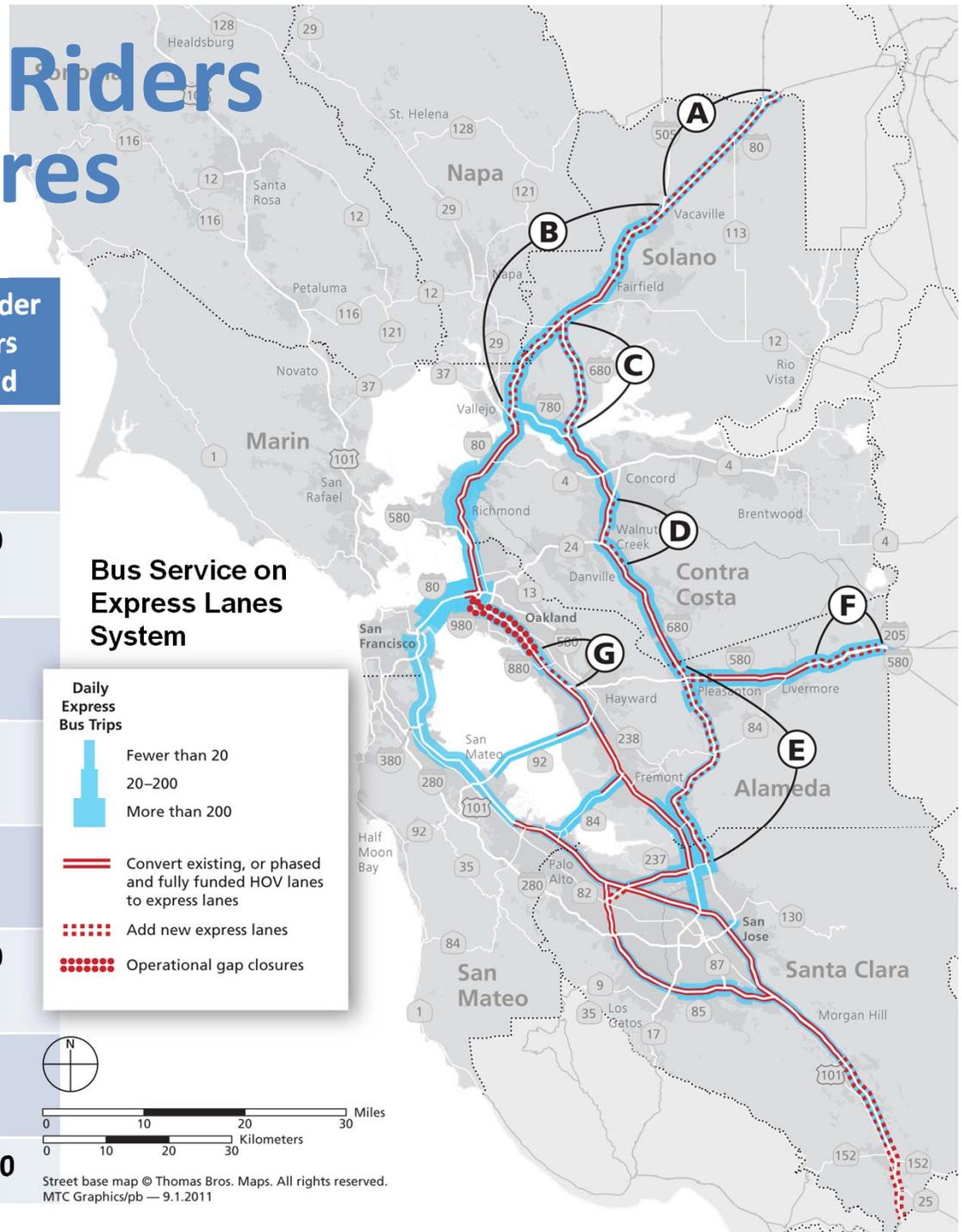
*** These at-risk surpluses emerge in the later years (after completion of the Network), and due to their bottom-line nature, are highly sensitive to variations in toll policy, revenue, cost, schedule and financing assumptions.*

Policy Advisory Committee Comments

- Use of excess revenues for transit
- Impact on low-income commuters
- Project performance assessment
- Effect on induced driving demand
- SM-101 corridor not in network

Benefits to Bus Riders from Gap Closures

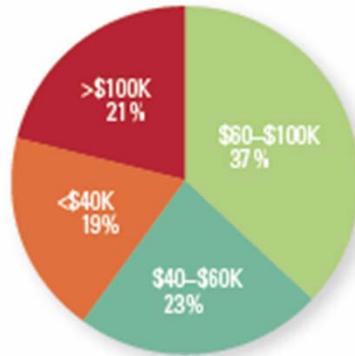
Route	Peak Hour Bus Trips (current service)	Bus Rider Hours Saved
A. I-80 Yolo County to I-505	4	90
B. I-80 I-505 to Carquinez Bridge	40	840
C. I-680 Gold Hill Rd. to I-780	4	50
D. I-680 Route 242 to North Main St.	40	70
E. I-680 Alcosta Blvd. to SR 237	4	80
F. I-580 Greenville to San Joaquin County	40	360
G. I-880 Hegenberger to Lewelling	30	90
TOTAL		1,580



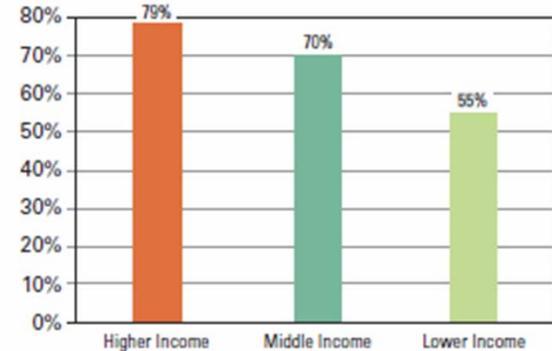
Acceptance and Usage by Income

Real-World Experience

Annual Household
Income of SR-91 Peak
Period Travelers
(1999 study)

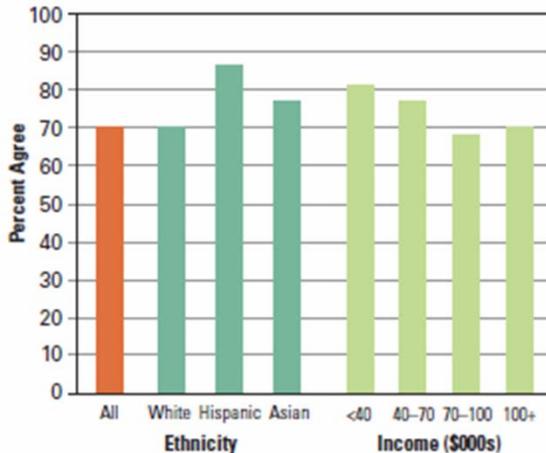


I-394 Minneapolis Use of
Express Lanes by Income
as share of population (2005)

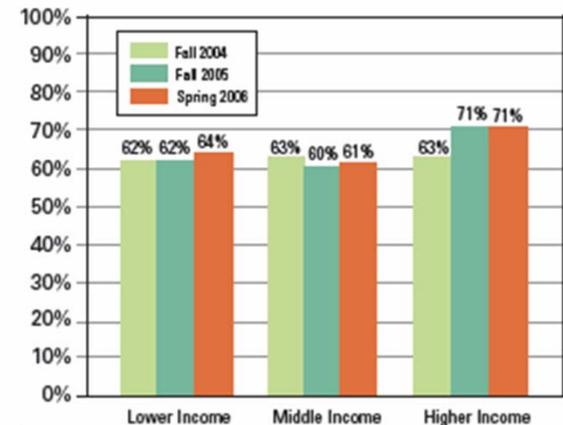


I-15 Telephone Survey
(prior to opening, 2001)

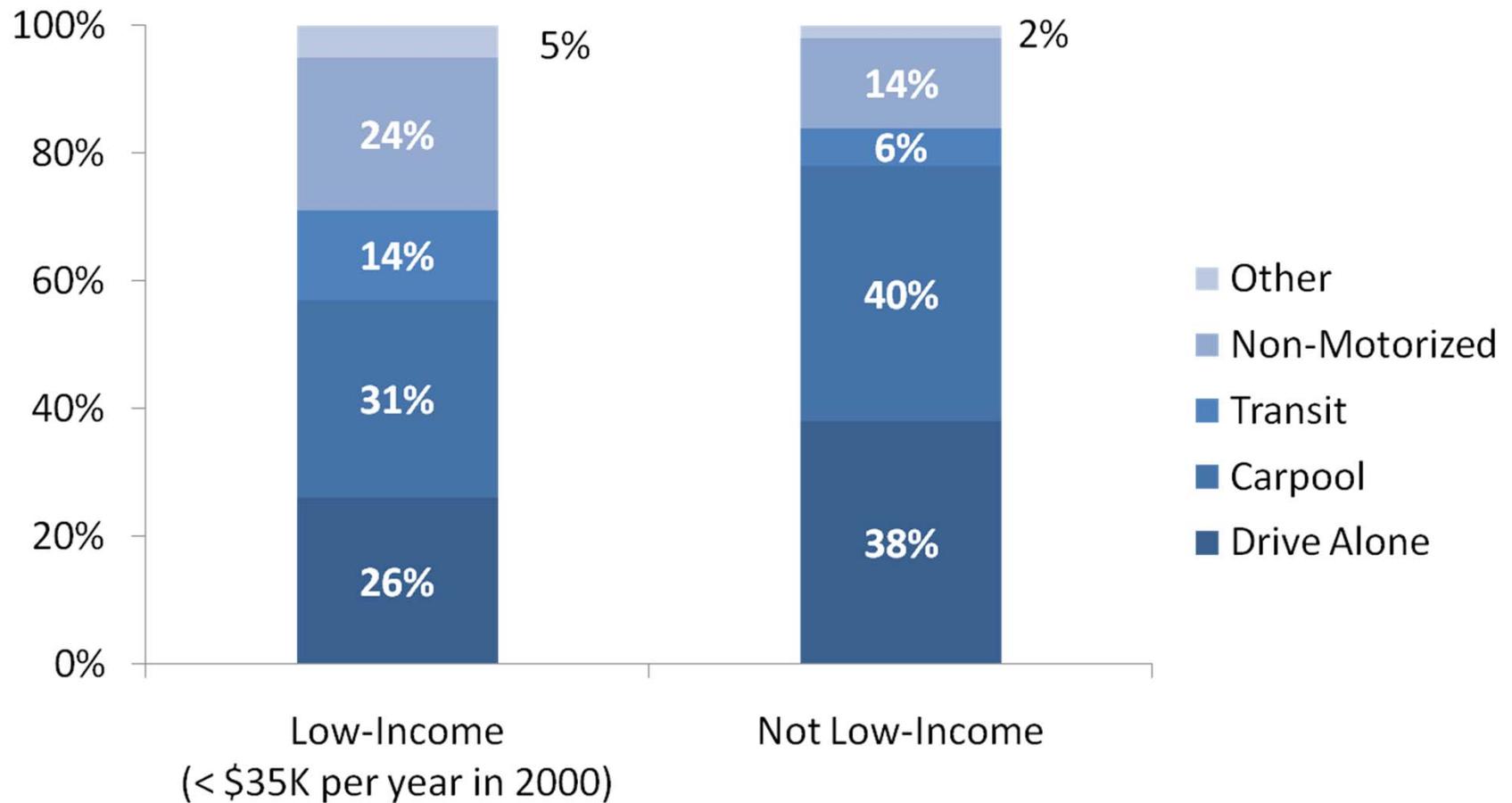
People who drive alone should be able to use
the HOV lanes for a fee—agree or disagree?



Approval of I-394 Express
Lanes by Income
(1 year after opening, 2006)



Mode Share by Income Level



Source: Bay Area Travel Survey 2000 as reported in MTC Snapshot Analysis (June 2010)

Plan Bay Area Targets Analysis

Preliminary Results

	Express Lanes CTC Application	Freeway Performance Initiative*	Van Ness BRT
Reduce CO2 (1)	MIN.	MIN.	MIN.
Increase housing (2)	MOD.	MOD.	STR.
Reduce PM2.5 (3a)	MIN.	MIN.	MIN.
Reduce PM10 (3b)	MIN.	MIN.	MIN.
Reduce PM in CARE communities (3c)	MIN.	MOD.	MOD.
Reduce collisions (4)	MIN.	MIN.	MIN.
Increase active transport (5)	MIN.	MIN.	MOD.
Protect open space/agricultural lands (6)	MIN.	MIN.	STR.
Reduce low-income household transport cost (7)	MIN.	MOD.	MIN.
Increase economic vitality (8)	STR.	STR.	MOD.
Increase non-auto mode share (9a)	MIN.	MIN.	MIN.
Reduce VMT (9b)	MIN.	MIN.	MIN.
Improve state of good repair (10)	MIN.	MIN.	MIN.

Legend

Adverse Impact	Minimal Impact**	Moderate Support	Strong Support
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* = includes only modelable elements (ramp metering & signal timing)

** = numeric change of less than ±1% is considered "minimal impact"

Schedule for CTC Approval

Getting authority is just the first step

