



RCTC's Road to Recovery: Recalibrating the Western Riverside County Highway Delivery Plan

January 28, 2010



RCTC

Progress – the Key to Recovery



- New Measure A now in place
- Economic crisis has led to declining revenues
- Uncertain traffic and revenue from tolls
- State's economic issues are jeopardizing programs
- RCTC must take advantage of opportunities for success and progress while continuing to move forward on projects of significance

Today's Agenda



- Consider changes since 2006
 - Review original plan
 - Review changed economic conditions
- Discuss current progress in regard to individual projects
- Review and re-evaluate previous policy decisions and assumptions
- Obtain clear Commission direction on how to move forward to ensure long-term success and progress



Review of the Original Plan

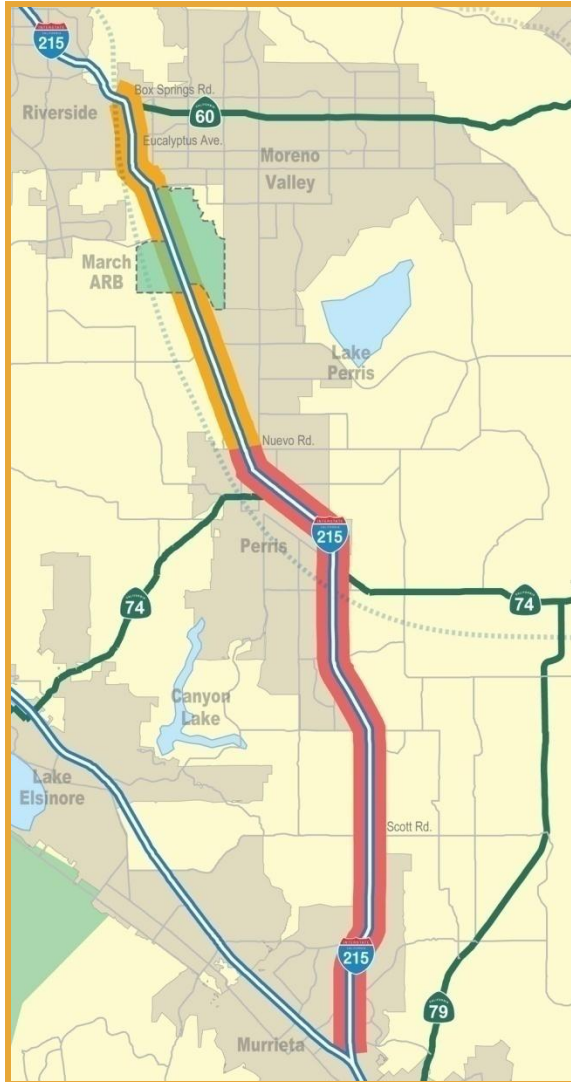
Original Delivery Plan



- Immediately pursue construction:
 - Interstate 215
 - Interstate 10
 - State Route 91
 - Interstate 15
- Pursue environmental clearance:
 - Bi-county Interstate 215 project
 - Mega projects: State Route 79 realignment & Mid County Parkway
- Protect right of way for mega projects
- Consider additional projects as opportunities arise



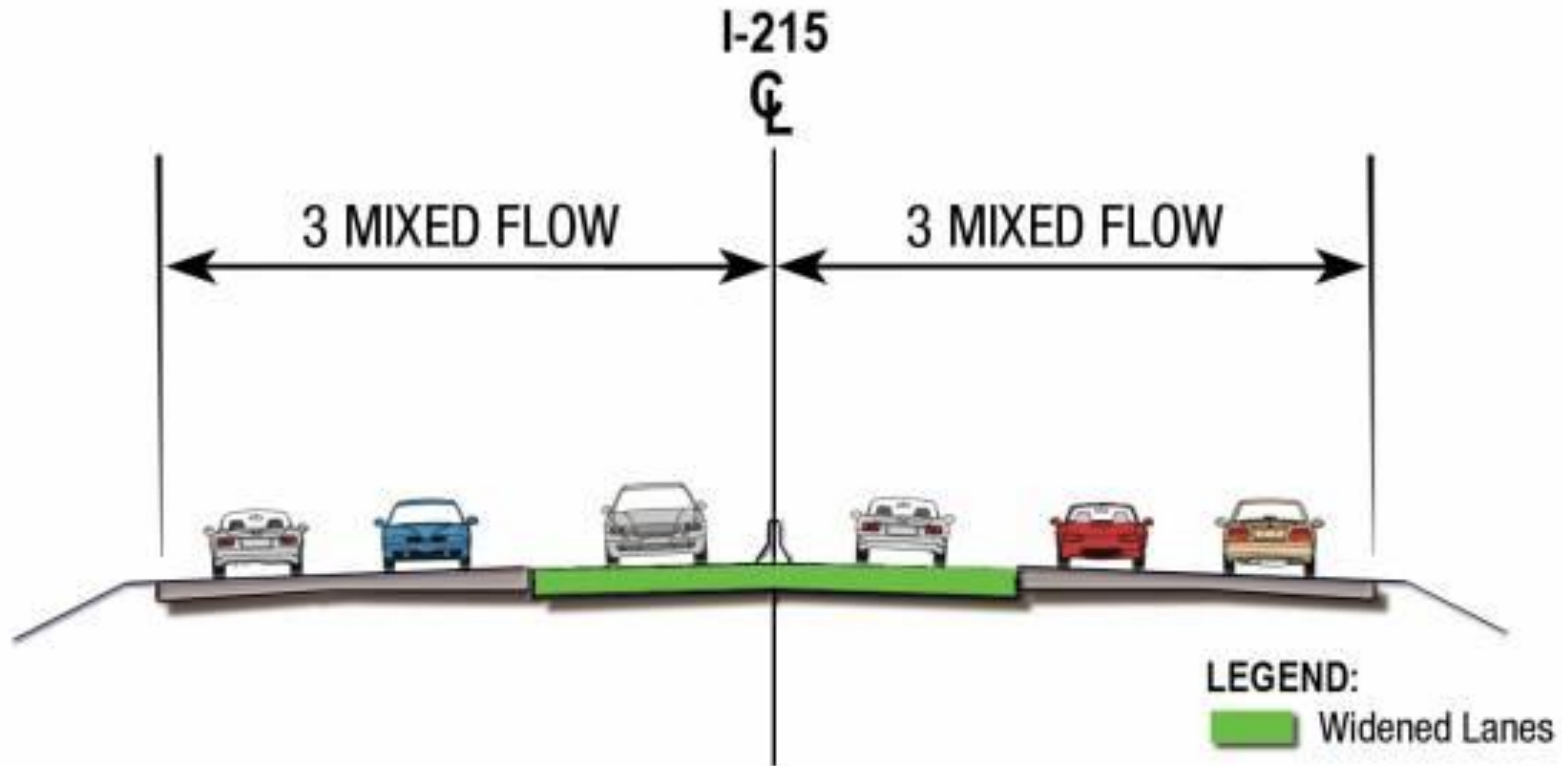
Improvements



- Add mixed flow lane in each direction from I-15 to Nuevo Road
- Construct HOV lane in each direction from Nuevo Road to Box Springs Road



Proposed



PROPOSED I-215

ADD ONE (1) MIXED FLOW LANE EACH DIRECTION IN EXISTING MEDIAN
FROM NUEVO ROAD TO I-215 / I-15 INTERCHANGE



Improvements



Construct east bound truck climbing lane from San Bernardino County line to 60/10 interchange





Improvements

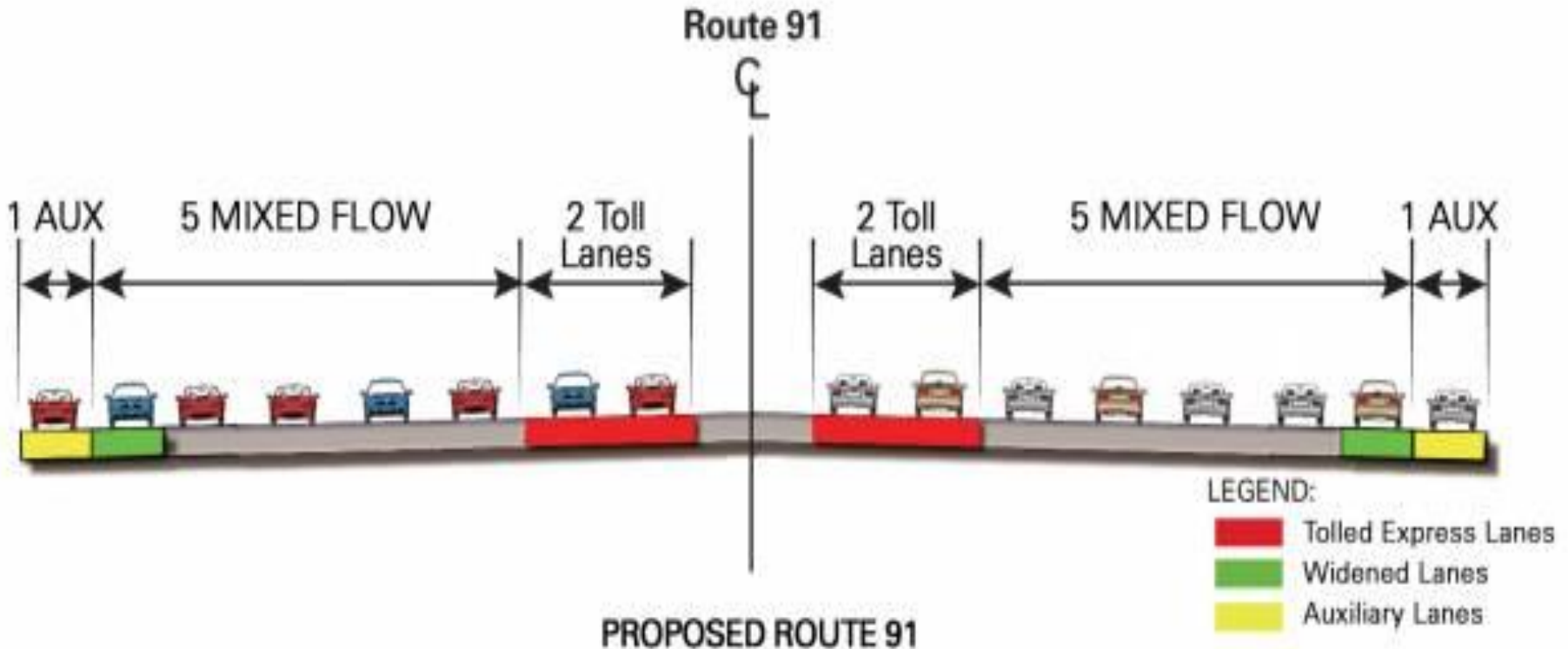


- Construct two HOT lanes & a general purpose lane from OC line to I-15 & a general purpose lane to Pierce Street
- Construct EB auxiliary lane from OC Line to Serfas Club Drive
- Build Connector Improvements & Collector Distributor (CD) System at SR-71
- Implement Connector Improvements and CD System at I-15





Improvements

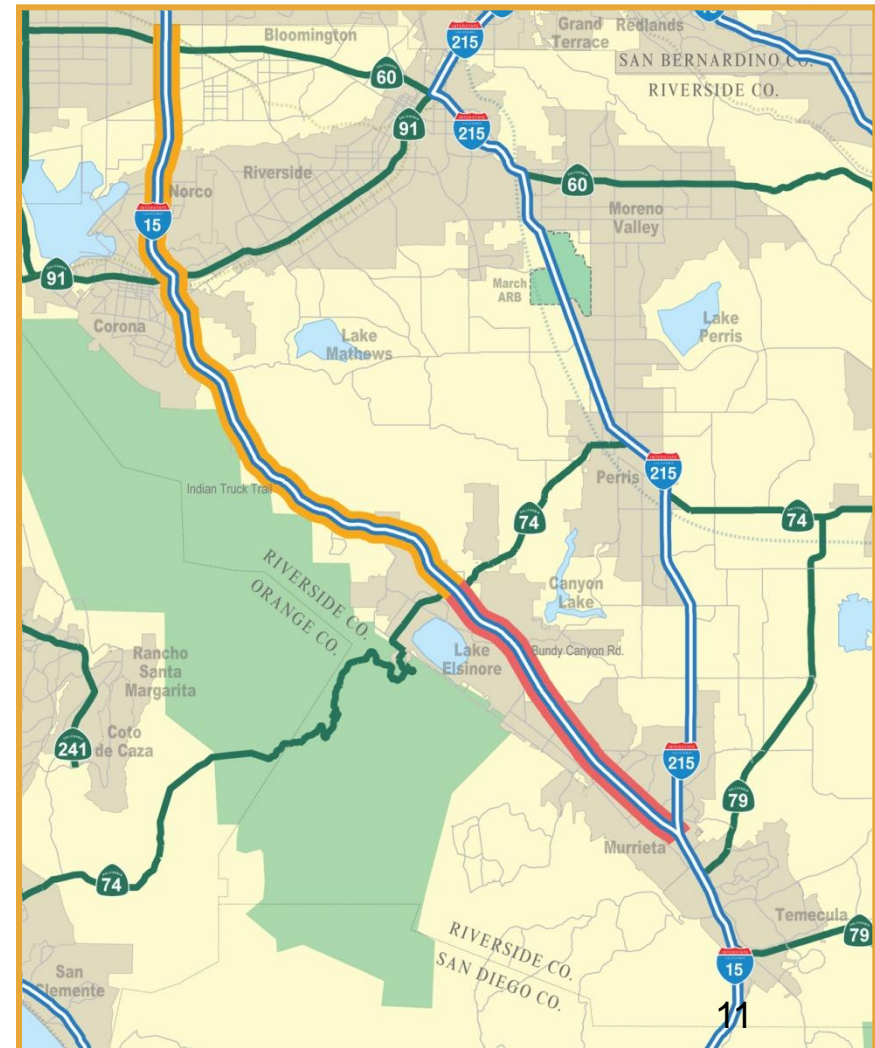


PROPOSED ROUTE 91
ADD ONE (1) MIXED FLOW + ONE (1) AUXILIARY + TWO (2) TOLLED EXPRESS LANES
EACH DIRECTION FROM ORANGE COUNTY LINE TO I-15



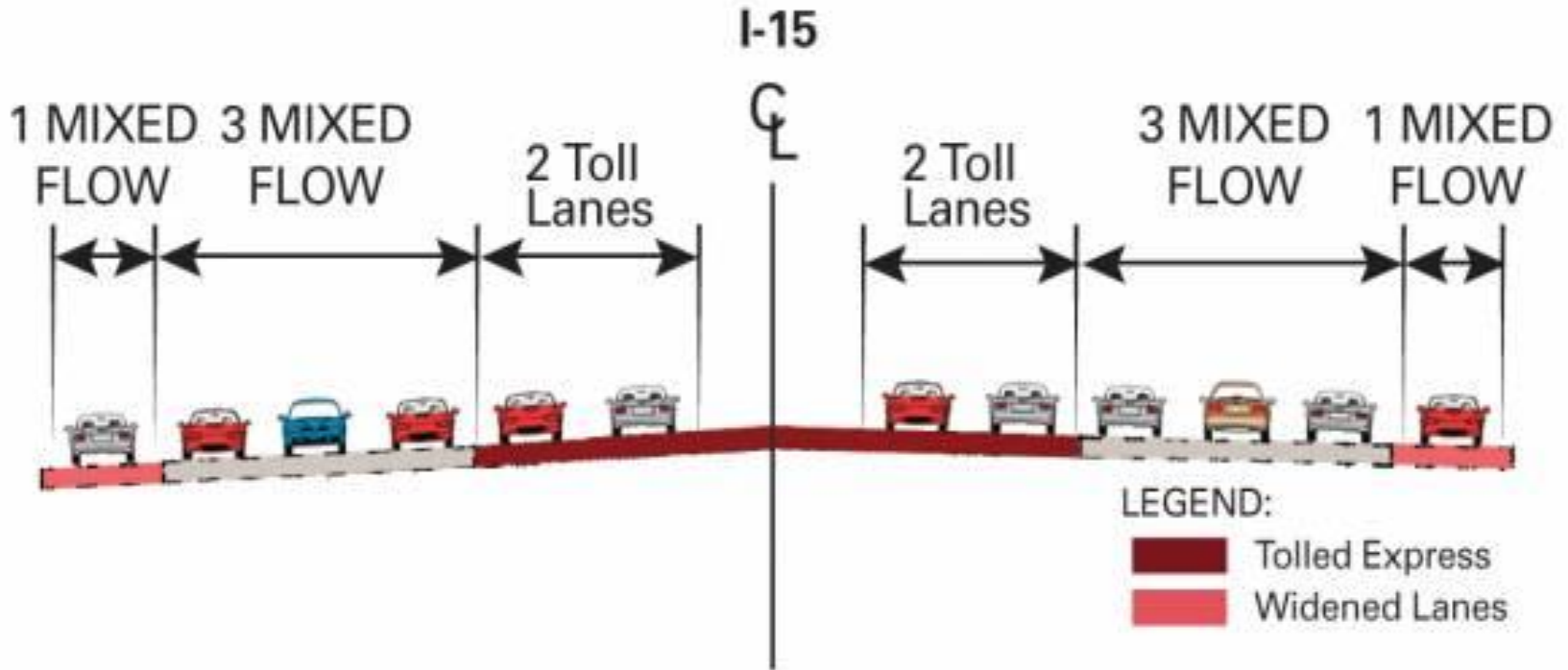
Improvements

- Add 2 HOT lanes in each direction from San Bernardino County line to SR-74
- Construct HOV lane from SR-74 to I-215
- Support French Valley Parkway
- Coordinate with SANDAG regarding future improvements





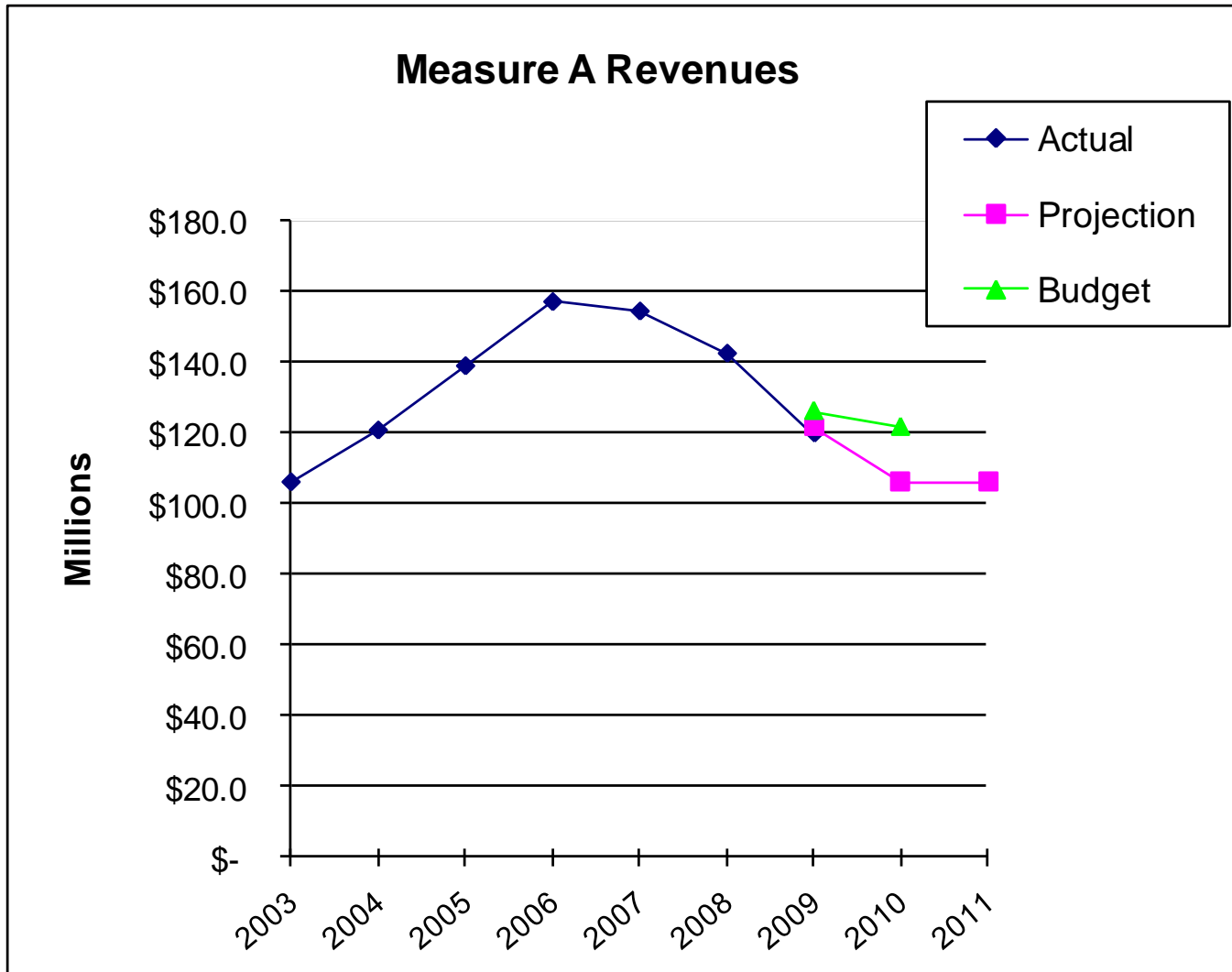
Proposed



PROPOSED I-15
ADD TWO (2) TOLL LANES + ONE (1) MIXED FLOW IN EACH DIRECTION
FROM SR-74 TO SR-60

Riding the Rollercoaster

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Measure A Reality



- Western County highway program receives 22.5% of overall Measure A receipts
- Measure A receipts have declined by 20% in recent months
- FY 2010 receipts average \$9 million monthly
- Current projection for this fiscal year is \$106 million for the entire program
- Western County highway receipts for the first 10 years will be less than half of the 2006 forecast

State Funding Another Worry



- Governor's budget proposal could impact STIP projects
- STIP problems compounded by state's shaky credit rating
- Uncertainty is the biggest problem – especially if budget conflicts drag on beyond deadlines
- The Measure A program relies on state and federal revenues to leverage local dollars

Facing Reality



- We lack the money to fund the entire 2006 Western County Delivery Plan as envisioned
- Revised project priorities need to be established
- Direction needed on a number of unprecedented actions including:
 - Lifting the bond cap
 - Considering private sector involvement on toll projects
 - Strong advocacy on state and federal policy direction
- The Commission faces cash flow issues in mid-2012 without revisions to current plans

Measure A Funding Limitations



- Western County Expenditure Plan funds a variety of project and service categories including:
 - State Highways
 - New Transportation Corridors
 - Public Transit
 - Regional Arterials
 - Local Streets and Roads
 - Economic Development Incentives
 - Debt Financing Costs

Additional Limitations



- Some funding sources are limited to specific projects:
 - CMIA (I-215 & SR-91 HOV)
 - Federal Earmarks (Perris Valley Line)
- Return to source provision in Measure A
- Measure contains \$500 million bond limitation



So What Do We Do?

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Active Projects Nearing Construction



- 60/215 East Junction
- SR-91 HOV lanes in downtown Riverside
- 74/215 Interchange Project
- SR-60/Valley Way Interchange
- SR-91/Van Buren Interchange
- SR-74 Curve Realignment
- Additional ARRA projects

Current Projects



- Dependent on 1989 Measure A and State Funding
 - Total cost: \$425 million
 - State funding needed: \$211 million
 - Federal or other funding needed: \$121 million
 - Measure funding available: \$123 million
- Outlook: Can be funded if state transportation funds remain whole
- Recommendation: Continue at full speed but consider delaying SR-91 HOV in Riverside if state funds are cut

Strategic Highway Projects

The logo for the Regional Council of Transportation Contractors (RCTC) is located in the top right corner of the slide. It consists of the letters "RCTC" in white, bold, sans-serif font, set against a blue oval background. The background of the slide features a photograph of a modern highway interchange with a blue and white RCTC logo overlaid on it.

- **Mid County Parkway**

- Complete PA/ED
- Consider extraordinary right of way acquisitions on a pay-as-you go basis

- **SR-79 Realignment**

- Complete PA/ED
- No right of way acquisition funding available at this time

Rail Projects/Operations



- Currently operating on 1989 Measure A reserves
- Sufficient funds for short-term capital projects
- Sufficient funds for operations through 2013
- Long term operating needs exceed planned revenue – station costs are a major concern
- Perris Valley Line has attracted federal support, but will add to long-term operational costs

Priority Projects



- Insufficient funds to maintain progress on all projects
- Projects “above the line”
 - Prioritize
 - Loss of state funding = Delay
- Projects “below the line”
 - Complete current work and stop
 - No money for new projects

I-215 Priority Projects



- I-215 – Murrieta Hot Springs to Scott Road
 - Heavily dependent on CMIA
- I-215 – Scott Road to Nuevo Road
 - Requires STIP funding
- I-215 Bi-County Gap Closure
 - Attracts San Bernardino funding
- French Valley Parkway Interchange
 - Eligible for Measure A new corridor funding and included in the STIP

I-215 Priority Projects



- I-215 Gap Project
 - Relatively inexpensive project to maximize benefit of I-215 widening & French Valley Parkway
- I-215 Nuevo Road to Box Springs Road
 - Has yet to begin environmental work – already at three lanes in each direction

Additional Priority Projects

The RCTC logo is a blue oval with the white text "RCTC" inside. It is positioned in the upper right corner of the slide, partially overlapping a background image of a highway interchange.

- I-10 Truck Climbing Lane
 - Included in Delivery Plan but project yet to be defined
- 71/91 Interchange and Flyover
- I-15 Corridor Improvement Project
 - Environmental Work Underway
- SR-91 Corridor Improvement Project
 - Envisioned to be the largest RCTC project in history – environmental work underway



PRIORITIZATION STRATEGY

Current Projects



- Maintain delivery
- Retain Measure A savings on 74/215 Interchange
 - SR-91 HOV, East Junction, eligible regional arterial
 - No local stimulus program
 - Maximize federal funding
- SR-91 HOV
 - Delay Riverside project if CMIA funds fail to materialize

I-215 Corridor



Establish the following priorities:

1. South--Murrieta Hot Springs Road to Scott Road
2. Central--Scott Road to Nuevo Road
3. Bi-County HOV Project
4. French Valley Parkway IC and Gap Closure

Defer: North—Nuevo Road to Box Springs Road

I-15 Corridor



- Complete PA/ED
- Scope re-evaluation underway- complete July 2010
- Assume deferral of PS&E
- Reassess status in July 2010
- Continue monitoring and support of French Valley Parkway

I-10 Corridor



- Defer start on truck climbing lane

Rail Program



- Deliver PVL
- In conjunction with SCRRA, explore long-range budget issues
- Work with Commission to consider long-range RCTC Metrolink policy items including:
 - Station operations costs
 - Advertising
 - Parking



SR-91 Corridor Improvement Project...

...Full Speed Ahead

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SR-91 CIP



- Don't stop/don't slow down
 - Continue to move the project forward
- Implement phasing plan
 - Need to reduce project cost to maintain project financial feasibility
 - Proceed with an *initial project* and *ultimate project* concept
 - Defer certain improvements
- Explore alternative funding options
 - Private company equity
 - OCTA
 - Federal funds

SR-91 CIP Design-Build



- Don't stop/don't slow down
 - Continue environmental phase of work
 - 65% complete, environmental approval Sept. 2011
 - Continue design-build phase of work
 - Obtain design-build authority from the CTC
 - Commence procurement of a Design-Builder
 - Start application to obtain federal TIFIA funding
 - Green light to Project and Construction Manager (PCM) for remaining design-build phase 1 work
 - Commence acquisition of right of way
 - Continue agreement work with other agencies
 - Caltrans, OCTA, Corona, and others

SR-91 CIP Funding



- Three-legged funding stool
 - Toll revenue bonds
 - Federal loan
 - (TIFIA - Transportation Investment Finance Innovation Act)
 - Measure A sales tax (and other public funds)
- First, maximize use of toll revenue bonds and federal TIFIA loan
- Second, use Measure A funds to close any funding gap

SR-91 CIP Funding



- 2006/2007 toll feasibility work (Level 1)
 - Use Measure A funds for project development work
 - **Pay back** Measure A funds after the sale of toll revenue bonds
 - No net Measure A dollars needed for SR-91
 - Allowed Measure A dollars planned for SR-91 to be used elsewhere
- 2009/2010 toll feasibility work (Level 2)
- Use Measure A funds for project development work
- Significant Measure A funds needed to close funding gap
 - **Current estimate = \$450 million (\$2011) of Measure A funds needed**
- Impact to planned use of Measure A funds by other projects

SR-91 CIP Funding



- 2002 Measure A (excerpt from voter information)
 - SR-91 – Pierce St. to Orange County Line – 1 lane in each direction \$161 million
 - 91/15 – interchange – add new connector from I-15 North to 91 West \$243 million
 - Total \$404 million (\$2001) **(\$658 million in \$2011)**

- 2006 Measure A 10-Year Western County Delivery Plan
 - SR-91 – Pierce St. to Orange County Line – 1 lane in each direction \$300 million
 - 91/15 – interchange – add new conn. (I-15N to 91W) and CD system \$311 million
 - Orange County line to 91/15 interchange – extend Express Lanes \$125 million
 - Total \$736 million (\$2006) **(\$939 million in \$2011)**

SR-91 CIP Phasing Funding

The RCTC logo is a blue oval with the white text "RCTC" inside. It is positioned in the upper right corner of the slide, partially overlapping the background image of a highway bridge.

- Project remains financially feasible
 - Positive net present value over life of project (2016-2066)
 - Measure A funds are now required to construct it
- Tolled express lanes still subsidize other improvements
 - General purpose lane, auxiliary lanes, collector-distributor system, and interchange improvements are still partially paid by tolls
- Strategies used to maintain a financially feasible project
 - Revisited key assumptions in 2009 (financial, Corridor A, traffic & revenue forecast, etc.) that have a major impact to results
 - Prepared an independent financial model to verify previous work
 - Reduced capital costs and the necessary Measure A funds required by deferring some work elements to the future (phasing the work over time)

SR-91 CIP Phasing Elements



- Implement phasing plan to “right-size” project and reduce capital costs
- *Initial Project* will construct...
 - One lane each direction from SR-71 to I-15
 - Improvements to six local interchanges
 - Merging and weaving lanes between interchanges
 - I-15/SR-91 interchange improvements
 - Extend tolled Express Lanes to I-15
 - Tolled Express Lane direct connector to and from the south at I-15
- *Ultimate Project* will...
 - Defer five elements to the future

SR-91 CIP Phasing Elements



- Five potential phasing elements were chosen from a longer list of ideas to reduce capital costs
 - Phasing options were selected based on their potential to significantly reduce costs
 - Other factors: Measure A commitments, toll revenue, purpose and need of project, practicality
- Incorporating these phasing elements has...
 - Reduced capital costs by an estimated \$600 million
 - Substantially improved the project's financial feasibility

SR-91 CIP Phasing Elements



Phasing Element 1: Tolloed express lanes to the north of SR-91

- Defer one tolled express lane in each direction on I-15 between SR-91 and Hidden Valley Parkway
- Defer tolled express lane direct connector to and from the north at I-15

Phasing Element 2: Gen. purpose lanes from SR-71 to SR-241

- Defer one general purpose lane in each direction from SR-71 to SR-241

Phasing Element 3: 71/91 interchange project

- Defer the two-lane, freeway-to-freeway, flyover ramp between eastbound SR-91 and northbound SR-71 and other interchange improvements

Phasing Element 4: SR-91 improvements east of I-15

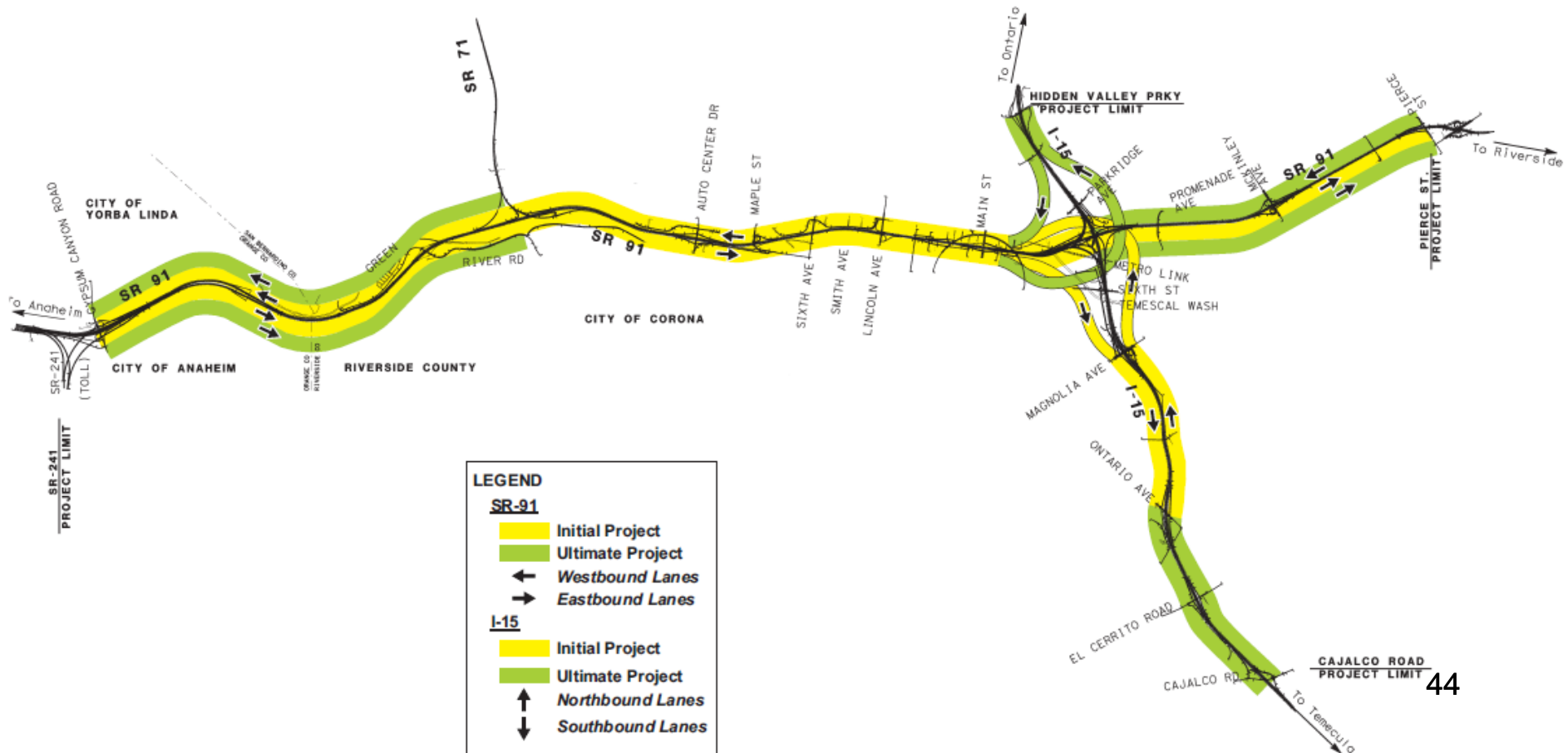
- Defer one general purpose lane and one tolled express lane in each direction between I-15 and Pierce Street

Phasing Element 5: I-15 improvements south of SR-91

- Defer one tolled express lane in each direction on I-15 from south of Magnolia Avenue to south of El Cerrito Road

SR-91 CIP Phasing Options

- The map below shows the *Initial Project* elements in yellow and the five phases of work proposed to be deferred in green as part of the *Ultimate Project*



SR-91 CIP Alternative Funding



- Explore alternative funding options
 - Is a Public Private Partnership (PPP) a viable Plan B?
 - How much \$ could a PPP bring to the project in private equity?
 - Currently updating initial PPP feasibility work from 2006/2007
 - Policy issues raised with PPP...
 - Ownership vs. control of the toll facility
 - RCTC Board approve tolling policy
 - Prevent “non-compete” clauses

SR-91 CIP Alternative Funding



- Can OCTA assist with funding?
 - General purpose lanes from SR-71 to SR-241 (phasing option 2) are desired
 - Staff reviewing possible options with financial/toll experts
- Seek new federal funding for the SR-91 CIP
 - Federal reauthorization (multi-year funding plan to replace SAFETEA-LU)

Related Policy Positions



- Build SR-91 CIP prior to I-15 CIP
 - Traffic management and demand requires 91 work
 - 91/15 interchange work will have impact
 - French Valley Parkway and I-215 critical to addressing Southwest county traffic issues along with I-215
- Defer Corridor A project
 - Toll feasibility assumes no Corridor A, revenue impact
- Federal support needed for TIFIA
 - Expand and improve TIFIA in next federal transportation reauthorization
- CTC action for design-build (or PPP) authority
 - Application for design-build authority submitted



Next Steps

\$500 Million Debt Limit



- We need to increase cap to \$1 billion even if SR-91 CIP can be financed under the current limit
- Timing a concern and polling is critical early this year
- Funding needed for other Measure A priorities
 - Regional arterials
 - New corridors
 - Coachella Valley needs

Next Steps



- Approval of Project Reprioritization Strategy
- Designation of 91 CIP as the top “Priority Project”
- Support “right-sized” 91 project scope
- Consider private sector possibilities
- Take initial steps to consider raising of bond cap
 - Initial polling
 - Work with other agencies to coordinate job creation messages and efforts