



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

**January 28, 2010**

The RCTC logo features the letters "RCTC" in white, bold, sans-serif font inside a blue oval. The oval is set against a background of blue geometric shapes, including a large triangle on the left and several horizontal bars at the bottom.

**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

**RCTC**

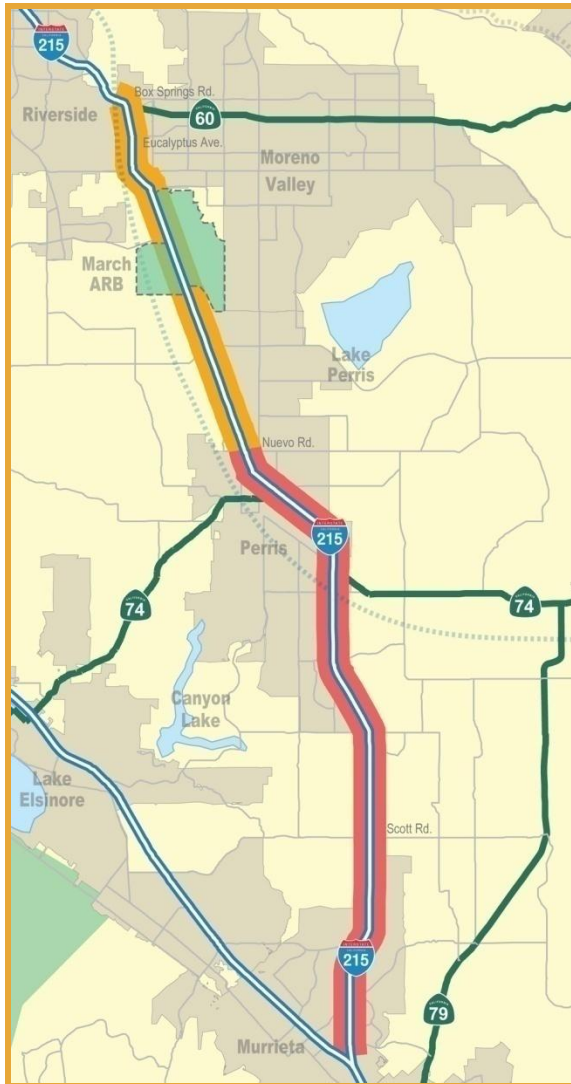
# Original Delivery Plan



- 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

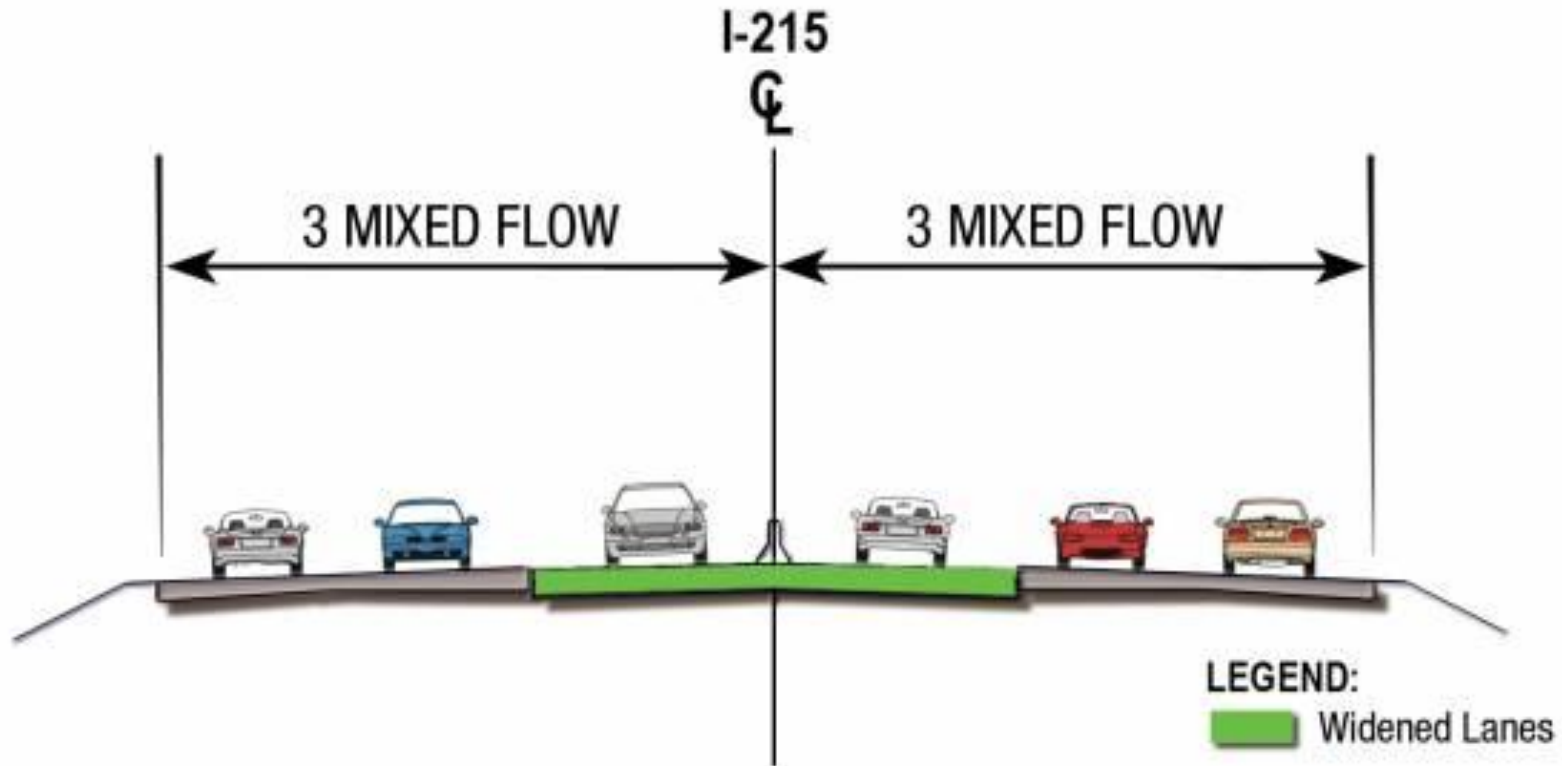


- Add mixed flow lane in each direction from I-15 to Nuevo Road
- Construct HOV lane in each direction from Nuevo Road to Box Springs Road





# Proposed



## PROPOSED I-215

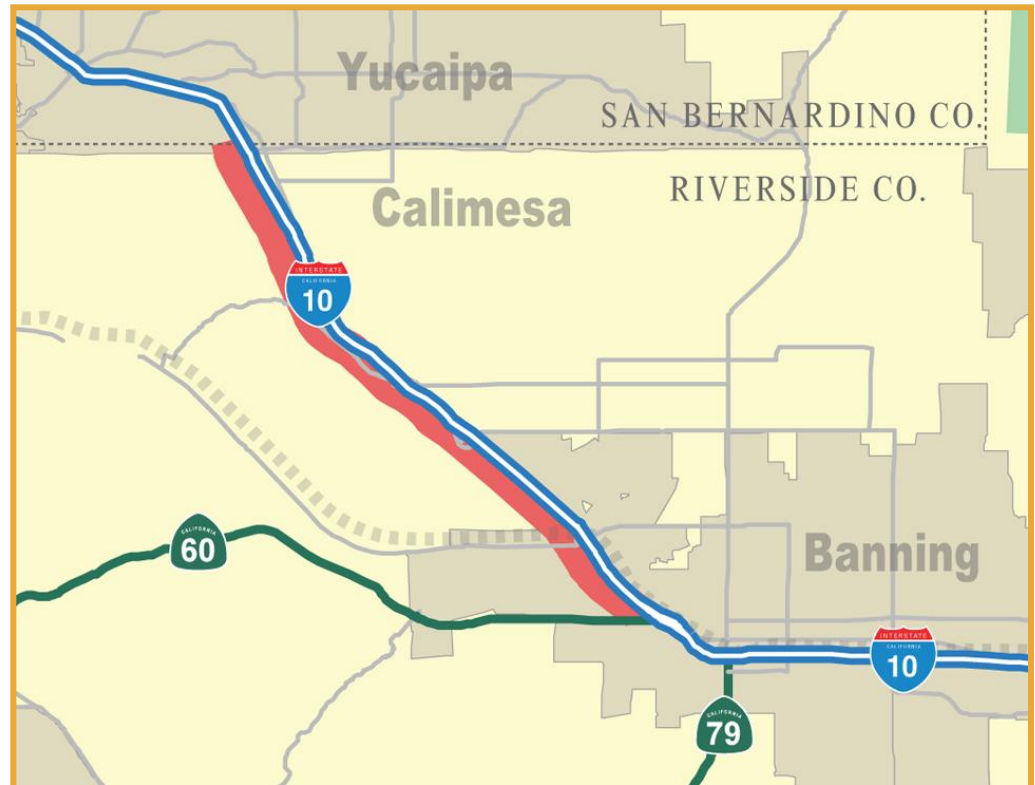
**ADD ONE (1) MIXED FLOW LANE EACH DIRECTION IN EXISTING MEDIAN  
FROM NUEVO ROAD TO I-215 / I-15 INTERCHANGE**



# Improvements



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







# Improvements

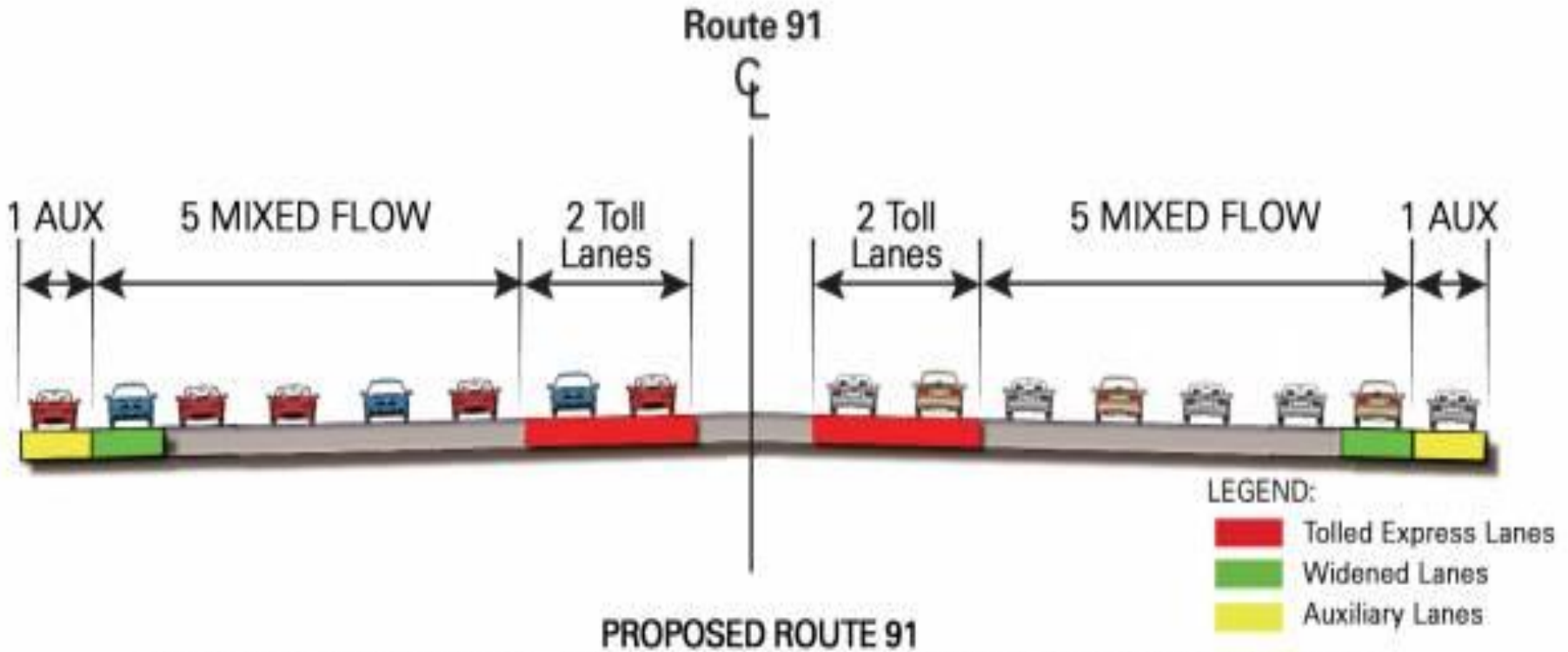


- Construct two HOT lanes & a general purpose lane from OC line to I-15 & a general purpose lane to Pierce Street
- Construct EB auxiliary lane from OC Line to Serfas Club Drive
- Build Connector Improvements & Collector Distributor (CD) System at SR-71
- Implement Connector Improvements and CD System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





# Improvements

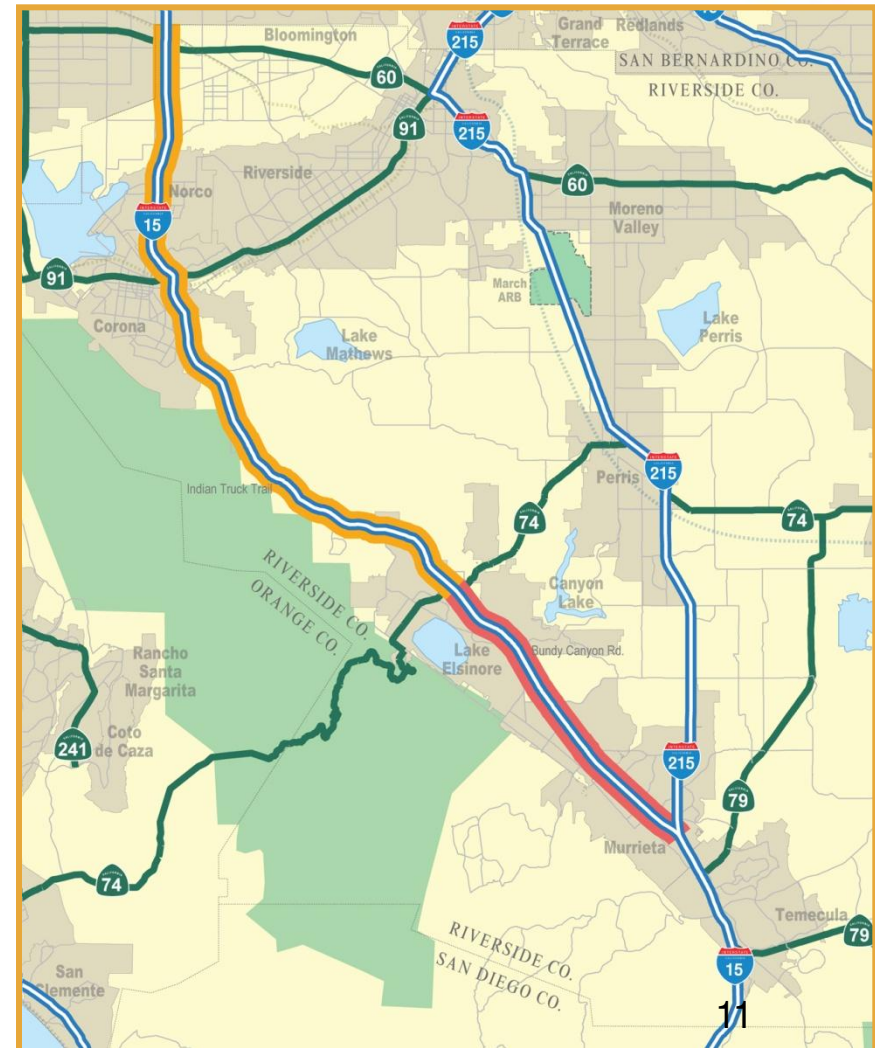


ADD ONE (1) MIXED FLOW + ONE (1) AUXILIARY + TWO (2) TOLLED EXPRESS LANES  
EACH DIRECTION FROM ORANGE COUNTY LINE TO I-15



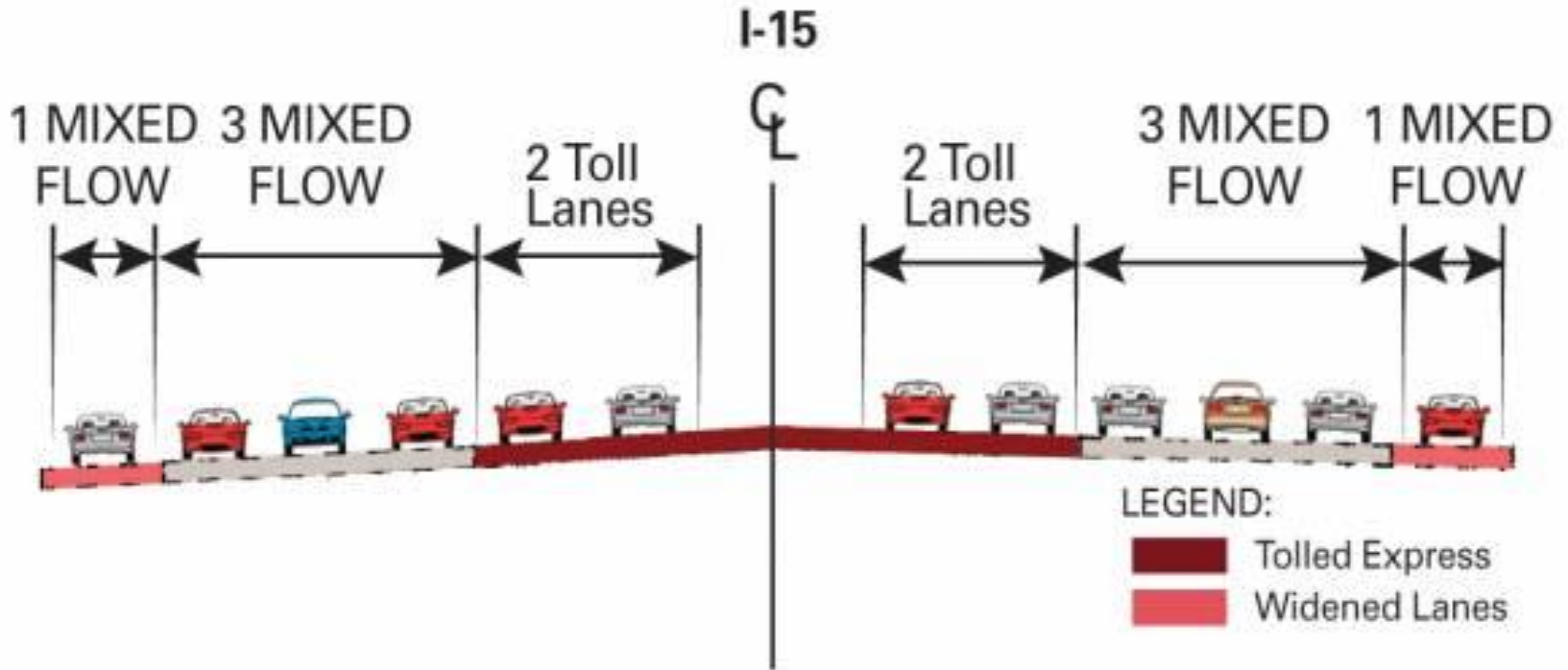
# Improvements

- 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



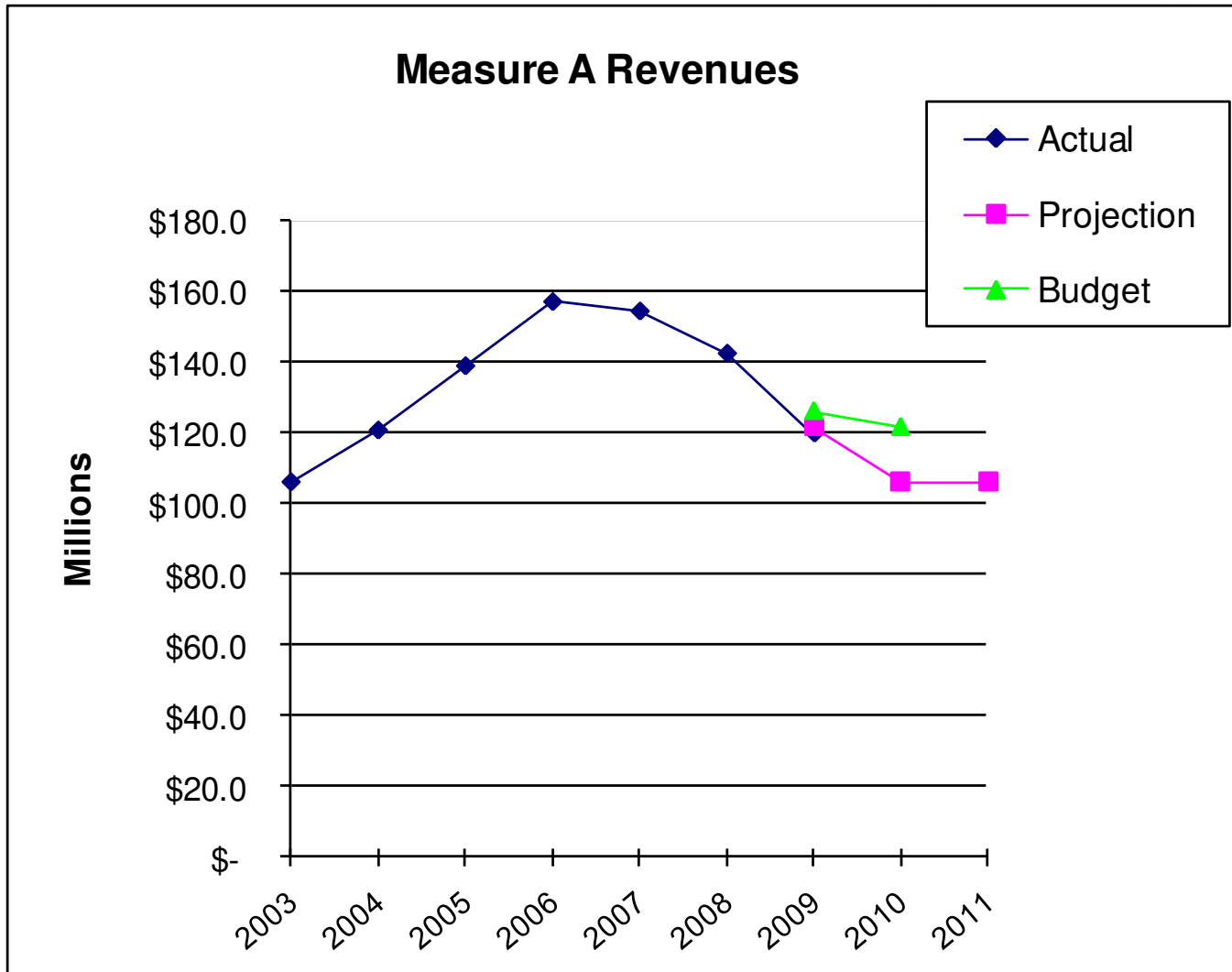


# Proposed



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

# Riding the Rollercoaster





# 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?

**RCTC**

# 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 Commissioners (RCTC) is located in the top right corner. 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 the right side.

- **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 the 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**

**RCTC**



# 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: Tolled 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**

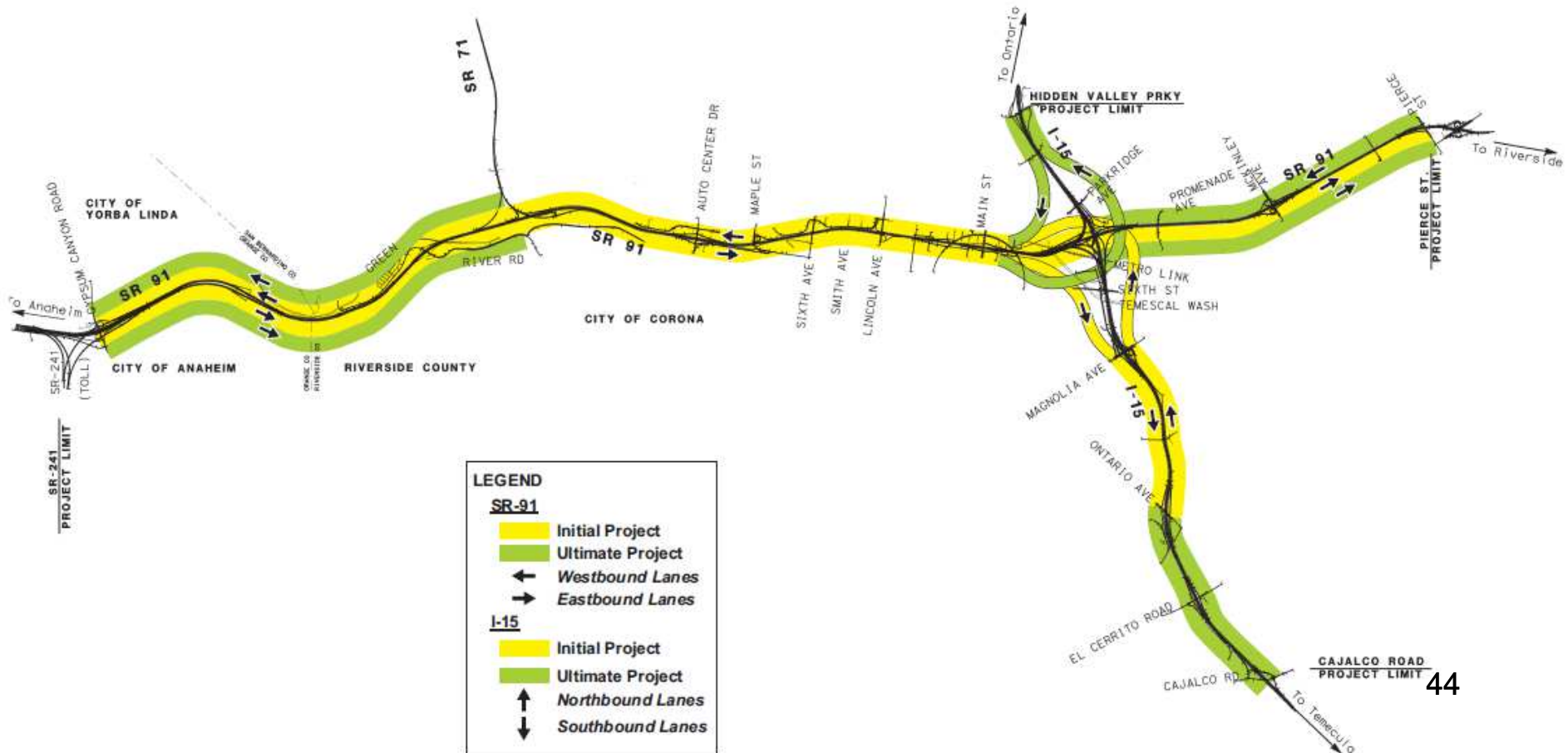
- Defer one general purpose lane and one tolled express lane in each direction between I-15 and Pierce Street

## **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

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# \$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