

EXECUTIVE SUMMARY

Riverside County's Need for Congestion Relief

Riverside County's population is projected to be second only to Los Angeles County by 2050. Today, Riverside County is two million people large, situated in a metropolitan area of more than 17 million people. Currently, 65 percent of all vehicle miles traveled (VMT) in Riverside County occur at Level of Service (LOS) F conditions. Without significant improvements that number will grow to 99 percent by 2030. Additionally, the residents of the City of Riverside, the county seat, already have the fourth longest average travel time to work in the United States – and the longest of any other California city, above Los Angeles, San Francisco, Anaheim, and Long Beach. It will take more than \$13 billion to build enough highway capacity to significantly reduce highway congestion in Riverside County by 2030. These numbers depict nothing less than a congestion crisis.

In order to respond to this congestion crisis, the Riverside County Transportation Commission (RCTC) has developed a comprehensive vision and plan that will utilize the legal provision contained in Assembly Bill 1467 (2006, Nunez) regarding the development of High Occupancy Toll (HOT) Lanes.

A Solution

Riverside County voters have aggressively supported transportation investment and have twice voted with a two-thirds margin to approve a half-cent sales tax program. The second of these elections was held in 2002. As RCTC approaches the start of its reauthorized Measure A half-cent sales tax program, the Commission has prioritized the projects contained in the new Measure A Expenditure Plan. Like many agencies, RCTC has reevaluated its financial projections to determine if its sales tax program revenues are sufficient to address the county's needs through 2039, and how to close potential funding gaps. Thus, RCTC embarked on an extensive and exhaustive multi-pronged effort including the "10-Year Western County Highway Delivery Plan" and a full-scale investigation of Public/Private Financing opportunities.

The result was the adoption of four western-county highway corridors as priorities for construction and the incorporation of publicly owned and operated toll lanes on two of the corridors, based on thorough feasibility studies. The plan recommends:

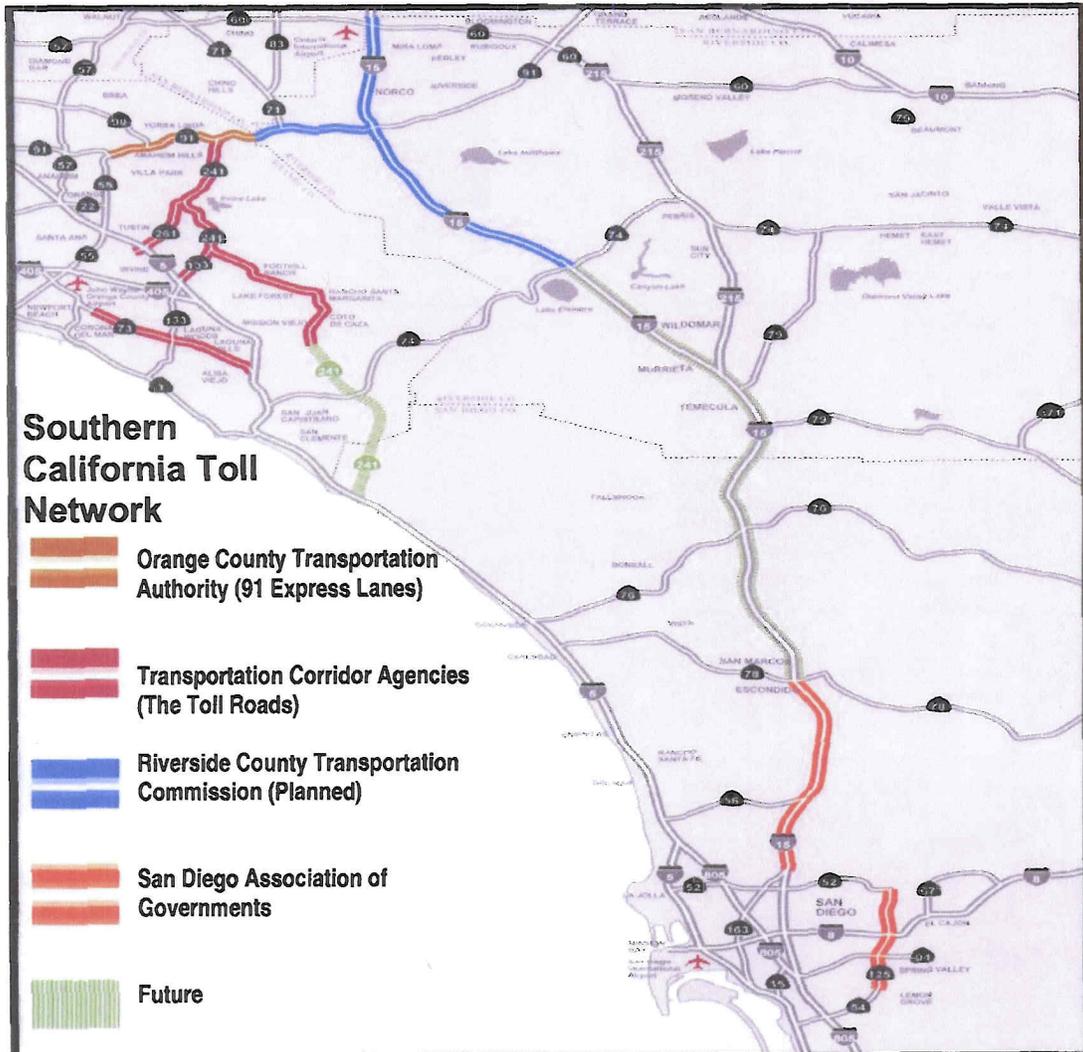
- Two HOT lanes and a mixed-flow lane on SR-91 from the Orange County line to I-15,
- Two HOT lanes and a mixed-flow lane on I-15 from the San Bernardino County line to SR-74,
- An interim HOV and eventual HOT lane extension of I-15 to the San Diego County line,
- Widening I-215 and I-10

The purpose of this application is to seek eligibility from the California Transportation Commission (CTC) under the parameters of AB 1467 for RCTC's plan to build HOT

Lanes on Interstate 15. Implementation of SR-91 HOT lanes is not governed by the parameters of AB 1467.

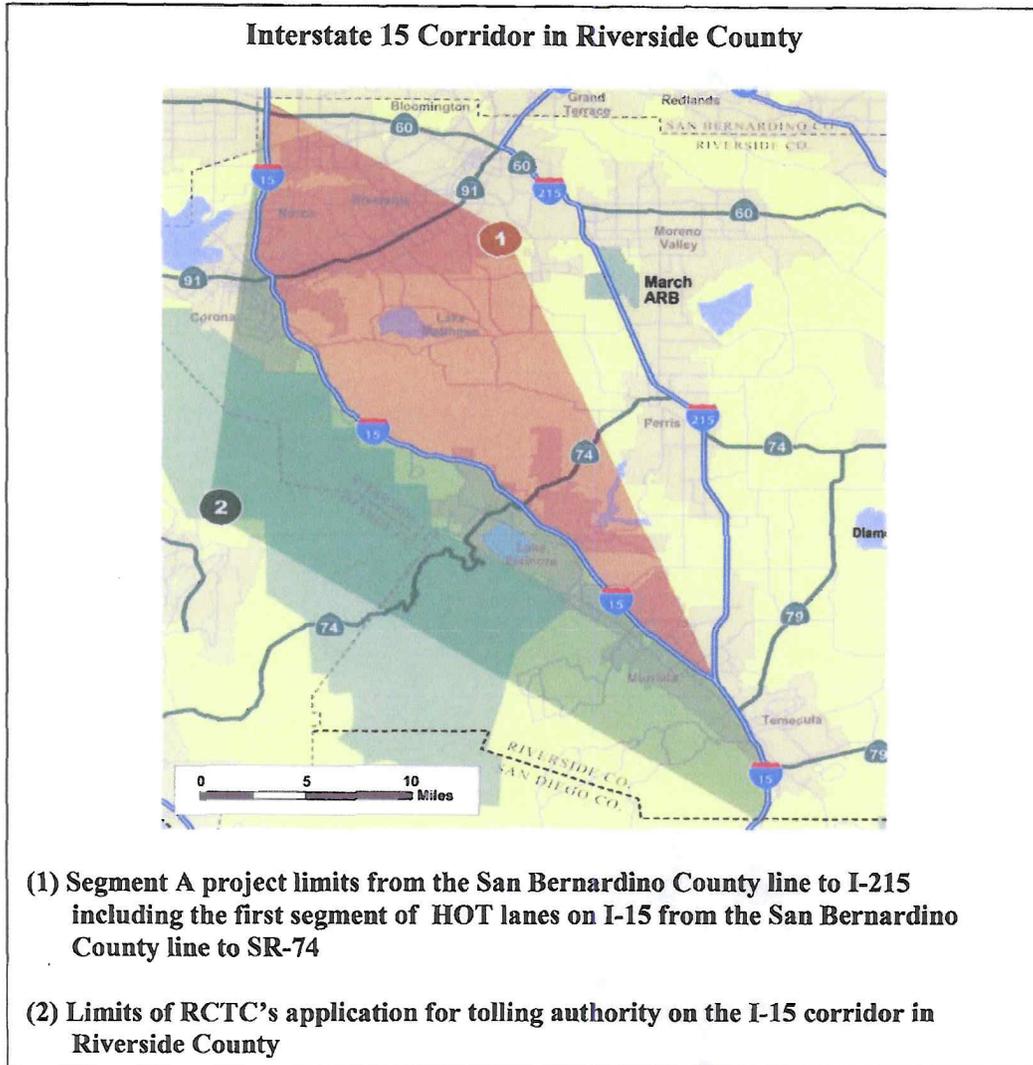
Overall Goals

The eligibility sought from the CTC would allow RCTC to seek legislative authority to develop, construct, operate, and maintain HOT lanes on I-15 from the San Bernardino County line to the San Diego County line. The implementation of RCTC's HOT lane program would provide a significant link connecting existing toll facilities within Southern California. Existing facilities in adjacent Orange and San Diego counties include the I-15 Managed Lanes, 91 Express Lanes and the Orange County Toll Roads (SR-73/133/241/261). In addition, both Los Angeles and San Bernardino counties are exploring congestion pricing and/or toll opportunities. These facilities, both existing and proposed, represent significant investment in additional traffic capacity in the Southern California region and would partially form a regional network of tolled facilities. The additional capacity, funded through user fees, is an important step in addressing this region's congestion crisis.



Implementation of I-15 Corridor HOT Lanes by Segment

Based on recent feasibility work, HOT lanes are financially feasible on portions of both the SR-91 and I-15 corridors. The extension of the existing 91 Express Lanes from the Orange County line to I-15 is the first planned HOT lane operation in Riverside County.



RCTC plans to phase over time the construction of I-15 corridor improvements. RCTC, with its strategic advisors, has determined that a publicly-owned, tolled facility on I-15 is currently feasible between the San Bernardino County line and SR-74. This conclusion is based on the feasibility work performed for a project constructed by 2019. Much of the information presented in the body of this application relates to the I-15 corridor from the San Bernardino County line to I-215. This first corridor segment, Segment A, is the first proposed I-15 project, named the I-15 Corridor and HOT Lane Project, and extends from the San Bernardino County line to I-215. Segment A includes HOT lane development from the San Bernardino County line to SR-74. Development of HOT lanes for the remainder of the I-15 corridor from SR-74 to the San Diego County line, Segment B,

would occur in the future pending funding availability, demonstrated traffic need, and connectivity with the I-15 Managed Lanes in San Diego County.

		Sub-Segment Length (Miles)	New Lane Miles		
			Express (HOT) Lanes	HOV Lanes	General Purpose Lanes
SEGMENT A (aka I-15 Corridor and HOT Lane Project)	San Bern. Cnty. line to SR-91	11.8	59.2		23.6
	SR-91 to Mid-County Parkway	4.7	23.3		9.4
	Mid-County Parkway to SR-74	14.5	62.5		29.0
	SR-74 to I-215	14.7		29.4	
	Total SEGMENT A	45.7	145.0	29.4	62.0
SEGMENT B (Future Project)	SR-74 to I-215	14.7	63.4		29.4
	I-215 to San Diego Cnty. line	8.2	35.3		16.4
	Total SEGMENT B	22.9	98.7		45.8

Figure 1 I-15 Corridor HOT Lane Segmentation

An overall planned sequencing of HOT Lane improvements for Riverside County is summarized below:

● **91 Express Lanes with I-15 HOT Lane Connectivity (Orange Cnty. line to I-15):**
Estimated operation date: 2015

Construct HOT lanes and other improvements on SR-91 plus a HOT lane direct connector from SR-91 to I-15 to provide the initial HOT connectivity between the two freeways (HOT lane direct connector consists of a one-lane ramp for northbound to westbound traffic and a one-lane ramp for eastbound to southbound traffic)

● **I-15 Segment A (San Bernardino County line to I-215, HOT Lanes from San Bernardino County line to SR-74):**
Estimated operation date: 2019

Construct the I-15 Corridor and HOT Lane Project which currently includes:

- 1) Two HOT lanes in each direction from the San Bernardino County line to SR-74;
- 2) One HOV lane in each direction from SR-74 to I-215;
- 3) One general purpose lane in each direction from the San Bernardino County line to SR-74;
- 4) Merging lanes at each point of ingress or egress to the I-15 HOT lanes;
- 5) HOT lane direct connector from the I-15 corridor north of SR-91 to the 91 Express Lanes west of I-15 (HOT lane direct connector consists of a one-lane ramp for southbound to westbound traffic and a one-lane ramp for eastbound to northbound traffic);

- 6) Installation of electronic toll collection equipment, video enforcement equipment and electronic vehicle occupancy detection systems; and
- 7) A toll operations center with space for administration of the HOT lanes and a customer service center.

● **I-15 Segment B (SR-74 to the San Diego County line)**

Estimated operation date: to be determined

- 1) Construct one HOT lane and one general purpose lane and convert an existing HOV lane to a HOT lane from SR-74 to I-215; and
- 2) Construct two HOT lanes and one general purpose lane from I-215 to the San Diego County Line.

Legislative and Policy Issues

During the last few years and even as recently as the State of the State Address in early January, there has been considerable discussion regarding public-private partnerships, toll roads and alternative forms of transportation financing. After more than a year of careful analysis, input from the elected officials who serve on RCTC and only after public discussion and approval for action, RCTC has emphasized two important principles for its HOT Lane development efforts. The first principle stresses public ownership of any facility to guarantee public input, control and transparency regarding the process. The second principle has been the objective to use toll lanes as a means to add capacity and to do so in order to provide facilities sooner than what could be accomplished under traditional financing needs. RCTC has no intention of converting existing I-15 lanes that have already been financed into toll lanes just for the sake of generating revenue.

Should the CTC find this proposal meets eligibility criteria and the application is approved, future enactment of statute per AB1467 will further define certain issues to allow RCTC to operate the I-15 HOT lanes to maintain a high level of customer service, maintain the expected revenue stream, and/or to be consistent with the operation of the existing 91 Express Lanes. These issues are as follows:

- a. Allowance for peak/off-peak pricing and/or congestion/variable pricing
- b. Definition of where and how excess toll revenue could be spent
- c. HOV use policy related to tolls for HOV2+ and HOV3+
- d. Determination of maintenance and operational responsibilities in conjunction with the California Department of Transportation(Caltrans)

The Cost and Financing Plan

The 2009-2039 Measure A voter-approved expenditure plan promises the construction of one additional lane on I-15 in each direction from SR-60 to the San Diego County line. The expenditure plan earmarks only \$359 million for the project. As Figure 2 demonstrates, the revised cost estimate for the Measure A project is approximately 80% more than what was planned in 2002. Although revenue estimates for Measure A have also increased since 2002 due to Riverside County's economic growth, a funding

shortfall still exists. The addition of HOT lanes to the corridor provides a user-based financing mechanism that supplements the Measure A funded lane. This is capacity that neither Measure A, developer fees, or other sources can currently provide.

I-15 Improvements: Construction Cost Estimates			
(in '000's; 2006\$)	Measure A Project (Gen. Purpose and HOV Lanes)	HOT Lanes	Total Project
Soft Costs	\$130,345	\$149,579	\$279,924
Hard Costs	\$516,349	\$583,263	\$1,099,612
Total Capital Cost	\$646,694	\$732,842	\$1,379,536
<i>Source: PB Consult</i>			
Soft Costs: Environmental, Preliminary Design, Final Design, and Construction Oversight Hard Costs: Right-of-way acquisition, Roadway items, Structure items, Toll Collection System, ITS, Buildings			

Figure 2 I-15 Corridor and HOT Lane Project Cost Estimate

Traffic and Revenue studies and financial models were prepared for various project development scenarios and scopes of work to assist RCTC in developing the current Segment A project definition. The financial analysis and detailed discussion are contained in the application and attachments. The Segment A analysis indicates that the projected toll revenue generated from the project is sufficient to fund all HOT lane project support, construction, operations and maintenance costs for the life of the bond repayment period with a subsidy of local Measure A funds. Toll revenue will be utilized for funding operations, maintenance and rehabilitation in perpetuity.

Summary & Conclusion

The approval of AB 1467 in 2006 provided California with a new opportunity to seek additional sources of investment for transportation infrastructure. The legislation provides a great deal of promise but requires careful implementation especially in the area of relying on tolls. The Riverside County Transportation Commission has developed a comprehensive plan for High Occupancy Toll Lanes on Interstate 15 that emphasizes the public’s goals and interests. Given an emphasis on providing more capacity and quicker project delivery instead of private sector profit, the state can consider RCTC’s I-15 HOT application with a high level of confidence knowing that it complies with the original legislative intent and also advances the state’s commitment to better transportation.