

## **Meeting Presentation**

### **I-10 and I-15 Joint Sub-Committee**

November 10, 2016

9:45 AM

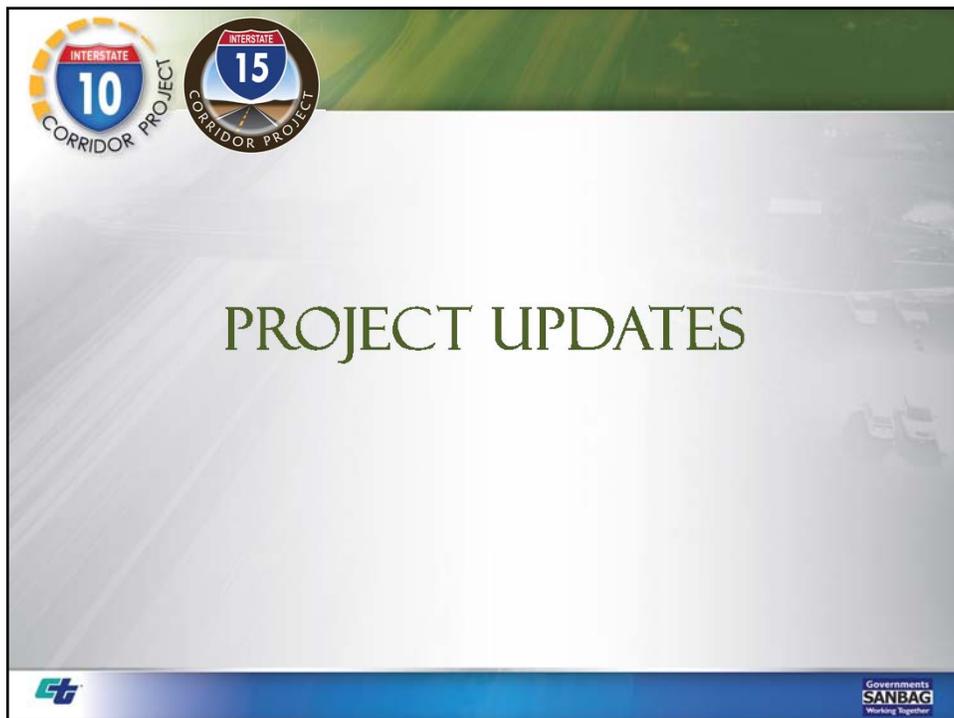
(Immediately Following Metro Valley Study Session)

Location: San Bernardino Associated Governments

1170 W. 3<sup>rd</sup> Street, 1<sup>st</sup> Floor Lobby

San Bernardino, CA 92410

*The meeting presentation is attached.*





## I-10 Corridor Project Environmental Status

- Draft environmental document released – April 25, 2016
- Public comment period – April 25 through June 13, 2016
- Public hearings held – May 17, 18 and 19
- Alternative 3 (Express Lanes) selected as the Preferred Alternative – June 22, 2016
- Final Environmental Document is expected to be certified in June 2017



## I-10 Contract 1: Local Agency Coordination

- MOU/Cooperative agreements are being executed with Local Agencies to outline the project improvements, roles, responsibilities and funding requirements
  - Montclair – Monte Vista Avenue Interchange Project
  - Upland – Euclid Avenue Avenue Interchange Project
  - Ontario - 4th Street and Vineyard Interchange Project
- Coordinating with local Agency staff:
  - Maintenance of traffic (MOT)
  - Landscaping and aesthetics





## I-10 Contract 1 TIFIA Schedule

2016 November	Submit Ratings/Updated Financials/\$100k
December	TIFIA Oral Presentation
2017 January	Creditworthiness and Credit Council #1
February	
March	Invitation to Submit Application
April	Submit Application
May	Application Approval
June-July	Finalize Loan Terms
August	Credit Council #2 and Project Approval
June 2018	Execute TIFIA Agreement



## Overall I-10 Contract 1 Schedule

2016 4Q	Award Project/Construction Mgmt Contract and Initiate D-B and TSP Procurement Process
2017 1Q	
2Q	Record of Decision (ROD)
3Q	
4Q	Receive TSP Proposals
2018 1Q	Receive D-B Proposals
2018 2Q	Execute Design/Build Agreement, TIFIA Credit Agreement, and Close Toll Revenue Bonds (Financial Close)
2018 3Q	Start Design
2019 1Q	Start Construction
2022	Express Lanes Operational





## I-15 Project One Update

- Currently working on final traffic report, environmental technical studies, and draft geometric approval drawings
- Planned circulation of draft environmental document – November 2017
- Planned environmental document approval – April 2018



## RCTC and Metro Coordination

- RCTC
  - 91 Express Lanes – targeting Jan 2017 opening
  - I-15 Corridor Project – targeting mid-2020 opening
    - TIFIA creditworthiness evaluation in progress
    - DB Civil and Tolling procurements underway
  - Continuing coordination of I-15 “gap closure”





## RCTC and Metro Coordination

- Metro
  - Draft Express Lanes Strategic Plan in review
  - I-10 Express Lanes from I-605 to County Line – “Tier One”
  - Per AB 914, Cooperative Agreement will be developed for I-10 Contract 1



## I-10 CONTRACT 1 FINANCIAL STRUCTURE





## Measure I Contribution

### MI Expenditure Plan I-10 Description

- “I-10 Widening from I-15 to Riverside County Line”

### Revised funding plan - Workshop Sept 2015

- Shifted Federal and State Funds from Contract 2 to Contract 1 in exchange for MI Funds
- State funds - \$40M of STIP
- Included \$65M MI investment to be repaid by toll revenue
- Included \$36M MI contribution for improvements east of I-15



## Measure I Contribution

- In May 2016, CTC moved the STIP funds out 3 years
- Not available for Contract 1 without delaying the project
- Fits the Contract 2 schedule
- Initially – backfill with toll revenue bonds
- Maximize TIFIA
  - Lower interest rates
  - Flexible repayment





## Measure I Contribution

- Backfill STIP with Measure I
- Total Federal/State and MI Funds on the Corridor the same before and after backfilling



## I-10 Express Lanes Contract 1 Financial Analysis Update

San Bernardino Associated Governments  
November 10, 2016

## Financial Plan Status Update

- Key principles:
  - Maximize use of toll-backed debt (TIFIA / toll revenue bonds)
  - Minimize use of local funding (Measure I)
  
- Revised key inputs:
  - Toll collection operations and maintenance (O&M) cost estimates
  - Non-toll revenue estimates for account maintenance, billing, etc.
  
- Updated financial structure:
  - Deleveraged debt profile to achieve investment-grade rating
  - Increased Measure I contribution / backstop
  
- Indicative rating of 'BBB-' on proposed financial structure

## Construction Sources & Uses (Current as of 11/04/2016)

Project Sources & Uses (amounts in 000s)	June 2016 <sup>*</sup>	November 2016 <sup>*</sup>
<b>Sources</b>		
TIFIA Loan Proceeds	209,000	204,000
Toll Revenue Bonds – Tax Exempt CIBs	53,000	--
Toll Revenue Bonds – Tax Exempt CABs	--	--
Measure I Contribution	36,000	76,000
Measure I Investment during Construction	55,000	58,000
Federal Funds (CMAQ and STP) <sup>1</sup>	280,000	280,000
<b>Total Sources</b>	<b>\$633,000</b>	<b>\$618,000</b>
<b>Uses</b>		
Pre-development/Design/Construction Costs	611,000	611,000
Financial Closing and Issuance Costs	4,000	4,000
Capitalized Interest – Tax Exempt CIBs	13,000	--
Project Reserves <sup>2</sup>	5,000	3,000
<b>Total Uses</b>	<b>\$633,000</b>	<b>\$618,000</b>
<i>Funding Surplus (Deficit)</i>	--	--

<sup>1</sup> CMAQ and STP funding as provided by SANBAG on 3/1/2016

<sup>2</sup> Includes O&M reserve and DSRAs (as applicable)

<sup>\*</sup> June and November scenarios assumes O&M backstop of up to \$30m and \$35m, respectively, from Measure I proceeds; amount not included in S&U totals

## Upcoming Financing Milestones

Milestone	Target Completion Date
TIFIA invitation to enter creditworthiness phase	✓ July 2016
Obtain indicative rating from Fitch	✓ Nov. 2016
Transmit creditworthiness package to TIFIA	Nov. 2016
Oral presentation to TIFIA	Dec. 2016
Project approval by USDOT Credit Council	Aug. 2017

Page 17

I-10 Express Lanes Contract 1



## Recommendation

- SANBAG staff requests direction from SANBAG committee to approve the financial plan and direct staff to take the financial plan directly to Board for consideration







## TCA Customer Service

### **Under the TCA Cooperative Agreement, TCA will provide:**

- Transaction processing
- Account management
- Customer service
- Violation processing
- Transaction and violation reporting



## TCA Customer Service

### **Under the TCA Cooperative Agreement, SANBAG will provide:**

- Installation and operation of the toll collection system
- Trip building leading to billable transactions
- Toll rates will be set by SANBAG





## TCA Customer Service

### Settlement/Payment Terms

- Transactions will be processed daily
- Transfer funds for valid SANBAG transactions - Once per week
- SANBAG will pay TCA for costs incurred:
  - Per Trip Transaction Costs - \$0.17
  - Violation Processing Costs - \$1.40
  - Other Reimbursable Costs, not covered in the per transaction or violation processing costs, such as switchable transponders, marketing material, etc.



## TCA Customer Service

### Next steps

- Legal review of agreement
- Finalize agreement
- SANBAG and TCA present to their Committees and Boards for approval





## Recommendation

- Staff requests direction from Sub-Committee to finalize an agreement for shared customer service center (CSC) services with TCA, and bring final agreement directly to SANBAG Board meeting



## PUBLIC COMMENT

