

## *Minute Action*

AGENDA ITEM: 8

**Date:** *March 12, 2015*

**Subject:**

Express Lanes Tolling Policy and Toll Revenue Policy

**Recommendation:**

That the following be reviewed and recommended for final approval by the Board of Directors, acting in its capacity as the San Bernardino County Transportation Commission, at a regularly scheduled Board meeting:

Approve the Express Lane tolling policies included in Table 1, and approve the toll revenue policies included in Table 2.

**Background:**

At the July 2014 Board Meeting, the SANBAG Board approved the Express Lanes Alternative as the Locally Preferred Alternative for the I-10 Corridor Project, subject to the completion of the California Environmental Quality Act/National Environmental Policy Act (CEQA/NEPA) review. SANBAG is also evaluating an Express Lanes Alternative as the sole build alternative for the I-15 corridor. In order to continue the development of these two corridor projects, several activities need to advance concurrently with the environmental process, one of which is completion of the Investment Grade Traffic and Revenue Forecast.

A Preliminary Traffic and Revenue Forecast was completed in 2011, which confirmed the potential for Express Lanes on the I-10 and I-15 corridors. The Intermediate Traffic and Revenue Study, presented to the Board in October 2013, confirmed financial feasibility for the two corridor projects. The next financial analysis step is to develop an Investment Grade Traffic and Revenue Forecast, which will serve as a key component of the updated financial plan for the two corridors, and is required to be completed prior to submission of a Transportation Infrastructure Finance and Innovation Act (TIFIA) Application.

In order to advance the I-10 and I-15 project most effectively, the Investment Grade Traffic and Revenue studies should be completed in 2016, which would enable the TIFIA process to move forward in 2017. To complete this high level traffic and revenue study requires the approval of key tolling policies that would impact the results of the study. The tolling policies recommended by the I-10 and I-15 Corridor Sub-Committee are included in Table 1. Additional background information on these tolling policies is included in Attachment 1.

Table 1: Key Tolling Policies

1. Provide free or discounted travel for HOV 3+ vehicles
2. Maintain 24-hour tolling with a minimum toll rate

*Entity: CTC*

3. Utilize both switchable transponders and License Plate Recognition (LPR) for toll collection
4. Implement dynamic pricing with pricing by segment
5. Maintain normal toll pricing for Clean Air Vehicles
6. Create a Low Income Equity Program for San Bernardino County residents
7. Enable California Highway Patrol (CHP) to reroute General Purpose lane traffic into the Express Lanes in the event of a severe incident
8. Evaluate tolling HOV 3+ at a discounted rate (as opposed to free) during super-peak events

Toll revenue generated by an Express Lanes project must first be used to cover operations, maintenance, debt service and major maintenance and rehabilitation reserves for the toll facility. Toll revenue may also be dedicated to complete the Express Lanes system, or to pay back any local contributions. Remaining “excess” revenue is typically allocated to corridor improvements including transit. Toll revenue use is typically broadly defined within legislation, and is then more specifically defined within Board-approved expenditure plans and project financing documents.

In order to allocate toll revenue in the Investment Grade Traffic and Revenue Forecast for the I-10 and I-15 corridors, it is necessary to establish a toll revenue policy. After discussion with the I-10 and I-15 Joint Sub-Committee on January 15, 2015 and February 12, 2015, the sequential toll revenue policy shown in Table 2 is recommended for inclusion in the updated financial plans.

Table 2: Toll Revenue Policy

1. Operate the Express Lanes System
2. Maintain the Express Lanes System
3. Pay Express Lanes Debt Service
4. Complete the Express Lanes System
5. Pay back the Measure I Contributions
6. Implement Transit Improvements within I-10 and I-15 Corridors
7. Implement Corridor Improvements within I-10 and I-15 Corridors

The policy will allow toll revenue to be reflected appropriately in the updated financial plan, while preserving flexibility to further define projects for completion within the Express Lanes system, projects to be completed using funds paid back to Measure I and additional transit and corridor improvements within the I-10 and I-15 corridors. Potential projects for inclusion in the Express Lanes System include the I-10/I-15 Direct Connectors and the extension of the I-15 Express Lanes from US-395 to the potential High Desert Corridor. Payback of the Measure I contributions would need to return to the source of the funds, i.e. the Valley Freeway Program. If toll revenue is used to complete the Express Lanes System and pay back the Measure I contributions, it is anticipated that any “excess” revenue would not be available until 2045.

Approval of the tolling policies is needed to develop an accurate Investment Grade Traffic and Revenue Forecast. Similarly, approval of the toll revenue policies is needed in order to allocate estimated toll revenue properly in the updated financial plan. Staff recommends approval of the Express Lanes policies listed in Tables 1 and 2.

***Financial Impact:***

This item imposes no impact on the Fiscal Year 2014/2015 budget.

***Reviewed By:***

The preliminary tolling policies and toll revenue policies have been reviewed by the I-10 and I-15 Joint Sub-Committee on January 15, 2015 and February 12, 2015. This item was reviewed by the City/County Manager's Technical Advisory Committee on March 5, 2015 and the Transportation Technical Advisory Committee on March 2, 2015. This item is scheduled to be reviewed by the Mountain/Desert Policy Committee on March 20, 2015.

***Responsible Staff:***

John Meier, Project Manager

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Approved  
Board of Directors Metro Valley Study Session  
Date: March 12, 2015

Witnessed By: