

Subject: East Valley Community Advisory Group (EV CAG) Meeting #4
 I-10 and I-15 Corridor Projects, San Bernardino County

Date: October 15, 2013

Location: Gonzalez Community Center, Colton, CA

Participants: A total of 13 CAG Members participated in the meeting.

EV CAG Members in Attendance	Organization
John Abma	On Target Auto and RV Service
Carol Beswick (Deborah Barmack representative in attendance)	Inland Action Inc.
Carl Dameron	Dameron Communications
Richard Haller	Santa Ana Watershed Project Authority
Gloria Macias Harrison	San Bernardino Community College District
Jeffrey McConnell	Lions Club, Grand Terrace
Concepcion Powell	US-Hispanic Women Grocers Association
Frank Reyes	Arrowhead Regional Medical Center Foundation
Christine Roque	Redlands Good Neighbor Coalition
Espartigo (Randy) Sosa	Inland Empire Scholarship Fund
William Siegl	California Highway Patrol
Mask Stanson	Redlands Public Commission
Colin Strange	San Bernardino Area Chamber of Commerce-Economic Development and Business Resources
Other CAG Members in Attendance (non-EV CAG)	Affiliation
none	
EV CAG Members not in Attendance	Affiliation
Hamid H. Azhand	California State University, San Bernardino (CSUSB)
John Baker	Hill International Contracts
Nick DePasquale	Fairview Ford Sales, Inc.
Pamela Emenger	Yucaipa Valley Chamber of Commerce
Eloise Gomez Reyes	Law Office of Eloise Gomez Reyes
Gary Grossich	Nickelodeon Pizza
Dr. Dan Harris	AARP
Valerie Henry (attended EV CAG)	Devore Rural Protection Association
John Longville	Former roles: SANBAG & SCAG
John MacMillan	Fontana Police Department
Edward Martinez	Martinez Marketing & Management
Gail M. McCarthy (attended HD CAG)	Arts Council of Big Bear Valley
Shawn Oriaz	CALTRANS
Judi Penman	San Bernardino Area Chamber of Commerce

Richard Prieto	City of Colton – Planning Commission
Cynthia L. Ramirez	City of Colton – Planning Commission
Lynn Reeces	Claremont United Methodist Church
Larry R. Sharp	Retired-California State University, San Bernardino
Maureen A. Snelgrove	San Bernardino County, Parks Department
Jeffrey Veik	CAL Fire, Mountain Division
Other (non-CAG Members)	Organization
Brett Jones	PB
John Kemunes	PB
Sri Kowrv	PB
Stephanie Oslick	PB
Jesse Sandoval	City of Fontana Councilmember
San Bernardino Associated Governments (SANBAG) and Consultants	
Garry Cohoe	Director of Project Delivery, SANBAG
Chad Costello	Public Information Officer, SANBAG
Dave Speirs	Parsons
John Meier	Parsons
Nancy Pfeffer	Network Public Affairs
Cissy Kulakowski	CDM Smith
Craig Hoshijima	PFM
Jason Lombard	Lee Andrews Group
Annette Gutierrez	Lee Andrews Group
Tito Corona	Lee Andrews Group

MEETING NOTES

I. Welcome

CAG Members were greeted by Jason Lombard, Lee Andrews Group.

II. CAG Member Reports

Mr. Jason Lombard asked the CAG members for reports and any feedback received from their efforts in disseminating project information. Below is a brief overview of the information reported by the members:

- Jeffrey McConnell began the discussion by stating that some of the community members he had spoken to didn't know that this project existed.
- Jeffrey McConnell followed up by saying he was recently at a mixer in Colton and what people asked for were more lanes on the freeway. He noted that the people who use Express Lanes liked them but those that didn't use the lanes didn't see them as favorable.
David Spears asked Mr. McConnell if he had received any feedback on his article in the Grand Terrace Area Chamber of Commerce's Blue Mountain Outlook Newsletter.
Jeffrey McConnell responded by saying he was surprised that he had not received any feedback.
- Gloria Macias Harrison commented that there are lots of elections and events occurring so there is little discussion about the project at this time but those that do comment are students that use the I-10 and can't afford paying for the use of the lanes. Additionally, perceptions by many are that blue collar worker can't afford to pay to use the lanes.
Jason Lombard followed up by asking if the perception would change if an option for free carpooling was added to the Express Lanes.
Gloria Macias Harrison responded by saying: No, they don't see that.

- Gloria Macias also mentioned that the perception by many is that they see current construction on the freeway and assume the Express Lanes are already in construction.
- John Abma stated that the big concern from those he's spoken to is the duration of construction and how it will affect traffic. Another question that he's heard is "why will the project take so long to be completed".
- Colin Strange, a professor at California State University, San Bernardino commented that a big concern among students and staff is equity, and when discussed at the San Bernardino Chamber, the support for the project is divided based on income.
- Marven Norman (Project Facebook follower) said that he is against the project and wanted to know why there isn't more transit added to the project instead of adding more lanes. He asked how will access to the lanes work?
Garry Cohoe: The current congestion on I-10 and I-15 limits the ability for mass transit to utilize the corridors. The Express Lanes projects would encourage future mass transit options, as it provides a guaranteed travel time for users of the Express Lanes. Regarding access to and from the Express Lanes, the Express Lanes will have ingress and egress every 3 or 4 miles along the corridor.
- Carl Dameron stated that he is getting acceptance of the project from people when free carpooling is expressed as part of the plan.
- Mark Stanson stated that Redlands has views from both sides in regards to the project. He said people's equity related concerns lessen if free carpooling is allowed as part of the project.
- Colin Strange asked who gets a portion of the tolls from this project. *Response: Express Lanes tolls will be used to pay for facility operations and maintenance and to retire debt incurred from bonds used to pay for the construction of each project. State legislation will dictate where any excess revenue can be spent. Typically, it needs to be spent on transportation improvements on or within a certain distance of the corridor where the tolls are collected. Mass transit may be included as an eligible expenditure.*
- Frank Reyes stated that there's a carpool lane from Ontario to Pomona and that many people are asking why we can't just have a carpool lane like that. *Response: Continuing the existing HOV lane from Haven Avenue eastward is one of the two Build Alternatives being considered for I-10. The other alternative, Express Lanes, provides both an additional source of funding and a way to manage traffic in the new lanes.*
- Deborah Barmack (In attendance for Carol Beswick) announced that the Inland Action, Inc. has made this project a top priority this year. They have had a series of presentations in the past few months and are making an extra effort to create more opportunities with the business community. She also announced an upcoming event co-sponsored by Inland Action entitled *Decision Time Ahead: Gridlock, Tolls or Carpools*, November 6, 2013 at CSUSB. She stated that the objective of this event is to openly discuss all aspects of potential express lanes and carpools in San Bernardino. She invited the CAG members to attend the event and participate in the dialogue. The cost of the event is \$35.

PowerPoint Presentation – Following the CAG Member reports, the remaining agenda items were discussed with the use of a PowerPoint presentation (a hard copy of the presentation was given to each of the CAG Members), which included the following discussion topics outlined in the sections below.

III. SANBAG Board Updates – Presented by Garry Cohoe, SANBAG

Mr. Cohoe provided an update of the recent SANBAG Board Workshop (10/10/13). Mr. Cohoe explained to the CAG members that the team would be presenting the Express Lanes Studies Findings as they were presented at the Board Workshop on October 10, 2013.

Mr. Cohoe began by providing the group with a recap of the project. His summary included the following items:

- I-10 & I-15 Corridor Project boundaries
- I-10 & I-15 Corridor Project challenges
- SR-91 Eastbound video (recorded on May 3, 2013 at 5:15pm)
- A list of recent Board presentations
- A map showing Express Lanes in the US
- A map showing the location of current Express Lane accounts

The CAG members did not have any questions on the Board Update presentation.

IV. I-10& I15 Project Information – Design – Presented by David Speirs, PM Parsons

Mr. Speirs provided an overview of the Project’s Information including the three project alternatives being studied for the I-10 Corridor and the two project alternatives being considered for the I-15 Corridor. Mr. Speirs’ presentation included maps identifying project limits, ingress and egress locations and schedules for the I-10 & I-15 Corridors (Environmental through End of Construction).

I-10 Alternatives

- Alternative 1: No Build
- Alternative 2: HOV Lane Alternative - One High Occupancy Vehicle Lane (HOV) in Each Direction
- Alternative 3: Express Lanes Alternative - Two Express Lanes in Each Direction

Mr. Speirs indicated that the revised I-10 Express Lanes Alternative would utilize the original configuration of two Express Lanes from the Los Angeles/San Bernardino county line to SR-210, and one Express Lane from SR-210 to Ford Street in Redlands.

I-15 Alternatives

- Alternative 1: No Build
- Alternative 2: Two Express Lanes in Each Direction

The revised Express Lanes Alternative for I-15 would maintain two Express Lanes from SR-60 to US-395, except between Sierra Avenue and the Devore interchange where it would be reduced from two Express Lanes to one.

The following questions were asked at the end of Mr. Speirs’ presentation:

- Carl Dameron asked about the limited access or continuous access and wanted to know if that meant not having a specific egress? *David Speirs: The HOV Alternative for I-10 would utilize continuous access. The Express Lanes Alternatives for both I-10 and I-15 would utilize limited access with ingress/egress points every 3 to 4 miles, which is necessary in order to properly notify users of the respective tolls for each section of the corridor.*
- Deborah Barmack asked if they had found any negative impacts on local parallel city streets from Express Lanes. *Garry Cohoe: In general, local parallel arterial traffic is improved with added capacity on the mainline freeway corridor, as more local traffic is able to utilize the mainline corridor. Details of the local traffic volumes will be available in the Traffic Forecast Report.*
- Frank Reyes commented that the Pepper Street exit is not the safest location and that there are plans to add a medical school. He asked what the plans were in that area. *Response: SANBAG is currently reviewing proposed plans to improve that area.*
- John Abma asked how would commuters interested in using the Express Lanes know the costs. *David Speirs: There will be changeable signs located in advance of each ingress/egress point that will provide the prices for each segment of the corridor.*

V. Public Outreach – Presented by Jason Lombard, Lee Andrews Group

Mr. Lombard of the Lee Andrews Group, SANBAG’s Outreach Consultants, briefly discussed the Public Outreach Activities. Public outreach for I-10 and I-15 is categorized by Conventional, “Real Time” and CEQA/NEPA outreach.

Mr. Lombard restated the objectives of the CAGs:

- Provide project staff with input
- Convey unbiased information to stakeholder groups
- Encourage community participation

Mr. Lombard’s presentation also included a review of the briefings and canvassing conducted throughout the project corridors. He reported that the team has conducted 63 briefings and visited 641 sites. In total 704 stakeholder groups have been briefed and provided project information

The CAG members did not have any questions on the Public Outreach presentation.

VI. Equity Study – Presented by Nancy Pfeffer, Network Public Affairs

Ms. Pfeffer began her presentation by stating that it is best to study equity early in the process. She began her presentation by stating the goals of the Equity Assessment:

- Identify fairness issues and devise solutions
- Address elected official' and residents' concerns and perceptions

Ms. Pfeffer continued by presenting literature findings in over 40 papers and reports and also discussed key questions suggested by the literature review.

Literature Findings:

- Express Lane usage is optional
- Opinions improve with experience
- Surveys find users and supporters across all income levels
- Projects that increase the choices available to travelers are helpful to low-income residents

Key Questions:

- Who is affected, whether positively or negatively?
- Who makes direct payments?
- How will project revenues be spent?
- What project benefits and impacts will be experienced?
- Are there viable travel alternatives?

Ms. Pfeffer reviewed the elements of the equity assessment which were based on the following:

- Demographic data for affected area
- Project finance plans
- Value of time
- Time savings in general purpose lanes
- Transponder issues
- Review of transit service (travel alternatives)
- Interviews with both San Bernardino County Stakeholders and experts in toll and equity.

Ms. Pfeffer illustrated the San Bernardino County demographic data along the I-10 and I-15 corridors, and the household income survey results in relation to peak work trips and all trip types. Ms. Pfeffer presented the equity findings and the project financial plans which identified the following sources:

- Toll is paid by user for specific benefit
- Gas tax may be paid by non-users of I-10 & I-15 toll lanes
- Sales tax may be paid by non-users

The overview of the funding sources was as follows:

- Toll revenue - To be used to pay back bonds and TIFIA loan
- SANBAG Measure I funds (42% of I-10 funding and 4% of I-15 funding)
- State and Federal Funds

Ms. Pfeffer presented the Value of Time (VOT) savings as an indicator as to whether drivers would choose Express Lanes which showed that some low-income drivers could choose to use the Express Lanes when the toll fell within their value of time. Ms. Pfeffer presented the overall projected I-10 and I-15 travel time savings, and indicated that the projected time savings shows that general purpose lanes are predicted to be less congested with Express Lanes than without them, increasing travel time savings to both Express Lanes users and General Purpose lanes users.

Next Ms. Pfeffer presented the transponder options with the Express Lanes and the issues identified with each:

- Transponder deposit and account maintenance costs can be burdensome for low-income households.
- Video license plate recognition for toll collection would be helpful to low-income residents but would increase operating costs for SANBAG.

Ms. Pfeffer provided a brief example on elements of the Los Angeles Metro Express Lanes equity program which included the following:

- initial account credit, which may be used for transponder deposit or tolls; and
- account maintenance fee waived permanently on equity accounts

Ms. Pfeffer presented the following “next steps”:

- Peer review of draft Equity Study report
- Refining equity recommendations for SANBAG
- Providing the final report to the SANBAG Board in November 2013.

The following questions were asked at the end of Ms. Pfeffer’s presentation:

- Carl Dameron asked what was the speed improvement in one lane versus having two lanes. *Response: See page 23 of the presentation, which provides the estimated travel time for the HOV (one lane) Alternative. The project is not considering a one lane Express Lanes Alternative, as the demand would exceed capacity, resulting in operational issues and unacceptably high tolls to maintain optimal traffic flow.*
- Mr. Dameron followed up by asking about cellphone technology to use as a means of paying for tolls. *Garry Cohoe: While that type of technology is in development, it has not yet been introduced to any Express Lanes projects in the country.*

VII. Traffic & Revenue Study Results, Presented by Cissy Kulakowski, CDM Smith

Ms. Kulakowski began her presentation by stating the goals of the Traffic & Revenue Study Process.

- Forecast traffic and toll revenue as input to financial feasibility analysis of constructing Express Lanes on I-10 and I-15.
- Develop models that can be used to test and improve traffic operations at access areas.

Ms. Kulakowski illustrated the process used in the study. The detailed process had multiple areas of data collection and model development that generated the output.

- Data Collection: Traffic Counts, Vehicle Class and Occupancy Counts, Travel Time Surveys.
- SCAG Regional Model: Travel Patterns and Corridor Growth.
- VISSIM Simulation Model: Sensitivity of speed/travel time to variations in shift to express lanes.
- Market Share Model: Trip Tables by: SOV, HOV2, HOV3+, AM Peak, AM Shoulder, Midday, PM Peak, PM Shoulder and Night.
- Economic Review: looked and adjusted the growth inherent within the San Bernardino Transportation Analysis Model (SBTAM) model.
- Output: Toll rate sensitivity, Traffic in Express Lanes, Toll revenue by segment, Speed and time savings by segment.
- Stated Preference Surveys: Willingness to pay tolls (Value of Time).

Ms. Kulakowski presented a graph curve generated by responses to the Stated Preference Survey from the 3,400 drivers surveyed. The graph illustrated the following:

- Approximately 7 percent of drivers have a value of time equal to \$10 per hour.
- Average value of time was \$13.60 per hour.
- A small group of drivers are willing to pay any amount to use Express Lanes almost under any circumstance.

Next Ms. Kulakowski discussed the Traffic and Revenue Market Share Model and illustrated a snapshot of the traffic model that covered the entire I-10 and I-15 Corridors as well as parallel roads on either side. The model splits traffic data into six vehicle occupancy and class categories, and analyzed traffic on an hourly basis.

- The project configuration was coded to a high level of detail (number of lanes and access points)
- Tested different tolling structures
- Tested range of toll rates

Ms. Kulakowski showed a graph model designed to recognize the sensitive equilibrium between usage of the Express Lanes and the speed in the general purpose lanes, manifested as travel time savings. At the start of the model, when the Express Lanes are empty, travel time in the general purpose lanes are the lowest and there is a very high time savings. This causes a

lot of traffic to shift into the express lanes. If that much traffic shifted into the express lanes, the speeds in the general purpose lanes would improve. With higher speeds, less traffic would use the Express Lanes, altering the time savings. The model goes back and forth, shifting traffic back and forth until the amount of time savings is balanced against the cost of the toll.

Ms. Kulakowski presented the average daily traffic trends on the I-10 and I-15 Corridors.

I-10 Corridor

- East end showed higher growth rates, eventually reaching levels which would be almost as high as the West end.

I-15 Corridor

- Higher growth in general with the South end slightly lower than the growth in the North end.

Ms. Kulakowski also presented samples of the projected toll rate for both the I-10 and I-15 Express Lanes.

I-10 Corridor

- PM Peak Eastbound cost per minute saved is \$0.35
- Total cost for a Through Trip is \$7.15

I-15 Corridor

- PM Peak Eastbound cost per minute saved is \$0.35
- Total cost for a Through Trip is \$15.02 (the cost is more than the I-10 because it has higher traffic volume)

Higher rates would be needed to manage the demand to maintain free flow through the Cajon Pass given the projected longer term growth in the North end of the corridor. The tolls are set to manage traffic movement and toll rates increase as traffic congestion increases.

Ms. Kulakowski concluded her presentation by comparing the toll rates and revenues for the I-10 and I-15 Corridor Projects against 8 existing projects. The revenues for the existing projects were from 2012 while the revenue from the I-10 and I-15 Corridor Projects is the 2035 forecast. The comparison chart showed that the forecasted revenue for the I-10 and I-15 Corridor Projects are higher than what some projects are earning today.

CAG members did not have questions on the Traffic & Revenue Study Results.

VIII. Financial Analysis Results, Presented by Craig Hoshijima, PFM

Mr. Hoshijima began his presentation stating key findings:

- I-10 & I-15 are financially feasible
- Cushion for a downside scenario
- Public finance superior to a P3 delivery model

Mr. Hoshijima provided the financial strategy options for the Project which included 2 options:

- Public finance strategy
- Private finance strategy

Mr. Hoshijima presented the steps towards determining financial viability which include:

- Preparing financial plans
- Identifying available funding in a 10-year plan
- Comparing SANBAG and P3 Financing plans

He then illustrated the flow of funds model which occurred in the following sequence:

- Toll revenue plus fees and penalties
- Less: O&M expenses
- Net Revenue
- Plus: Bond reserve and debt service fund interest
- Less: Toll revenue bond debt service
- Less: Debt service reserve fund deposits
- Less: TIFIA debt service
- Less: R&R deposits

- Less: Repayment of sales tax contributions
- Residual Cash Flows (to SANBAG)

Mr. Hoshijima next presented the public funding assumption model which highlighted the following:

- Toll debt paid solely from toll revenues
- Toll debt includes tax-exempt bonds and federal TIFIA loan
- Interest rate on debt based on 10-year historical average
- Amount of debt is limited by minimum “debt service coverage”

Mr. Hoshijima briefly discussed the results of the public financing model and followed by showing the sensitivity analysis on the I-10 and I-15 respectively which highlighted the debt services and the projected net revenues. Mr. Hoshijima followed this by presenting the P3 assumptions which were:

- Concessionaire toll debt paid solely from toll revenues
- Toll debt includes private activity bonds and federal TIFIA loan
- Interest rate on debt based on 10-year historical average
- Amount of debt is limited by minimum “debt service coverage”
- Developer receives a return on equity investment, accounting for depreciation deductions and income tax payments
- Revenue sharing to SANBAG after payment to the developer

Next Mr. Hoshijima presented the P3 Financing Plans for the I-10 and I-15 corridors and followed it by presenting the comparison funding sources of Public versus P3 Financing options. This was followed by the Value for Money Analysis which stated:

- Purpose of the value for money analysis is to provide a financial comparison of delivery models – Public vs. P3
- The value for money analysis compares project expenditures and net revenues anticipated for both a public and P3 delivery
- There are no differences in capital or operating costs between the public and P3 delivery

Following the Value for Money results, Mr. Hoshijima presented the Public Finance Pros and Cons which were the following:

Pros

- Retain control over setting toll rates
- Public “System” Enterprise:
 - Set toll rates on a regional basis as opposed to single project considerations
 - Provides funding for future projects

Cons

- Retain toll revenue risk
- Requires additional Measure I upfront

Mr. Hoshijima concluded his presentation by presenting the key findings to his analysis which are: the I-10 and I-15 are financially feasible and the public finance option provides much more upside than the P3 model.

CAG members did not have questions on the Financial Analysis Results.

IX. Summary, Presented by Garry Cohoe, SANBAG

Mr. Cohoe providing a recap of the key issues which were:

- Resources are not available to build our way out of congestion
- R/W for only 2 more lanes
- Financial studies have found that there are not adequate projected funds to build the needed improvements:
 - One lane each direction on I-10
 - No lanes on I-15
- Optimize the resources by implementing traffic management

Additionally Mr. Cohoe recapped by stating Express Lanes would provide a reliable high speed option which is sustainable for the long term. He also stated that both corridors are financially feasible and the public finance option would provide a higher value for money than the P3 option and would keep control of the facilities in the public’s hands.

Mr. Cohoe provided the next steps which included requesting direction on the project from the SANBAG board in December 2013.

X. Public Outreach Update – Presented by Jason Lombard, Lee Andrews Group

Mr. Lombard began by announcing and thanking the CAG for identifying the following briefings: 1) Victorville Chamber of Commerce, October 10th, 2) Fontana Chamber of Commerce, October 16th, 3) Apple Valley Chamber of Commerce, November 20th, Rotary Club of Fontana, October 21st and City of Fontana Council, November 26th.

Mr. Lombard reported that the project website (www.i10corridorproject.org) has been viewed 1000 times and that the Facebook page has over 89 “Likes”. Mr. Lombard encouraged the CAG to continue sharing the project website, Facebook page and SANBAG Twitter.

Mr. Lombard asked that the CAG to review, share/collect input from affiliated groups on the findings presented on Equity, Traffic & Revenue and Financial Analysis. He added that the CAGs would be contacted by the outreach team to request feedback and comments collected from affiliated groups.

Mr. Lombard announced the following schedule for CAG Meetings #5:

- EV CAG – Tuesday, November 19th at Gonzalez Community Center, Colton
- HD CAG – Wednesday, November 20th at Victorville City Hall, Victorville
- WV CAG – Thursday, November 21st – Location TBD

XI. Action Items for CAG members (to be conducted prior to CAG Meeting #4)

- Provide updates to affiliated groups – share information presented at CAG Meeting #4 and seek input.
- Email feedback and comments received to SANBAG@leeandrewsgroup.com.
- Identify briefings opportunities for SANBAG.
- Encourage people to visit the Project Website
- Recruit people to “Like” our Facebook page and to “Follow” us on Twitter (@SANBAGnews)

XII. Additional Questions and Comments.

Below is an overview of the questions and comments that were raised by CAG Members.

- Mark Stanson asked what would cause worse case or better case scenario based on the analysis provided. *Ms. Kulakowski: The T&R team conducted a number of “sensitivity” analyses, which test the impact of variables such as slower than expected economic growth, lower value of time, etc. to come up with low-end and high-end projections. She said they chose value of time because of the various tests that had the biggest impact.*

Project Material Distributed

The following Project materials were provided to each CAG Member in attendance:

- Meeting Agenda
- Comment Card
- CAG Meeting #4 PowerPoint presentation copy
- Updated I-15 Corridor Project Fact Sheet (English and Spanish)
- I-10 Corridor Project Fact Sheet (English and Spanish)
- Copies of the Board Workshop binder information and presentation were available upon request.

Next CAG Meeting

- ***EV CAG Meeting #5*** will be held on Tuesday, November 19, 2013 at 6:00 PM at the Gonzalez Community Center, Colton. CAG Members will receive updates and additional meeting details via email.
 - CAG Members with scheduling conflicts are welcome to attend any of the other meetings as long as they provide advance notice of which other meeting they plan to attend in lieu of their assigned CAG meeting.