



Collaborative Tolling Partnerships in California

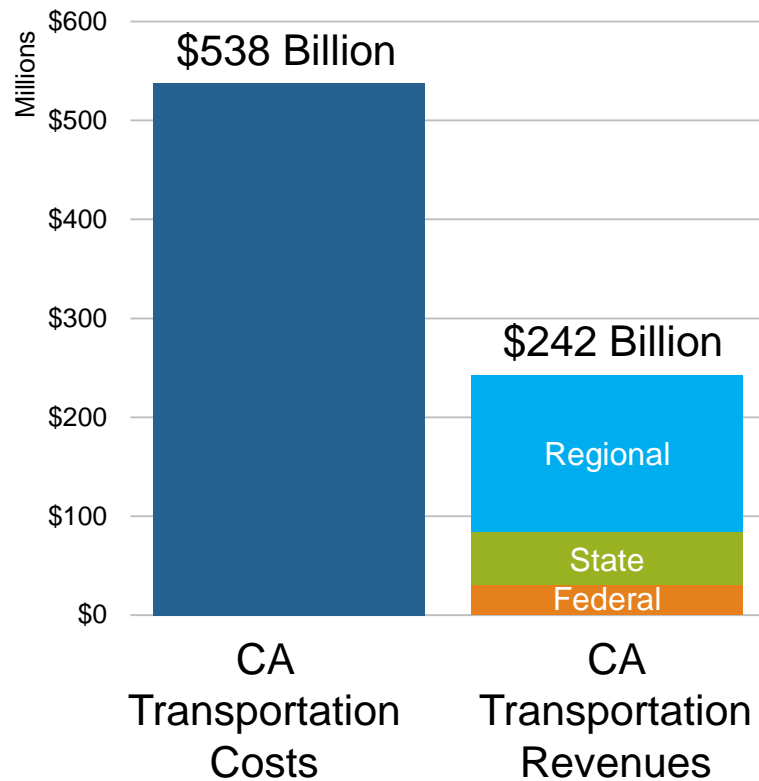
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International Bridge, Tunnel and Turnpike Association

April 27, 2015

California Transportation Funding Gap

California's Transportation Budget (2011-2020)



- California Transportation Commission: \$296 billion gap in transportation funding through 2020
- Federal and state gas tax revenues in decline
- 2006 Proposition 1B Bonds - \$19.9 billion transportation program concluded
- Local taxes and user fees are increasingly important funding sources

Focus on Highway Maintenance

Governor's Budget Summary 2015-16

- “Annual maintenance and repair needs on the state’s highway system are significantly more than can be funded with existing resources, with a current identified gap in the SHOPP (State Highway Operation and Protection Program) of \$6 billion annually.”
- The state has already started to explore new and expanded financing strategies for ongoing maintenance and repair needs, including:
 - Road Usage Charge (RUC) Pilot Programand
 - Toll Roads & Toll Lanes – Expanded Legislation





California Toll Facilities

1990



Golden Gate Bridge



- Antioch Bridge
- Benicia-Martinez Bridge
- Carquinez Bridge
- Dumbarton Bridge
- Richmond-San Rafael Bridge
- San Francisco-Oakland Bay Bridge
- San Mateo-Hayward Bridge



California Toll Facilities

2015



Golden Gate Bridge



Antioch Bridge
Benicia-Martinez Bridge
Carquinez Bridge
Dumbarton Bridge
Richmond-San Rafael Bridge
San Francisco-Oakland Bay Bridge
San Mateo-Hayward Bridge



SR-237 Express Lanes
I-880 Express Lanes



I-680 Express Lanes (SB)



I-10 Express Lanes
I-110 Express Lanes



SR-91 Express Lanes



I-15 Express Lanes
SR-125



SR-73 Toll Road
SR-133, SR-241, SR-261 Toll Roads





California Toll Facilities 2015 + Planned



I-80 Express Lanes



I-680 Express Lanes (SB+NB)
I-580 Express Lanes
I-880 Express Lanes Extension



SR-156 Toll Road



I-680 Express Lanes



US 101 HOT Lanes



I-10 Express Lanes
I-15 Express Lanes
High Desert Corridor



Golden Gate Bridge



Antioch Bridge
Benicia-Martinez Bridge
Carquinez Bridge
Dumbarton Bridge
Richmond-San Rafael Bridge
San Francisco-Oakland Bay Bridge
San Mateo-Hayward Bridge



SR-91 Express Lanes
I-15 Express Lanes



SR-91 Express Lanes
SR-241 Connector
I-405 Express Lanes



I-10 Express Lanes
I-110 Express Lanes
High Desert Corridor
I-5 Express Lanes
I-405 Express Lanes
SR-710 Bypass



SR-73 Toll Road
SR-133, SR-241 Extension/Connector,
SR-261 Toll Roads



I-15 Express Lanes
SR-125
SR-11/Otay Mesa
I-805 Managed Lanes
I-5 Managed Lanes



SR-237 Express Lanes Extension
I-880 Express Lanes Extension
SR-85 Express Lanes
US 101 Express Lanes



Southern CA Toll Facility Construction Funding Sources

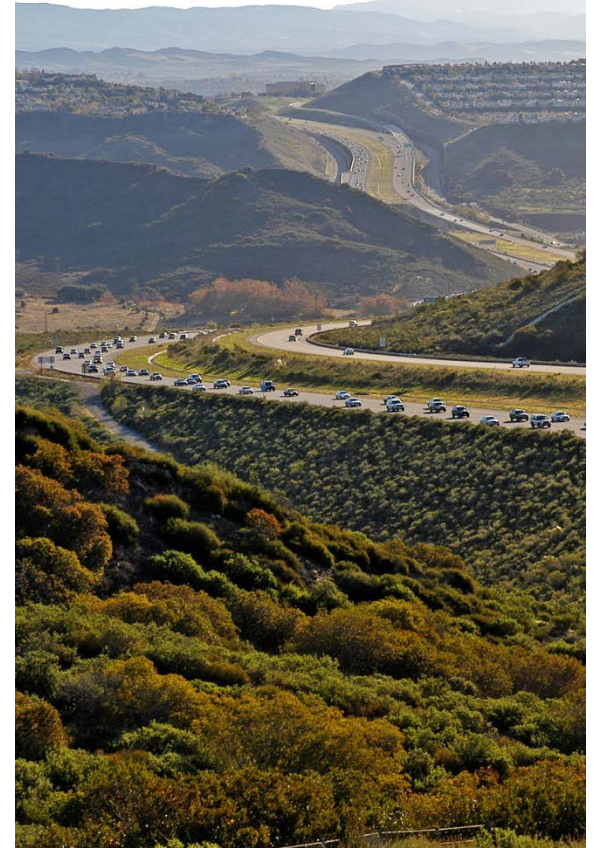
<i>Completed</i>	San Joaquin Hills TCA 1996 	Foothill/Eastern TCA 1998 	91 Exp. Lanes Construction 1995	91 Exp. Lanes Acquisition 2003 	SR-125 Construction 2007 	SR-125 Acquisition 2011 	I-15 San Diego Co. 2012 	I-10 I-110 LA Co. 2012 	SR-91 Riverside Co. 2017 	Total
Source										
Toll Revenue Bonds	\$1,170	\$1,544	-	\$135	-	-	-	-	\$177	\$3,026
State/Fed. Grants	\$111	\$35	-	-	-	-	\$850	\$211	\$2	\$1,209
Local Sales Tax	-	-	-	-	-	\$256	\$124	\$80	\$709	\$1,169
TIFIA	-	-	-	-	\$140	\$94	-	-	\$421	\$655
Bank Loans	-	-	\$100	-	\$340	-	-	-	-	\$440
Interest Earnings	\$106	\$198	-	-	-	-	-	-	\$6	\$310
FHWA Line of Credit	\$120	\$145	-	-	-	-	-	-	-	\$265
Investor /Local Equity	-	-	\$20	\$73	\$130	-	-	-	-	\$223
Contractor Financing	\$38	\$24	-	-	\$48	-	-	-	-	\$110
Local Agency	-	\$6	\$7	-	-	-	\$20	-	-	\$33
Development Impact Fees	\$31	-	-	-	-	-	-	-	-	\$31
Total (Excl. LOC)	\$1,456	\$1,807	\$127	\$208	\$658	\$350	\$994	\$291	\$1,315	\$7,203

Sources: Official Statements, Federal Highway Administration
<http://media.metro.net>
<http://www.transnettrip.com>

Data in millions

Toll Facility Funding Sources: Takeaways

- Each project requires a unique collaboration of public/private investors and stakeholders
 - No “one size fits all” financing formula
- Primary sources of funds have evolved as toll facilities and markets have matured
 - Non-recourse toll revenue bonds have played a critical role over the prior 25 years, and today benefit from relatively low interest rates and developed track records of toll facility performance
 - TIFIA’s importance has steadily increased since 2007
 - Local sales tax revenues started to play a major role beginning in 2011
 - Interest earnings not significant today





Financial & Jurisdictional Collaboration: Transportation Corridor Agencies

Financing Initial Construction

- First toll road revenue bonds issued in California
- \$265 million FHWA Lines of Credit (precursor to TIFIA) backed debt service during first five years of operation, and was never drawn upon
- Contractor financing – third lien vendor financing notes purchased by design-build contractor in lieu of cash
 - Aligned contractor’s interests with senior and junior lien bond holders
- Development Impact Fees (DIFs) – provided seed capital for pre-construction costs and annual cashflow thereafter; \$834 million collected through 6/30/2014

Today’s Capital Improvement Plan

- SR-241/SR-91 Connector – collaborative project with OCTA to finance and build tolled connector
- Tesoro Extension to SR-241 – potential DIF credit program with developers to offset capital costs

TCA System Map



Financial & Jurisdictional Collaboration

Riverside County Transportation Commission

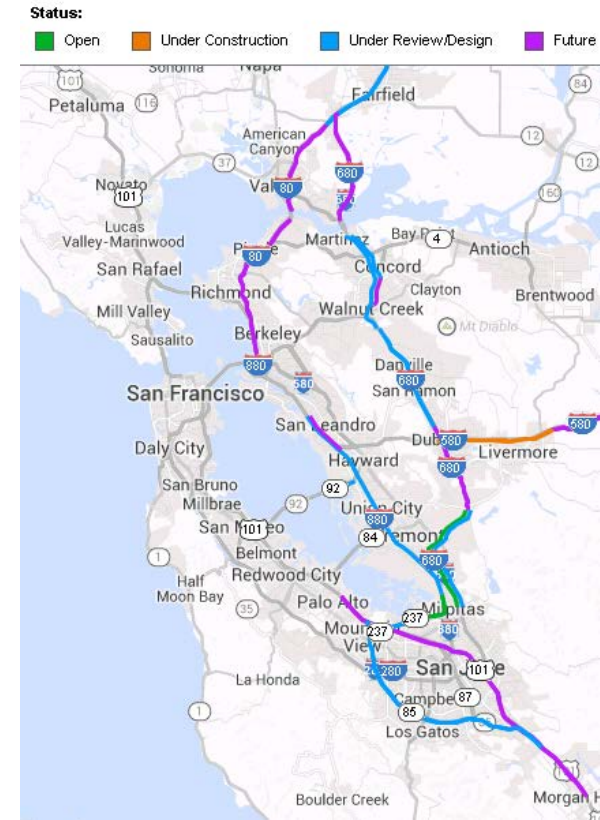
- SR-91 Corridor Improvement Project to complete tolled express lanes and GP lanes in Riverside County
- Project primarily funded with local sales tax (79%), TIFIA (32%) and toll revenue bonds (14%)
- SR-91 Express Lanes and GP lane improvements closely coordinated with OCTA

Orange County Transportation Authority

- I-405/SR-73 Connector – led by Caltrans and OCTA
- I-405 Improvement Project (Incl. Express Lanes)
 - Design-Build Cooperative Agreement with Caltrans
 - Caltrans to contribute \$82 million in initial funding

Bay Area Express Lanes

- 550-mile Express Lanes network under construction to integrate three operators (MTC, ACTC and SCVTA) and funding partners from four participating counties

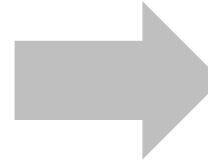


Partnerships May Evolve

91 Express Lanes (Orange County)



- Financed and built in 1995 by a private consortium, California Private Transportation Co. (Kiewit Construction, Cofiroute SA and Granite Construction)



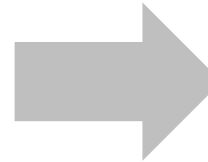
- Purchased in 2003 by Public Agency (OCTA)

OCTA purchase removed a non-compete clause, thereby making it possible to improve the free SR-91 lanes while earning a return on investment for CPTC

SR-125 Southbay Expressway



- Financed and built in 2007 by a private consortium
- Caltrans leased road back to private concessionaire for 35 years



- Purchased in 2011 by Public Agency (SANDAG) with restructured TIFIA loan

In 2010, the toll road concessionaire applied for reorganization under Chapter 11 of the US Bankruptcy Code; in 2011 SANDAG and the toll road creditors reached an agreement for the sale of the project for \$344.5 million in cash and debt.

What lies ahead for toll facility ownership structures?