

Los Angeles County
Metropolitan Transportation Authority

Innovative Project Delivery Strategies

International Chinese Transportation
Professional Association - ICTPA
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Public-Private Partnership Program

- Leverage Measure R funding
 - Accelerate project delivery
 - Attract private investment and strategic financing
- Reduce current and future project costs
 - Reduce capital construction costs
 - Reduce life-cycle liability for maintenance and operations
 - Allocate risk in design, construction and operation in most efficient manner



Metro P3 Advisory Team

- InfraConsult LLC
Program Management/P3 Advisory



Specialty Consultants

- KPMG LLP
Financial Advisory
- Sharon Greene + Associates
Strategic Planning and Funding Advisory
- Nossaman LLP
Legal Advisory
- Halcrow Inc. and HDR Inc.
Engineering and Technical Advisory
- Englander Knabe & Allen
Government Relations



Basic PPP Payment Approaches

Availability Payment Model

- Can be used for all projects, including projects that don't have any or full revenue stream (i.e. tolls), but have sufficient eventual funding/revenue to cover payments
- Allows leveraging of funds to accelerate delivery and also obtain the benefits of integrated project management and life cycle cost savings

Basic PPP Payment Approaches

Revenue Risk Concession Model

- Used when revenue (tolls or other user-based fees) are projected to be sufficient to cover all costs
- No public subsidy needed
- Concessionaire accepts actual toll revenue stream (risk) as sufficient to:
 - Provide reasonable return on investment
 - Repayment of debt services on borrowed funds

Transit and Highway– Potential PPP Candidates



Projects	
2A	I-710 South and Early Action Projects
2B	High Desert Corridor
2C	SR-710 Gap*
2D	Highway Goods Movement
2E	I-405 Sepulveda Pass Transit Corridor

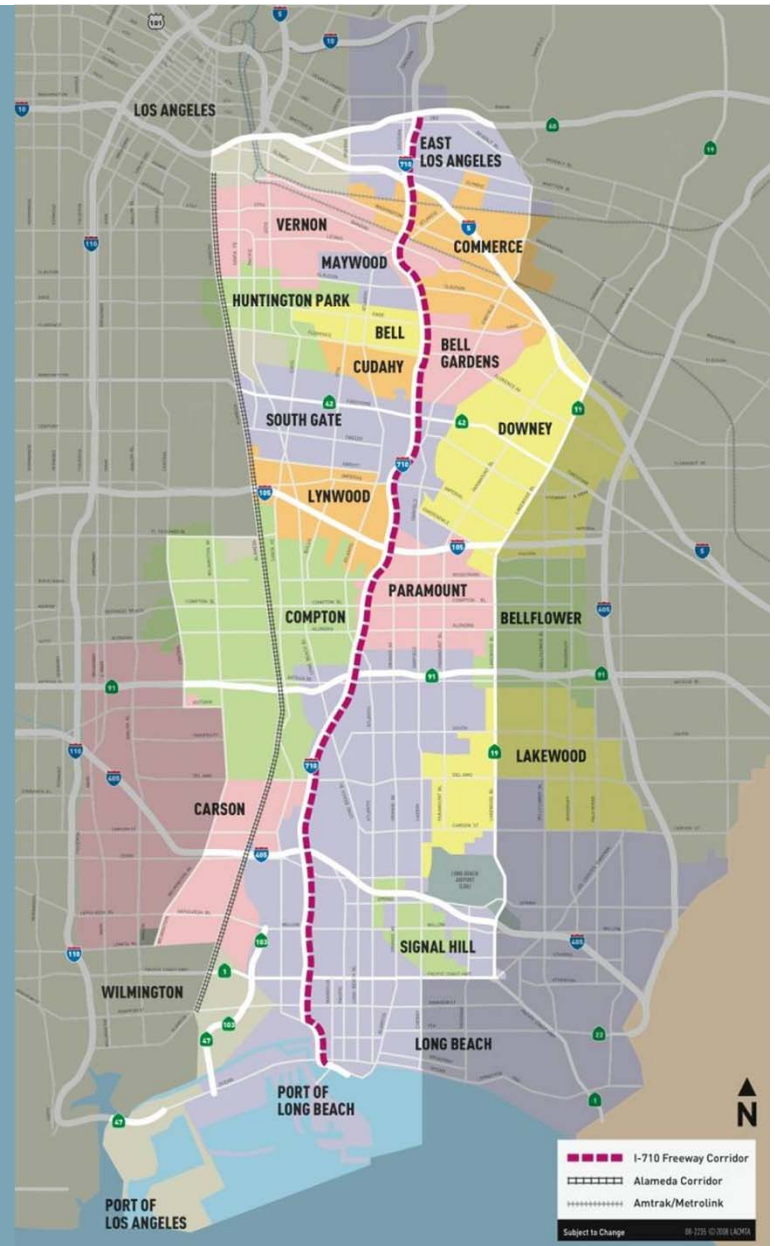
* Specific routing to be determined

Legend	
	Existing Metro Rail and Bus Rapid Transit System
	Proposed Highway Projects
	Proposed Soundwalls
	Area of Potential Alignments

I-710 South Corridor

- Improvement of 18 miles of freeway:
 - Freeway widening to 10 lanes
 - Construction of 4-lane exclusive tolled freight truck corridor (16 miles)
 - Improvement of most existing interchanges
- Connects Ports of LA and Long Beach with rail distribution centers in East Los Angeles
- Draft EIR/EIS released June 2012
- Environmental complete in Spring 2013
- Measure R: \$590 Million*
- Estimated Cost : \$4 to 7B

** includes Early Action Projects*



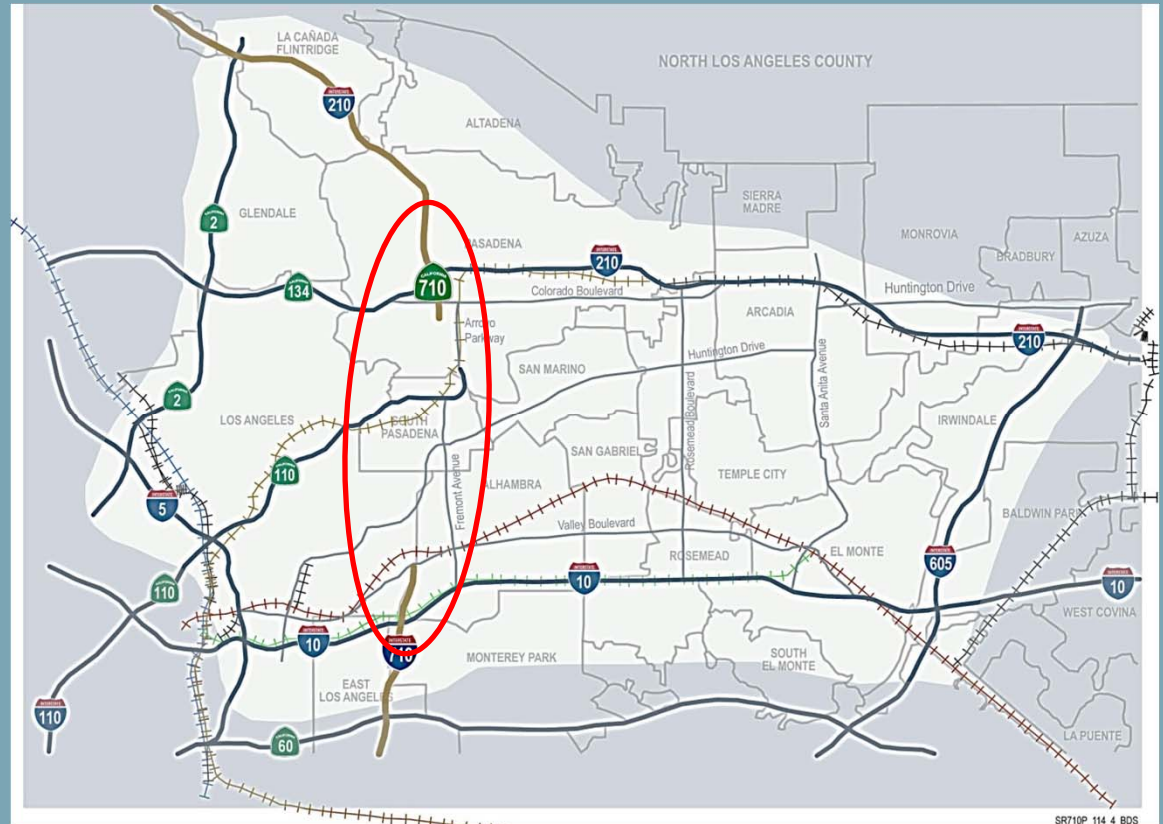
I-710 South Corridor – Initial P3 Analysis

- P3 Delivery:
 - DBFOM of tolled freight corridor
- P3 Partner Responsibility:
 - Financing
 - Final Design
 - Construction
 - Operations
 - Maintenance
- Metro/Caltrans Responsibility:
 - Early Action interchange projects
 - Freeway widening and other improvements to be constructed as funds become available
- Funding, Financing & Repayment:
 - Funding is insufficient for cost of capital development
 - \$2.5 billion of public funds needed to advance the freight corridor through right-of-way acquisition and construction
 - Truck tolls different for peak/off peak
 - Reduced toll incentives for low-emission trucks
- P3 Option Benefit:
 - Achieves earlier traffic relief by shifting trucks onto the freight corridor
 - Tolling revenue plus private financing could cover more than 80% of the freight corridor costs
 - Represents a neutral “value for money”



State Route 710 North

- Extension of existing Long Beach Freeway from I-10 to I-210
- Proposed tunnel alternative for significant portion of alignment
- Alternative Analysis complete late Fall 2012
- Draft EIR/EIS complete Winter 2013/2014
- Measure R: \$780 Million
- Cost : \$2.3 to 4B



- 4.5 Mile Gap between SR-134 terminus in Pasadena & SR-710 terminus in Alhambra
- Initial study area over 100 Square Mile Area



SR 710 North – Initial P3 Analysis

- P3 Delivery:
 - DBFOM
- Project Assumptions for PPP Analysis:
 - Twin 57' diameter deep bore tunnels
 - Approximately 21,000' alignment
 - No intermediate interchanges
 - 4 lanes in each direction
 - Phased construction & opening of tunnel bores
- Funding, Financing & Repayment:
 - Funding is insufficient for cost of capital development under a nominal delivery option
 - Tolling and P3 delivery appear to provide adequate funding
 - Phased opening of tolled tunnels increases financial robustness
- P3 Option Benefit:
 - Could accelerate completion by 4 years
 - Represents a potentially positive “value for money”



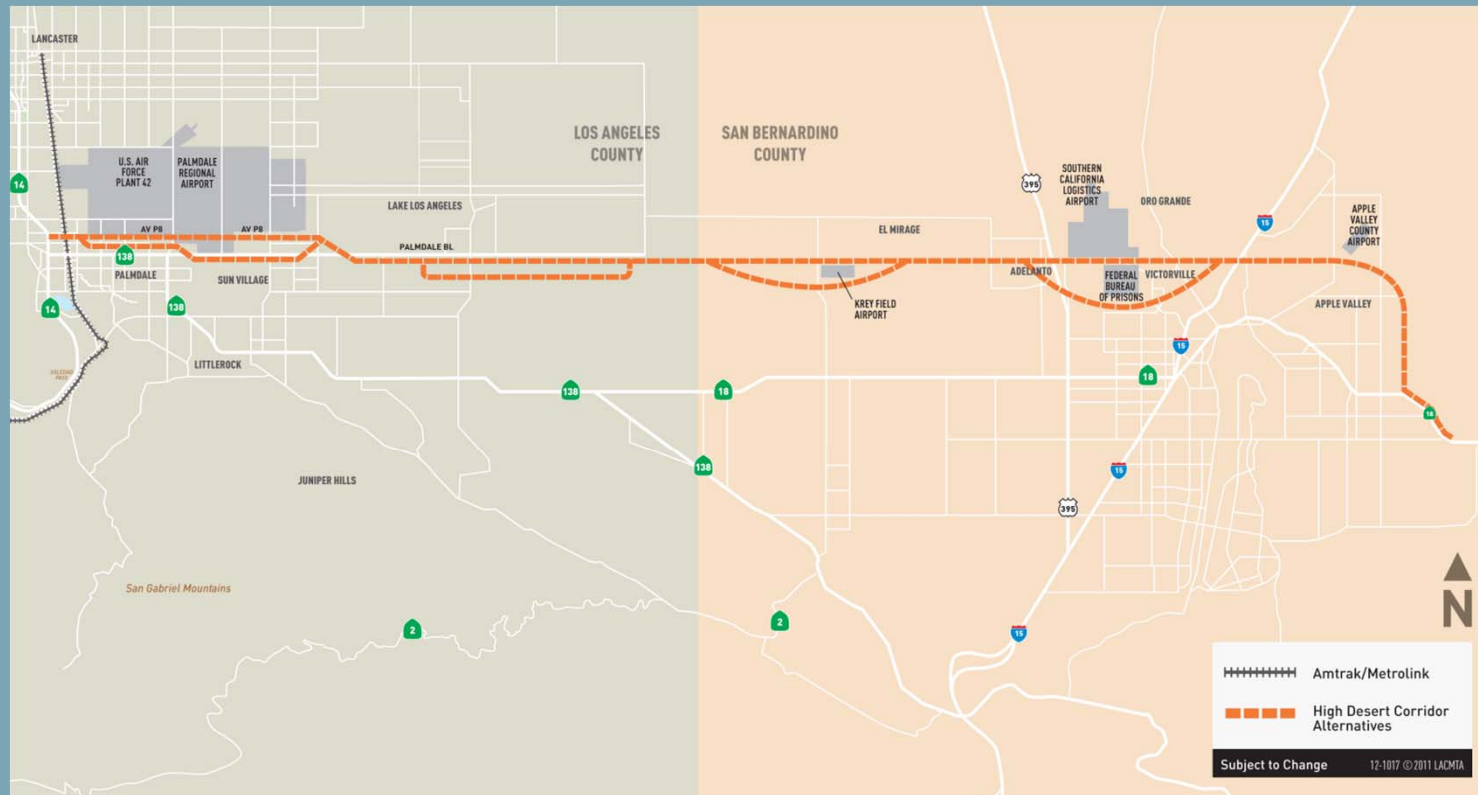
Schedule:
ROD - 2015
Completion - 2025



High Desert Corridor

A new connection between Los Angeles and San Bernardino Counties through the High Desert area (63 miles)

Components may include: Freeway/Expressway/Toll Road/High Speed Rail Feeder Service Right-of-Way



Green Energy Corridor Study

Collaboration between:

- Los Angeles County Metro
- Caltrans
- HDC Joint Powers Authority

Conduct a field review for potential sites

- Linear corridor and large areas
- Public service facilities and rest stops to access renewable energy stations



Green Energy Corridor Study (Cont.)

Generate and analyze potential green energy alternatives

- Horizontal and Vertical Technologies
- Energy transmission and storage
- Conceptual design options and maintenance

Evaluation of market opportunities

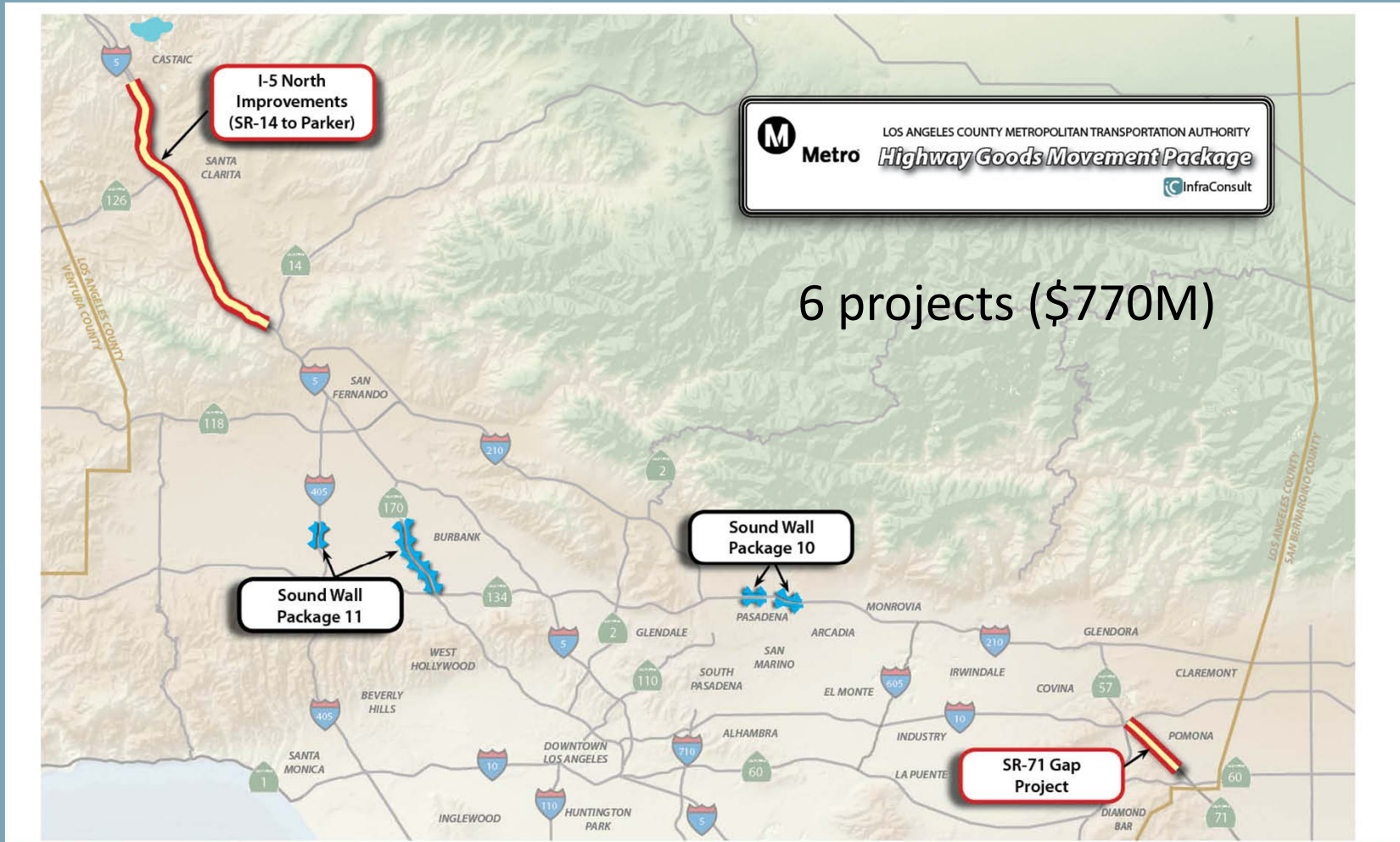
Financial analysis for viable alternatives and potential sources of funding

High Desert Corridor Schedule

High Desert Corridor Environmental Document

- Draft EIS/EIR Fall 2013
- Public Hearings Winter 2013/2014
- Final EIS/EIR Spring 2014

Highway Goods Movement Package



Highway Goods Movement Package

Improving traffic flow in Los Angeles County, enabling the construction and completion of the projects efficiently and cost effectively

Request for Qualifications Winter 2012/2013

Request for Proposals Spring 2013

Financial Close Spring 2014

Construction Complete Spring 2018

Package of 6 projects (\$770M) include:

- SR-71 highway gap closure from the I-10 to Rio Rancho Rd.
- I-5 Widening in Santa Clarita (Truck lane and High Occupancy Vehicle (HOV) lane from SR-14 to Parker Rd.)
- Soundwall construction on I-210, I-405 and SR-170

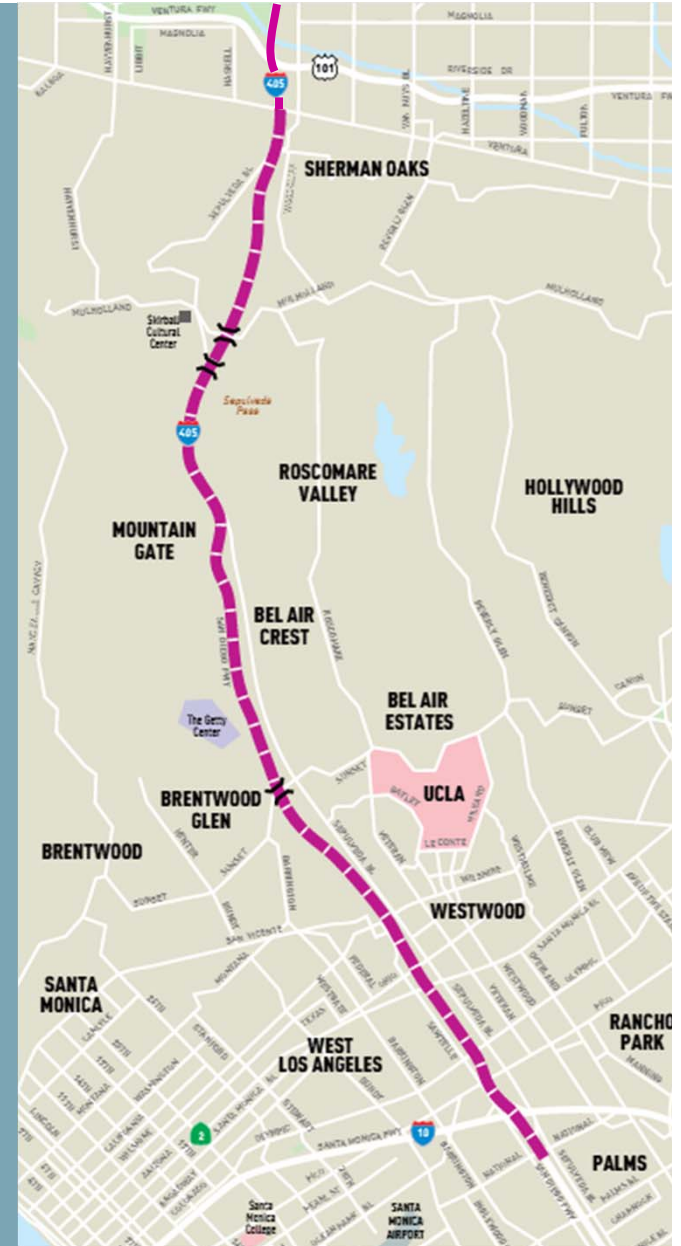
P3 Option Benefit:

- Accelerated delivery
- Risk transfer



Sepulveda Pass Transit Corridor

- Currently performing Systems Planning Study
- Provides a multimodal transit/express corridor to improve traffic flow between the Westside and the San Fernando Valley through the Sepulveda Pass along the I-405 freeway corridor.
- Alternatives could include
 - Rail transit
 - Bus rapid transit service
 - Carpool lanes with bus-only on/off ramps
 - Peak-hour bus rapid transit-only shoulder lanes
 - Transit/toll facility
- Measure R: \$1 Billion



Tolling & P3 Program

- Tolls support acceleration of highway program delivery by providing a new source of funding
 - Tolls and extending Measure R work well together
 - Provides two independent revenue sources
 - Variation in leveraging methods helps achieve efficient financing and delivery
- P3 program can aid project delivery
 - Transfers key schedule and cost overrun risks to private sector
 - Typically reduces whole-life costs of projects from 20-30% on a risk-adjusted basis
 - Reduces Metro's reliance on other future federal, state, and local funds that have not yet been secured
 - Brings private equity capital that can increase the total toll-based financing capacity – frequently by 25% or more on robust highway projects

Questions

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