



Discussion on U.S. 50/HOV Lane Projects

Prepared for the Board of Supervisors

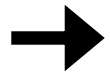
October 06, 2009

Legistar Item #09-1173

Purpose for this Presentation:

- When the 2009 CIP and the TIM Fee Resolution were adopted by the Board (5/5 and 6/2 respectively), DOT committed to return to the Board to discuss the costs, issues, and alternatives associated with
 - U.S. 50 / HOV Lanes,
 - U.S. 50 / Silva Valley Interchange,
 - U.S. 50 / Cameron Park Dr Interchange.
- DOT is here today to discuss the U.S. 50 / HOV Lane projects and to request the Board provide DOT with direction on next steps.

Agenda



- History/Background

- 2008 vs. 2009 Project Comparison
- Key Issues and Opportunities
- Alternatives
- Recommendation

On 6/2/09, DOT recommended, and the Board approved, no change in the fees.

- Cost of Total Program increased from \$942.9 million to \$982.1 million (+39.2M = 4.2%)
- The H.O.V. Lane projects are one possible alternative to help close the \$39.2M gap:
 - Use revenue from the Shingle Springs Band of Miwok Indians (“Casino”) as offset,
 - Don’t do some of the HOV Lane projects,
 - ???.

Timeline of Events:

- 2002: Caltrans completes CEQA/NEPA for Phases 1 & 2 (El Dorado Hills to Bass Lake and Bass Lake to Ponderosa interchanges)
- Jan, 2006: Traffic Model results for the “U.S. 50 Strategic Corridor Operations Study” shows need for HOV lanes between El Dorado Hills and Cameron Park Dr. Interchange
 - TIM Fee Program includes these segments of HOV lanes
- Sept, 2006: County signs MOU with Casino for \$5.2M/yr for 20 years for HOV lanes – “...and specifically that 5.3 mile portion of eastbound and westbound lanes from Bass Lake Road to South Shingle/Ponderosa Road...”
- Feb 13, 2007: Board approves ratification of Letters-of-Intent to Caltrans, “allowing work to begin on the process of building the High Occupancy Vehicle (HOV) lanes on Highway 50 from Bass Lake Road to the proposed casino near Greenstone Road” (Item 26. Board Hearing 07-242 minutes)

Timeline of Events (continued):

- 2007 through early 2008:
 - County completes PS&E for HOV Phase 1.
 - Caltrans works on PS&E for HOV Phase 2.
 - Caltrans' Traffic Study determines no need for HOV lanes past Ponderosa Road within the next 20 yrs. (from a traffic congestion standpoint)
- Summer, 2008:
 - Caltrans completes traffic, biological, cultural, and sound studies for Phase 3.
 - In light of Caltrans' finding, DOT requests Caltrans stop working on Phase 3.

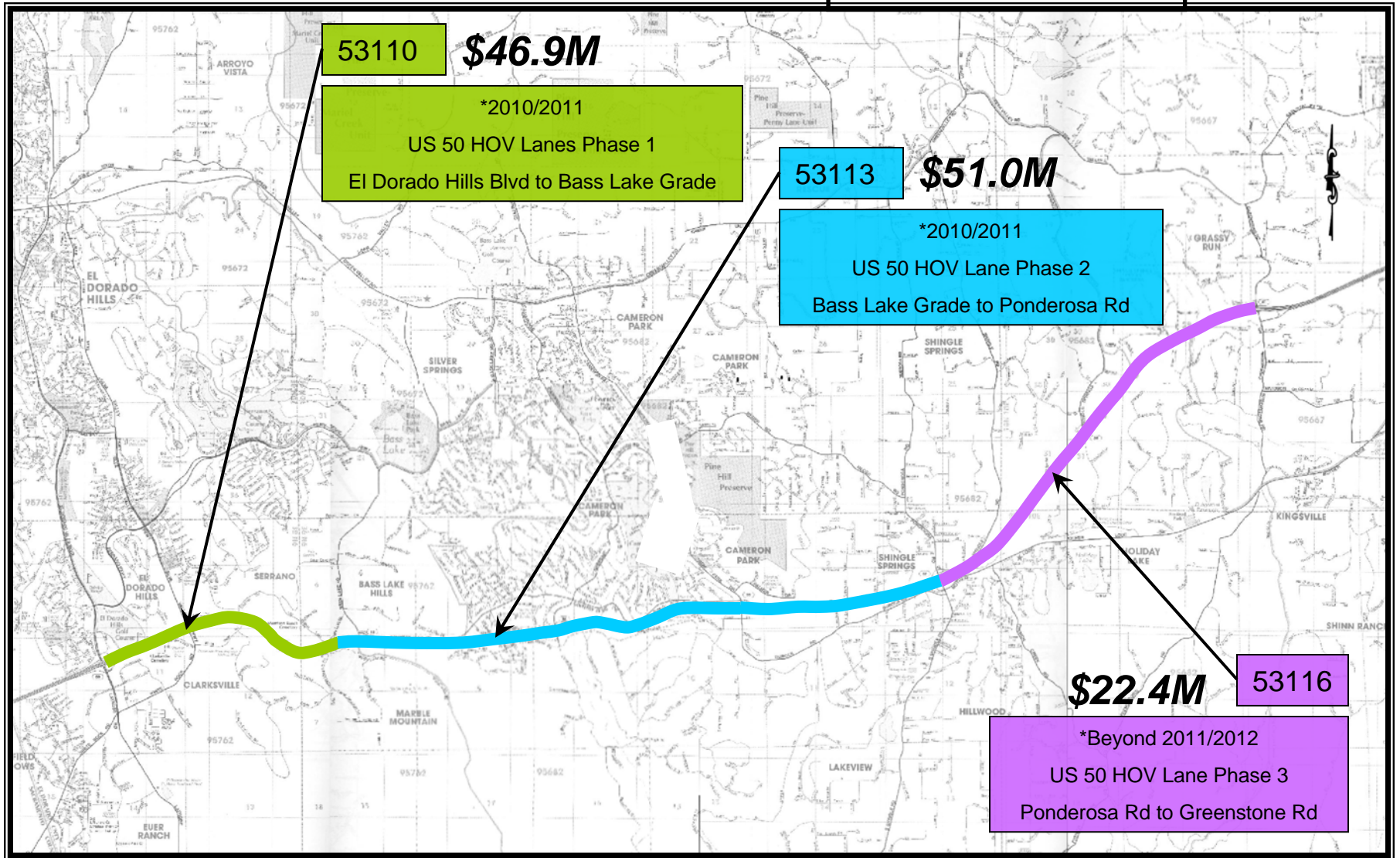
Agenda

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There were 3 HOV Lane Projects in DOT's Sept. 2008 CIP.

* PROPOSED COMPLETION YEAR

TOTAL: \$120.3M

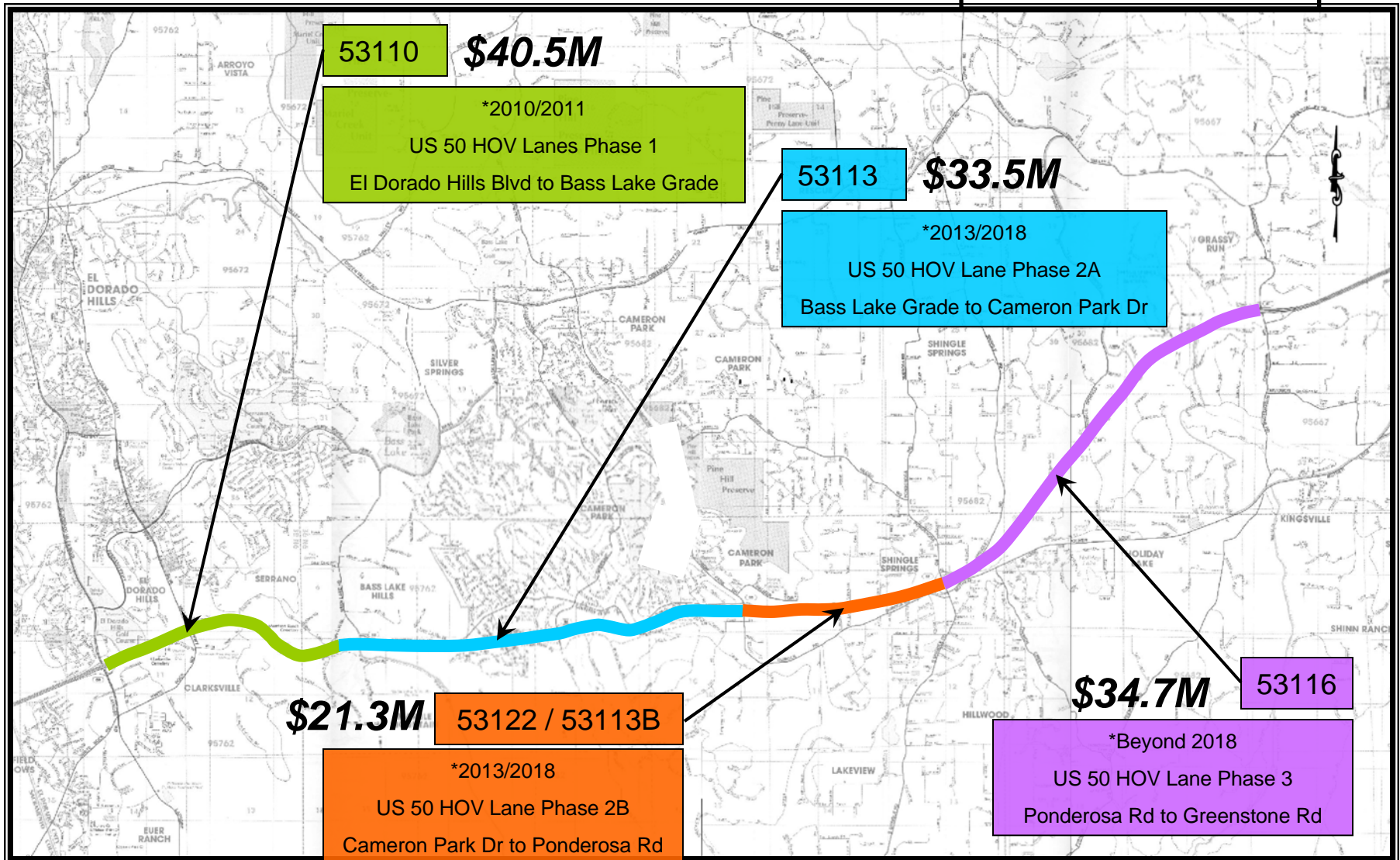


October 6, 2009

4 HOV Lane Projects are in DOT's May '09 CIP.

* PROPOSED COMPLETION YEAR

TOTAL: \$130.0M



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In the 2009 CIP, DOT separated the U.S. 50/HOV Phase 2 (53113) project into two projects.

- TIM fees can only be used on U.S. 50/HOV lanes from El Dorado Hills to Cameron Park Dr Interchange.
 - Thus, the need to separate Phase 2 into two projects, (53113 HOV Phase 2A and 53122 HOV Phase 2B).
- In addition, there is redundant funding programmed for 53113 HOV Phase 2A:
 - The TIM Fee Program currently has programmed \$33.4M and the 2009 CIP has \$33.3M programmed from Casino funds.

DOT also changed the funding source on the HOV Lane Phase 3 project (53116) from primarily Casino funds to “TBD”.

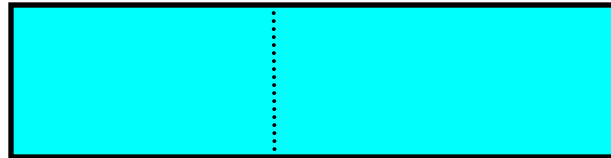
- Per the MOU with the Tribe, Casino funds were intended for Bass Lake Rd to S. Shingle/Ponderosa Rd.
- TIM fees cannot be used on HOV Phase 3.
- Thus, there is currently no identified funding source for HOV Phase 3.
- Caltrans has already done some preliminary work on HOV Phase 3 which DOT is obligated to reimburse.
- Once the 1st payment is received from the Tribe, DOT will recommend payment be made to Caltrans for work already completed.

Funding Options:

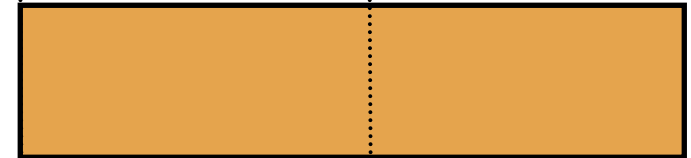
HOV LANE PROJECTS

<u>Phase 1:</u> EDH to Bass Lake	<u>Phase 2A:</u> Bass Lake to Cam Park Dr	<u>Phase 2B:</u> Cam Park Dr to Ponderosa	<u>Phase 3:</u> Ponderosa to Greenstone
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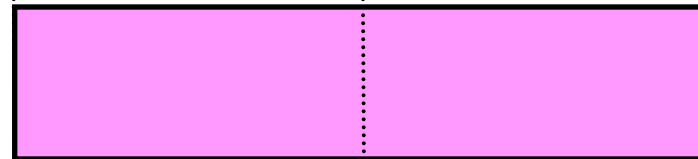
- TIM Fee Program including "Other"*



- Grants, (beyond those already in the TIM Fee Program)



- Casino Funds per description in MOU



*** The TIM Fee Program already includes an estimated \$181M of grants.**

2008 to 2009 HOV Project Comparison:

HOV Project	Description	Funding Sources in Sept 2008 CIP	Funding Sources in May 2009 CIP	Applicable Funding Sources	Funding - TIM Fee Program*
53110: Phase 1	El Dorado Hills to Bass Lake Road	\$18.9M TIM fees \$28.0M Grants	\$16.0M TIM fees \$24.5M Grants	TIM fees, Grants	\$40.5M
Old 53113: Phase 2	Bass Lake Road to Ponderosa Road	\$23.2M TIM fees \$27.8M Casino	N/A	TIM fees (to Cameron Park Dr), Grants, Casino	N/A
New 53113: Phase 2A	Bass Lake Road to Cameron Park Drive	N/A	\$0.1M TIM fees \$33.3M Casino	TIM fees, Grants, Casino	\$33.4M
53122: Phase 2B	Cameron Park Drive to Ponderosa Road	N/A	\$21.3M Casino	Grants, Casino	\$0
53116: Phase 3	Ponderosa Road to Greenstone Road (Casino)	\$0.2M TIM fees \$22.3M Casino	\$34.2M TBD \$0.5M Casino	Grants	\$0

**Includes TIM fees, estimated federal/state grants, but not payments from the Casino*

Cost estimates for Phases 2 and 3 have gone up between the 2008 CIP and the 2009 CIP:

HOV Project	Description	Sept 2008 CIP Cost (\$M)	May 2009 CIP Cost (\$M)	Difference (\$M)	Reason for Change
53110: Phase 1	El Dorado Hills to Bass Lake Road	46.9	40.5	- 6.4	Construction bid came in under Engineer's Estimate
Old 53113: Phase 2	Bass Lake Road to Ponderosa Road	51.0	N/A	+ 3.7	Refined scope and updated detailed Engineering Estimate
New 53113: Phase 2A	Bass Lake Road to Cameron Park Drive	N/A	33.4		
53122: Phase 2B	Cameron Park Drive to Ponderosa Road	N/A	21.3		
53116: Phase 3	Ponderosa Road to Greenstone Road (Casino)	22.4	34.7	+ 12.3	Refined scope and updated detailed Engineering Estimate
Grand Total	El Dorado Hills to Greenstone Road (Casino)	120.3	129.9	+ 9.6	

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Immediate Grant Opportunity: TIGER

- EDCTC and DOT applied for \$20M for HOV Phases 2A and 2B in Summer, '09
- Maximum for any state limited to \$300M (per ARRA legislation)
- El Dorado County's project made it into the State's top 25 out of 82 applications
- Top 25 total about \$784M
- Strong lobbying effort underway
- Issues:
 - Match required next Spring (approximately \$40M)
 - Need to spend all of it by 2012
 - Individual agencies can still apply directly and many probably will

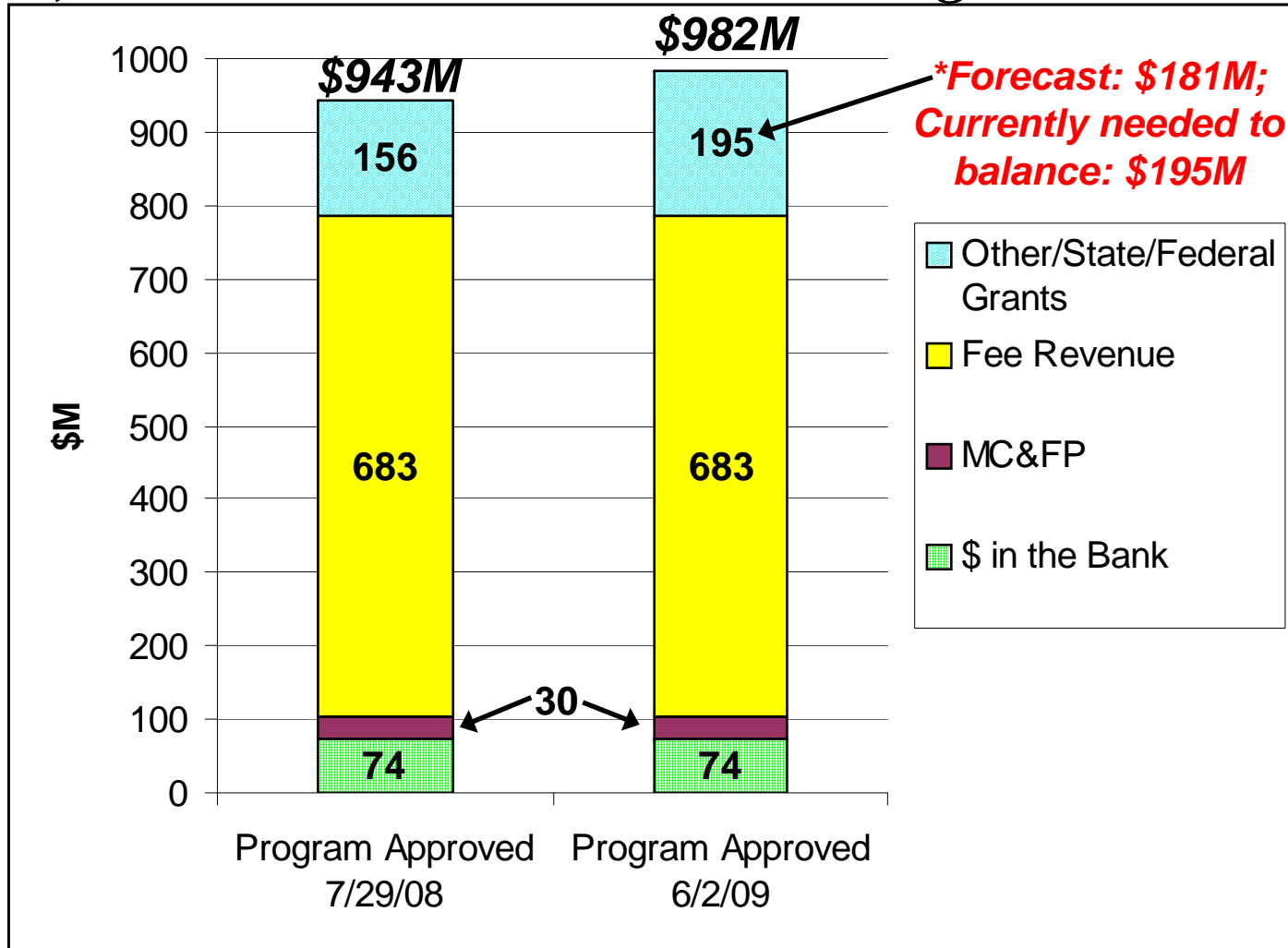
Key Issues with the Casino Revenues:

- Per the MOU with the Tribe, Casino funds are currently only usable from Bass Lake Rd to South Shingle/Ponderosa Rd.
- No money from the Casino has been received yet.
 - The first \$5.2M payment is due December, 2009.
- The \$5.2M/yr, 20 year payment stream will need to be securitized in order to build the HOV 2A and 2B projects in the next 10 years.
 - The securitized amount is uncertain:
 - 3% discount rate = \$74.5M
 - 5% discount rate = \$62.8M
 - 7% discount rate = \$53.7M
 - Note: These estimates do not include fees or reserve requirements.
- The County would be reliant upon this annual payment from the Casino or, other County funds could be at risk once bonds are sold.

Key Issues with the Casino Revenues (continued):

- Without securitization, the County would need to save payments from the Casino until it has enough saved to pay for a project (e.g., 2A postponed for roughly 8-10 years, 2B postponed beyond 2018)
- The Casino revenue may not be enough to pay for the planned HOV projects.
 - i.e., Due to inflation, \$5.2M/year is eroded with each passing year.
- The cost estimates for the HOV projects are not firm. They may fluctuate with inflation and possible scoping changes e.g., due to new requirements unknown at this time.
 - Therefore, even if the Casino funds can be securitized, the cost of the projects may rise leaving insufficient funds by the time DOT builds the remaining HOV projects.

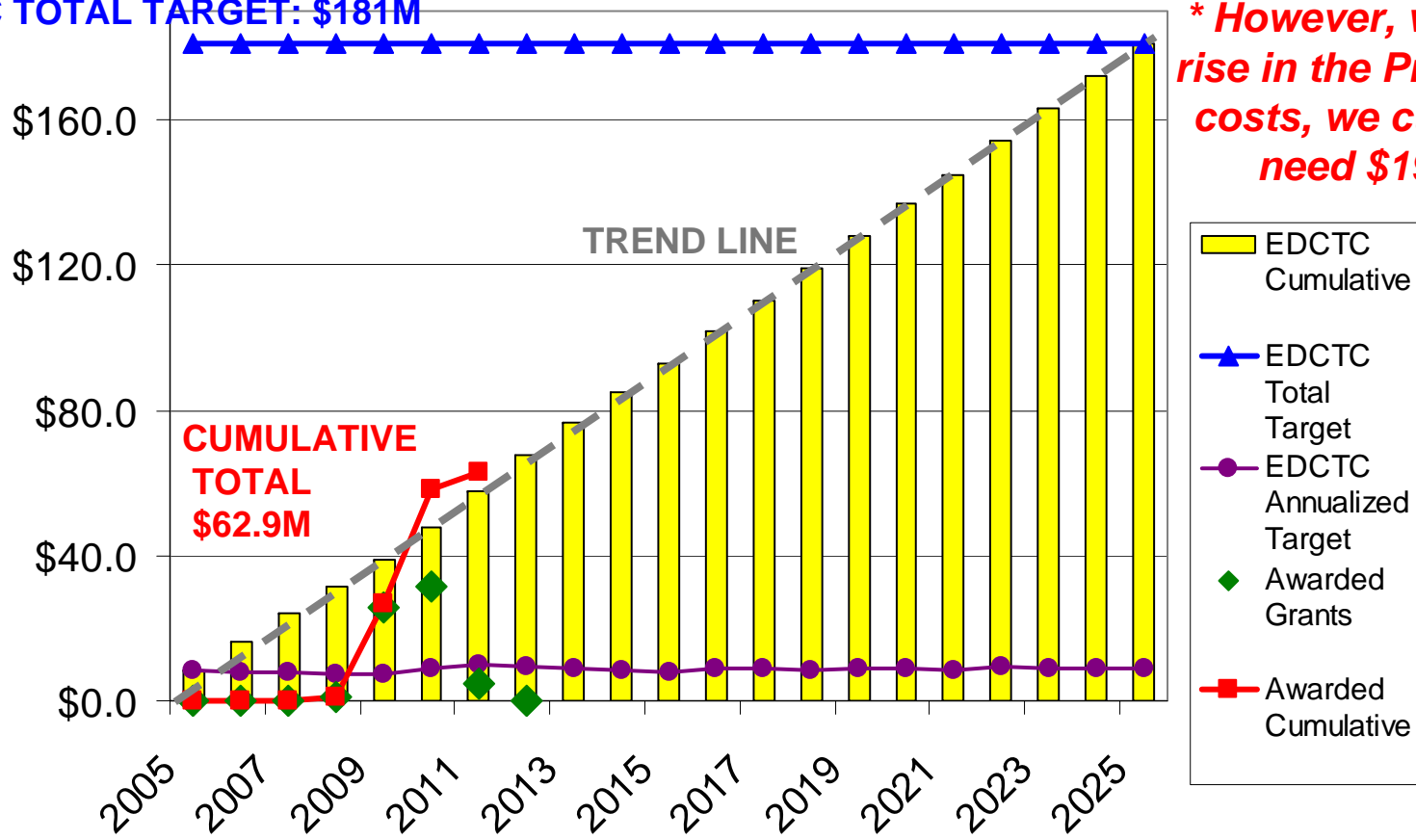
The Casino revenue stream is an additional funding source, not included in State/Federal grants.*



Anticipated State/Federal grants are “chunky” revenue sources on track with projections at this time*.

EDC TOTAL TARGET: \$181M

* However, with the rise in the Program's costs, we currently need \$195M.



	2005	2006	2007	2008	2009	2010	2011	2012
Awarded Grants	\$0.0	\$0.0	\$0.1	\$1.0	\$25.7	\$31.3	\$4.8	\$0.0
Awarded Cumulative	\$0.0	\$0.0	\$0.1	\$1.1	\$26.8	\$58.1	\$62.9	\$62.9
EDCTC Annual Target	\$8.3	\$8.1	\$7.7	\$7.5	\$7.3	\$8.9	\$10.1	\$9.7
EDCTC Cumulative	\$8.3	\$16.4	\$24.1	\$31.6	\$38.9	\$47.8	\$57.9	\$67.6

Adding Casino revenues into the TIM Fee Program, requires adding the cost associated with the Phase 2B project in as well (not currently in the Program).

	Revenues Securitized at 3%	Revenues Securitized at 5%	Revenues Securitized at 7%
Lump Sum Equivalent*	74.5	62.8	53.7
Phase 2B Current Cost	21.3	21.3	21.3
REMAINING FUNDS	53.2	41.5	32.4

The remaining funds could be used to offset all/part of the cost for Phase 2A, in the TIM Fee Program, which has a current cost estimate of \$33.4M.

* Excludes placement fees, reserve requirements, etc.

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***Current Situation: Phase 1 is under construction;
Phases 2A, 2B, and 3 are IN the 2009 CIP:***

FUNDING SOURCES

	Included in TIM Fee Program					
	TIM Fees	Grants	Casino	TBD	Total Needed	Total Programmed
Phase 1: EDH to Bass Lake	\$16.0M	\$24.5M			\$40.5M	\$40.5M
Phase 2A: Bass Lake to Cam Park Dr	\$33.4M (not in CIP)		\$33.3M (in CIP)		\$33.4M	\$66.7M
Phase 2B: Cam Park Dr to Pondo Rd	N/A		\$21.3M		\$21.3M	\$21.3M
Phase 3: Pondo Rd to Greenstone	N/A		\$0.5M	\$34.2M	\$34.7M	\$0.5M
TOTAL	\$49.4M	\$24.5M	\$55.1M	\$34.2M	\$129.9M	\$129.0M

Funding Alternatives for Phase 2A: Bass Lake Rd interchange to Cameron Park Dr interchange

Obligation to Build Phase 2A? Yes per MOU and "U.S. 50 Strategic Corridor Operations Study"

Current Situation:	TIM Fees	Grants	Casino	TBD	Total Needed	Total Programmed
Leave in TIM Program	\$33.4M		\$33.3M		\$33.4M	\$66.7M
ALT 1:	TIM Fees	Grants	Casino	TBD	Total Needed	Total Programmed
Reduce TIM Funding; Backfill w/Casino Revenues	\$33.4M \$0.1M		\$33.3M		\$33.4M	\$33.4M
ALT 2:	TIM Fees	Grants	Casino	TBD	Total Needed	Total Programmed
Market to Caltrans for Grant Funding	\$33.4M	\$33.4M	\$33.3M		\$33.4M	\$33.4M

Pros and Cons of Alternatives for Phase 2A:

	<u>PROS</u>	<u>CONS</u>
Current Situation: Leave in TIM Program	<ul style="list-style-type: none"> • Provides flexibility to wait to see what securitization of Casino revenues will net 	<ul style="list-style-type: none"> • No reduction of TIM Fees
Alt 1: Reduce TIM Funding and Backfill with Casino Revenues	<ul style="list-style-type: none"> • Deletes \$33.3M to offset the \$39.2M increase in the Fee Program 	<ul style="list-style-type: none"> • Unknown what securitization of Casino revenues will net and if there will be enough for this project • County reliant on annual Casino payment • Unknown timing of availability of securitized Casino revenues
Alt 2: Reduce TIM Funding and Market to Caltrans for Grant Funding	<ul style="list-style-type: none"> • Could provide up to \$33.4M to help offset the \$39.2M increase in the Fee Program <ul style="list-style-type: none"> • Could possibly redirect unused Casino revenues 	<ul style="list-style-type: none"> • Unknown what amount of grant funding can be attracted, if any

Funding Alternatives for Phase 2B: Cameron Park Dr interchange to Ponderosa Road interchange

Obligation to build Phase 2B? Yes per MOU with Tribe and 2004 General Plan* (but not in TIM Fee Program)

Current Situation:	TIM Fees	Grants	Casino	TBD	Total Needed	Total Programmed
Fund out of Casino \$	N/A		\$21.3M		\$21.3M	\$21.3M
Alternative 1:	TIM Fees	Grants	Casino	TBD	Total Needed	Total Programmed
Market to Caltrans for Grant funding	N/A	\$21.3M	\$21.3M		\$21.3M	\$21.3M

* *El Dorado County Traffic Demand Forecasting Model*

Pros and Cons of Alternatives for Phase 2B:

	<u>PROS</u>	<u>CONS</u>
Current Situation: Fund out of Casino \$	<ul style="list-style-type: none"> • Provides a placeholder source of revenue until DOT can research possible grants 	<ul style="list-style-type: none"> • There may not be enough money from the securitized Casino revenue stream to fully fund this project, especially if Casino \$ are applied to 2A as well. • County reliant on annual Casino payment
Alt 1: Market to Caltrans for Grant Funding	<ul style="list-style-type: none"> • Would reduce reliance on unknown Casino revenue • Provides a more competitive grant application if Casino \$ available as a match 	<ul style="list-style-type: none"> • Unknown what amount of grant funding can be attracted

Alternatives for Phase 3: Ponderosa Rd interchange to Greenstone (i.e., just east of the Casino)

Obligation to build? None, however, Caltrans will need to be reimbursed for work already performed.

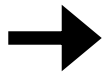
Current Situation: Programmed & Unfunded	TIM Fees	Grants	Casino	TBD	Total Needed	Total Programmed
	N/A		\$0.5M	\$34.2M	\$34.7M	\$0.5M
Alternative 1: No Project Reimburse Caltrans	TIM Fees	Grants	Casino	TBD	Total Needed	Total Programmed
	N/A		\$0.5M	\$0	\$0.5M	\$0.5M
Alternative 2: Market to Caltrans for Grant funding	TIM Fees	Grants	Casino	TBD	Total Needed	Total Programmed
	N/A	\$34.2M	\$0.5M	\$0	\$34.7M	\$34.7M

Pros and Cons of Alternatives for Phase 3:

	<u>PROS</u>	<u>CONS</u>
Current Situation	<ul style="list-style-type: none"> • Obligation made by the previous Board is kept • Caltrans has already done some work 	<ul style="list-style-type: none"> • This project is programmed but not needed • There is no funding to pay for it
Alt 1: No Project, Reimburse Caltrans	<ul style="list-style-type: none"> • Eliminates a project for which there is no funding and no need (however, the County told the Tribe that it wants to build this phase) 	<ul style="list-style-type: none"> • Obligation made by the previous Board of Supervisors is reversed <ul style="list-style-type: none"> • Caltrans will need to be reimbursed for work performed • No HOV lane to Greenstone Rd
Alt 2: Market to Caltrans for Grant funding	<ul style="list-style-type: none"> • Provides HOV lane to Greenstone Rd • Obligation made by the previous Board is kept • Caltrans has already done some work 	<ul style="list-style-type: none"> • Grant funding will need to be secured and amount is unknown/uncertain • Uncertain matching funds for grants

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- Recommendation

Recommendation and Next Steps:

- Don't revise the 2009 CIP now.
- Direct DOT to work with the County's Auditor/Controller and Treasurer to see what the revenue stream from the Casino can be securitized for.
- Direct DOT to work with Caltrans to see if grant funding can be secured for any/all of Phases 2A, 2B, 3.
- Direct DOT to return to the Board with more information during the 2010 CIP update.