

# Memorandum

To: CHAIR AND COMMISSIONERS  
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: August 6, 2013

Reference No.: 4.14  
Information Item

From: STEVEN KECK  
Acting Chief Financial Officer

Prepared by: Kome Ajise  
Deputy Director  
Planning and Modal Programs

Subject: **LOS ANGELES ACCELERATED REGIONAL TRANSPORTATION IMPROVEMENTS (ARTI) PROJECT – PUBLIC PRIVATE PARTNERSHIP PROPOSAL**

## **SUMMARY:**

The Los Angeles County Metropolitan Transportation Authority (Metro) and the California Department of Transportation (Department), collectively referred to as the Project Sponsors, will make a presentation on the project delivery options available for the procurement of the Accelerated Regional Transportation Improvements (ARTI) Project (the Project) as a candidate for a Public-Private Partnership (P3) project, as provided in Streets and Highway Code Section 143(c).

## **BACKGROUND:**

The ARTI Project consists of six individual Elements located in Los Angeles County. The six Elements are defined as follows:

1. I-5 North Capacity Enhancement;
2. I-5 North Pavement Rehabilitation;
3. SR-71 Gap Project, I-10 to Mission Boulevard;
4. SR-71 Gap Project, Mission Boulevard to Rio Rancho Road;
5. Soundwall Packages 10 and 10A; and
6. Soundwall Package 11.

The scope of work includes the Design, construction, financing, and fence-to-fence” Operation and Maintenance (O&M) of the existing and proposed improvements along the I-5 and SR-71 Elements. The I-5 North Capacity Enhancement Element includes O&M of the general purpose lanes and the High Occupancy Toll lanes, including structures and facilities and all field-side tolling equipment, for a period of 35 years, after substantial completion. The SR-71 Gap Elements, which consist of Elements 3 and 4, include O&M of the general purpose lanes and the High Occupancy Vehicle lanes, and all structures and facilities for a period of 35 years, after substantial completion. The scope also includes establishment of the means to operate, and manage the traffic on, these Elements through a Traffic Management Center outside of the Department’s Right of Way. Lastly, the scope includes the Design or Design update, as appropriate, and the construction of the Soundwall Elements, specifically Elements 5 and 6. The Developer will have no O&M responsibilities for the soundwall elements after construction is complete, but will provide a structural warranty for five years and will support establishment of landscaping for three years.

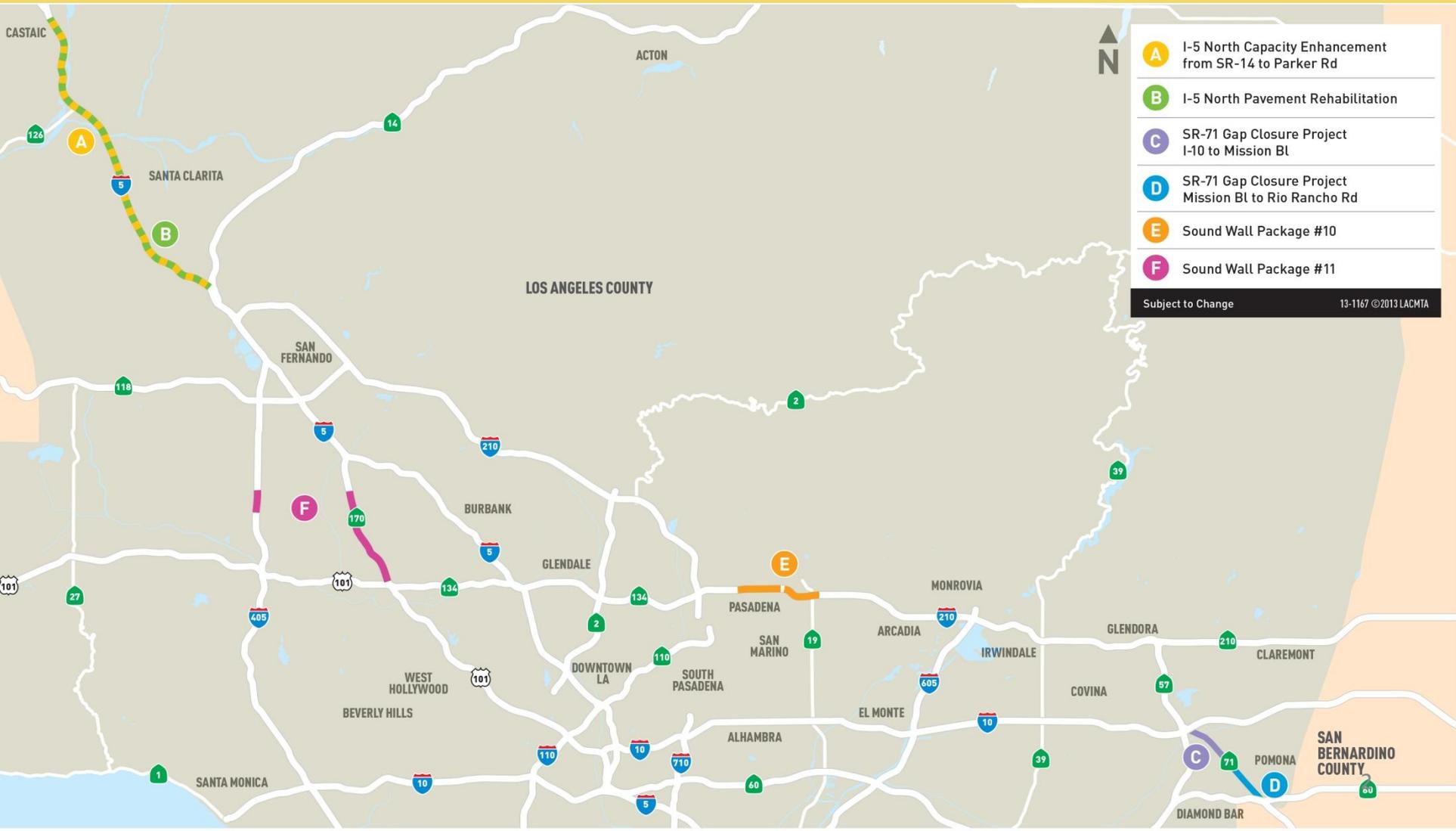
# Accelerated Regional Transportation Improvements (ARTI) Project



**Metro**



# ARTI Elements



# Scope

<b>Project Name/Location</b>	<b>Project Scope</b>	<b>Length</b>
<b>A. I-5 North Capacity Enhancement from SR-14 to Parker Road</b>	<ul style="list-style-type: none"> <li>• Add one High Occupancy Toll Lane in each direction</li> <li>• Add one truck lane in the southerly direction between Pico Canyon Road to SR14</li> </ul>	<b>13.5 miles</b>
<b>B. I-5 N Pavement Rehabilitation</b>	<ul style="list-style-type: none"> <li>• Repave general purpose lanes</li> </ul>	<b>13.5 miles</b>
<b>C. SR-71 Gap Closure from I-10 to Mission Boulevard</b>	<ul style="list-style-type: none"> <li>• Add one High Occupancy Vehicle (HOV) lane in each direction</li> <li>• Add one Mixed Flow Lane in each direction</li> </ul>	<b>1.7 miles</b>
<b>D. SR-71 Gap Project, Mission Boulevard to Rio Rancho Road</b>	<ul style="list-style-type: none"> <li>• Add one HOV lane in each direction</li> <li>• Add one Mixed Flow Lane in each direction</li> </ul>	<b>2.6 miles</b>
<b>E. Soundwall Package 10 and 10a</b>	<ul style="list-style-type: none"> <li>• On various locations along I-210 in Arcadia and Pasadena</li> </ul>	<b>3.8 miles</b>
<b>F. Soundwall Package 11</b>	<ul style="list-style-type: none"> <li>• On SR-170 between SR-134 and Sherman Way</li> <li>• On I-405 in the vicinity of Stagg Street</li> </ul>	<b>5.5 miles</b>



# Project Features

- Funds are programmed in different years\* (as late as 2040)
- Bundling of projects enables cash stream over 35 year period
- Soundwalls and SR 71 are key in enabling constant flow of funding
- Tolling on I-5 closes **funding gap**

\*Over 70% of funds allocated are local



# Analysis of Best Public Option

- Project Sponsors evaluated DBFOM, DB and DBB looking to identify the mechanism that would:
  - Accelerate delivery of the project
  - Achieve most cost-effective use of public funds
  - Optimize risk allocation and provide best cost control and schedule certainty
  - Ensure asset quality and public safety over the life of the project



# Benefits of P3

- ARTI Project could be completed by 2019 – **two decades earlier, creating 9,000 jobs**
- Controlling cost and schedule risk borne by Developer
- Operations and Maintenance cost borne by Developer (35 years)
- Contract provisions provide Sponsors oversight and safety enforcement
- Increases safety, connectivity, while adding capacity and reducing congestion

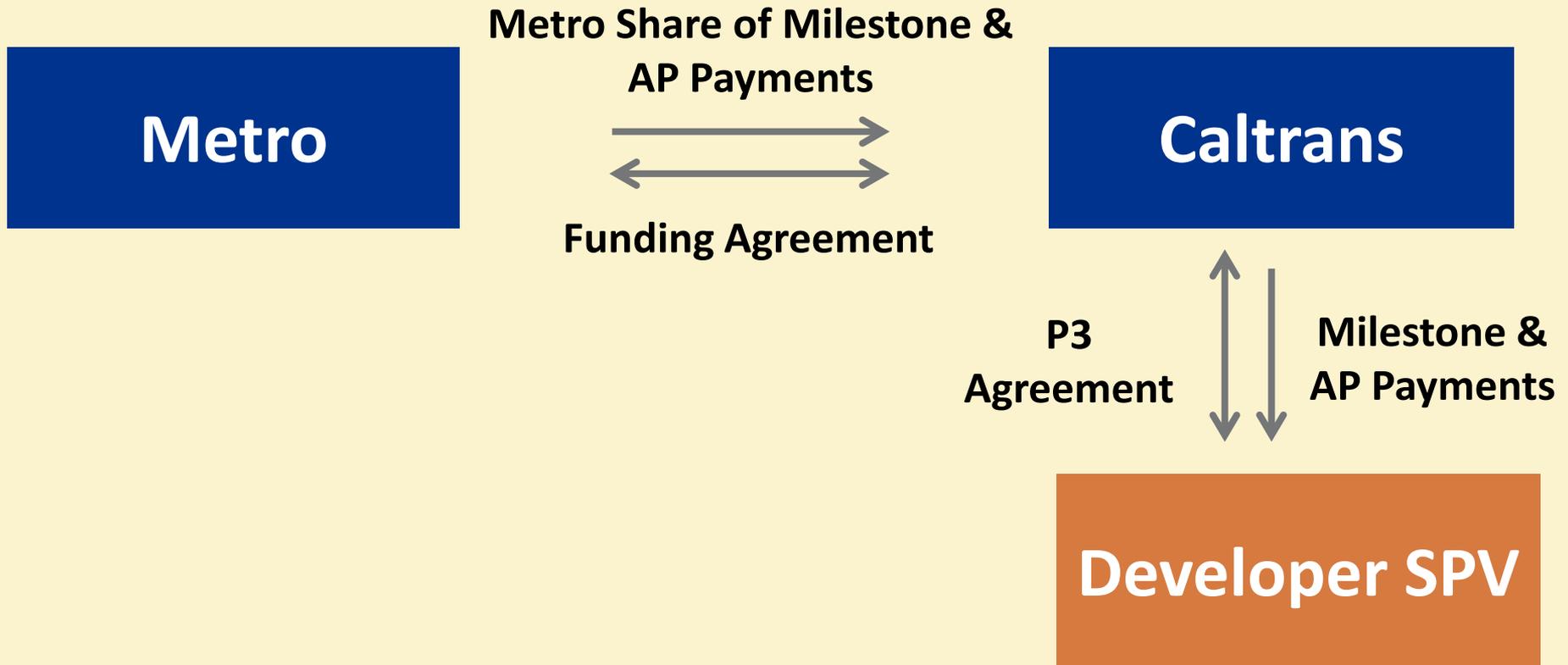


# The Case for P3

In the analysis of DBB, DB, and DBFOM, a business case was conducted and indicates that DBFOM is the best value for money. The details of this analysis will be shared with CTC staff soon.



# ARTI Project Structure



# Schedule

Milestone	Date
Issue RFQ	May 31, 2013
Shortlist Announcement	August 30, 2013
CTC Hearing	October 2013
Issue draft RFP to Shortlisted Respondents	October 2013
Issue final RFP	Spring 2014
Anticipated Developer Selection	Summer 2014
Anticipated Commercial/Financial Close	Winter 2014/2015
Anticipated NTP for Design and Construction	Spring 2015

