

Legislative Framework for a Bay Area Express Lane Network

OBJECTIVES

The development and implementation of a Bay Area Express Lane Network (hereafter “network”) has five primary objectives:

1. More effectively manage the region’s freeways in order to provide higher vehicle and passenger throughput and reduce delays for all travelers in the corridor, especially those traveling by carpool, vanpool or bus, within each travel corridor.
2. Provide an efficient, effective, consistent, and seamless system for customers of the network.
3. Provide benefits to travelers within each corridor commensurate with the revenues collected in that corridor, including expanded travel options and funding to support non-highway options that enhance effectiveness and throughput.
4. Expedite the implementation of the network using a rapid delivery approach that, to the greatest extent possible, recognizing safety, operational, and environmental constraints, relies upon existing highway right of way and minimizes the environmental impact.
5. Use express lane toll revenue to finance construction of the network and other corridor improvements, operate and maintain the network; and provide transit services and improvements in the network corridors.

I. THE KEY PLAYERS

Bay Area Express Lane Network Project Oversight Committee (BAY POC)

Create in statute the Bay Area Express Lane Network Project Oversight Committee (BAY POC), consisting of a staff representative from each of the participating congestion management agencies (CMA), Caltrans, California Highway Patrol (CHP) and the Bay Area Toll Authority (BATA). Participation by CMAs in the BAYPOC shall be limited to those that are participating in a Corridor Working Group (CWG).

BAY POC will be the primary entity responsible for recommending policies for the network. Recommendations of the BAYPOC shall be forwarded to BATA for approval.

BAYPOC will be responsible for recommending an express lane development plan. The plan will consist of two elements: (1) a phasing plan for development of the express lane network, and (2) an operational plan that will recommend consistent standards for the regional network, including, but not limited to, the following: (a) geometric design; (b) signage; (c) safe and simple operations; (d) technology; (e) shared marketing, logo and terminology; (f) pricing policies and goals; and (g) occupancy requirements; While development of a consistent, regional network will be the goal, some variation in design or other policies will be permitted as needed to build the system in a timely manner. In developing the phasing plan, BAYPOC will first prioritize those corridors that can be converted to express lanes from existing high occupancy vehicle (HOV) lanes and that demonstrate the ability to generate sufficient toll revenue to cover their financing, operating and maintenance costs. Caltrans and CHP will each be required to approve the elements of the plan that fall under their authority. The plan shall be updated at least every four years and shall be initiated with BATA providing an estimate of funds available for development and construction of express lanes.

Bay Area Toll Authority (BATA)

The legislation will authorize BATA to acquire, construct, administer and operate an express lane network within the jurisdiction of the Metropolitan Transportation Commission. It will provide that BATA is responsible for: (a) establishing and approving standards for the network; (b) adopting a phasing plan for construction of the network, consistent with the goal of rapid delivery; (c) toll collection and the maintenance and operation of the toll collection equipment; (d) all financial management, including the issuance of express lane toll revenue bonds for the network, toll setting authority and project financing; and (e) compliance with any requirements necessary to meet financing obligations and assure efficient operation and build-out of the network. While BATA shall be responsible for the financial management of the express lane network toll revenue stream, the legislation will not preclude a local agency from proposing to use its own funds, including bonds backed by sources other than express lane tolls, for a portion of the construction of the network. The legislation will authorize BATA to use bridge tolls for costs associated with the network.

Corridor Working Groups

Implementation of the network shall follow a corridor-based model that recognizes commute-sheds and geographic communities of interest as the most effective and customer-oriented approach. The legislation shall establish Corridor Working Groups (CWGs) as subgroups within the BAYPOC. The initial CWGs shall be based on the existing, statutorily created HOT lane corridors. The legislation will provide flexibility to allow new CWGs to be created, existing ones merged and membership changed to reflect actual travel patterns. The CWG shall propose the geographic boundary of the corridor subject to approval by the CMAs in which the express lane corridors are located and BATA.

CWGs shall be comprised of a staff representative of a CMA as well as a representative of Caltrans, CHP and BATA. CMA membership in a CWG shall include all of the following: (a) a Bay Area CMA that has committed funding associated with that county to the final design or construction of an express lane corridor; (b) a CMA whose board has an adopted policy in support of developing an express lane project along the corridor within the BAYPOC framework; (c) a CMA in which the corridor is located; or (d) a Bay Area CMA that represents a county whose residents comprise a significant share of the toll payers along the corridor. The legislation should allow each CWG to determine its own representation and voting arrangements to reflect the level of county investment and the commute shed patterns served by the corridor.

II. USE OF REVENUE

Bond financing will require toll revenues from each corridor to be pooled for financing purposes and spent first on debt service and financing costs associated with phased construction of the network, including all debt service and bond covenant requirements, potential reimbursement of local funds previously invested in the HOV lane system, operation (including collection and enforcement), maintenance, and administration of the express lanes. At least 95 percent of revenues net of operating, maintenance, debt service, financing costs and all covenants required of the issuance generated within each corridor — “corridor revenues” — will be provided to that corridor’s corridor working group to fund projects in the corridor investment plan. The use of corridor revenues shall be determined by the CWGs in Corridor Investment Plans, as described below.

BATA will establish a process whereby a CMA who is a project sponsor of a CIP project can access the corridor revenues from BATA by (1) submitting an invoice for CIP expenditures or (2) receive regular

payments of net revenue for eligible CIP expenditures, subject to an approved CIP; or (3) another method agreed to by BATA and the CMA.

III. CORRIDOR INVESTMENT PLANS

Each CWG shall be responsible for preparation of a Project Study Report (PSR) for the installation of express lanes in the corridor. Each CWG shall create a Corridor Investment Plan (CIP) for express lane improvements in the corridor, improvements to be funded from reimbursement of local investment in the HOV system, as well as the investment of any corridor revenues. In order for each group to have a sound basis for formulating a proposed CIP, BATA will provide each group with the information necessary to do so, including but not limited to, information about estimated revenue available for the construction of the express lanes within the group's corridor. In selecting projects recommended to be funded, the CWG shall prioritize projects that reduce vehicle emissions and provide cost-effective public transit options. The CIP shall contain two key elements. The first will focus on the development of the corridor, the use of HOT revenue, and include proposed phasing of express lane projects in the corridor; the second element will include a recommendation for occupancy and tolling policies that would support the corridor phasing plan and a proposed timeline for implementation.

The CIP shall also contain a thorough analysis of equity considerations, including, but not limited to, the impact of the proposed segment of the network on low-income travelers in the corridor, transit riders, carpoolers, and the distribution of benefits by geographic area. The CIP shall also contain an examination of safety and operational issues, including, but not limited to, express lane ingress and egress challenges. Each CIP shall be reviewed by the BAYPOC for network consistency and subsequently forwarded for review and approval by the respective boards of the CMAs in which the express lane corridors are located. Subsequent to CMA board approval, the CIP shall be forwarded to BATA for approval. If BATA adopts a finding that the CIP is not consistent with the goals of the network, it shall return the CIP to the CWG for revision. Upon revision of the CIP, the CWG would then be required to resubmit the CIP to both the CMA and BATA for approval. If a CMA board has not approved the CIP within 60 days of its initial receipt from BAYPOC or its return from BATA for revision, the CIP shall be presented to BATA for approval with an opportunity for representatives of the CMA to present their reasons for not acting on the CIP.

The CIP will detail any local funding proposed to be used for the development of the express lane corridor, which may include the use of bond financing backed by local sources other than express lane tolls.

The CIP will also detail which agency should perform the work described therein, including, but not limited to, the express lane network planning, environmental review, design and construction, as well as other improvement projects to be funded with corridor revenues.

IV. TRANSITION FOR EXISTING HOT LANE AUTHORITY

For corridors in development under existing statutory authority provided by AB 2032 (Dutra), Statutes of 2004, a transition plan for incorporating those corridors into a Bay Area Express Lane Network shall be negotiated between the existing authority and BATA within one year after enactment of the legislation. A final sunset date for all existing authority shall not exceed one year from the start of service on the first of the express lane segments previously authorized for each agency authorized to develop express lanes within the Bay Area.