

*Los Angeles County
Metropolitan
Transportation
Authority*

*Public-Private
Partnership Program*



Highway / Goods Movement Package

Public-Private Partnerships

Metro P3 Program Objectives

- 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
- More than \$20 billion in potential P3 procurements in next 3 years



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



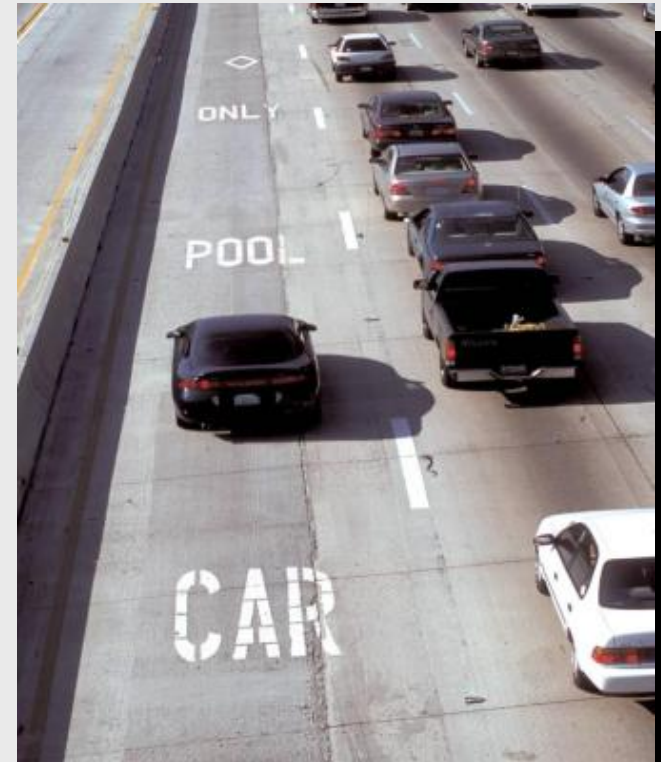
- Halcrow Inc. and HDR Inc.

Engineering and Technical Advisory

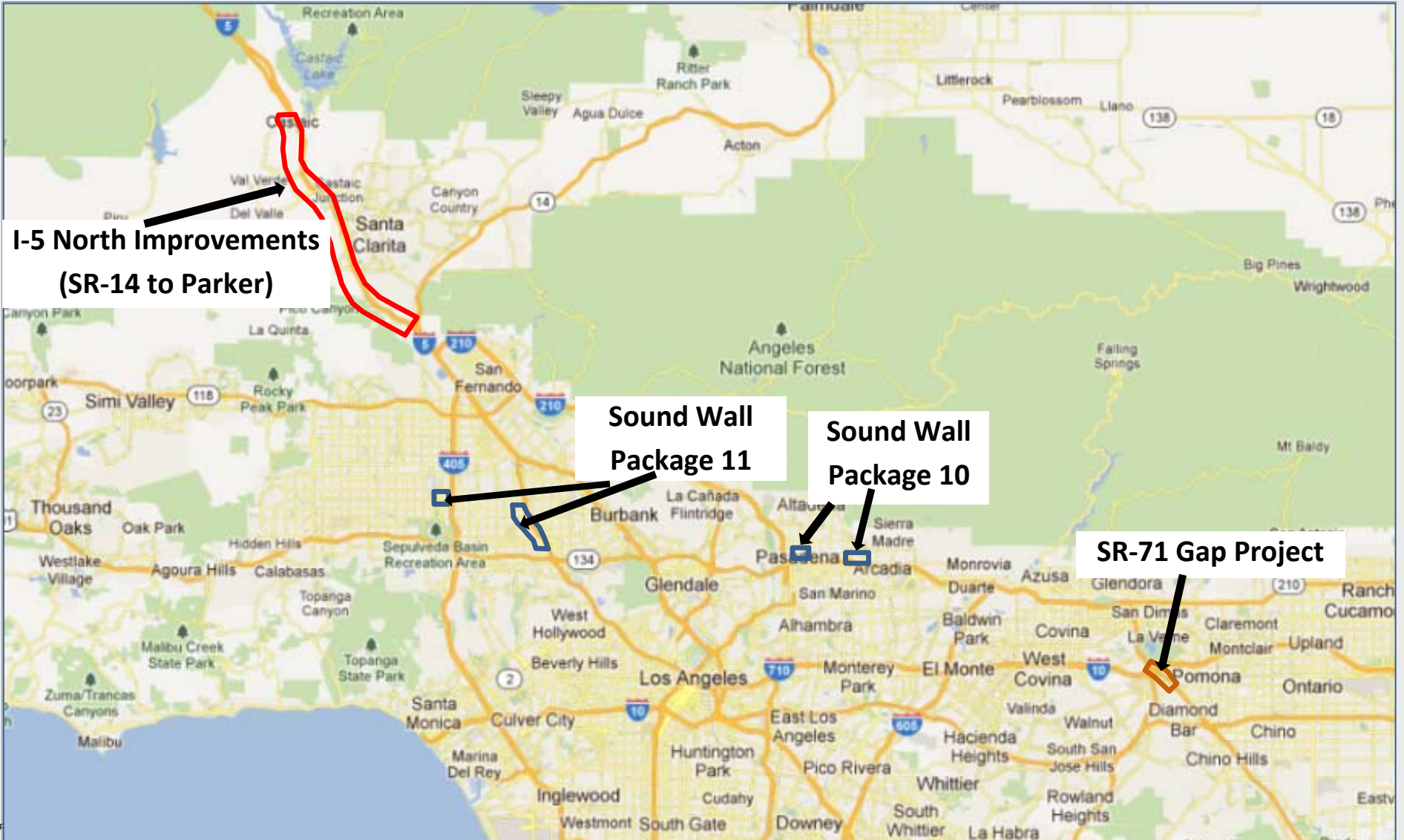


Packaging Projects: Efficiencies

- *Objective:* Accelerate the delivery of a package of highway projects by “bundling” project costs, funding and delivery
- Several projects were selected for inclusion in a potential package for combined and coordinated delivery
- Projects include widening, HOV/HOT lane extension, soundwalls, etc.
- Projects cleared environmentally
- Total cost of *Highway Goods Movement Package* estimated at \$768 million



Highway/Goods Movement Package



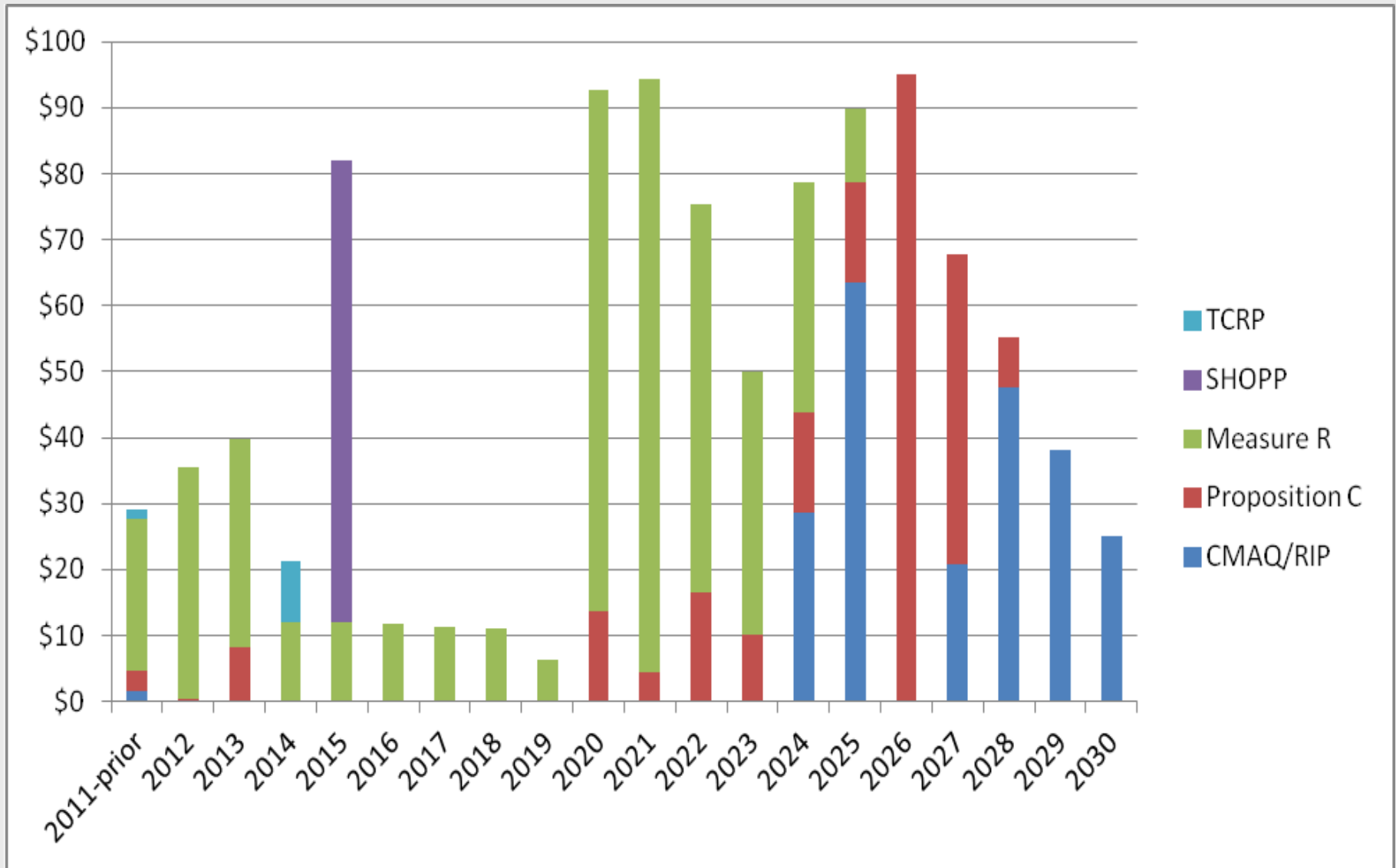
Projects Comprising Package

- Projects selected for the *Highway / Goods Movement Package* through comprehensive screening process. Screening was based upon
 - **Readiness, Risk, Affordability, Interface, Legal Factors**
- All projects have either been cleared environmentally or are expected to be by early 2013
- All projects have sources of funding between 2012 and 2030

Projects	Construction cost (2012 \$)	Environmental status	Programmed Funding YOY \$
I-5 North Capacity Enhancement (SR-14 to Parker Road)	\$378m	Cleared	\$410MM (Measure R)
I-5 North Pavement Rehabilitation	\$73m	Cleared	[\$70MM] (SHOPP)
SR-71 Gap: I-10 to Mission Blvd	\$79m	January 2013	\$104MM (Prop C) \$11MM (RIP/TCRP)
SR-71 Gap: Mission Blvd to Rio Rancho Rd	\$150m	January 2013	\$102MM (Prop C) \$223MM (CMAQ/RIP)
Soundwall Package 10 (I-210 in Pasadena and Arcadia)	\$28m	Cleared	\$131MM (Prop C / Measure R)
Soundwall Package 11 (SR-170 in San Fernando Valley and I-405 at Stagg Street)	\$60m	Cleared	

Total \$768m

Fund Sources and Availability



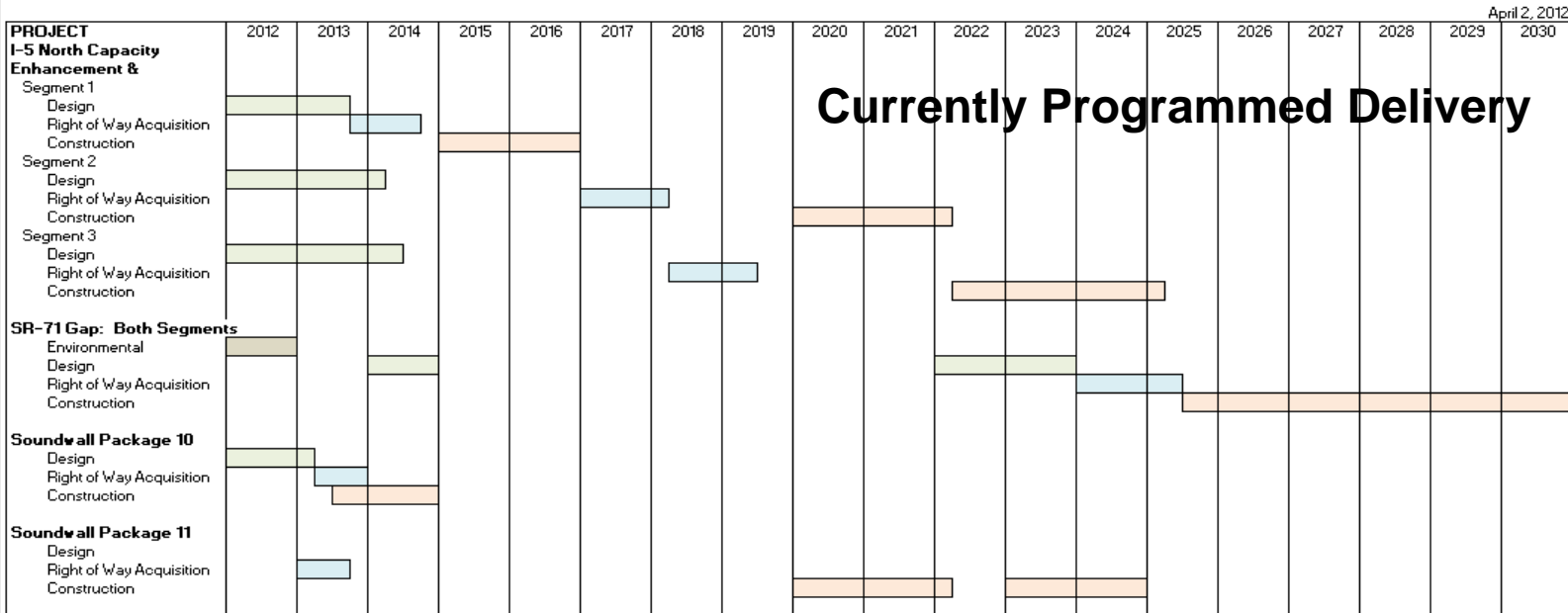
Net Project Delivery Costs

- Analyzing various options, comparing a base case of:
 - conventional DBB delivery following LRTP schedule (total cost \$686, however projects not completed until 2030)
- with
 - P3 availability payment delivery with HOV lane on I-5 (total cost \$931)
 - and P3 availability payment delivery with HOT lane on I-5 (total cost \$701 to \$731)
- The most effective option in providing Value for Money on a present value basis, and accelerating project delivery, may be a 30 year availability payment concession that includes a HOT lane on I-5, with tolls providing additional revenue for Metro's fixed payment obligations.

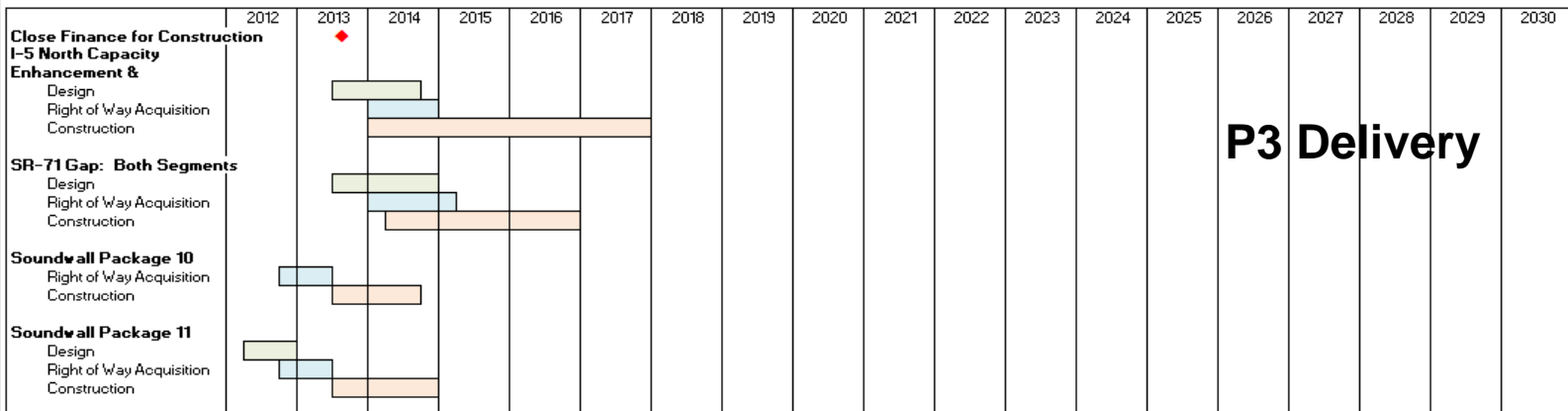
Accelerated Delivery Under P3

Highway / Goods Movement Package

CONVENTIONAL DELIVERY ACCORDING TO PLANNED PAY-AS-YOU-GO FUNDING

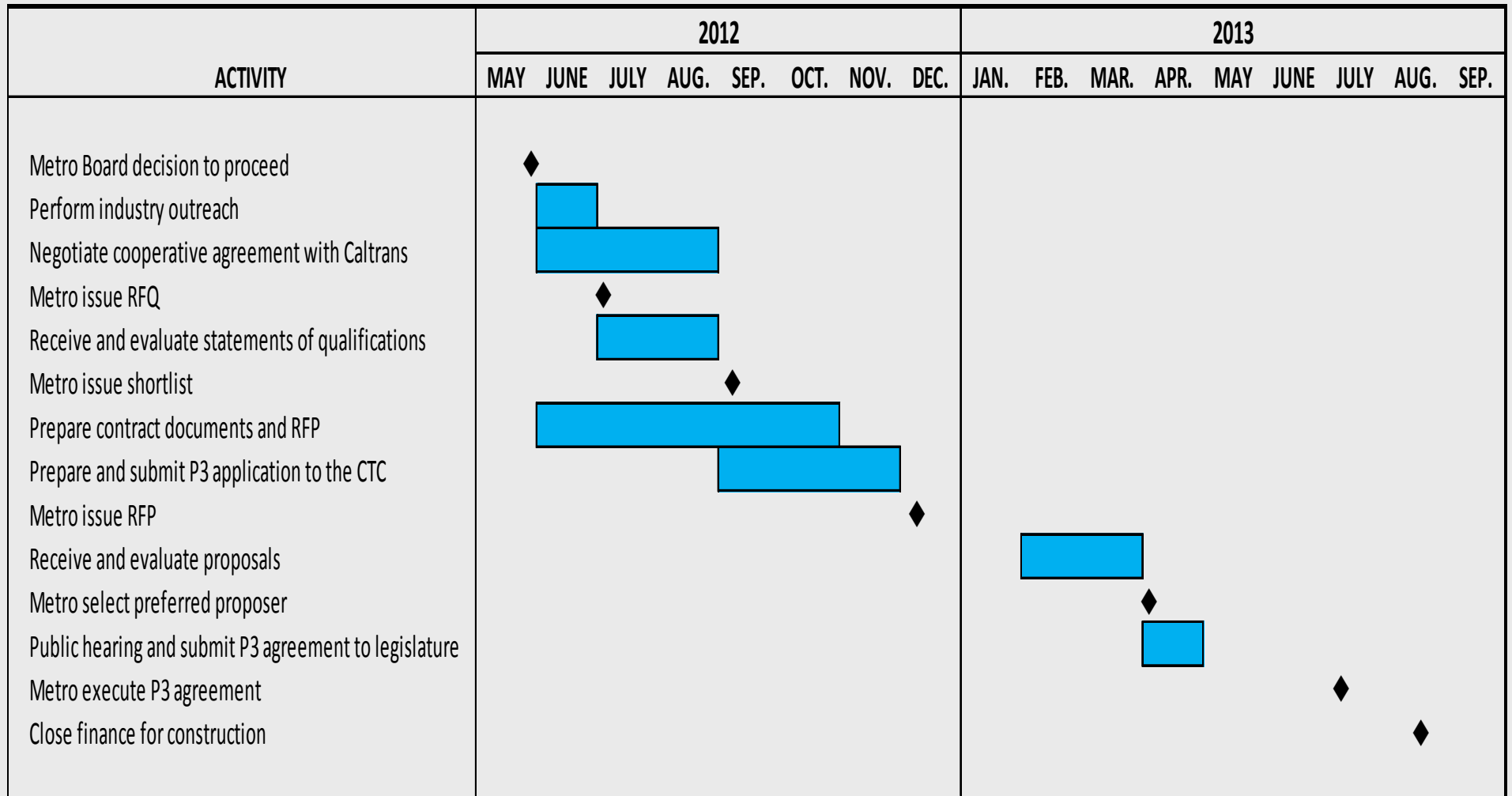


SINGLE AVAILABILITY PAYMENT CONTRACT COVERING ALL ELEMENTS WITH SCULPTED PAYMENT OBLIGATIONS



Procurement Schedule

Schedule Assumes Optimal Acceleration Program



◆ Key Milestones

Summary: P3 Delivery

- **The Highway / Goods Movement Package will yield Value for Money to Metro if delivered as a P3 program, utilizing an availability payment structure for a 30-year term.**
- Construction and completion risk will be borne by the private partner, who will also have responsibility for long-term maintenance.
- The potential for “scope creep,” cost increases, or change orders is significantly reduced.
- Additional project capital may be generated through equity investment by the Concessionaire and/or third-party infrastructure funds, including CalPERS
- Contract provisions will give Metro direct, ongoing control over design, construction, operations and maintenance performance.
- The projects will be available for public use many years ahead of the current schedule.

Next Steps

- Meet with Caltrans
 - Request that design work on I-5 North be completed at the 35% design level
 - Agree on a plan for promptly performing an environmental reevaluation on I-5 North HOT lanes
 - Agree on a process for State payments for routine maintenance
 - Prepare a cooperative agreement for delivery of the Program
- Meet with California Transportation Commission staff to initiate discussions toward approval of the Program for P3 delivery, and confirm authority to impose tolls
- Begin outreach to the industry to generate interest in and feedback on the Program
- Meet with Federal Highway Administration staff to provide briefing on the Program and initiate the process to add HOT lanes on I-5
- Finalize scope and budget to support Metro procurement and management of the Program.