

Interstate 405 Preliminary Finance Plan

Background

- I-405 carries 257,000 – 370,000 Average Daily Traffic*
- Regular and high-occupancy vehicle (HOV) lanes congested in peak hours
- Traffic growth of about 30% expected by 2040
- Final Environmental Impact Report approved March 2015
 - Adds one General Purpose lane each direction
 - Fulfills promise to voters by delivering Measure M Project K
 - Adds one Express Lane each direction**
 - Paid for with user fees / tolls
 - Reconstructs 18 bridges
 - Includes direct Express Lanes connector with SR-73

Description	Direction	New lanes
General Purpose	Northbound	1
General Purpose	Southbound	1
Express Lane	Northbound	1
Express Lane	Southbound	1
<hr/>		
Total New Lanes	Both directions	4

* Represents traffic in 2009 - From Final Environmental Impact Report

** The one new Express Lane is combined with the existing high-occupancy vehicle lane to form a two-lane each direction Express Lanes facility.

Balanced Approach - Initial Toll Policy

Timeframe	Initial Toll Policy
First 3.5 Years	HOV2 Free Non-Peak, HOV3+ Free All Day
Balance Finance Term	HOV3+ Free All Day

- ✓ Fulfills goal to offer HOV2 free for initial three years
- ✓ Offers customers a safe, reliable, predictable trip
- ✓ Supports throughput at free-flow speeds
- ✓ Designed to increase average vehicle occupancy
- ✓ Is balanced to serve toll paying customers and people who rideshare or use transit
- ✓ Should provide sufficient revenue to sustain 405 Express Lanes financial viability
- ✓ Should provide flexibility so that all covenants in financing documents can be met

Project Funding

- Updated Project Cost Estimate is \$1.9 billion*
- Assumes full TIFIA support
- Toll road revenues provide the sole source of pledge for the TIFIA loan

Source of Funds	Amount
Measure M2 (Pay/Go, Bonds)	\$ 1,145,352,000
Federal Revenues	45,648,000
State Funds	82,000,000
TIFIA Loan (33% of Total Cost)	627,000,000
Total Sources	\$ 1,900,000,000

* Current estimate based on Federal Highway Administration Cost Estimate Review (April 28, 2016) plus contingency for unassigned risk. Project cost is not finalized until the design-build contract is awarded.

Next Steps

Description	Schedule
California Transportation Commission AB 194 Application Approval	May 18, 2016
Initial Toll Policy & Preliminary Finance Plan Approved	May 23, 2016
TIFIA: Indicative Credit Rating	July 2016
TIFIA: Application	August 2016
Design-Build Contractor Award	November 2016
Design-Build Contractor Notice to Proceed No. 1	January 2017
TIFIA: Loan Approval	March 2017
Design-Build Contractor Notice to Proceed No. 2	May 2017

We Are Here →