

TOLL ROAD NEWS

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San Diego's South Bay Expressway could open end-Sept 2007



The South Bay Expressway (SBX), San Diego's first full tollroad could open by the end of September. They are starting to enroll motorists in toll accounts this week. Greg Hulsizer, CEO told us there's no firm opening date but "a lot of people are working long hours, six days a week to try make it happen by the end of September."

Hulsizer's caution is born of experience.

Construction of the South Bay Expressway or SR 125 South as it was formerly known (and before that the San Miguel parkway) has taken a year longer than predicted when construction began. In September 2002 when Macquarie closed on a purchase of the franchise from Parsons Brinckerhoff the road was due to open in the second half of 2006.

"No one big thing caused the delays, a lot of different things, unexpected soil and rock, utilities to be moved, all kinds of complications," says Hulsizer.

The good news he says there is "very strong local demand for the road, strong support from local officials, and great excitement that - at last - things are coming together."

Also the franchise term of 35 years doesn't begin to run until opening day.

With an opening not far off the SBX recently launched a publicity generating "contest" - with free trips the prizes. The first motorist to open a FasTrak transponder account got a year of free trips. Motorists 2 through 26 got a free transponder and six months of free trips, and others got valuable but lesser "prizes."

About 30 people camped out overnight July 12. They and others enrolling ahead of time will be mailed their transponders about two weeks before opening.

Opening isn't planned in detail yet. The road could be opened in stages, Hulsizer says, though they want to get it all open as soon as possible.



The concession with the state goes way back to 1991 and was signed under the since rescinded AB680 California legislation allowing for unsolicited private sector proposals. Environmental clearance and delineation of an acceptable route took nine years to 2000 under Parsons Brinckerhoff. Much of the work had been delegated to Caltrans, the state DOT, a decision the concessionaire staff said they regretted.

Some \$50m was spent on environmental mitigation and benefits to local residents - including provision of horse and hiking trails and playing fields. The project was stalled for about four years while SBX had to conduct research on how to propagate the habitat of butterflies and birds being displaced from the right of way.

SBX is 13.9km (8.6 miles) long and provides north-south connectivity in the City of Chula Vista (pop 230k) and other growing communities toward the eastern fringe of the greater San Diego metro area. At its southern end it provides connections to the Otay Mesa industrial area and border crossing into Mexico.

Traffic forecasts

A traffic study showed about half the trips on the SBX are likely to be generated at the northern end where development is densest, another 25% will be generated by the Otay Mesa area, and 10% by border crossings.

Greg Hulsizer says he is not talking any forecasts of traffic and revenue but Macquarie said after the acquisition that they expected 45k/day by the end of the first year.

The 35 year concession gives the operator full discretion over toll rates charges, contains non-compete clauses assuring the private operator that parallel I-805 a few miles west won't be widened, but caps the project internal rate of return at 18.5%.

Big Bridge

Largest structure on the project is a high bridge over the Otay Mesa River (so-called - it's what we would call a run in the east) near the southern end. Of precast, post-tensioned concrete box girder construction it is 1210m long (3,960ft) on twin posts up to 55m (180ft) high.

The whole road is 2x2 lanes but designed for widening inward to 2x4 lanes in the northern half and 2x3 lanes in the southern portion. The big bridge would be twinned.

There are five interchanges in the project and provision for two more.

Tolling

There's one mainline toll plaza at the southern end with open road tolling lanes in the middle and 3 cash lanes off to each side. The ramp plazas have cash stop-to-pay and ramp speed transponder lanes.

Tolls for using the full 13.9km (8.6mi) will be \$3.50 with a transponder and \$3.75 cash or 25c/km (40c/mile). Use of shorter stretches is much higher per mile for cash payers but is approximately the same for shorter hops.

3 and 4 axle vehicles will pay twice



Otay Mesa River Bridge - the main structure on the SBX project

the car rate and 5-axle vehicles three times.

InTrans of Long Island NY is doing the toll system work while a Washington Group Fluor joint venture is the prime contractor in a fixed price design-build contract.

Project cost was \$635m. Macquarie put in \$180m in equity, raised \$320m of senior debt, and took a \$154m TIFIA loan guaranteed by the US Government.

The SBX managed construction of a 4km (2.5mi) untolled connector and 'gap' interchange at the northern end costing \$138m which was funded by the state.

Macquarie would like a longer lease than the 35 years they have. Last year legislation passed the state house allowing the term of the concession to be increased in a renegotiated concession satisfactory to the San Diego Association of Governments.

The deal is likely to involve a longer concession term in return for weakening the non-compete clauses to allow toll express lanes to be added to I-805. Hulsizer says there is no movement on that at present:

"The top priority for everyone now is getting the road open."

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Chocolate lillies re-established

Traffic on competing free routes

I-805
2004 AWDT: 218,000
11 Lanes

I-5
2004 AWDT: 176,000
10 Lanes

San Ysidro Border Crossing
60,000 + Northbound
(entries) daily – cars only



Otay Mesa Border Crossing –
2,800 northbound cargo trips daily
(2001: \$22BN of trade)