



August 11, 2022

To: Transit Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: SB 1 (Chapter 5, Statutes of 2017) State of Good Repair Program Recommendations for Fiscal Year 2022-23

A handwritten signature in blue ink, appearing to read "Darrell E. Johnson", is located in the upper right corner of the page.

Overview

The SB 1 (Chapter 5, Statutes of 2017) State of Good Repair Program provides funding for transit capital improvement needs. The program funds are generated from the Transportation Improvement Fee. Programming recommendations for fiscal year 2022-23 funds, as well as a reprogramming action for prior-year funding, are presented for Board of Directors approval.

Recommendations

- A. Approve Resolution No. 2022-053 authorizing the use of fiscal year 2022-23 SB 1 State of Good Repair Program funding, which is estimated to provide approximately \$6.585 million for the following projects:
- Transit Security and Operations Center (\$3.924 million),
 - Bus engine repower/rebuild contract (\$1.511 million), and
 - Heating-ventilation unit replacement at the Santa Ana Bus Base (\$1.150 million).
- B. Authorize the use of fiscal year 2019-20 SB 1 State of Good Repair Program funding of \$2.560 million for the bus engine repower/rebuild contract.
- C. Authorize staff to make all necessary amendments to the Federal Transportation Improvement Program and execute any necessary agreements to facilitate the above recommendation.

Background

On April 28, 2017, Governor Brown signed SB 1, known as the Road Repair and Accountability Act of 2017. The State of Good Repair (SGR) Program is a transit capital program funded from the SB 1 Transportation Improvement Fee (TIF). The funding for the program is collected through vehicle registrations. It is estimated that the TIF will provide \$121 million statewide in SGR for fiscal year (FY) 2022-23. The Orange County Transportation Authority's (OCTA) share is estimated to be \$6.585 million. The State Controller's Office (SCO) will release a revised estimate for the FY 2022-23 SGR funds in August 2022, after this staff report is published. Actual revenues may differ based on the collection of funds through the TIF.

The specific goal of the SGR Program is to rehabilitate and modernize existing local transit systems, equipment, and facilities. Eligible projects include transit capital projects or services to maintain or repair a transit operator's existing transit vehicle fleet, or transit facilities that improve existing transit services and transit services that complement local efforts.

OCTA has received five cycles of SGR funding which have been used to support the OC Bus fleet and facilities. The OCTA Board of Directors (Board) approved prior-year SGR funding for the following projects:

- Purchase ten zero-emission hydrogen fuel cell electric buses (\$5.6 million),
- Heating-ventilation unit replacements at the Anaheim Bus Base maintenance building (\$0.1 million),
- Purchase up to 17 iShuttle replacement buses (\$9.7 million),
- Replace up to five 40-foot compressed natural gas-powered buses with 40-foot zero-emission battery-electric buses (\$1.9 million),
- Power Generator Replacement Project at the Anaheim and Irvine Construction Circle bus bases (\$1.4 million),
- Facility modifications, upgrades, and replacement projects at the OCTA bus bases (\$3.8 million),
- Transit Security and Operations Center (TSOC) (\$8.4 million), and
- Replacement of emergency standby generators (\$0.6 million).

On September 27, 2021, the OCTA Board approved the use of \$12.352 million of SGR funding for the TSOC project in order to provide full funding for the project. Of this amount, \$8.428 million was provided through prior-year SGR funding, and the remaining \$3.924 million is included in the FY 2022-23 project list.

In November 2021, the City of Irvine (City) informed OCTA that they would not be moving forward with the option to purchase an additional five iShuttle replacement buses. This decision was based on low transit ridership and the continuation of pandemic-induced changes in travel choices. Additionally, the City is in the midst of a Transit Vision Study, which may call for the flexibility of smaller vehicles that could provide shorter trips and also be available for other types of service. This makes \$2.56 million of FY 2019-20 SGR funding available for reprogramming.

The California Department of Transportation (Caltrans) revises the SGR guidelines annually with the latest version approved in July 2022. Transit agencies will submit projects for Caltrans' confirmation of eligibility by September 1, 2022. Funds will be allocated quarterly by the SCO starting in November 2022.

Discussion

To access the SGR funds, OCTA must submit a Board-approved list of projects. Staff is requesting Board approval to submit the TSOC project, bus engine repower/rebuild contract, and the heating-ventilation unit (HVAC) replacement at the Santa Ana Bus Base for the FY 2022-23 SGR funds, currently estimated to be approximately \$6.585 million. A resolution for this proposed project list is provided in Attachment A. Additionally, staff recommends reprogramming \$2.56 million of FY 2019-20 SGR funding, originally approved for purchasing five iShuttle buses to the bus engine repower/rebuild contract.

The Board previously approved \$3.924 million of SGR funding for the TSOC project, which is included in the FY 2022-23 project list. The TSOC project includes replacing OCTA's control center facility, known as the Garden Grove Annex. The current facility cannot be retrofitted to achieve the continuous operations standards required of essential facilities in California. Planned uses of the TSOC include providing space and equipment for Central Communications (dispatch), Field Operations, Security and Emergency Preparedness, Transit Police Services, and OCTA operations support personnel. The TSOC will also support Orange County emergency operations.

Staff recommends \$4.071 million of SGR funding for the bus engine repower/rebuild contract. Of this amount, \$2.56 million will be reprogrammed from the iShuttle Bus Replacement project, and the remaining \$1.511 million will be provided from FY 2022-23 funds. The bus engine repower/rebuild contract will provide on-call support for the implementation of engine replacements for up to 134 buses and will also provide overflow capacity support to the Rebuild

Department. Due to the on-call nature of the contract, staff may return to the Board in the future to request additional funding if needed.

Finally, staff recommends programming \$1.150 million of FY 2022-23 SB 1 SGR funding for the HVAC replacement at the Santa Ana Bus Base. This project includes the replacement of HVAC and exhaust fan units within all buildings at the Santa Ana Bus Base location with new energy efficient units.

The use of SGR funding for these bus transit projects is consistent with Caltrans' SGR Program guidelines, meets the program goals, and is consistent with OCTA's Capital Programming Policies, approved by the Board in December 2021. Project descriptions and additional information for each of the projects listed in this staff report are included in Attachment B. The actions recommended in this report have been added to OCTA's Capital Funding Program provided in Attachment C.

Next Steps

With Board approval, staff will submit the FY 2022-23 project list to Caltrans by September 1, 2022, for the use of \$6.585 million of FY 2022-23 SGR funding to support the TSOC project, HVAC replacement at Santa Ana Bus Base, and the bus engine repower/rebuild contract. Caltrans will finalize and submit the statewide list of the FY 2022-23 projects to the SCO on October 1, 2022. It is anticipated that the SCO FY 2022-23 funds will initiate the release of funds to transit agencies on a quarterly basis, beginning November 2022.

Additionally, with Board approval, staff will submit a project revision request to Caltrans to reprogram \$2.56 million of FY 2019-20 SGR funding from the five iShuttle replacement buses to the bus engine repower/rebuild contract.

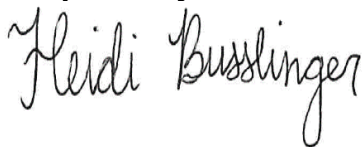
Summary

Staff is recommending OCTA use FY 2022-23 SGR funds for the TSOC project, HVAC replacement at Santa Ana Bus Base, and the bus engine repower/rebuild contract. In addition, staff recommends reprogramming \$2.56 million of FY 2019-20 SGR funds from the five iShuttle replacement buses to the bus engine repower/rebuild contract.

Attachments

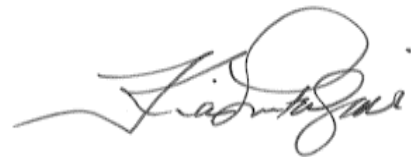
- A. Resolution 2022-053 of the Orange County Transportation Authority, SB 1 (Chapter 5, Statutes of 2017) State of Good Repair Program, Fiscal Year 2022-23
- B. SB 1 (Chapter 5, Statutes of 2017) State of Good Repair Program Recommendations, Project Descriptions
- C. Capital Funding Program Report

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