




May 4, 2020

To: Regional Planning and Highways Committee
From: Darrell E. Johnson, Chief Executive Officer 
Subject: 2020 State Transportation Improvement Program Update

Overview

On March 26, 2020, the California Transportation Commission approved the final 2020 State Transportation Improvement Program, which will provide \$200 million to six high-priority projects throughout Orange County. An update on the programming actions and related changes is provided for review and approval.

Recommendations

- A. Authorize the use of up to \$3 million in Measure M2 funds for the Interstate 605 Katella Interchange Project.
- B. Authorize the use of up to \$5.5 million in federal Surface Transportation Block Grant funds for the Interstate 5 Managed Lanes Project from Avenida Pico to the Orange County/San Diego County line area.
- C. Authorize staff to process all necessary amendments to the Federal Transportation Improvement Program and execute or amend all necessary agreements to facilitate the above actions.

Background

The State Transportation Improvement Program (STIP) is a major source of funding for transportation improvements throughout the State of California. Every two years, state transportation revenues are forecasted and programmed for the subsequent five-year period. STIP revenues are derived from gasoline fuel sales.

The Orange County Transportation Authority (OCTA) is responsible for the development and programming of the five-year STIP for Orange County, which is submitted to the California Transportation Commission (CTC) for approval and adoption. CTC provided OCTA with an initial funding target of \$183.245 million for programming between fiscal year (FY) 2020-21 and FY 2024-25. Based on Board of Directors (Board) direction on September 23, 2019, staff submitted OCTA's STIP funding request over the initial target for a total of \$203.645 million in STIP funding to support seven Measure M2 (M2) projects, including OCTA planning activities. This request was approximately \$20.400 million over the initial STIP target which, when approved by CTC, advanced funding from future STIP cycles to fulfill OCTA's early project delivery goals.

Additionally, the Trade Corridor Enhancement Program (TCEP) is a statewide, competitive program that provides funding for infrastructure improvements along designated corridors that have a high volume of freight movement. The TCEP was created through the passage of SB 1 (Chapter 5, Statutes 2017) in 2017, and provides approximately \$300 million per year for goods movement projects. Revenues for the TCEP are derived from diesel fuel sales.

Discussion

The CTC adopted the 2020 STIP on March 25, 2020, which includes \$200.645 million of the \$203.645 million requested by OCTA and will support six of the seven projects as originally requested. While this is a slight reduction from OCTA's submittal request, the approved program exceeds the Orange County programming target of \$183.245 million, by \$17.400 million. It should be noted that OCTA was successful in advancing \$80 million for the State Route 55 (SR-55) Improvement Project from Interstate 405 (I-405) to Interstate 5 (I-5) as part of the adopted 2020 STIP. An advancement of this type was not allowed for many agencies; however, OCTA's strategy was recognized as supporting the CTC request for this cycle and was approved.

The approved projects, funding amounts, and funding year are provided in the table below:

OCTA Projects Approved by CTC for 2020 STIP		
Project	2020 STIP (\$ millions)	STIP Year
I-5 improvements from I-405 to Yale Avenue (Segment 1) (construction phase)	\$95.338	2024-25
SR-55 improvements from I-405 to I-5	\$80.000	2020-21
State Route 74 (SR-74) Ortega Highway improvements – Calle Entradero to City/County line	\$8.540	2024-25
I-5 improvements from State Route 73 to El Toro Road (replacement planting/landscaping)	\$6.000	2024-25
I-5 Managed Lanes Project from Avenida Pico to Orange County/San Diego County line	\$5.500	2023-24
Planning, programming, and monitoring	\$5.267	Varies
Total:	\$200.645	

The difference between OCTA's submittal and the adopted 2020 STIP is \$3 million, which was originally proposed for the Interstate 605 (I-605)/Katella Avenue Interchange Project in FY 2020-21. As part of the Next 10 Delivery Plan update that was approved by the Board in November 2019, the design phase for the I-605 Katella Avenue Project was advanced from FY 2024-25 to FY 2020-21. However, CTC indicated that as part of this 2020 STIP cycle, new projects could not be funded in the first three years of the STIP. Given CTC action, staff recommends alternative sources of funding for this project.

In order to maintain the current schedule for the I-605 Katella Avenue Project, staff is requesting Board authorization to use up to \$3 million of M2 funds for the project. Again, this project was identified in the Next 10 Delivery Plan early delivery and will improve freeway access, traffic operations, enhance safety, and improve pedestrian and bicycle facilities. This request will allow the project to remain on schedule.

CTC has approved \$5.5 million in FY 2023-24 for the project approval and environmental document (PA&ED) phase of the I-5 Managed Lanes Project from Avenida Pico to the Orange County/San Diego County line. However, consistent with discussions between OCTA, the Transportation Corridor Agencies, and the California Department of Transportation (Caltrans), related to phasing transportation improvements in south Orange County (South County Traffic Relief Effort [SCTRE]), this project will be advanced to FY 2020-21. The STIP funds will remain on the project in the 2020 STIP as a placeholder for now, but the funds will be recommended for the next project phase or a different project, if necessary, in the 2022 STIP cycle. Staff is therefore recommending that \$5.5 million in federal Surface Transportation Block Grant (STBG) funding be used in place of the STIP to accommodate the advancement of the project into

FY 2020-21. The use of STBG funding for this project is consistent with OCTA's Capital Programming Policies, which directs STBG funding to be used for projects that are consistent with the M2 Freeway Program and complementary projects. This project is an extension of Project C in the M2 Freeway Program, which extended the high-occupancy vehicle lane from San Juan Creek Road to Avenida Pico.

Related to the SCTRE, OCTA is working with Caltrans and other agencies to advance the final design for the widening of SR-74 between Calle Entradero to the city/county line. Caltrans is seeking to advance STIP funds from FY 2024-25 to FY 2020-21 to finalize project development efforts (e.g., 100 percent design/construction-ready plans). Updates on this activity will be provided in future state/federal programming updates.

Finally, when the Board approved the 2020 STIP submittal to CTC in September 2019, staff was directed to seek out funding options for the State Route 57 Truck Climbing Lane Phase II – Lambert Road to County Line Project, which had been programmed to utilize STIP funds in the 2018 STIP but was subsequently removed from the 2020 STIP. At the time this report is being drafted, OCTA and Caltrans are in discussions to submit this project to CTC for consideration of TCEP funding for the PA&ED phase. Following the TCEP awards announcement anticipated in late 2020 or early 2021, staff will return to the Board to request authorization to accept the award or seek approval for a recommendation to use alternative funding to advance the project.

The 2020 STIP funding and programming adjustments are detailed in Attachment A. The CTC project listing, including total funding by project, is provided in Attachment B. The initial OCTA 2020 STIP submittal is included in Attachment C. Project descriptions are provided in Attachment D. A Capital Funding Program detailing the funding changes to projects is provided as Attachment E.

Novel Coronavirus (COVID-19) Pandemic Impacts

On March 4, 2020, Governor Gavin Newsom declared a State of Emergency related to COVID-19 and later implemented a stay-at-home order to prevent the virus from spreading. Subsequently, this order has had a significant impact on fuel sales. Since the STIP is primarily funded through sales tax on fuels, OCTA anticipates the 2020 STIP fund estimate will need to be adjusted to accommodate for this loss of revenue. CTC has indicated that if the available funding is less than what was assumed in the 2020 STIP fund estimate, CTC may be forced to delay or restrict allocations through the use of allocation plans. Staff will provide the Board an update on this issue as information is available from the CTC.

Summary

CTC adopted the 2020 STIP, which included changes to OCTA's 2020 STIP submittal. As a result, staff is recommending the use of M2 funds for the design phase of the I-605 Katella Avenue Interchange Project and federal STBG for the PA&ED phase of the I-5 Managed Lanes Project from Avenida Pico to the Orange County/San Diego County line. Future updates will include information related to COVID-19 impacts on STIP funding.

Attachments

- A. Individual Changes to Projects Submitted for the 2020 STIP
- B. Funding Plan for 2020 STIP - CTC Approved Projects
- C. Funding Plan for 2020 STIP - OCTA Submitted Projects
- D. 2020 State Transportation Improvement Program, Project Descriptions
- E. Capital Funding Program Report

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