



**September 5, 2019**

**To:** Regional Planning and Highways Committee

**From:** Darrell E. Johnson, Chief Executive Officer

A handwritten signature in black ink, appearing to read "Darrell E. Johnson", is written over the printed name.

**Subject:** 2020 State Transportation Improvement Program

### **Overview**

Every two years, the Orange County Transportation Authority prepares a program of projects for state funding through the State Transportation Improvement Program. Program recommendations are presented for the Board of Directors' consideration and approval. These recommendations are consistent with programming policies approved by the Board of Directors.

### **Recommendations**

- A. Approve the 2020 State Transportation Improvement Program submittal to program \$203.645 million to seven projects, from fiscal year 2020-21 through fiscal year 2024-25.
- B. Authorize the use of up to \$40.512 million in Surface Transportation Block Grant funds, \$92.328 million in Measure M2 funds, and \$44.791 million in SB 1 (Chapter 5, Statutes of 2017) Local Partnership Program funds for the 2020 State Transportation Improvement Program projects.
- C. Authorize staff to make all necessary amendments to the State Transportation Improvement Program and the Federal Transportation Improvement Program, as well as execute any necessary agreements to facilitate the recommendations above.

### **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 and federal transportation revenues are forecasted and programmed for the subsequent five-year period.

The Orange County Transportation Authority (OCTA) is responsible for the development and programming of the STIP, which is submitted to the California Transportation Commission (CTC) for approval and adoption. OCTA dedicates STIP funds for use on projects of countywide significance, consistent with the Board of Directors' (Board) adoption of the Capital Programming Policies (CPP).

Every STIP cycle includes a fund estimate (FE), which determines funding shares for each county. For the 2020 STIP, the FE determined that Orange County's new capacity would be \$6.960 million. On August 12, 2019, the OCTA Board received the 2020 STIP overview as an information item that provided more detail regarding the funding share for Orange County. As noted in the 2020 STIP Overview Board item, the diminished STIP will require significant modifications to existing projects. Additionally, CTC staff has indicated that the CTC would likely be unable to allow funding advancement of existing projects.

### ***Discussion***

Due to the CTC's extremely limited ability to advance funding into earlier years, the overall strategy is to fund priority projects utilizing local funds in order to keep projects on schedule such as the Interstate 5 (I-5) Improvement Project from Alicia Parkway to El Toro Road (Segment 3). This I-5 Improvement Project is programmed to receive STIP funds in fiscal year (FY) 2022-23, but will be ready to advertise for construction in FY 2019-20. To delay the project to align with the STIP programming year would be costly and problematic as the other two segments (from State Route 73 {SR-73} to Alicia Parkway) have proceeded to construction. OCTA is proposing to request \$80 million in STIP funds authorized for the State Route 55 (SR-55) Improvement Project from Interstate 405 (I-405) to I-5 as early as possible by requesting to advance those funds from FY 2021-22 to FY 2020-21. By delaying most of the other funding in the STIP to later years, it provides CTC the option to potentially approve this advancement for the SR-55 Improvement Project.

OCTA is further proposing to maximize the use of other state, federal, and Measure M2 (M2) funds for those projects which are ready to proceed or are prioritized in later years. The STIP dollars made available in later years will be applied to upcoming M2 projects, such as the construction phase of the I-5 Improvement Project from I-405 to Yale Avenue (Segment 1), and the Interstate 605 (I-605) Katella Avenue Interchange Project.

OCTA staff is recommending the following changes to the 2020 STIP:

STIP Projects (\$000)	2018 Amount	2020 Amount
<b>Carry Over Projects</b>		
SR-55 Improvements from I-405 to I-5	\$80,000	\$80,000
I-5 Improvements from SR-73 to El Toro Road (replacement planting/landscaping)	\$6,000	\$6,000
Planning, Programming, and Monitoring	\$3,696	\$5,267
<b>New Additions</b>		
I-5 Improvements from I-405 to Yale Avenue (Segment 1) (Construction Phase)	\$0	\$95,338
State Route 74 Ortega Highway Improvements – Calle Entradero to City/County Line	\$0	\$8,540
I-5 Improvements from Avenida Pico to San Diego County Line	\$0	\$5,500
I-605 Katella Avenue Interchange	\$0	\$3,000
<b>Locally-Funded with M2 and Other State Funding</b>		
I-5 Improvements from Alicia Parkway to El Toro Road (Segment 3)	\$69,911	\$0
I-5 Improvements from I-405 to SR-55 (Segments 1 and 2 [Design Phase])	\$12,628	\$0
<b>Seek Future Funding</b>		
State Route 57 Truck Climbing Lane Phase II – Lambert Road to County Line	\$4,050	\$0
<b>Total</b>	<b>\$176,285</b>	<b>\$203,645</b>

The total funding available in the 2020 STIP is made up from the projects programmed in the prior 2018 STIP (\$176.285 million), plus Orange County's new STIP capacity (\$6.960 million). Per the STIP FE, the CTC may approve and program STIP funding above the targets up to the STIP maximum. OCTA staff will be requesting \$20.400 million over the STIP target, which results in a total STIP request of \$203.645 million. If approved, the \$20.400 million will be an advance from the next 2022 STIP cycle and taken out of the 2022 FE. A map, which includes the 2020 STIP, is provided as Attachment A. Attachment B provides a brief description of each project and details of the funding changes. Attachment C provides a table that depicts the projects prepared for the 2020 STIP.

In order to program any phase of work in the STIP, that particular phase must be fully funded. Staff is proposing to fully fund all phases programmed by using a combination of federal Surface Transportation Block Grant (STBG [\$40.512 million]), state SB 1 Local Partnership Program (LPP [\$44.791 million]), and M2 (\$92.328 million). Additional details on how this funding is programmed to each project is provided in Attachment B. The use of federal STBG and state SB 1 LPP funds for these projects is consistent with the CPP, which prioritizes state and federal funds to fulfill commitments to Next 10 projects first. SB 1 LPP is subject to CTC approval. Additionally, the use of M2 funds is consistent with the CPP regarding the use of M2 funds for Next 10 projects.

It is possible that CTC staff may request changes due to revised funding capacity or timing constraints related to the state and federal funding. Adjustments to the recommended program may be necessary, and staff will continue to work with the CTC, the California Department of Transportation (Caltrans), and other appropriate agencies to ensure the projects continue to move toward the 2020 STIP adoption by spring 2020. Staff will keep the Board apprised if material changes are necessary.

Attachment D provides the updated Capital Funding Plan, which includes recommended changes pending approval by the Board on September 23, 2019, and also by the CTC, which is anticipated in March 2020.

Additionally, OCTA staff has had discussions with Caltrans Division of Mass Transit and has requested they consider the Orange Olive Wye Connection Project for \$16 million for Interregional Transportation Improvement Program funding. Attachment B provides additional project information.

### Next Steps

With Board approval, staff will finalize and submit the 2020 STIP to the Southern California Association of Governments by September 24, 2019, and then to the CTC by December 15, 2019. The CTC will hold public hearings on the proposed 2020 STIP on January 30, 2020, in Northern California and on February 6, 2020, in Southern California. The CTC is expected to adopt the program on March 25-26, 2020. A 2020 STIP development schedule is included as Attachment E.

**Summary**

OCTA is responsible for the development and programming of the STIP for Orange County. OCTA is proposing to submit seven projects for \$203.645 million in STIP for FY 2020-21 through FY 2024-25. The use of STIP funds for these projects supplements the local M2 Program and will provide a range of benefits to all of Orange County.

**Attachments**

- A. OCTA 2020 State Transportation Improvement Program, Proposed Projects
- B. Orange County Transportation Authority, 2020 State Transportation Improvement Program, Project Descriptions and Programming Information
- C. Funding Plan for 2020 STIP-Recommended Projects
- D. Capital Funding Program Report
- E. 2020 STIP Development Schedule

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