



June 6, 2022

To: Regional Planning and Highways Committee
From: Darrell E. Johnson, Chief Executive Officer
Subject: Capital Programming Update

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Overview

The Orange County Transportation Authority uses various funding sources to implement planning efforts, capital projects, and transit operations. Project costs can vary from the programmed amount in response to changing circumstances, which may require funding revisions. Board of Directors' authorization is required to provide funding for current or planned freeway and signal synchronization projects.

Recommendations

- A. Authorize the use of \$17.8 million in Surface Transportation Block Grant Program funds and \$7 million in Measure M2 for the construction of the Interstate 605/Katella Interchange Improvement Project.
- B. Consistent with approved Amendment 1 to Agreement No. C-0-2073, authorize the use of up to \$1.97 million in 91 Express Lane excess revenue funds for the State Route 91 Improvement Project from Acacia Street to La Palma Avenue (Segment 3) for additional design support.
- C. Consistent with pending Amendment 3 to Agreement No. C-8-1426, authorize the use of up to \$1 million in additional Surface Transportation Block Grant Program funds for the Interstate 5 Widening Project from Oso Parkway to Alicia Parkway (Segment 2) for additional construction support.
- D. Authorize the use of up to \$1.8 million in Measure M2 funds for a regional traffic signal synchronization project in place of SB 1 (Chapter 5, Statutes of 2017) Solutions for Congested Corridor Program funding.
- E. 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 Orange County Transportation Authority (OCTA) directs the use of federal, state, and local funds based on the Board of Directors' (Board)-approved Capital Programming Policies (CPP) (Attachment A). This Capital Programming Update item seeks approval to fund cost amendments and an upcoming phase of a project. Additionally, staff will continue to seek cost savings and minimize the use of funding where applicable.

As projects progress through development, costs can change, funding agency requirements may limit the anticipated use of funds, opportunities to maximize external funding may arise, savings may be identified, or additional or different funding may be required. OCTA regularly reports on specific project costs through the quarterly Capital Action Plan (CAP), which highlights project costs, schedules, and status. Board action to update funding for projects is requested periodically to support costs consistent with the revised funding need for projects. Project descriptions and additional information for each of the projects listed in this staff report are included in Attachment B. The Capital Funding Program includes a summary of how OCTA's capital projects are currently funded along with the proposed changes in this item and is provided as Attachment C. A list of Board actions, which directed capital funds towards OCTA capital projects over the last six months, is provided in Attachment D.

Discussion

The CAP lists freeway, grade separation, rail, and station projects, and includes the cost estimate at completion, as well as the schedule for key milestones for Board-approved projects. In coordination with project managers, programming staff refers to the CAP from the Capital Programs Division to recommend or make funding adjustments to initiate projects, ongoing projects, and projects that have met key milestones or other adjustments. Other projects that may be managed outside of the CAP are also reviewed and may be recommended for funding adjustments as appropriate.

Freeway Program Funding Changes

The following recommendations to increase funding for various freeway projects are primarily based on estimates included in the CAP presented to the Board on February 14, 2022. For project phases already underway, changes are based on a forecast of actual costs. The projects are recommended by staff to receive funds from the Surface Transportation Block Grant Program (STBG), 91 Express Lane (91 EL) excess revenue funding, and Measure M2 (M2) freeway program funds.

Interstate 605 (I-605)/Katella Avenue Interchange Improvement Project

The I-605/Katella Avenue Interchange Improvement Project plans, specifications, and estimates phase is nearing completion and will be entering construction in 2023. This project will improve freeway access, traffic operations, enhance safety, and improve pedestrian and bicycle facilities. Based on the 95 percent design estimates, staff recommends using up to \$17.8 million in STBG funds and \$7 million in M2 funds for the construction phase. This includes \$21.6 million for construction capital as well as \$3.2 million for construction support. The total project cost is \$32.14 million, which includes \$7.34 million for pre-construction phases. This is Project M in the Next 10 Delivery Plan (Next 10 Plan) and the use of STBG and M2 funds for the I-605/Katella Avenue Interchange is consistent with the CPP regarding using STBG and M2 funds for the Next 10 Plan projects.

State Route 91 (SR-91) Improvement Project from Acacia Street to La Palma Avenue (Segment 3)

Segment 3 of the SR-91 Improvement Project from State Route 57 (SR-57) to State Route 55 will provide westbound operational improvements between Acacia Street and La Palma Avenue and reconstruction of the La Palma Avenue overcrossing bridge. The project is currently funded with \$0.03 million in M2, \$14.40 million in 91 EL, and \$1.77 million in STBG funding through right-of-way.

During development of the project design, while working with California Department of Transportation (Caltrans), it was determined that a new bypass ramp is needed to reduce weaving on SR-57. The new bypass ramp allows northbound (NB) SR-57 traffic to exit at Orangethorpe Avenue in advance of the SR-91/NB SR-57 connector merge, eliminating the need for those vehicles to cross multiple lanes merging from connectors. As a result of the Orangethorpe Avenue bypass ramp, additional design services are required, as well as electrical design, and additional environmental services in the amount of \$1.97 million. The Board approved the additional work in February of 2022. Staff is requesting Board approval to use an additional \$1.97 million in 91 EL funds for the related additional design work. This will increase the design costs from \$8.89 million to \$10.86 million and will provide the funding required for the previously Board-authorized Amendment 1 to Agreement No. C-0-2073. This project is listed as Project I in the Next 10 Plan and the use of 91 EL excess revenue is consistent with the CPP regarding utilizing the 91 EL funds for SR-91 improvement-related projects.

Interstate 5 (I-5) Widening Project from Oso Parkway to Alicia Parkway (Segment 2)

The I-5 Improvement Project will widen I-5 in each direction between State Route 73 and El Toro Road, reconstruct several interchanges, add auxiliary lanes, extend the second high-occupancy vehicle lane, and add/replace landscaping where necessary. Segment 2 of the project will widen I-5 in each direction between Oso Creek/Parkway to Alicia Parkway to increase freeway capacity and reduce congestion in the cities of Laguna Hills, Lake Forest, and Mission Viejo. The project will add one general purpose lane in each direction, reconstruct the La Paz Road interchange, and add auxiliary lanes where needed. The project is currently funded with \$55.6 million in STBG and \$132.02 million in M2 funding through construction.

During construction, the project has experienced unplanned expenditures requiring redesigns due to contaminated soil mitigation, railroad crash barriers, and an additional slab replacement. As a result, it required additional oversight and review by Caltrans. Due to this additional work, Caltrans has exhausted the construction support funds that were provided through the cooperative agreement and is requesting \$1 million for additional construction support. Staff is recommending an increase of \$1 million in STBG funding, which will increase the construction phase from \$171.8 million to \$172.8 million. Staff is concurrently requesting Board approval for an amendment to the existing cooperative agreement with Caltrans, Agreement No. C-8-1426, under a separate Board item. Additional details regarding the project and amendment are included as part of the separate item. This is project C in the Next 10 Plan and the use of STBG is consistent with the CPP regarding using federal funds for Next 10 Plan projects.

Regional Traffic Signal Synchronization Project

On May 16, 2018, the California Transportation Commission approved an award of \$12 million in SB 1 Solutions for Congested Corridor Program (SCCP) funding to OCTA for regional traffic signal synchronization along Edinger Avenue, MacArthur Boulevard/Talbert Avenue, and Warner Avenue. These SCCP funds are matched with M2 Project P funds (\$2.40 million) and local city funds (\$0.60 million) for a total project cost of \$15 million. These corridors are within the Master Plan of Arterial Highways and are traffic signal synchronization projects that would otherwise have been delivered using primarily M2 Project P funds and local agency match. The SCCP grant is helping to support the M2 Project P program.

The use of SCCP funding requires a Caltrans Financial Document Review. This review is conducted following the selection of each qualified consultant team. The Caltrans review identified that the indirect construction-related costs on all three projects were ineligible for reimbursement, as the construction

subconsultants on the projects have not developed indirect cost rates approved by Caltrans. To meet the SCCP project award deadline of June 30, 2021, the estimated costs were separated into non-reimbursable and reimbursable totals.

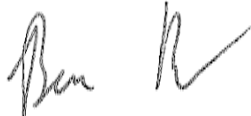
Staff has reviewed the project costs and found all costs to be reasonable and consistent with similar past projects; thus, staff is requesting a change in fund source from SCCP funds to M2 funds to support the non-reimbursable costs identified by the Caltrans audit estimated to be \$1.80 million. To maintain the scope of work, deadlines, and ability to leverage approximately \$10.21 million of SCCP funding to advance M2 projects, staff is recommending using an additional \$1.80 million in M2 funds, meaning the total M2 for the project will be \$4.2 million. This is Project P in the Next 10 Plan and the use of M2 funds is consistent with the CPP regarding the use of M2 funds for the Next 10 Plan projects.

Summary

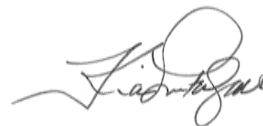
To ensure that OCTA projects are fully funded, external funds are maximized, and funding levels are consistent with the estimate at completion listed in the quarterly CAP, staff is seeking Board approval to use federal and local funds for freeway and traffic signal synchronization projects.

Attachments

- A. Capital Programming Policies by Fund Source December 2021
- B. Capital Programming Update Project Descriptions
- C. Capital Funding Program Report
- D. List of Board of Directors Reports with Programming Actions, January 2022 – June 2022

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