



November 5, 2018

To: Regional Planning and Highways Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Capital Programming Update

Overview

The Orange County Transportation Authority uses various funding sources to advance or implement projects. Several grade separation and transit projects have accomplished project milestones and require funding revisions. These funding revisions result in a shift of funds to other ready-to-go highway and transit projects to meet the state funding deadlines.

Recommendations

- A. Authorize the use of up to \$26.991 million in Proposition 1B Trade Corridors Improvement Funds for the Interstate 5 Improvement Project (State Route 73 to Oso Parkway) from the OC Bridges projects (\$5.002 million), San Juan Creek Bridge Project (\$15.739 million), and unprogrammed funding (\$6.250 million), contingent on the approval of the California Transportation Commission.
- B. Authorize the use of up to \$1.512 million in Proposition 1B Transit System Safety, Security, and Disaster Response Account funding from the 2017 Video Surveillance System Upgrade Project for the 2017 Transit Security and Operations Center, contingent on the approval of the California Office of Emergency Services.
- 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, including Cooperative Agreement No. C-8-1960 between the Orange County Transportation Authority and the California Department of Transportation.

Background

The Orange County Transportation Authority (OCTA) programs federal, state, and local funds based on the Board of Directors (Board)-approved Capital Programming Policies (Attachment A).

As projects progress through development, project costs change, external agency requirements may limit the anticipated use of funds, savings may result, or additional 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. Programming and revenue changes are updated periodically to match these costs and are included in the Capital Funding Program (CFP [Attachment B]). The attachment includes all proposed changes in this staff report, along with a summary of funding for all of OCTA's capital projects.

Discussion

The CAP lists highway, grade separation, rail, and facility projects, and includes a funding at completion estimate, as well as key milestones. Programming staff, in coordination with the project managers, use the CAP, as well as quarterly reports for the Operations Division, to make funding adjustments for projects that have met key milestones, such as completion of final environmental approval, 65 percent design, 95 percent design, contract award, and close out. Recommendations may also be suggested to ensure the funds are being utilized efficiently for projects.

Proposition 1B Trade Corridor Improvement Funding (TCIF)

The OC Bridges Program includes seven railroad grade separation projects along the Orangethorpe Avenue railroad corridor in the cities of Anaheim, Fullerton, and Placentia. These projects include grade separations at the Lakeview Avenue, Kraemer Boulevard, Orangethorpe Avenue, Placentia Avenue, Raymond Avenue, State College Boulevard, and Tustin Avenue/Rose Drive. The Kraemer Boulevard grade separation and the Placentia Avenue grade separation have both been fully closed out. The other five projects are open to traffic and nearing close-out. Adjustments to the Proposition 1B TCIF funding are recommended to reprogram TCIF funds that cannot be used on the five active OC Bridges projects to the Interstate 5 (I-5) Improvement Project from State Route 73 (SR-73) to Oso Parkway (Segment 1).

Overall, the OC Bridges projects are funded with multiple federal and state funding programs, as well as Measure M Project O. A portion of the funding for each grade separation is provided from TCIF. In November 2016, staff prepared and presented to the Board a comprehensive analysis of the programmed revenues and determined that despite the cost increase, state policy limitation on

the TCIF reimbursement ratio that was assigned to these projects meant that the projects could not access \$18.895 million in TCIF.

Due to project closeout calculations, there are additional changes in TCIF funding for five of the grade separations. They are as follows:

TCIF Grade Separation	Board-Approved TCIF (\$ millions)	Proposed TCIF (\$ millions)	TCIF Adjustment (\$ millions)
State College Boulevard	\$32.057	\$32.800	(\$0.743)
Orangethorpe Avenue	\$34.520	\$30.324	\$4.196
Lakeview Avenue	\$26.924	\$27.520	(\$0.596)
Tustin Avenue/Rose Drive	\$25.473	\$22.962	\$2.511
Raymond Avenue	\$10.034	\$10.400	(\$0.366)
Total	\$129.008	\$124.006	\$5.002

On July 10, 2017, the Board had approved the use of \$12.645 million of the \$18.895 million OC Bridges projects available (leaving \$6.250 million unprogrammed) for the San Juan Creek Bridge Project. This project will replace the existing 100-year old railroad bridge over the San Juan Creek in San Juan Capistrano. The San Juan Creek Bridge Project was previously approved for \$3.094 million in TCIF. Construction was initially expected to begin in early 2019, but the project construction start has been delayed to May 2020 due to the federal environmental document approval process. TCIF Guidelines require a project to start construction by December 2019. Consequently, this project is no longer eligible for the \$15.739 million in TCIF previously programmed to the project by the Board (\$12.645 million from OC Bridges projects and \$3.094 million in previously programmed TCIF savings).

In order to assure the use of TCIF for OCTA projects, it is recommended to use the \$15.739 million in TCIF from the San Juan Creek Bridge Project, \$5.002 million in additional TCIF adjustments from the OC Bridges projects, and the \$6.250 million in unprogrammed funding, totaling \$26.991 million for the I-5 Improvement Project. OCTA is seeking approval to use all of the available TCIF funds on the I-5 Improvement Project from SR-73 to Oso Parkway (Segment 1) to reduce Measure M needed on this project and maximize use of external dollars. This project also includes SB 1 (Chapter 5, Statutes of 2017) Local Partnership Program (LPP) funds, contingent on the results of the November 6, 2018, election, the TCIF may need to be used to backfill the loss of SB 1 funds currently committed to this project. Additionally, staff will work with the California Department of Transportation to amend Cooperative Agreement No. C-8-1960 accordingly. More information will be provided in a separate November 26, 2018, staff report.

The I-5 Improvement Project from SR-73 to Oso Parkway (Segment 1) will add one general purpose lane in each direction from SR-73 to Oso Parkway, provide operational improvements, and reconstruct several interchanges. It is the only project that meets the timing and eligibility requirements of the TCIF program, and using TCIF for this project is consistent with OCTA's programming policies to use all fund sources to fulfill the commitments outlined in the Measure M Next 10 Plan. The project is currently funded with State Transportation Improvement Program Funds, SB 1 LPP, Surface Transportation Block Grant Program and Measure M2.

This action will leave a funding gap for the San Juan Creek Bridge Project and the OC Bridges projects. The San Juan Creek Bridge Project cost estimate is currently being updated. Once final costs are available, staff will return to the Board with a proposal to fully fund the project. Staff will also return at a future Board meeting with final close out of the OC Bridges grade separation projects. It is anticipated that additional programming actions will be required to backfill the inaccessible TCIF, contingent on final reimbursement of costs from federal funds and proceeds from the sale of excess properties.

Additional information on these projects and all of the projects discussed in this staff report is provided (Attachment C).

Proposition 1B Transit System Security Disaster and Response Account (TSSSDRA)

OCTA has Video Surveillance Systems (VSS) at various facilities in the cities of Anaheim, Irvine, and Orange. The VSS were outdated and surpassed their useful life. Proposition 1B TSSSDRA funding was programmed to replace these systems, but due to revised cost estimates, an anticipated \$1.512 million of TSSSDRA will not be needed on the projects.

Staff is proposing to reprogram the \$1.512 million in TSSSDRA savings to the Transit Security Operations Center (TSOC) Project to support the costs associated with purchasing the identified property required for the project. TSOC will house the OCTA transit police, operations support, and central communications systems.

The use of TSSSDRA funds for TSOC is consistent with the Board-approved Capital Programming Policy regarding the use of TSSSDRA funds to support capital projects that enhance the safety, security, and emergency response capabilities of transit.

With Board approval, the CFP will be updated to reflect the current programming changes. A list of Board actions, which directed capital funds towards OCTA capital projects over the last six months, is provided (Attachment D).

Summary

With the objective of ensuring that OCTA projects are fully funded and consistent with the Board-approved CAP, OCTA is seeking Board approval to reprogram \$26.991 million in TCIF to the I-5 Improvement Project from SR-73 to Oso Parkway and \$1.512 million in TSSSDRA funds to the TSOC project.

Attachments

- A. Existing Capital Programming Policies by Fund Source, Adopted May 2017
- B. Capital Funding Program Report
- C. Capital Programming Update Project Descriptions
- D. List of Board of Directors Reports with Programming Actions, June 2018 – October 2018

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