



April 1, 2019

To: Regional Planning and Highways Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Interstate 405 Improvement Project Update

Overview

The Orange County Transportation Authority is currently underway with the implementation of the Interstate 405 Improvement Project. This report provides a project update.

Recommendation

Receive and file as an information item.

Background

The Orange County Transportation Authority (OCTA), in cooperation with the California Department of Transportation, and the cities of Costa Mesa, Fountain Valley, Huntington Beach, Seal Beach, and Westminster, is implementing the Interstate 405 (I-405) Improvement Project between State Route 73 (SR-73) and Interstate 605 (I-605) (Project). The Project will add one general purpose lane from Euclid Street to I-605, consistent with Measure M2 Project K, and will add an additional lane in each direction that will combine with the existing high-occupancy vehicle (HOV) lane to provide dual express lanes in each direction of I-405 from SR-73 to I-605, otherwise known as the 405 Express Lanes.

On November 14, 2016, the OCTA Board of Directors (Board) awarded the design-build (DB) contract to OC 405 Partners (OC405), a joint venture. OCTA executed the DB contract with OC405 and issued Notice to Proceed (NTP) No. 1 on January 31, 2017. NTP No. 1 was a limited NTP for mobilization, design, and administrative activities. On July 26, 2017, the Transportation Infrastructure Finance and Innovation Act (TIFIA) loan agreement was executed between OCTA and the United States Department of Transportation (USDOT). On July 27, 2017, OCTA issued NTP No. 2 to OC405. NTP No. 2 was a full NTP for all activities, including construction.

Discussion

A number of activities are ongoing as the final design, right-of-way (ROW) acquisition, utility relocations, and construction activities continue to advance. The following provides a more detailed status of Project activities.

Tolling Contracts

On February 26, 2018, the Board selected Kapsch TrafficCom USA, Inc., (Kapsch) to provide toll lanes system integration services for design, installation, operation, and maintenance of the electronic toll and traffic management system on both the 405 and 91 Express Lanes. Kapsch is currently under contract and is working closely with the design-builder to deliver fully functional express lanes upon opening in 2023.

Staff will initiate the development of a request for proposals for the back office support and customer service center contract for the 405 Express Lanes, and plans to seek Board approval for its release in early 2020.

Financing and TIFIA Loan

On July 26, 2017, OCTA executed a TIFIA loan agreement with the USDOT for up to \$628.93 million. Pursuant to the terms identified in the loan agreement, OCTA staff submits periodic reimbursement requisitions to the USDOT Build America Bureau and Federal Highway Administration. OCTA has received two TIFIA loan disbursements to date and anticipates receiving the third disbursement in September 2019.

On February 26, 2019, OCTA received \$400 million in net proceeds for the Project as a result of issuing tax-exempt municipal bonds. The bonds, which were rated by both Fitch and S&P in the AA+ category, will be repaid with Measure M2 sales tax at an average fixed rate of 3.14 percent. Issuing these bonds was part of the Board-approved plan of finance for the Project.

Design

The final design is approximately 75 percent complete overall and is anticipated to be fully complete in 2019.

ROW Acquisition

Construction of the Project impacts 288 properties, including 179 residential properties, 71 commercial/industrial properties, 37 public properties, and one railroad property. There are 287 properties identified as partial acquisitions and one property identified as a full acquisition at the owner's request. The real property requirements for the partial acquisitions are comprised of a

combination of fee acquisitions, permanent easements, temporary construction easements (TCE), permanent and temporary ground lease reductions, and access control rights needed to construct the proposed highway and express lane improvements for the Project. The full-fee acquisition, partial-fee acquisitions, permanent easements, and TCEs are required for roadway and bridge construction, soundwalls and retaining walls, drainage systems, and for the installation of above-ground and underground facilities, including electrical, telecommunication, water, sewer, gas, and storm drain systems.

The ROW acquisition program is currently on schedule. Of the 288 total parcels impacted, the following summarizes the status of the ROW acquisition:

- 282 offers presented,
- 242 agreements or possession (84 percent of 288 total parcels impacted),
- 58 resolutions of necessity approved.

Utility Relocations

There are currently 107 utilities that require relocation as part of the Project. OCTA is coordinating with the 22 impacted utility companies to identify and resolve issues. There are several utility relocation challenges that staff continues to focus on as utilities are a shared risk between OCTA and OC405.

Construction

OC405 began construction on March 6, 2018. Initial construction activities included restriping portions of the freeway and setting up concrete barriers on the outside of the freeway to protect work areas for activities such as tree removals and grading. These initial construction activities are generally complete. Clearing and grubbing, including tree and ground cover removal, and rough grading activities have also advanced in the last quarter.

Significant roadway construction activities, including installation of drainage systems, retaining walls, and paving operations, began earlier this year.

Construction continued on the Slater Avenue bridge as the abutments and columns have been completed and construction of the bridge superstructure will begin in the next month. The Slater Avenue bridge will be the first new bridge completed and is anticipated to open to traffic in late 2019. Construction on the McFadden Avenue bridge also continued, and that bridge is anticipated to be open to traffic in the spring of 2020. Both Slater Avenue and McFadden Avenue are one-stage bridges, which means the bridges are closed to traffic on both sides of I-405 during demolition and reconstruction.

In late 2018, partial bridge demolitions were performed at Magnolia Street, Goldenwest Street, and Bolsa Chica Road. These are two-stage bridges, which means traffic will be maintained on the remaining portion of the bridge while the first half of the new bridge is constructed.

In March, OC405 partially demolished the Fairview Road bridge and began work on the bridge reconstruction. This is a two-stage bridge, and traffic will be maintained on the remaining portion of the bridge while the first half of the new bridge is constructed.

Looking ahead, the remainder of 2019 will remain busy related to bridge construction. Construction is anticipated to begin in late spring at the Bolsa Avenue and Westminster Boulevard bridges, both of which are two-stage bridges. In early summer, construction is anticipated to begin on the Santa Ana River bridge and the Harbor Boulevard bridge. The bridge construction at the Santa Ana River and Harbor Boulevard consists of widening the existing freeway bridge over both of those facilities. In late 2019, after the Slater Avenue bridge is open to traffic, construction is anticipated to begin on the Talbert Avenue and Bushard Street bridges. Both Talbert Avenue and Bushard Street are one-stage bridges, which means the bridges will be closed to traffic on both sides of I-405 during demolition and reconstruction.

I-405/SR-73 New Median Connector

As part of the Project, a new connector will be built between the medians of I-405 and SR-73, connecting the 405 Express Lanes to the non-tolled general purpose lanes on SR-73. The new median connector will carry one lane from northbound SR-73 to northbound 405 Express Lanes, and one lane from southbound 405 Express Lanes to southbound SR-73. This new median connector was included in the approved Final Environmental Impact Report/Environmental Impact Statement. Currently, in the southbound direction, traffic in the I-405 HOV lane that wants to travel onto southbound SR-73 must exit the HOV lane and weave across the I-405 general purpose lanes to exit onto SR-73. There is a similar issue in the northbound direction. The new median connector provides a direct freeway-to-freeway connection between I-405 and SR-73. Additionally, the new median connector accommodates OCTA's planned HOV lanes project on SR-73 between I-405 and MacArthur Boulevard, which is included in OCTA's Long Range Transportation Plan and the Southern California Association of Government's Regional Transportation Plan/Sustainable Communities Strategy. The new median connector is anticipated to begin construction in 2021.

Project Challenges

As would be expected on a project of this magnitude, certain challenges have been encountered, including the following:

- Working together with many different agencies and third parties,
- Inclement weather,
- Resource availability and cost in this active construction market,
- Change management,
- Minimizing impacts and disruptions to the public.

OCTA staff continues to work with its partners to mitigate these Project challenges.

Project Cost/Contingency

The overall Project cost remains \$1.9 billion, and the Project contingencies have been approximately 28 percent expended to date. This is in line with the percent complete for the Project from both a time and earned value standpoint.

Public Outreach

The Project's mobile app launched last quarter, providing an additional tool for the community to get the latest Project information. The app provides immediate access to closures and detours, as well as information about upcoming major activities, organized by bridge. Users also can view time-lapse videos of work on several bridges, receive audio Project updates in English, Spanish, and Vietnamese, learn about the 405 Express Lanes, and access an archive of Project background documents.

Since January, OCTA has hosted an additional four neighborhood meetings to provide constituents with details about construction at the Fairview Road, Bolsa Avenue, Goldenwest Street, and Westminster Boulevard bridges. More than 40,000 flyers were distributed throughout the Project corridor to notify residents and businesses of meetings and other activities. Each meeting consists of a brief Project overview, details of demolition and reconstruction activities, road closures and detours, and an opportunity for questions. All collateral is translated into Spanish and Vietnamese, and all events are staffed with native Spanish and Vietnamese speakers.

The Project's Outreach team also met regularly with emergency responders throughout the Project corridor to address questions about freeway access and detour routes during construction.

Over the last quarter, inquiries from the public have averaged about 100 per month, with questions focusing on bridge reconstruction, sound wall plans, noise, traffic congestion, and roadway closures and detours. The Outreach team has participated in two community festivals and met with key stakeholders, such as the Fountain Valley Chamber of Commerce, South Coast Metro Alliance, the American Automobile Association, the OC Fair & Event Center, and Newport-Mesa Unified and Santa Ana Unified school districts. Project staff also made presentations to the Taxpayer Oversight Committee, the Citizens Advisory Committee's Technology and Innovation Ad Hoc, and the Diverse Community Leaders Committee.

As construction continues over the next quarter, the team anticipates holding at least three more neighborhood meetings and continuing to brief key stakeholders and community organizations. The team will also be participating in the Taste of Huntington Beach, the Westminster Spring Festival, and the Fountain Valley Summerfest.

Next Steps

Staff will continue to work closely with the design-builder as design and construction continue. This involves completing portions of the final design, obtaining permits, utility relocation coordination, and construction activities. Additionally, the ROW acquisition program will continue as planned.

Summary

Final design and construction continue to advance. Currently, final design, ROW acquisition, public outreach, and other activities are in process to continue the construction phase of the Project.

Attachment

None.

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