



**December 1, 2025**

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

**Overview**

The Orange County Transportation Authority uses a combination of federal, state and local funding sources to plan and deliver Board of Directors-approved capital improvement and transit projects, including those promised in the voter-approved sales tax program, Measure M2. As projects advance through the various stages of development, funding sources and amounts are updated and adjusted to reflect the most current cost estimates and to manage the investment of local sales tax dollars. Board of Directors' authorization is requested to commit funding for current and planned projects as further described herein.

**Recommendations**

- A. Consistent with the construction phase estimate for the Interstate 5 Yale Avenue to State Route 55 (Segment 2) Project, authorize the use of up to \$28.877 million in Measure M2 funds.
- B. Consistent with the construction phase estimate for the State Route 57 Orangewood Avenue to Katella Avenue Project, authorize the use of up to \$14.479 million in Measure M2 funds.
- C. Authorize the inclusion of \$9.998 million in uncommitted future state funds to integrate the California Department of Transportation State Highway Operations and Protection Program Multi-Asset Project for the Interstate 5 Yale Avenue to State Route 55 (Segment 2) Project.
- D. Authorize staff to process all necessary amendments to the Federal Transportation Improvement Program and amend all necessary agreements to facilitate the above actions.

***Background***

The Orange County Transportation Authority (OCTA) is underway with a robust program of Board of Directors (Board)-approved capital projects that support OCTA's mission to develop and deliver transportation solutions to enhance the quality of life and keep Orange County moving, and to continue delivering on promises made to voters through the Measure M2 (M2) half-cent sales tax program.

As projects advance through development, project costs can change, funding requirements may change, opportunities to maximize external funding may arise, savings may be identified, and additional or different funding may be required. Staff regularly provides project updates for specific freeway and transit project costs through the quarterly Capital Action Plan (CAP), which highlights project costs, schedules, and status.

Board action to update funding amounts and sources for projects is requested periodically, consistent with revised project needs as they advance to the next phase of delivery. This item seeks approval to program the construction funds necessary for two M2 freeway projects. These recommended actions are consistent with the Board approved Capital Programming Policies (CPP) that guide how OCTA uses federal, state, and local funds (Attachment A).

The State Highways Operation and Protection Program (SHOPP) funds are administered and prioritized by the California Department of Transportation (Caltrans) to maintain and operate the state highways. OCTA and Caltrans are integrating planned M2 freeway improvements and SHOPP-funded projects, referred to as Multi-Asset Projects (MAP) to improve efficiency and minimize construction impacts on the public. Where OCTA M2 freeway projects and Caltrans MAP are combined into one construction package, Caltrans SHOPP funds are included in the OCTA CAP project funding plans.

***Discussion***

Staff utilizes the CAP to develop funding plans for Board-approved upcoming projects, ongoing projects, and projects that have met key milestones or require other adjustments. Other projects that may be developed outside of the CAP are also reviewed and may be recommended for funding adjustments through a similar process as appropriate.

Two M2 freeway improvement projects are recommended for increased funding based on construction estimates included in the CAP, presented to the Board on November 24, 2025:

- Interstate 5 (I-5), Yale Avenue to State Route 55 (SR-55) Segment 2 Project (Project B)
- State Route 57 (SR-57), Orangewood Avenue to Katella Avenue Project (Project G)

The I-5, Yale Avenue to SR-55 Segment 2 Project (part of Project B in M2) advertised on August 11, 2025, and bid opening was on October 21, 2025. The additional funding proposed for this project would align the project's programming with the project cost estimates detailed in the CAP presented to the Board on November 24, 2025. Additionally, the Caltrans MAP SHOPP funding is included in the I-5, Yale Avenue to SR-55 Segment 2 Project to align with the project cost estimates detailed in the CAP. This MAP is being supported and administered by Caltrans as part of the overall freeway improvement project. Integrating the I-5 from Yale Avenue to SR-55 MAP components allows concurrent construction rather than sequential construction in the interest of efficiency and minimizing public impacts.

Caltrans has committed \$27.861 million of SHOPP funds to the I-5 Yale Avenue to SR-55 Segment 2 Project MAP. OCTA has identified additional contingency and other costs, which are typical for OCTA projects, that yield a total estimated construction cost for the MAP to be \$37.859 million. Caltrans is responsible for all costs associated with the I-5 from I-405 to Yale Avenue MAP, and staff is recommending that the total estimated cost be included in the Capital Funding Program (CFP), which results in the inclusion of \$9.998 million in unidentified, uncommitted future state funds, assuming Caltrans will provide the funding when needed and as specified in the executed cooperative agreement with Caltrans.

The SR-57 Orangewood Avenue to Katella Avenue Project (Project G in M2) bid opening was on September 4, 2025, and a contract was awarded on September 26, 2025. Similar to the I-5 Yale Avenue to SR-55 Project, the additional funding proposed for this project would align the project's programming with the project cost estimates detailed in the CAP presented to the Board on November 24, 2025. The I-5 and SR-57 projects are Project B and Project G, respectively, in the M2 Freeway Program and the use of M2 funds for these projects is consistent with the CPP.

The existing funding and the recommended funding changes are outlined in the table below. Project descriptions, and the funding breakdown for all phases of work are provided in Attachment B.

## I-5, Yale Avenue to SR-55 Project

Existing Funding (\$000s)	STBG	M2	LPP-F	Total
PA/ED	\$3,527	-	-	\$3,527
PS&E	\$11,500	\$2,398	-	\$13,898
ROW	\$17,500	\$6,426	-	\$23,926
CON	-	\$210,033	\$9,780	\$219,813
<b>TOTAL</b>	<b>\$32,527</b>	<b>\$218,857</b>	<b>\$9,780</b>	<b>\$261,164</b>

Proposed Funding (\$000s)	STBG	M2	LPP-F	Total
PA/ED	\$3,527	-	-	\$3,527
PS&E	\$11,500	\$2,398	-	\$13,898
ROW	\$17,500	\$6,426	-	\$23,926
CON	-	\$238,910	\$9,780	\$248,690
<b>TOTAL</b>	<b>\$32,527</b>	<b>\$247,734</b>	<b>\$9,780</b>	<b>\$290,041</b>
CHANGE	-	\$28,877	-	\$28,877

PA/ED – Project Approval/Environmental Documents  
 PS&E – Plans, Specifications, and Estimates  
 ROW – Right-of-way

STBG – Surface Transportation Block Grant  
 LPP-F Local Partnership Program - Formula  
 CON – Construction

## SR-57 Orangewood Avenue to Katella Avenue Project

Existing Funding (\$000s)	STBG	M2	HIP	Total
PA/ED	\$2,500			\$2,500
PS&E		\$3,587	\$3,240	\$6,827
ROW		\$3,294		\$3,294
CON	\$9,000	\$99,300		\$108,300
<b>TOTAL</b>	<b>\$11,500</b>	<b>\$106,181</b>	<b>\$3,240</b>	<b>\$120,921</b>

Proposed Funding (\$000s)	STBG	M2	HIP	Total
PA/ED	\$2,500			\$2,500
PS&E		\$3,587	\$3,240	\$6,827
ROW		\$3,294		\$3,294
CON	\$9,000	\$113,779		\$122,779
<b>TOTAL</b>	<b>\$11,500</b>	<b>\$120,660</b>	<b>\$3,240</b>	<b>\$135,400</b>
CHANGE	-	\$14,479	-	\$14,479

HIP – Highway Infrastructure Program

## I-5, Yale Avenue to SR-55 MAP

Existing Funding (\$000s)	SHOPP	Total
<b>TOTAL</b>	<b>\$27,861</b>	<b>\$27,861</b>

Proposed Funding (\$000s)	SHOPP	Future State Funds	Total
<b>TOTAL</b>	<b>\$27,861</b>	<b>\$9,998</b>	<b>\$37,859</b>
CHANGE	-	\$9,998	\$9,998

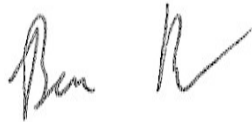
The CFP is included as Attachment C. It is a report that provides a summary of how OCTA's capital projects are currently funded and is updated with every funding action for capital projects, including the proposed changes in this item.

***Summary***

Staff periodically recommends updates to freeway and transit project costs 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. Based on the latest Board-approved CAP, staff is seeking Board approval to program state and local funds for two freeway projects to align project cost estimates.

***Attachments***

- A. Capital Programming Policies by Fund Source, December 2021
- B. Capital Programming Update Project Descriptions
- C. Capital Funding Program Report

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