

Initial 405 Express Lanes Excess Toll Revenue Expenditure Plan





405 Express Lanes Background



I-405 – Interstate 405
SR-22 – State Route 22

- Opened December 2023
- Part of the I-405 Improvement Project, which included improvements to general-purpose lanes, interchanges, streets, sidewalks, and bicycle lanes
- Two express lanes in each direction across 14 miles
- Tolls vary by hour, day of the week, direction of travel, and distance traveled
- Tolls adjusted regularly to ensure a free-flowing commute
- Toll-free travel available for carpoolers, motorcycles, designated veterans, and disabled persons' license plates
- Promise made to keep any excess toll revenue within the I-405 freeway corridor



Requirements for Toll Revenue Expenditure Plan

Tolling authority through AB 194 (Chapter 687, Statutes of 2015) – CTC approval May 2016

- Excess revenues to be used in the corridor pursuant to an expenditure plan adopted by the sponsoring agency's governing Board
- Required consultation on excess toll revenue expenditure plan with the Caltrans
- Annual report to the CTC, which the CTC uses in its annual report to the Legislature

Title 23 of United States Code 129 (Title 23): Toll roads, bridges, tunnels, and ferries

- Restricts excess toll revenue to purposes authorized under Title 23, governing federal aid highway programs

Toll operating agreement - Caltrans

- OCTA responsible for operations and maintenance using express lanes revenue
- Develop excess toll revenue expenditure plan five years before excess revenues available in partnership with Caltrans

Transportation Infrastructure Finance and Innovation Act

- Toll revenues used first for operations and maintenance and for loan repayment based on payment schedule
- Excess toll held in distribution lock-up for first five years
- 50 percent of excess revenues go toward loan repayment until paid off

Caltrans – California Department of Transportation
CTC – California Transportation Commission
OCTA – Orange County Transportation Authority



Excess Toll Revenue Expenditure Plan

Plan is Required to:

- Establish policy guidance for reinvestment of future net toll revenue
- Ensure consistency with state law and OCTA planning goals
- Prepare for transparent and equitable future decision making

Why Now?

- Net excess toll revenue anticipated in 2029
- OCTA must start to develop an expenditure plan at least five years before excess toll revenues become available, as required by the toll operating agreement with Caltrans





Approved Excess Toll Revenue Principles

Corridor Mobility and User Experience

- OCTA Board-selected improvements for the I-405 freeway corridor
- Improve experience, relieve congestion, and enhance safety
- Improve toll lane technology and other enhancements
- Public transportation that reduces congestion in the corridor

Multimodal and Inclusive Planning

- Use of OCTA-developed multimodal plans
- Consideration of stakeholder and community input
- Where applicable, policies and programs should support equity

Financial Stewardship

- Pay-as-you-go financing preferred, but bond financing can be considered
- Supplement, not supplant, state and federal revenues
- Maintenance of effort commitment by the State

Board – Board of Directors



Approved Excess Toll Revenue Policy/Framework

Planning and Project Development

- Development of a 405 Corridor Plan
- Align with Long-Range Transportation Plan, Regional Transportation Plan, city Capital Improvement Program, and the Master Plan of Arterial Highways
- Project list development through established process
- Competitive process for local agencies
- Formation of I-405 TAC

Financial Structure and Accountability

- Establishment of a reserve (eight percent) and planning (two percent) set-aside
- Expenditure Plan updated annually and approved through OCTA's established committee and Board process
- Requirements for matching funds and leveraging other resources
- Maintenance of effort expectations through focus on enhancements

Oversight and Transparency

- Audits and other oversight tools will ensure transparency and accountability



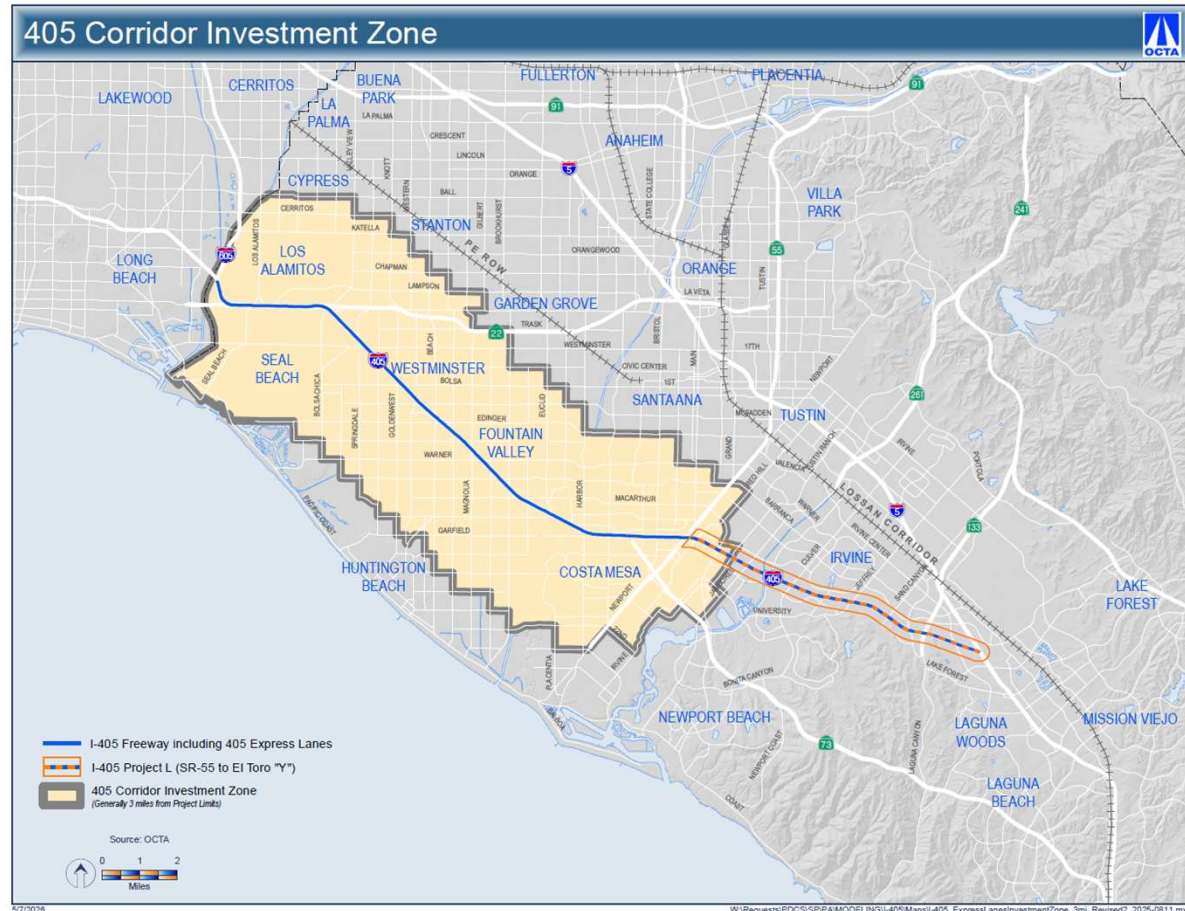
TAC – Technical Advisory Committee



Investment Zone

405 Corridor Investment Zone

- Within Orange County
- Three-mile buffer around 405 Express Lanes
- I-405 freeway only extension to the south where it connects to I-5
- Developed based on 405 Express Lanes driver origin and destination data



I-5 – Interstate 5
SR-55 – State Route 55



405 Corridor Plan – Initial Expenditure Plan

Purpose

- Identify multimodal projects that best benefit the I-405 freeway corridor
- Develop criteria to prioritize investments in regional projects
- Develop criteria for competitive call for projects for local projects
- Sets a comprehensive baseline of corridor-wide transportation needs for OCTA, local jurisdictions, and Caltrans

Key Features

- Inclusive of all travel modes: freeway, transit, active transportation, first/last-mile improvements
- Initial focus on projects to be delivered between 2029 through 2036
- Updated every three years to reflect evolving corridor needs
- Identifies potential deficiencies, needs, and opportunities in the corridor

Strategic Function

- Outlines near- and long-term steps needed to advance improvements
- Structured to meet state requirements for a comprehensive multimodal corridor plan, positioning OCTA to compete for SB 1 Solutions for Congested Corridors Program funding
- Informs the annually updated 405 Express Lanes Excess Toll Revenue Expenditure Plan



Eligible Project Types

As promised, OCTA is committed to reinvesting toll revenues from the 405 Express Lanes in ways that benefit all who travel the I-405 freeway corridor

	Example Priorities
Express Lanes Operations	<ul style="list-style-type: none">• Improve 405 Express Lanes access, connectivity, and travel-time reliability
Freeway Travel	<ul style="list-style-type: none">• Reduce congestion on the I-405 freeway for all users• Advance current and future freeway and roadway projects within the 405 Corridor Investment Zone
Multimodal Mobility	<ul style="list-style-type: none">• Invest in transit, local streets, signal synchronization, active transportation, and first/last-mile improvements• Encourage corridor-wide ridesharing and mobility options
Policy Alignment	<ul style="list-style-type: none">• Projects must demonstrate benefits to the I-405 freeway system• Must align with OCTA plans (Measure M2, Long-Range Transportation Plan, etc.) and goals for community involvement, sustainability, and efficiency• Ensures consistency with AB 194 and state and federal requirements



405 Corridor Technical Advisory Committee

Charter Basics

- A committee made up of executive staff from OCTA and Caltrans and public works directors from local jurisdictions in the corridor
- Committee provides technical support and recommendations for the 405 Corridor Plan and prioritizes projects for funding consideration
- Committee concept was included in OCTA's approved policy and framework
- Board has final authority
- Weighted voting recognizes OCTA and Caltrans' roles through AB 194
- Meets quarterly or as needed





405 Corridor Technical Advisory Committee – Members

Voting Members:

- **OCTA (3)***
- **Caltrans (2)**
- City of Costa Mesa (1)
- City of Fountain Valley (1)
- City of Huntington Beach (1)
- City of Seal Beach (1)
- City of Westminster (1)

Ex-Officio Members:

- City of Cypress
- City of Garden Grove
- City of Irvine
- City of Los Alamitos
- City of Newport Beach
- City of Santa Ana
- City of Stanton
- County of Orange

* Number in parentheses represents the number of members/votes.



Timeline and Next Steps

