



Interstate 405 Improvement Project





OCTA/Caltrans Terms and Conditions: Key Considerations: Delivery, Funding, Financing

❖ Project Delivery

- OCTA lead agency for design-build (DB) contractor, systems integrator, toll collection services
- Delivery consistent with tolling authorization and AB 401
- Revised cooperative agreement to be used
- Operating toll agreement to follow

❖ Funding and Financing

- OCTA lead on funding/financing; plan to be shared with Caltrans
- Caltrans provides \$82 million
- TIFIA to be considered*
- Financing “tail” is a minimum of five years

* TIFIA = Transportation Financing and Innovation Act



OCTA/Caltrans Terms and Conditions: Key Considerations - Operations

- ❖ OCTA or its contractor operates toll collection facilities
- ❖ OCTA sets toll policy
- ❖ High-occupancy vehicle 2+ free for no less than three years*
- ❖ Continuous access should not be precluded in future
- ❖ Congestion management pricing used:
 - Triggers put in place to adjust tolls
 - Speed optimized for mobility, reliability

* Subject to results of the Investment Grade Traffic and Revenue Study and further additional funding considerations.



OCTA/Caltrans Terms and Conditions: Key Considerations – Net Excess Revenues

- ❖ OCTA and Caltrans, in partnership, develop a multi-year expenditure plan
 - Expenditure plan updated annually
 - OCTA Board of Directors adopts the multi-year expenditure plan and each annual update
 - Net excess revenues used for projects that maintain or improve the safety, operations, or travel reliability of any transportation mode in the corridor, or provide or improve travel options in the corridor
- ❖ OCTA responsible for express lane projects
- ❖ Caltrans responsible for non-express lane projects on State highway system



OCTA Board

- ❖ Approved I-405 terms and conditions
- ❖ Directed staff to take actions to implement the I-405 project and return to Board of Directors with:
 - Draft toll policy
 - Financing plan, including TIFIA and other grant opportunities
(On June 5th, OCTA submitted application for \$32 million U.S. Department of Transportation's Transportation Investment Generating Economic Recovery (TIGER) competitive grant program)
 - Operating toll agreement
- ❖ Include \$82 million from Caltrans
- ❖ Pursue California Transportation Commission (CTC) project approval



Recommendations (continued)

- ❖ Modified and issued addenda to the DB Request for Qualifications for added scope
- ❖ Authorized the Chief Executive Officer to negotiate and execute the DB cooperative agreement with Caltrans including:
 - \$55.4 million for reimbursed direct work (inspection) and enhanced oversight services
- ❖ Replaced \$35 million in Measure M2 project funds with Regional Surface Transportation Program funds
- ❖ Process Federal Transportation Improvement Program amendment



Next Steps

2015

Finalize environmental process (Federal Record of Decision Complete, State Notice of Determination Pending)

Obtained authorization to acquire right-of-way

Execute construction management agreement (CMS approved June 8, 2015)

Amend consultant agreement for Program Management

Obtain CTC approval

Develop toll policy options

Develop preliminary financial plan, including pursuing TIFIA and other opportunities



Next Steps

2016

Adopt toll policy

Develop final investment grade traffic and revenue study

Adopt financial plan and develop financing documents

Approve an operating toll agreement with Caltrans

Award DB contract

2017-2022

Secure financing

Full DB contract notice to proceed

Design and build project