OCTA

Citizens Advisory Committee

550 S. Main Street, Orange CA, Room 07

April 17, 2018 | 12:00 p.m. – 2:00 p.m.

AGENDA

1. **Welcome**

2. **Pledge of Allegiance**

3. **Approval of Minutes/Attendance Reports**

4. **Presentation and Discussion Items**
   A. Government Relations Update *(20 min.)*
   Lance Larson, Executive Director, External Affairs
   Dustin Sifford, Senior Government Relations Representative

   B. Innovation Update *(15 min.)*
   Lloyd Sullivan, Dept. Manager, Enterprise Business Solutions

   C. OC Streetcar Status Report *(15 min.)*
   Jim Beil, Executive Director, Capital Projects

   D. Long Range Transportation Plan *(20 min.)*
   Greg Nord, Principal Transportation Analyst, Long-Range Planning and Corridor Studies
   Marissa Espino, Community Relations Officer

5. **OCTA Staff Updates *(5 minutes each)***
   A. I-405 Improvement Project – Christina Byrne, Department Manager, Public Outreach

   B. Bicycle/Pedestrian Subcommittee Report – Brian Cox, BPS Chair

   C. Staff Liaison – Alice Rogan, Director, Marketing and Public Outreach

6. **Public Comments***

7. **Chair / Vice-Chair Remarks**

8. **Committee Member Comments**

9. **Adjournment**
   The next meeting is scheduled for July 17, 2018

Agenda Descriptions/Public Comments on Agenda Items
The Agenda descriptions are intended to give notice to members of the public of a general summary of items of business to be transacted or discussed. Members from the public wishing to address the Committee will be recognized by the Chair at the time the Agenda item is to be considered. A speaker's comments shall be limited to three (3) minutes.

Any person with a disability who requires a modification or accommodation in order to participate in this meeting should contact the OCTA at (714) 560-5611, no less than two (2) business days prior to this meeting to enable OCTA to make reasonable arrangements to assure accessibility to this meeting.

Citizens Advisory Committee
Meeting Notes
January 16, 2018

12:00 p.m. to 2:00 p.m.
550 S. Main Street, Orange, Calif.
Conference Room 07

Members Present

Paul Adams, *Fountain Valley Planning Commissioner*
Hamid Bahadori, *AAA of Southern California*
Vince Buck, *Cal State Fullerton*
David Emerson, *Los Alamitos Traffic Cmsn.*
Janine Heft, *Laguna Hills Resident/Cncl*
Dan Kalmick, *Huntington Beach Resident*
Steve Kozak, *Tustin Planning Commissioner*
Theodore Luckham, *Anaheim Resident*
Austin Lumbard, *Tustin Planning Commissioner*
Derek McGregor, *Trabuco Canyon Advisory Comm.*
Michael McNally, *UC Irvine*
Margaret Novak, *WTS/Ladera Ranch Maint. Corp.*
Sheldon Pines, *Laguna Niguel Chamber of Commerce*
Andrew Ramirez, *Santa Ana Resident*
Laurel Reimer, *Urban Planner*
Roy Shahbazian, *Bus Rider, Transit Advocate of OC*
John Taylor, *Rotary Club of San Juan Capistrano*
Dianne Thompson, *Huntington Beach Chamber*
Jeff Thompson, *Tustin Planning Commission and BIA*

Greg Winterbottom, *OCTA Board Member*

Members Absent

Min Chai, *Irvine Resident*
Brian Cox, *Orange County Bicycle Coalition*
Kara Darnell, *Cal State Fullerton*
Barry Duffin, *Orange County Wheelmen*
Stephanie Klopfenstein, *GG Neighborhood Assn/Cncl*
Jessica Lomakin, *Tustin Resident*
Luis Mier, *Fountain Valley Resident*
Frank Murphy, *Orange Rotary*
Mark Paredes, *Garden Grove Planning Commission*
Mike Posey, *Huntington Beach Resident*

1. **Welcome**
   Chairman Roy Shahbazian welcomed everyone to the Orange County Transportation Authority (OCTA) Citizens Advisory Committee (CAC) meeting at 12:06p. Director Greg Winterbottom welcomed and thanked the CAC for their commitment.

2. **Pledge of Allegiance**
   Roy Shahbazian led the Pledge of Allegiance to the Flag.

3. **Action Items**
   A. Approval of Minutes/Attendance Report

The committee agreed they would like to approve the meeting minutes because it helps to refresh their memory of the previous meeting. Some suggested previous minutes were elaborate.

A motion was made by Derek McGregor, seconded by Paul Adams and carried unanimously to approve the October 17, 2017 CAC Minutes and the Attendance Report.

4. Presentation and Discussion Items

A. OC Bridges Completion

Ross Lew presented the completion of the OC Bridges Project. Ross also presented a video on the project.

The committee discussed public response to the project, changes in noise before/after project, future grade separation projects, and the overall cost of the project.

Roy Shahbazian reminded the committee to share the success of these OCTA projects with the public.

B. Measure M2 Updated Next 10 Delivery Plan

Tamara Warren presented an update on the Measure M Next 10 Plan.

The committee discussed the tracking of earned value for projects and the proposed recall of SB1 with respect to its effects on Measure M2.

C. Transit Planning Studies

Kurt Brotcke presented the Transit Master Plan and Central Harbor Boulevard Transit Corridor Study.

The committee discussed the differences in OC Flex versus other shared-ride providers. There was discussion about how High Speed Rail, along with Metrolink and Amtrak, are part of the Long-Range Transportation Plan (LRTP).

The committee discussed Bus Rapid Transit (BRT) in dedicated lanes, the City of Anaheim’s resolution against having a streetcar in the Harbor Corridor, and the need to have access to transit at Cal State Fullerton via the Harbor Study or through the Transit Master Plan (TMP).

D. Long Range Transportation Plan (LRTP) Update

Greg Nord provided an update on the LRTP.

The committee discussed the impact of autonomous vehicles and of The Toll Roads becoming free in the future on the overall transportation system in the future.

The committee discussed the timing of changing to 3+ carpool lanes/managed lanes and who would receive the revenue from managed lanes. Several members questioned how much it will help when changing from 2+ to 3+ carpools. Others could see the value in changing to 3+ carpool lanes due to the changing population and the use of shared-ride providers.

5. OCTA Staff Updates

A. I-405 Improvement Project
Christina Byrne invited the CAC to the I-405 Groundbreaking Event

The committee discussed outreach to city councils, putting up message signs around Beach Boulevard when it gets closer to the time of construction in the area, working to get detour information to Apple Maps and the logistics of the groundbreaking event.

B. OC Bus 360 Ridership
Johnny Dunning provided an update on transit performance and the OC Bus 360 Program.

C. February Service Change
Johnny Dunning presented the February Service Change.

The committee discussed how segments of bus routes are analyzed for numbers of riders, employers and services. Also discussed were overall strategies of the Bus 360 Plan on the February Service Change.

Steve Kozek said the increase in productivity is a good news report committee members could share with the public.

D. Bicycle/Pedestrian Subcommittee Report
Roy Shahbazian said at the last subcommittee meeting they received presentations on the Systematic Safety Analysis, I-405 south project, Active Transportation Counts Study and OC Active.

E. Staff Liaison
Emily Mason reported the recruitment for the CAC will be in March and April. She said she will notify members if their term is expiring. She also reported changes to the OCTA Board. She said Lisa Bartlett is now the Chairwoman and Tim Shaw is the Vice Chairman.

6. Public Comments

No one from the public spoke.

7. Chair/Vice-Chair Remarks

Roy Shahbazian attended the OCTA Transit Planning Committee meeting and he recapped the CAC comments to the Board Members. Roy also urged committee members to get information out to their constituents – especially those in the area of the Harbor Corridor.

8. Committee Member Comments

Janine Heft said the extension of the 241 Toll Road to the 91 Express Lanes is on hold.

John Taylor said in San Juan Capistrano they experience "Ghost Trains" – i.e.: the rail crossing arms going down when there is no train. He would like to hear OCTA address the issue at a future meeting. Dan Kalmick suggested a LOSSAN Corridor Update.

Andrew Ramirez said he is an avid motorcyclist and he just came back from Italy where it is much easier to ride motorcycles.

Michael McNally asked if there are any Uber motorcycles. Andrew Ramirez said in the United Kingdom, you order a Virgin Moto Taxi and people just hop on the back of the motorcycle and go. Dan Kalmick says they have something like that in the Philippines as well.

9. Adjournment/Next Meeting

The meeting adjourned at 1:56 p.m. The next meeting will be at the OCTA offices on April 17, 2018 at 12:00 p.m.

Citizens Advisory Committee
Fiscal Year 2017-2018 Attendance Record

● = Present ⦿ = Absent **R =** Resigned

Member	7/18/17	10/17/17	1/16/18	4/17/18
Adams, Paul	●	●	●	
Bahadori, Hamid	⦿	●	●	
Buck, Vince	●	●	●	
Chai, Min	●	⦿	⦿	
Cox, Brian	●	●	⦿	
Darnell, Kara	⦿	●	⦿	
Duffin, Barry	●	●	⦿	
Emerson, David	●	●	●	
Heft, Janine	⦿	⦿	●	
Henry, Merlin “Bud”	●	●	**R**	**R**
Kalmick, Dan	●	●	●	
Klopfenstein, Stephanie	●	●	⦿	
Kozak, Steve	●	●	●	
Lomakin, Jessica	●	●	⦿	
Luckham, Theodore	●	⦿	●	
Lumbard, Austin	●	●	●	
McGregor, Derek	●	●	●	
McNally, Michael	●	●	●	
Mier, Luis	⦿	⦿	⦿	
Murphy, Frank	●	⦿	⦿	
Novak, Margaret	●	●	●	
Paredes, Mark	⦿	⦿	⦿	
Pines, Sheldon	●	⦿	●	
Posey, Mike	⦿	●	⦿	
Ramirez, Andrew	⦿	●	●	
Reimer, Laurel	⦿	●	●	
Shahbazian, Roy	●	●	●	
Taylor, John	●	⦿	●	
Thompson, Dianne	●	●	●	
Thompson, Jeff	●	●	●	

U.S. Supreme Court to Review Bid to Collect Internet Sales Tax

By Greg Stohr
January 12, 2018, 11:46 AM PST
Updated on January 12, 2018, 2:11 PM PST

- South Dakota says 1992 ban on many tax collections is obsolete
- States could have collected $13 billion more in 2017, GAO says

The U.S. Supreme Court will consider freeing state and local governments to collect billions of dollars in sales taxes from online retailers, agreeing to revisit a 26-year-old ruling that has made much of the internet a tax-free zone.

Heeding calls from traditional retailers and dozens of states, the justices said they'll hear South Dakota's contention that the 1992 ruling is obsolete in the e-commerce era and should be overturned.

State and local governments could have collected up to $13 billion more in 2017 if they'd been allowed to require sales tax payments from online merchants and other remote sellers, according to a report from the Government Accountability Office, Congress's nonpartisan audit and research agency. Other estimates are even higher. All but five states impose sales taxes.

Online retailers Wayfair Inc., Overstock.com Inc. and Newegg Inc. are opposing South Dakota in the court fight. Each collects sales taxes from customers in only some states.

The case will also affect Amazon.com Inc., though the biggest online retailer isn't directly involved. When selling its own inventory, Amazon charges sales tax in every state that imposes one, but about half of its sales involve goods owned by third-party merchants. For those items, the company says it's up to the sellers to collect any taxes, and many don't.

The court probably will hear arguments in April with a ruling by the end of its nine-month term in late June.

'Physical Presence'

The high court's 1992 Quill v. North Dakota ruling, which involved a mail-order company, said retailers can be forced to collect taxes only in states where the company has a "physical presence." The court invoked the so-called dormant commerce clause, a judge-created legal doctrine that bars states from interfering with interstate commerce unless authorized by Congress.

South Dakota passed its law in 2016 with an eye toward overturning the Quill decision. It requires retailers with more than $100,000 in annual sales in the state to pay a 4.5 percent tax on purchases. Soon after enacting the law, the state filed suit and asked the courts to declare the measure constitutional.

“States’ inability to effectively collect sales tax from internet sellers imposes crushing harm on state treasuries and brick-and-mortar retailers alike,” South Dakota said in its Supreme Court appeal.

Wayfair, Overstock and Newegg said the court should reject the appeal and leave it to Congress to set the rules for online taxes.

Expressing Doubts

“If Quill is overruled, the burdens will fall primarily on small and medium-size companies whose access to a national market will be stifled,” the companies argued. “Congress can address this issue in a balanced and comprehensive manner through legislation.”

Those supporting South Dakota at the high court include 35 other states, as well as lawmakers who say they’ve been trying for years to get Congress to address the issue.

Overturning Quill would mean "leveling the playing field for businesses who are employing people on Main Street," Senator Heidi Heitkamp, a North Dakota Democrat, said in an interview. Heitkamp was North Dakota’s tax commissioner during its unsuccessful fight for taxing power in the Quill case.

The National Retail Federation, which represents both brick-and-mortar and Internet-only sellers, said it was encouraged by the court’s decision to get involved. “We are hopeful it will lead to a positive outcome that reflects the realities of 21st century commerce,” the trade group’s president, Matthew Shay, said in a statement.

Three current justices -- Clarence Thomas, Neil Gorsuch and Anthony Kennedy -- have expressed doubts about Quill. Kennedy said in 2015 that Quill had produced a “startling revenue shortfall” in many states, as well as “unfairness” to local retailers and their customers.

"A case questionable even when decided, Quill now harms states to a degree far greater than could have been anticipated earlier," Kennedy wrote. "It should be left in place only if a powerful showing can be made that its rationale is still correct."

Gorsuch, the newest Supreme Court justice, suggested skepticism about Quill as an appeals court judge. And Thomas has said he would jettison the entire dormant commerce clause, saying "it has no basis in the Constitution and has proved unworkable in practice."

Amazon backs a nationwide approach that would relieve retailers from dealing with a patchwork of state laws. Amazon once relied on the Quill ruling and didn't collect sales tax at all; the company gradually changed its position as it built warehouses all over the country, giving it a greater physical presence in multiple states.

The case is South Dakota v. Wayfair, 17-494.

COMMITTEE TRANSMITTAL

March 26, 2018

To: Members of the Board of Directors

From: Laurena Weinert, Clerk of the Board

Subject: OC Streetcar Project Update

Transit Committee Meeting of March 8, 2018

Present: Directors Davies, Do, Jones, Murray, Pulido, and Winterbottom
Absent: Director Tait

Committee Vote

Following the discussion, no action was taken on this receive and file information item.

Staff Recommendation

Receive and file as an information item.

OCTA

March 8, 2018

To: Transit Committee

From: Darrell Johnson, Chief Executive Officer

Subject: OC Streetcar Project Update

Overview

The Orange County Transportation Authority, in coordination with the cities of Santa Ana and Garden Grove, is underway with the development and construction of the OC Streetcar project. An update on the OC Streetcar project activities is provided for the Board of Directors' review.

Recommendation

Receive and file as an information item.

Background

The Orange County Transportation Authority (OCTA), in coordination with the cities of Santa Ana and Garden Grove, is implementing the OC Streetcar project (Project), a new east-west double track streetcar between the Santa Ana Regional Transportation Center in the City of Santa Ana, and the Harbor Boulevard/Westminster Avenue intersection in the City of Garden Grove. The modern streetcar project includes track, overhead electrical power supply, ten stops in each direction, four traction power substations, and two bridges. In addition, a new maintenance and storage facility (MSF) will be constructed for the streetcar vehicles, administration, operations, parts storage, and maintenance-of-way.

In 2017, OCTA achieved several significant Project development milestones with the approval to enter into the Federal Transit Administration's (FTA) New Starts Engineering phase. Subsequently, OCTA completed the FTA Risk Assessment process, 100 percent design plans and specifications, and the Board of Directors (Board) approved the release of invitation for bids (IFB) for construction. In addition, the vehicle manufacturing and delivery procurement is nearing completion, and an operations and maintenance (O&M) industry forum was held. Along the Project alignment, third-party utility providers have performed relocation engineering, and many of the necessary utility relocations are underway. Approximately $30 million has been expended to date on project development activities.

Discussion

Significant progress continues to be made to advance the Project. Following the release of the construction IFB, two key actions have occurred. The construction bid opening date has been extended from March 5, 2018 to April 27, 2018, because of direct feedback from the construction industry and continued discussion by Congress of the 2018 FTA New Starts funding levels. The right-of-way (ROW) schedule to obtain possession of the ROW necessary for construction has also been extended because of the ongoing funding discussion in Congress. A detailed discussion of these activities is provided below.

Federal Funding

On May 22, 2017, the OCTA Board authorized the Chief Executive Officer to request and enter into a Full Funding Grant Agreement (FFGA) with FTA to secure a federal contribution of $148.96 million through the Capital Investment Grant New Starts Program. New Starts is a competitive, discretionary grant program subject to annual appropriations by Congress, with extensive requirements and commitments to demonstrate the project sponsor has the technical and financial capacity to deliver the project. OCTA has completed and submitted all the necessary Project readiness documents to FTA.

The federal fiscal year (FFY) 2017 appropriations bill included $50 million for the Project. On February 9, 2018, the President signed into law a continuing resolution (CR) through March 23, 2018, that significantly increased overall discretionary funding levels. Shortly thereafter, Congress began drafting FFY 2018 funding bills to fund all departments of the federal government, including transportation programs. Previous versions of the FFY 2018 funding bills considered in both the House and Senate increased funding capacity for New Starts. The increase in overall discretionary spending in the CR will likely allow for funding increases for New Starts projects, including the planned FFGA for the Project.

With an FFY 2018 appropriations bill expected by the end of March 2018, it is important to note that OCTA is permitted to purchase vehicles and seek future federal reimbursement given the pre-award authority granted to OCTA from FTA, prior to the signing of the FFGA.

As a result of ongoing discussions with the Orange County congressional delegation regarding the FFGA and the importance of New Starts, a bipartisan letter signed by delegation members was sent to FTA in December 2017, supporting the Project and urging immediate signing of the FFGA. A response to that request has not yet been received. Staff continues to work with FTA, the California State Transportation Agency, as well as the congressional delegation regarding the status of the FFGA and will continue updating the Board on the progress of these discussions.

ROW

Possession of the one residential ROW parcel being acquired for construction of the MSF is proceeding on schedule, with the motion for pre-judgement possession hearing scheduled for March 19, 2018. However, the ongoing discussion over federal funding has impacted the ability to gain early possession of the adjacent two commercial parcels needed for construction of the MSF.

In July 2017, the City of Santa Ana adopted a resolution of necessity and filed an eminent domain lawsuit with the Superior Court of California (Court) to obtain ROW needed for the MSF. In December 2017, the City of Santa Ana sought a motion for pre-judgment possession of the ROW, which is typical for public works projects going through the eminent domain process. This action allows the agency to gain possession of ROW and construct projects while the value of a parcel is determined through a longer legal process. The Court denied the motion for pre-judgment possession because the FFGA has yet to be finalized. The Court said it could not be proven that the FFGA is in jeopardy at this time if pre-judgment possession of ROW is not granted. The next step in ROW acquisition for the two commercial parcels is the eminent domain trial, with the right-to-take hearing scheduled for April 9, 2018. Results of this hearing will determine when OCTA can take possession of the ROW, begin demolition of the structures, and make it available to the contractor for construction. OCTA's general counsel is working closely with City of Santa Ana legal counsel in preparation for the hearing and will keep the Board apprised of the outcome.

Construction IFB

On August 14, 2017, the OCTA Board approved the use of a pre-qualification process for construction of the Project. Five firms have been pre-qualified through that process. On December 11, 2017, OCTA released the IFB for Project construction, with bids planned to be open on March 5, 2018. Given the status of the federal funding and ROW acquisition process, an addendum was issued moving the bid opening to April 27, 2018.

OCTA will need assurance that the FFGA is proceeding, or another funding program is available, prior to the construction bid opening but no later than April 13, 2018. In addition, if the FFGA is not executed by early June 2018, the construction award could not be made if OCTA proceeds with the current funding program.

If the construction bid opening is delayed, the construction contract award, as well as the overall project schedule, would be delayed. With a bid opening of April 27, 2018, the current estimated date for revenue service is February 2021.

Vehicle Manufacturing and Delivery

The vehicle manufacturing and delivery schedule is a critical element in order to start revenue service in February 2021. Vehicles must be available for the integrated testing that is required to confirm that vehicles, infrastructure, and systems are functional. The vehicle manufacturing and delivery contract award is scheduled to go to the Board for approval on March 26, 2018. Upon Board approval, staff would complete contract negotiations and the Buy America audit, with a notice to proceed (NTP) estimated by early June 2018. Issuing an NTP by early June 2018 is necessary to achieve the delivery schedule for the vehicles, which is 24 months duration from NTP for the first vehicle (June 2020), and 28 months for the last vehicle (October 2020).

Critical dates for the construction and vehicle activities, how these are interrelated, and the implications of delay on both cost and schedule are shown in Attachment A.

Potential Cost Impacts of Delay

The best and final offers (BAFO) submitted by the two proposers remain in effect until June 4, 2018. Beyond this date, there is a risk that the vehicle manufacturer may not honor the prices submitted, and vehicle costs could potentially increase. These costs could be even higher if a new vehicle procurement has to be issued. A vehicle contract delay impacts the February 2021 opening date; therefore, there would be additional costs for professional services and staff, estimated at approximately $450,000 a month. In addition, if the construction contract has been already awarded, there would be construction delay costs as the integrated testing of the infrastructure and systems (track, switches, signals, etc.) requires the vehicles in order to be completed.

If award of the construction contract is delayed further, potential delay costs are estimated at $450,000 a month for professional services and staff, and $400,000 for the monthly construction escalation costs (three percent annual escalation). As noted earlier, approximately $30 million has been expended to date on project development activities.

Next Steps

Work continues to progress on the Project as it relates to finalizing permits, coordination with third parties on utility relocation, finalizing the California Public Utilities Commission approvals for the Project's safety certification, acquisition and possession of required ROW, finalizing of the scope of services for the O&M request for proposals, and continued coordination with FTA.

Staff will return to the Board with an update on the federal funding, securing of the Project ROW, and any additional updates to the overall Project funding plan and schedule.

Summary

An update on the OC Streetcar project activities, including federal funding, right-of-way status, and construction invitation for bid is presented for the Board of Directors' review.

Attachment

A. OC Streetcar Construction and Vehicle Schedules - Critical Dates and Interrelationships

Prepared by:

Kelly Hart

Kelly Hart
Project Manager
(714) 560-5725

Approved by:

James G. Beil, P.E.
Executive Director, Capital Programs
(714) 560-5646

OC STREETCAR

Construction and Vehicle Schedules - Critical Dates and Interrelationships

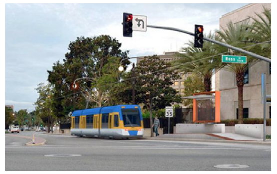
Funding Commitment Required to Maintain Bid Opening

Implications of delay in construction bid:
- Schedule; delay in construction award and project opening date
- Cost; increased costs for construction escalation, soft costs and vehicle storage

CONSTRUCTION CONTRACT

2018 2019 2020 2021

- 4/13 FFGA Commitment
- 4/27 Bid Opening
- 6/25 Contract Award
- 6/2020 MSF and Test Track Complete
- 10/2020 Full System Complete/ Testing Starts
- 2/2021



Revenue Service Begins

VEHICLE ACQUISITION CONTRACT

- 3/26 Contract Award (Target)
- 4/23 Contract Award - Last Board Date to Award Contract Before Pricing Expires
- 6/1 Contract NTP
- 6/4 Contract Pricing Expires
- 6/2020 Vehicle 1 Arrives
- 10/2020 All Vehicles Arrive (June - October)
- 2/2021

Vehicle Contract Execution / NTP Required to Maintain Vehicle Schedule and Secure Proposed Vehicle Pricing and Delivery Schedule

Implications of delay in contract execution:
- Schedule; delay in vehicle acquisition, construction completion, project opening
- Cost; increased vehicle contract costs, construction costs, and soft costs

LEGEND

- Contract Award Activities
- Construction & Vehicle Manufacturing
- Integrated Testing, Training, Safety Certification
- Critical Interrelationships

OCTA

MEMO

March 26, 2018

To: Members of the Board of Directors

From: Darrell E. Johnson, Chief Executive Officer

Subject: **H.R. 1625 - Consolidated Appropriations Act, 2018**

This memo is provided as an update to Item #9 - OC Streetcar Project Update. On Thursday, March 22, 2018, the U.S. House of Representatives (House) passed H.R. 1625, the Consolidated Appropriations Act, 2018 by a vote of 256-167. Shortly after midnight Friday, March 23, 2018, the U.S. Senate approved the funding bill by a vote of 65-32. The President signed the measure into law that afternoon.

Attached please find an overview of the Transportation section of H.R. 1625 outlined by the House Appropriations Committee noting funding levels pertaining to Infrastructure, Aviation, Highways, Rail and Transit. The overview highlights the Capital Investment Grant Program is funded at over $2.6 billion with $1.5 billion for projects within the New Starts program. Congress directed funding for this program at an increase of over $1.4 billion than the Administration's request. Additionally, statutory and report language are included listing the funding amounts with Congressional direction to the Secretary of Transportation to continue to administer the capital investment program in accordance to the requirements of the program.

If you have any questions, please contact me.

DEJ: lml

House Appropriations Committee
Chairman Rodney Frelinghuysen

Website address: http://appropriations.house.gov/

Fiscal Year 2018 Transportation, Housing and Urban Development Funding Bill
Legislation targets funding to essential infrastructure that will help keep the nation moving, and supports community development and housing programs.

The fiscal year 2018 Transportation, Housing and Urban Development Appropriations bill includes funding for the Department of Transportation, the Department of Housing and Urban Development, and other related agencies.

The bill includes $70.3 billion in net discretionary spending – $12.65 billion above the fiscal year 2017 level. This large increase in funding, agreed to as part of the recent budget "caps" agreement, makes critical investments in transportation infrastructure. The bill also includes funding for important community development and housing programs that will help our economy grow and thrive.

Infrastructure Funding – The bill provides an increase of $10.6 billion above the fiscal year 2017 enacted level to begin to rebuild the nation's aging infrastructure. This funding is targeted to our nation's airports, roads, bridges, rail, and community development, and will create jobs and spur economic growth.

Department of Transportation (DOT) – The bill includes $27.3 billion in discretionary appropriations for the Department of Transportation for fiscal year 2018. This is $8.7 billion above the fiscal year 2017 enacted level. In total budgetary resources, including offsetting collections, the bill provides $86.2 billion to improve and maintain our nation's transportation infrastructure.

The bill targets funding to projects that will increase efficiency, safety, reliability, and quality of life for the traveling public, and that will help improve commerce and increase economic growth.

- **Air** – The bill includes $18 billion in total budgetary resources for the Federal Aviation Administration (FAA) – $1.6 billion above the fiscal year 2017 enacted level. These investments will help ease future congestion and help reduce delays for travelers in U.S. airspace.

  This includes full funding for all air traffic control personnel, including 14,500 air traffic controllers, 7,400 safety inspectors, and operational support personnel. In addition, this provides $1.3 billion for NextGen investments, an increase of $239 million above the fiscal year 2017 enacted level. These investments will accelerate the modernization of the air traffic control system to ensure safe and reliable travel for the flying public, and to provide more certainty for the aviation industry.

  The bill provides $165 million for the Contract Tower program and language to ensure that towers ready to enter the program are not delayed further.

The agreement provides an additional $1 billion in airport discretionary grants for airports with the greatest need for infrastructure improvements, particularly targeting small and rural airports.

- **Highways** – The bill provides $45 billion from the Highway Trust Fund to be spent on the Federal-aid Highways Program, which is $1 billion above the fiscal year 2017 enacted level. This funding mirrors the FAST Act authorized levels and will provide much needed growth and improvements within America's highway system. In addition, the bill provides an extra $2.5 billion in discretionary highway funding – a total increase of $3.5 billion for roads and bridges over fiscal year 2017.

- **TIGER (National Infrastructure Investments)** – The multimodal TIGER program is funded at $1.5 billion, a $1 billion increase over the fiscal year 2017 enacted level. This program will fund states' and local communities' most critical transportation projects, and language is included in the bill to ensure that at least 30% of these funds go to rural communities.

- **Rail** – Federal investments in rail infrastructure and safety programs are funded at $3.1 billion, which is $1.2 billion over the fiscal year 2017 enacted level.

  The bill provides a total of $1.9 billion for Amtrak, of which $650 million is for Northeast Corridor grants and $1.3 billion is to support the national network. The bill also continues to require overtime limits for Amtrak employees to reduce unnecessary costs.

  Also included is funding for the Federal-State Partnership for State of Good Repair grants at $250 million, which is $225 million above the fiscal year 2017 enacted level. This funding will address critical rail investments nationwide and on the Northeast Corridor – needs that must be addressed to sustain current rail services.

  Rail safety and research programs are funded at $287 million, $29 million over the fiscal year 2017 enacted level. This will fund inspectors and training, plus maintenance and safety investments to the physical rail infrastructure, to help ensure the safety of passengers and local communities.

  Consolidated Rail Infrastructure and Safety Improvements grants are funded at $593 million, an increase of $525 million from the fiscal year 2017 enacted level, to fund capital and safety improvements, planning, environmental work, and research.

  The bill also includes $250 million for grants to rail operators to install positive train control (PTC) technologies, which will significantly improve the safety of our rail system.

- **Transit** – The bill provides $13.5 billion in total budgetary resources for the Federal Transit Administration (FTA) – $1 billion above the fiscal year 2017 enacted level and $2.3 billion above the request. Transit formula grants total $9.7 billion – consistent with the FAST Act – to help local communities build, maintain, and ensure the safety of their mass transit systems.

  Within this amount, $2.6 billion is included for Capital Investment Grants transit projects. "New Starts" projects are funded at $1.5 billion, Core Capacity projects at $716 million, and Small Starts projects at $400 million. These programs provide competitive grant funding for major transit capital investments – including light rail, bus rapid transit, and commuter rail – that are planned and operated by local communities. The bill limits the federal match for "New Starts" projects to 51 percent.

The bill provides an additional $834 million in transit infrastructure grants compared to the fiscal year 2017 level. This includes $400 million to help communities modernize their bus systems, and $400 million for capital assistance to transit systems across the country to maintain a state of good repair.

- **Maritime** – The bill includes $980 million for the Maritime Administration, $457 million above the fiscal year 2017 enacted level. This funding will continue to increase the productivity, efficiency, and safety of the nation's ports and intermodal water and land transportation.

  The Maritime Security Program is funded at the full authorized level of $300 million. In addition, the bill provides $300 million for a new national security multi-mission vessel, and provides $121 million for the United States Merchant Marine Academy, including $52 million for capital improvements and repairs.

- **Road Safety** – The bill contains funding for the various transportation safety programs and agencies within the Department of Transportation. This includes $947 million in total budgetary resources for the National Highway Traffic Safety Administration, an increase of $36 million over the fiscal year 2017 enacted level, and $845 million for the Federal Motor Carrier Safety Administration, $201 million above the fiscal year 2017 enacted level. Also included is $272 million for the Pipeline and Hazardous Materials Safety Administration, an increase of $8 million over the fiscal year 2017 enacted level.

  Within these amounts, the bill provides more than $100 million for research and demonstrations of automated vehicles, a technology that has the potential to save tens of thousands of lives.

hicle tested shall pay 20 percent of the cost of testing: *Provided further*, That a low or no emission vehicle new bus model tested that receives a passing aggregate test score in accordance with the standards established under section 5318(e)(2) of such title, shall be deemed to be in compliance with the requirements of section 5318(e) of such title: *Provided further*, That amounts made available by this heading shall be derived from the general fund: *Provided further*, That the amounts made available under this heading shall not be subject to any limitation on obligations for transit programs set forth in any Act.

TECHNICAL ASSISTANCE AND TRAINING

For necessary expenses to carry out 49 U.S.C. 5314, $5,000,000.

CAPITAL INVESTMENT GRANTS

For necessary expenses to carry out fixed guideway capital investment grants under section 5309 of title 49, United States Code, $2,644,960,000 to remain available until September 30, 2021: *Provided*, That of the amounts made available under this heading, $2,252,508,586 shall be obligated by December 31, 2019: *Provided further*, That $5,050,000 from unobligated amounts appropriated for the buses and bus facilities program under section 5309 of such title from fiscal years 2000 to 2005 shall remain available until September 30, 2021 to carry out section 5309: *Provided further*, That of the amounts made available under this heading, $1,506,910,000 shall be available for projects authorized under section 5309(d) of such title, $715,700,000 shall be available for projects authorized under section 5309(e) of such title, $400,900,000 shall be available for projects authorized under section 5309(h) of such title: *Provided further*, That the Secretary shall continue to administer the capital investment grant program in accordance with the procedural and substantive requirements of section 5309 of such title.

GRANTS TO THE WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

For grants to the Washington Metropolitan Area Transit Authority as authorized under section 601 of division B of Public Law 110–432, $150,000,000, to remain available until expended: *Provided*, That the Secretary of Transportation shall approve grants for capital and preventive maintenance expenditures for the Washington Metropolitan Area Transit Authority only after receiving and reviewing a request for each specific project: *Provided further*, That prior to approving such grants, the Secretary shall certify that the Washington Metropolitan Area Transit Authority is making progress to improve its safety management system in response to the Federal Transit Administration's 2015 safety management inspection:

(Xerox)

DIVISION L – TRANSPORTATION, HOUSING AND URBAN DEVELOPMENT, AND RELATED AGENCIES APPROPRIATIONS ACT, 2018

CONGRESSIONAL DIRECTIVES

Unless otherwise noted, the language and allocations set forth in the House report (House Report 115-237) and the Senate report (Senate Report 115-138) carry the same weight as the language included in this joint explanatory statement and should be complied with unless specifically addressed to the contrary in this division or joint explanatory statement. House report language and Senate report language, neither of which is changed by this joint explanatory statement, is a result of the 2018 appropriations agreement. The joint explanatory statement, while repeating some report language for emphasis, does not intend to negate the language referred to above unless expressly provided herein. In cases where the House or the Senate has directed the submission of a report, such report is to be submitted to both the House and Senate Committees on Appropriations. The Department of Transportation and the Department of Housing and Urban Development are directed to notify the House and Senate Committees on Appropriations seven days prior to the announcement of a new program, initiative, or authority. Any reprogramming requests must be submitted to the Committees on Appropriations no later than June 30, 2018.

provide quarterly reports within 30 days of the quarter's end on cap waivers granted, and amounts paid above the cap for each month. The agreement also requires Amtrak's president to provide an annual report 60 days after enactment of this Act that summarizes Amtrak's total overtime expenses incurred by the corporation in 2017 and the three prior years, and the number of employees receiving overtime cap waivers and total overtime payments resulting from waivers by month of the 2017 calendar year and the three prior calendar years.

FEDERAL TRANSIT ADMINISTRATION

ADMINISTRATIVE EXPENSES

The agreement provides $113,165,000 for administrative expenses.

TRANSIT FORMULA GRANTS

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(LIMITATION ON OBLIGATIONS)

(HIGHWAY TRUST FUND)

The agreement limits obligations from the Mass Transit Account for transit formula grants to $9,733,353,407, as authorized by the FAST Act. Funds are to be distributed as authorized. Further, the agreement provides $10,300,000,000 for the liquidation of contract authority.

TRANSIT INFRASTRUCTURE GRANTS

The agreement provides an additional $834,000,000 in transit infrastructure grants to remain available until expended. Of the funds provided, $400,000,000 is available for buses and bus facilities grants authorized under 49 U.S.C. 5339, of which $209,104,000 is provided for formula grants, $161,446,000 is provided for competitive grants, and $29,450,000 is provided for low or no emission grants. In addition, $400,000,000 is available for state of good repair grants authorized under 49 U.S.C. 5337, $30,000,000 is provided for high density state apportionments authorized under 49 U.S.C. 5340(d), $2,000,000 is provided for the bus testing facility authorized under 49 U.S.C. 5318, and $2,000,000 is provided for bus testing facilities authorized under 49 U.S.C. 5312(h). The agreement provides funding from the general fund, and the funding is not subject to any limitation on obligations.

TECHNICAL ASSISTANCE AND TRAINING

The agreement provides $5,000,000 for research activities under 49 U.S.C. 5314.

CAPITAL INVESTMENT GRANTS

The agreement provides $2,644,960,000 for fixed-guideway projects, to remain available until September 30, 2021, and directs the Secretary to administer the capital investment grants program in accordance with the requirements of 49 U.S.C. 5309 and move projects through the program from initial application to construction. The agreement directs the FTA to use $5,050,000 from unobligated amounts for fixed-guideway projects. Of the funds provided, $1,506,910,000 is available for projects authorized under 5309(d), $715,700,000 is available for projects authorized under 5309(e), $400,900,000 is for projects authorized under 5309(h), and $26,500,010 is available for oversight activities. The agreement directs the Secretary to obligate $2,252,508,586 of the amount provided for the capital investment grants program by December 31, 2019. The agreement directs the Secretary to provide updated project ratings expeditiously at the request of the project sponsor.

GRANTS TO THE WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

The agreement provides $150,000,000 to carry out section 601 of division B of Public Law 110-432, to remain available until expended. The agreement no longer requires the Secretary to certify that WMATA is making progress toward full implementation of the

COMMITTEE TRANSMITTAL

April 9, 2018

To: Members of the Board of Directors

From: Laurena Weinert, Clerk of the Board

Subject: 2018 Long-Range Transportation Plan Update

Regional Planning and Highways Committee Meeting of April 2, 2018

Present: Directors Bartlett, Delgleize, M. Murphy, Nelson, and Steel
Absent: Directors Pulido and Spitzer

Committee Vote

This item was passed by the Members present.

Committee Recommendation

Direct staff to assume priced managed lanes within the Trend 2040 scenario, recognizing that further study, interagency coordination, and public outreach are required as part of future planning efforts.

Committee Discussion

The Committee discussion emphasized the need for further public input and outreach as part of any future transportation planning process.

April 2, 2018

To: Regional Planning and Highways Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: 2018 Long-Range Transportation Plan Update

Overview

The Long-Range Transportation Plan provides Orange County's program of projects for the multi-county Regional Transportation Plan, prepared by the Southern California Association of Governments. The plan also serves as a policy framework for future transportation investments in Orange County. Initial model results presented in February 2018, along with ongoing activity at the state and regional levels, suggest that it would be appropriate to consider including priced managed lanes within the Long-Range Transportation Plan. Initial model results for the priced managed lane scenario are presented below for consideration.

Recommendation

Direct staff to assume priced managed lanes within the Trend 2040 scenario, recognizing that further study, interagency coordination, and public outreach are required as part of future planning efforts.

Background

The Orange County Transportation Authority (OCTA) is preparing the 2018 Long-Range Transportation Plan (LRTP) as input into the Southern California Association of Governments (SCAG) 2020 Regional Transportation Plan and Sustainable Communities Strategy (RTP/SCS). The 2018 LRTP will analyze travel conditions based on a 2040 horizon year, which assumes ten percent growth in population and 17 percent growth in employment in Orange County. These assumptions are based on projections from the Center for Demographic Research (CDR) at California State University, Fullerton.

In February 2018, model results were presented to the Board of Directors (Board) that compared carpool lane occupancy requirements of two passengers per vehicle versus three passengers per vehicle, under the financially-constrained (Trend 2040) scenario. The model results indicated that the two-passenger scenario fails to meet a federal performance standard that generally requires managed lanes to operate at 45 miles per hour during peak periods. The need to comply with this standard is triggered by the state's program to exempt qualified electric and plug-in hybrid vehicles from high-occupancy vehicle (HOV) lane occupancy requirements. However, the state is committed to maintaining this incentive program.

For example, in January 2018, Governor Jerry Brown signed Executive Order B-48-18 that calls for an increase from 350,000 zero-emission vehicles (ZEV) on the road today to five million by 2030. The state's 2016 ZEV Action Plan also highlights that allowing ZEVs access to HOV lanes is an important and effective strategy for meeting the state's ZEV goals.

If the standards are not met, sanctions could be imposed resulting in loss of federal funding and project delays. The California Department of Transportation (Caltrans) District 12 has acknowledged that increasing the occupancy requirement is necessary to comply; however, this results in an underutilized managed lane system. The 2018 LRTP model results presented in February 2018 support Caltrans' concern. The Trend 2040 – HOV 3+ scenario demonstrated that the managed lane system would comply with the federal standard; however, only about 30 percent of the capacity on managed lanes would be used.

As an alternative, Caltrans District 12 is pursuing a priced managed lane strategy that increases the occupancy requirement to three passengers, while also permitting other vehicles to use the managed lanes through a pricing strategy. The pricing strategy would manage the number of vehicles in the managed lane system, ensuring reliability for the users and compliance with the federal standard. It should be noted that Caltrans has recently initiated studies to implement priced managed lanes on Interstate 5. Additionally, many of OCTA's partner agencies are planning and implementing similar priced managed lane networks. This is occurring in neighboring counties, including Los Angeles, Riverside, and San Diego.

Taking all of this into consideration, a Trend 2040 scenario has been modeled to assess a priced managed lane alternative that is intended to: (1) address federal performance standards; (2) provide the public with an uncongested travel option; and (3) ensure consistent priced managed lane planning activities throughout the Southern California region.

The discussion below provides an overview of the initial model results utilizing a priced managed lane assumption.

Discussion

In Table 1, model results are shown for the Trend 2040 (financially constrained) managed lane scenarios, as well as the 2040 No Build that excludes the financially-constrained improvements. All scenarios include the 2040 growth forecast for Orange County, as prepared by CDR. The managed lane operating assumptions are summarized as follows:

- 2040 No Build (two-passenger requirement for managed lane access)
- Trend 2040 – HOV 2+ (two-passenger requirement for managed lane access)
- Trend 2040 – HOV 3+ (three-passenger requirement for managed lane access)
- Trend 2040 – Express (three-passenger requirement for free managed lane access and other vehicles have a priced option to access managed lanes)

Table 1: Trend 2040 – Managed Lanes Scenarios vs. 2040 No Build

Metrics (daily)	2040 No Build HOV 2+	Trend 2040 HOV 2+	Trend 2040 HOV 3+	***Trend 2040 Express***
Vehicle passenger delay per capita (minutes)	12.5	8.5	8.9	8.7
Vehicle passenger travel time per capita (minutes)	58.5	55.7	55.9	55.9
Delay as a percent of travel time	21.4%	15.3%	15.9%	15.5%
Mainline freeway – AM peak average speed (mph)	32.0	35.2	34.0	34.4
Managed lanes – AM peak average speed (mph)	**41.3**	**48.6**	**62.5**	**56.8**
Managed lanes – AM peak capacity utilization	**83%**	**70%**	**30%**	**60%**
Arterials – AM peak average speed (mph)	24.3	26.0	25.8	25.8

mph – miles per hour

As shown in Table 1, the Express scenario provides a balanced approach between Trend 2040 – HOV 2+, which does not meet the federal performance standard, and the Trend 2040 – HOV 3+, which results in the managed lanes being underutilized. The Express scenario improves the efficiency of the managed lane system, increasing capacity utilization from 30 percent to 60 percent, while also conforming with the federal standard. Furthermore, overall travel times and delays due to congestion are reduced compared to conversion to HOV 3+ alone. Finally, it should be noted that compared to HOV 3+, the Express scenario does more to benefit the LRTP goals of improving system performance and expanding system choices by providing the traveling public a reliable and uncongested travel option.

As previously noted, many of OCTA's partner agencies are already moving to priced managed lanes, including Caltrans District 12. If directed by the Board to use the Express scenario in the 2018 LRTP, OCTA can take more of an active or lead role in the planning for priced managed lanes in Orange County.

Next Steps

The Trend 2040 scenario selected by the Board will be incorporated into the draft 2018 LRTP. The results of the other scenarios will also be referenced to provide additional context regarding Orange County's managed lanes system. Additionally, the Innovation and Policy scenarios are being modeled and analyzed to help facilitate a discussion regarding how private-sector innovations, as well as potential policies being considered primarily by regional and state agencies, may impact travel behavior.

These results will also be incorporated into the draft 2018 LRTP to help generate ideas and input for consideration in the LRTP action plan, which outlines areas of focus for OCTA that will lead into the next LRTP cycle. The draft 2018 LRTP is currently scheduled for public review over summer 2018. The public review will conclude in early September to finalize the LRTP by fall 2018 and provide OCTA's submittal to SCAG for inclusion in the 2020 RTP/SCS.

Summary

An analysis of the financially constrained Trend 2040 scenario has been completed, which assumes operation of the managed lanes network as express lanes. The analysis indicates that conversion from HOV to express lanes would satisfy federal performance standards and improve the efficiency of the managed lane system. Pending Board direction, this will be used as the primary scenario within the draft 2018 LRTP. Staff will return to the Board to release the draft 2018 LRTP for public review. The public review will occur over the summer, concluding in early September.

Attachment

None.

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