

Meeting of Nov. 14, 2016

I-405 Improvement Project Awarded a \$1.2 billion Contractor for Its Design-Build

The Orange County Transportation Authority Board of Directors awarded OC 405 Partners a contract to design and construct the I-405 Improvement Project.

The project, set to begin construction next year, includes adding one regular lane in each direction – as promised in Measure M, Orange County’s half-cent sales tax for transportation improvements – and building the 405 Express Lanes in the center of the freeway.

OC 405 Partners is a team of firms led by OHL USA, Inc. and Astaldi Construction Corporation. Other major projects by the firms include the I-15 Corridor Reconstruction Project in Utah and the SR-826/836 Interchange Reconstruction Project in Florida. The contract awarded for project design and construction is \$1.2 billion.

The OCTA board also approved a toll operating agreement with Caltrans to address matters related to the design, construction, maintenance and operation of the 405 Express Lanes. The 405 Express Lanes will be the first project in the state to use the tolling authority provided last year under Assembly Bill 194.

The total I-405 Improvement Project cost is \$1.9 billion and will be funded with a combination of local, state and federal funds. OCTA is currently pursuing a federal TIFIA loan to fund a significant portion of the project.

In addition to constructing the new lanes, the project will rebuild 18 bridges and improve freeway access and traffic on local streets. All of this work is critical to accommodate expected employment, population and housing growth in not only Orange County, but throughout the region. Traffic on I-405 is anticipated to grow by 30 percent in the next 25 years, but with the additional lanes will be reduced significantly.

Board Approves Nearly \$500,000 to Continue Improvements in Active Transportation

The OCTA board approved nearly \$500,000 to improve active transportation in Irvine at the Jeffery Open Space Trail and I-5 Freeway Bicycle and Pedestrian Bridge Project.

This \$1.2 million project includes the addition of safer bike and pedestrian pathways throughout the trail and streets. The city of Irvine will provide matching funds needed to complete the project.

The funds come from what remains of a \$20 million Congestion Mitigation and Air Quality Improvement Program grant, dedicated to help Orange County cities improve their bicycle and pedestrian projects, as well as enhance safety throughout these corridors.

In August the board awarded \$19.5 million of those funds to 13 projects that met the requirements. Funding was granted based on project readiness, local match contribution, cost-benefit ratio, connectivity to surrounding amenities and compliance with state and federal laws and requirements.

Measure M Forecast Revenue is Less Than Anticipated

The board received an updated taxable sales revenue forecast from the Measure M2 Program for the next 30 years.

Measure M is the half-cent sales tax for transportation improvements and was approved by Orange County voters in 1990 and renewed in 2006.

Muniservices, along with Chapman University, University of California Los Angeles, and Cal State University Fullerton foresee less revenue than previously anticipated. The 2016 fiscal year brought lower-than-expected return in sales tax receipts, which creates less revenue for transportation. The newly forecasted revenue is expecting to be \$14.2 billion over the next 30 years, which is 9 percent lower than initially expected. Although there is a slight decrease in potential revenue, projects that were originally promised to voters will continue. The impacts of decreased revenue will be considered and implemented with the Next 10 Plan as well as M2020 Update.

Measure M Aims to Keep Its' Promises to Voters

The board approved the Measure M Next 10 Plan, which includes moving forward with the projects originally promised to voters.

The Next 10 plan is intended to ensure OCTA's commitment to Orange County voters, keeping the freeway program moving, continuing to invest in streets and roads, advancing rail and transit options and upholding the Measure M environmental agreement.

The plan calls for prioritizing Measure M projects by distributing the sales tax revenue to the following:

- \$3 billion will fund freeway improvements
- Provide an additional \$1.2 billion of funding capacity towards M2 projects currently in the planning phase.
- Allocate \$1 billion of funding to street and road improvements.
- Invest nearly \$1.4 billion to improving rail and transit services.
- Continue preservation of open space preserves by providing \$40 million in water-quality grants to prevent transportation produced trash from entering waterways and inlets.

To ensure sufficient funding, net excess from the 91 Express Lanes will be used for Project I and Project J, which both fall within the 91 corridor. These funds, along with the sales-tax revenue will continue to move these projects forward.