



COMMITTEE TRANSMITTAL

**August 10, 2015**

**To:** Members of the Board of Directors

**From:**  Laurena Weinert, Clerk of the Board

**Subject:** 2016 State Transportation Improvement Program Overview

Regional Planning and Highways Committee Meeting of August 3, 2015

Present: Directors Donchak, Lalloway, Miller, Nelson, Spitzer, and Ury

Absent: Director Bartlett

**Committee Vote**

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

**Staff Recommendation**

Receive and file as an information item.




**ORANGE COUNTY TRANSPORTATION AUTHORITY**

## **2016 State Transportation Improvement Program Overview**

### **Staff Report**



**August 3, 2015**

**To:** Regional Planning and Highways Committee   
**From:** Darrell Johnson, Chief Executive Officer  
**Subject:** 2016 State Transportation Improvement Program Overview

### **Overview**

The State Transportation Improvement Program is a biennial five-year plan of projects adopted by the California Transportation Commission for future allocations of state transportation funds. Every two years, the Orange County Transportation Authority updates the program of projects to be funded through this program. An overview of the 2016 State Transportation Improvement Program process is presented for information purposes.

### **Recommendation**

Receive and file as an information item.

### **Background**

The State Transportation Improvement Program (STIP) is a five-year state funding program that is adopted by the California Transportation Commission (CTC) for transportation projects. The STIP is divided into two major funding categories: the Regional Improvement Program (RIP) and the Interregional Improvement Program (IIP). Seventy-five percent of the program is allocated to the RIP, which is then provided to counties by formula. The remaining 25 percent is provided to the California Department of Transportation (Caltrans) for projects of interregional significance through the IIP and intercity rail project. Caltrans also oversees the use of State Highway Operations and Protection Program (SHOPP), which is a Caltrans-led program for "major capital improvements that are necessary to preserve and protect the state highway system." Projects are limited to capital improvements relative to maintenance, safety, and rehabilitation of state highways and bridges, which do not add new traffic lanes to the system.

Projects eligible for STIP must adhere to the STIP Guidelines. Projects must also be on either the state highway, local road, or a fixed-guideway facility per Article XIX of the California Constitution. The Orange County Transportation Authority (OCTA) is responsible for the development and programming of Orange County's share of the RIP portion of the STIP revenues, which are submitted to CTC for approval. OCTA and Caltrans coordinate the development of projects that are considered for inclusion in the STIP, IIP, intercity rail, and SHOPP.

Every two years, the STIP fund estimate (FE) revenues are forecasted and programmed for the following five-year period. The revenue that supports the STIP derives from the price-based excise tax and Federal Highway Trust Fund. Caltrans presented the draft 2016 STIP FE to the CTC on June 25, 2015. Based on the current FE, no new revenue will be added to the 2016 STIP.

The previous 2014 STIP cycle was approved on March 20, 2014, by the CTC, and contained ten projects for Orange County (Attachment A). Orange County's share resulted in STIP capacity for a total of \$243.4 million, which consisted of \$65.61 million of net new funding capacity.

### ***Discussion***

No new programming capacity will be available in the 2016 STIP. The California State Board of Equalization voted in March 2015 to decrease the 2015-16 price-based excise tax rate on gasoline from 18 cents to 12 cents per gallon. Based on the draft FE, there is negative program capacity in the current fiscal year and the next four fiscal years of the STIP period, with a negligible amount of new capacity becoming available in 2020-21. Therefore, the 2016 STIP, from a statewide perspective, is fully programmed and has no capacity for new projects. Further, projects currently programmed may have to be delayed to the out years of the five year period due to the near-term funding shortfall. Statewide, the STIP is a major source of funding for transportation projects. A zero sum STIP is not unprecedented, and the unpredictability of funding availability would have caused severe delays for upcoming transportation projects if OCTA did not have the Measure M sales tax to weather statewide funding complications.

Staff will return to the Board of Directors (Board) in September 2015 with the proposal for an updated program of projects that is consistent with the Board-approved Capital Programming Policies (CPP). The CPP provides direction for formula funding programs. The first priority for STIP funds are the M2020 freeway projects, commuter rail and fixed-guideways projects, and planning/programming activities, which seek an equitable balance between freeways and transit capital, and are consistent with state goals.

The next priority includes new capacity projects consistent with Measure M2 and then for soundwalls. The updated program of projects may include minor modifications to existing projects. Any potential new projects would be contingent on STIP savings from OCTA's existing program of projects or advancing future STIP cycle funding. Finally, new STIP Projects must also comply with recent direction by state agencies to use state funds for projects that are consistent with state goals for greenhouse gas emissions reductions, consistent with SB 375 (Chapter 2008, Statutes of 2008) and AB 32 (Chapter 2006, Statutes 488).

Staff has scheduled meetings with key stakeholders to solicit input (Attachment B). The meeting with Caltrans is also an opportunity for OCTA to discuss Caltrans' submittal of the IIP and the SHOPP. Staff expects to return to the Board next month with specific programming recommendations that are due by September 2015 to the Southern California Association of Governments for modeling purposes, and to the CTC in December 2015.

### ***Summary***

OCTA is responsible for the development and programming of the STIP projects for Orange County. With the upcoming 2016 STIP cycle, OCTA staff has started the process to consider priority projects to recommend to the Board for Regional Transportation Improvement Program submittal to the CTC in December 2015.

### ***Attachments***

- A. California Transportation Commission Approved 2014 STIP
- B. 2016 State Transportation Improvement Program Development Schedule

### **Prepared by:**



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### **Approved by:**



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## **2016 State Transportation Improvement Program Overview**

### **Attachment A**

California Transportation Commission Approved 2014 STIP

Approved 2014 STIP	STIP Funding						Other Funding			Total Project Cost
	2014-15	2015-16	2016-17	2017-18	2018-19	Total STIP	RSTP/CMAQ	M2	Other **	
	In Thousands									
I-5 add one lane in each direction from the SR-73 to Oso Parkway - Segment 1	-	-	-	-	78,949	78,949	28,167	30,299	-	137,415
I-5 add one lane in each direction from Oso Parkway to Alicia Parkway - Segment 2	-	-	-	-	-	-	43,667	123,133	-	166,800
I-5 add one lane in each direction from Alicia Parkway to El Toro Road - Segment 3	-	-	-	-	-	-	8,166	106,093	-	114,259
I-5 add one HOV lane in each direction from Avenida Pico to Avenida Vista Hermosa*	61,000	-	-	-	-	61,000	36,242	7,374	1,673	106,289
I-5 add one HOV lane in each direction from the SR-55 to the SR-57*	-	-	36,262	-	-	36,262	2,800	3,409	-	42,471
Lambert Road interchange improvements	-	-	-	-	22,100	22,100	-	927	20,773	43,800
Orange Transportation Center Parking Structure	-	13,762	-	-	-	13,762	2,938	1,850	8,707	27,257
PPM*	1,445	831	1,899	1,482	1,482	7,138	-	-	-	7,138
I-405 add one southbound auxiliary lane from University Drive to Sand Canyon Avenue and Sand Canyon Avenue to the SR-133*	528	-	2,353	-	13,498	16,379	-	-	-	16,379
I-5 HOV operational improvements (SR-57 to SR-91)*	-	-	3,600	-	-	3,600	-	-	1,190	4,790
I-5/SR-74 interchange - replacement planting/landscaping*	-	1,210	-	-	-	1,210	-	-	210	1,420
<b>Sub Totals</b>	<b>62,973</b>	<b>15,803</b>	<b>44,114</b>	<b>1,482</b>	<b>116,029</b>	<b>240,400</b>	<b>121,980</b>	<b>273,085</b>	<b>32,553</b>	<b>668,018</b>
IIP - Laguna Niguel-San Juan Capistrano passing siding	-	-	-	-	3,000	3,000	7,568	-	14,706	25,274
<b>Totals</b>	<b>62,973</b>	<b>15,803</b>	<b>44,114</b>	<b>1,482</b>	<b>119,029</b>	<b>243,400</b>	<b>129,548</b>	<b>273,085</b>	<b>47,259</b>	<b>693,292</b>

\* Carried over or partially carried over from 2012 STIP.

\*\* Other funds were approved by the Board of Directors previously and include \$1.673 million in Interstate Maintenance Discretionary Program funds, \$0.210 million in prior STIP funds, \$1.19 million in Orange County Unified transportation trust funds, \$0.924 million in federal demonstration funds, \$19.849 million in Brea city funds, \$8.707 million in Orange City funds, and \$14.706 million in Federal Transit Administration Section 5337 funds.

STIP - State Transportation Improvement Program  
RSTP/CMAQ - Regional Surface Transportation Program/Congestion Mitigation and Air Quality  
M2 - Measure M2  
I-5 - Interstate 5  
SR-73 - State Route 73  
HOV - High-occupancy vehicle

SR-57 - State Route 57  
PPM - Programming, planning, and monitoring  
I-405 - Interstate 405  
SR-133 - State Route 133  
SR-91 - State Route 91  
SR-74 - State Route 74

ITIP - Interregional Transportation Improvement Program



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## **2016 State Transportation Improvement Program Overview**

### **Attachment B**



**2016 State Transportation Improvement Program Development Schedule**

- March 26, 2015 – Draft fund estimate (FE) assumptions presented to the California Transportation Commission (CTC)
- May 28, 2015 – FE assumptions approved by CTC
- June – July, 2015 – Meetings with internal and external stakeholders
  - June 11, 2015 - City of Brea regarding the State Route 57 Lambert Road Interchange Project
  - June 29, 2015 - California Department of Transportation regarding Regional Improvement Program (RIP), Interregional Improvement Program, and State Highway Operation and Protection Program.
- June 25, 2015 – Draft of FE presented to CTC
- August 3, 2015 – 2016 State Transportation Improvement Program (STIP) overview presented to the Orange County Transportation Authority (OCTA) Regional Planning and Highways (RPH) Committee
- August 10, 2015 – 2016 STIP overview presented to the OCTA Board of Directors (Board)
- By August 26, 2015 – CTC adopts 2016 FE
- September 11, 2015 – RPH Committee consideration of 2016 STIP RIP program of projects for submittal to the OCTA Board
- September 14, 2015 – OCTA Board consideration of 2016 STIP RIP program of projects for submittal to CTC
- September 30, 2015 – OCTA STIP/Regional Transportation Improvement Project projects submitted to Southern California Association of Governments for regional modeling analysis
- December 15, 2015 – Final submittal of 2016 STIP RIP to CTC
- January 21, 2016 – CTC Northern California hearing
- January 26, 2016 – CTC Southern California hearing
- February 19, 2016 – CTC staff recommendations released
- March 16-17, 2016 – 2016 STIP adoption by the CTC



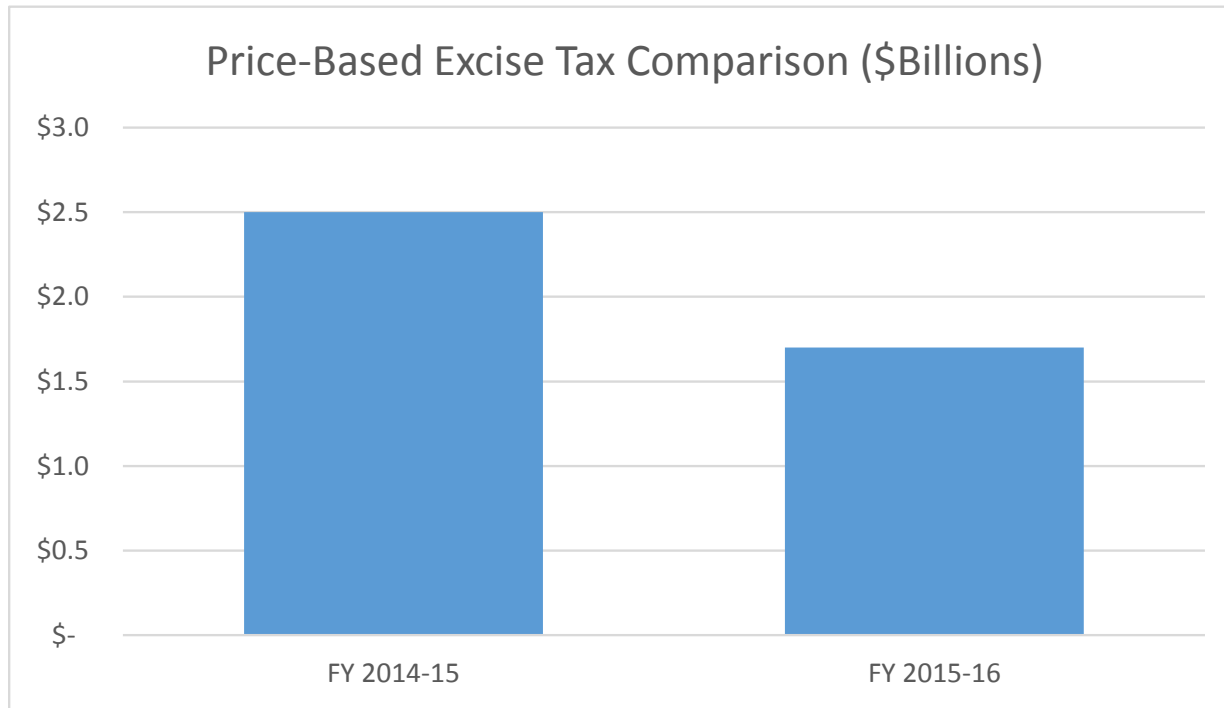
**ORANGE COUNTY TRANSPORTATION AUTHORITY**

## **2016 State Transportation Improvement Program Overview**

**PowerPoint**

# 2016 State Transportation Improvement Program Overview

# Price-Based Excise Tax Decline

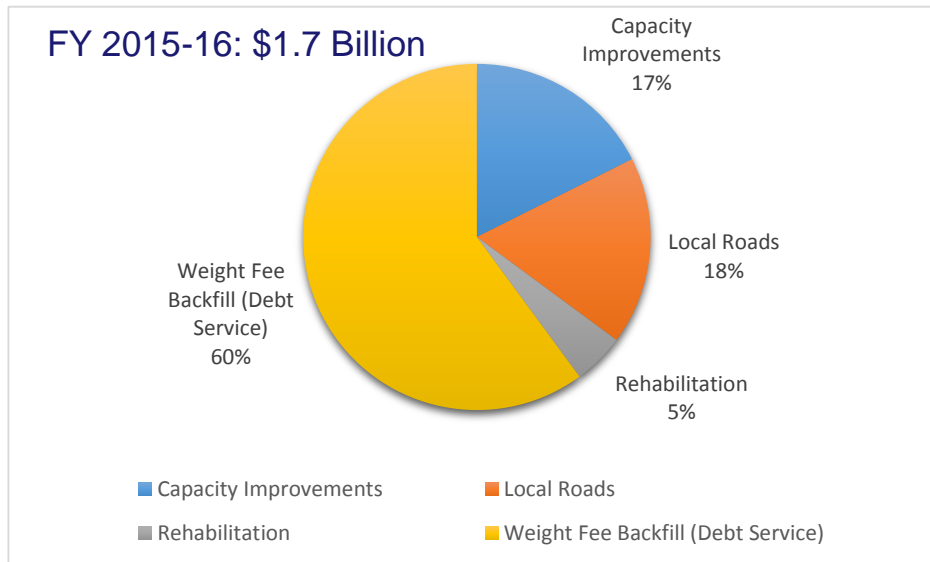


*The decrease in price-based excise tax from 18 cents to 12 cents resulted in \$800 million less for transportation investments statewide.*

*Source: Caltrans, June 2015*

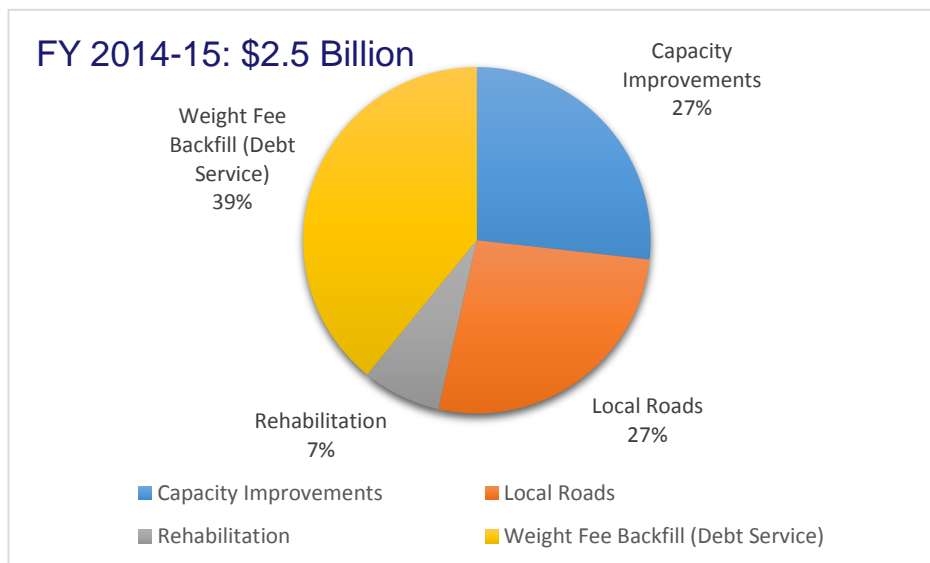


# Revenue and Program Impacts



*Program impacts are not distributed proportionally. Weight fees are taken “off-the-top” and diverted to the general fund for debt service on transportation bonds. Approximately 60 percent of the FY 2015-16 price-based excise tax will go toward debt service.*

*Source: Caltrans, June 2015*



# Revenues vs. Commitments

2016 State Transportation Improvement Program Fund Estimate (\$Millions)

	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
<b>Balance from Prior Year</b>	<b>\$ (176.0)</b>	<b>\$ (569.0)</b>	<b>\$ (831.0)</b>	<b>\$ (1,034.0)</b>	<b>\$ (494.0)</b>
<i>Projected Revenues</i>	\$ 405.0	\$ 420.0	\$ 470.0	\$ 540.0	\$ 540.0
<i>Prior Commitments</i>	\$ (798.0)	\$ (682.0)	\$ (673.0)	\$ -	\$ -
<b>Ending Balance</b>	<b>\$ (569.0)</b>	<b>\$ (831.0)</b>	<b>\$ (1,034.0)</b>	<b>\$ (494.0)</b>	<b>\$ 46.0</b>

*The decrease in price-based excise tax, debt service payments, and prior programming commitments will result in almost no added programming capacity in the 2016 State Transportation Improvement Program. Current project allocations may also be delayed.*

Source: Caltrans, July 2015