

California Department of Transportation

SEP-15 Application Transportation Corridor System

This SEP-15 application to the Federal Highway Administration (FHWA) represents the culmination of a five-year process which began with the creation of the Transportation Corridor System ("TCS") in 2003 for the purpose of acquiring the toll road assets of the San Joaquin Hills Transportation Corridor Agency ("SJHTCA") and the Foothill/Eastern Transportation Corridor Agency ("FETCA"), taking responsibility for the operation and maintenance of the San Joaquin Hills Toll Road, the Foothill Toll Road and the Eastern Toll Road, (collectively, the "System"), and construction of additional capital improvements to the System (the "future improvements"). Exhibit A shows a map of the System. The future improvements, which include a proposed additional southern segment to the Foothill Transportation Corridor ("Foothill South"), are described in more detail herein. TCS will immediately seek Transportation Infrastructure Finance and Innovation Act ("TIFIA") funding for these activities (collectively, the "Project") upon approval of this application.

This SEP-15 application is being submitted to seek FHWA's approval to deviate from the definition of TIFIA "eligible project costs" to allow TIFIA loan proceeds to be used to pay a portion of the purchase price for the acquisition of the System by TCS and defease all of the outstanding bond indebtedness of SJHTCA and FETCA incurred in connection with the acquisition, construction and refinancing of the System. Approval of this application, and successful negotiation of TIFIA credit assistance, will enhance the financial capacity of TCS to construct the future improvements.

This application includes a Project description, a description of the experimental nature of the Project, an explanation of the benefits the Project will have for the State of California and the TIFIA program, and an explanation of the California Department of Transportation's ("Caltrans") proposed performance measures which will be applied by TCS in preparation of its report on the results of the use of TIFIA credit assistance in the manner described in this request.

Introduction

TCS, a joint powers agency whose members are the SJHTCA and FETCA, is contemplating the acquisition of the rights to operate, manage and collect tolls on the System. In addition, TCS would either be obligated to construct the future improvements or to provide financial support for the construction of the future improvements, which will become part of the System once construction is complete. TCS, SJHTCA and FETCA are in the process of negotiating the acquisition and assignment agreements for the System. The rights and responsibilities of SJHTCA and FETCA pursuant to the Caltrans Cooperative Agreements, which transfer ownership and maintenance responsibility for System components to Caltrans upon substantial completion, would also be assigned to TCS.

The Project is of critical importance to California, particularly to Orange County and to commuters residing or working in the counties of Riverside, Los Angeles and San Diego who must traverse Orange County. The System includes the first public toll roads in California, and enabled construction of much-needed highways for which there were no public funds at the time. The economic viability of the continued operation of the System and its expansion through construction of the future improvements will be enhanced with consolidation and restructuring of

the assets and liabilities of SJHTCA and FETCA, which will occur as part of their acquisition by TCS.

In addition to the tangible benefits that the Project offers to California, it will also benefit the TIFIA program. This represents TIFIA's first opportunity to participate in the consolidation and restructuring of existing toll road assets.

Upon acceptance of this application and execution of an Early Development Agreement with FHWA, TCS will apply for a TIFIA loan that will be used to assist in defeasance of the bond indebtedness of SJHTCA and FETCA as part of this consolidation and restructuring. The TIFIA loan will enhance the credit quality of senior lien bonds of the System, which represents the largest component of funding, and provide the economic leverage needed to justify the increased liabilities associated with the construction of the future improvements.

The overall intent of the SEP-15 program is to foster innovation and explore the full range of opportunities to make the project delivery process more efficient. This Project will improve the delivery time, quality, and expense of the future improvements for TCS. This Project will influence future Federal-aid policy and procedures, particularly with respect to the use of TIFIA credit assistance to create financial capacity to improve and expand existing transportation systems, making it a unique educational opportunity for FHWA. TCS will be responsible for reporting to USDOT how the experimental features contribute to the overall success of the Project upon its completion.

Project Description

1. The Consolidation and Restructuring

SJHTCA and FETCA are joint exercise of powers agencies ("JPAs") organized under the provisions of the laws of the State of California (the "State") (Chapter 5, Division 7, Title 1 of the Government Code of the State (the "Act")). SJHTCA and FETCA were formed for the purpose of planning and constructing the San Joaquin Hills Toll Road and the Foothill/Eastern System, respectively, and are entitled to set and collect tolls from users of the respective toll road. SJHTCA and FETCA are sometimes referred to as the "organizing agencies."

TCS is a JPA organized under the provisions of the laws of the State and a Joint Exercise of Powers Agreement Creating the Exploratory Joint Powers Agency (the "TCS JPA Agreement") between SJHTCA and FETCA. The Exploratory Joint Powers Agency, created in April 2003, was renamed the Transportation Corridor System in September 2003.

TCS is a separate legal entity distinct from its members, SJHTCA and FETCA, though TCS, SJHTCA and FETCA are supported by the same staff. The TCS Governing Board is composed of representatives of the member entities of the organizing agencies, including the County of Orange and nineteen cities. Following issuance of toll road revenue bonds ("2008 Bonds"), execution of the TIFIA loan and the transfer of substantially all of the assets and liabilities associated with the System to TCS, the remaining responsibilities of SJHTCA and FETCA will be to administer the Development Impact Fee Program and to prosecute existing litigation. FETCA will also continue to act as "lead agency" for purposes of the California Environmental Quality Act ("CEQA") and the National Environmental Policy Act ("NEPA") with respect to the development of the 14-mile Foothill South Corridor, which completes the System.

Concurrently with the issuance of the 2008 Bonds, the rights and obligations of the organizing agencies under the Caltrans Cooperative Agreements will be assigned to TCS. TCS will also purchase, own, operate and control the toll collection facilities for the System (e.g., toll booths, electronic vehicle identification equipment, system hardware and software, etc.) which are currently owned by SJHTCA and FETCA. Maintenance of the toll collection facilities as well as payment of the costs of toll collection are currently the responsibility of each original agency and will be the responsibility of TCS.

The purpose of the TCS JPA Agreement is to exercise the common powers of its members and to undertake such studies and planning as may be necessary to fund, plan, acquire necessary property for and construct the future improvements, including, but not limited to, the acquisition of some or all of the assets of the organizing agencies that comprise or are used in connection with the System.

History

The San Joaquin Hills Toll Road (State Route 73) and Foothill/Eastern System (State Routes 133, 241 and 261) were the first public toll roads to be constructed in California.

The San Joaquin Hills Toll Road is a limited access, six-lane toll highway, stretching approximately 15 miles from Interstate Route 405 ("I-405") in the vicinity of John Wayne Orange County Airport in Santa Ana, California, south to a connection with Interstate Route 5 ("I 5") in San Juan Capistrano, California. The final phase of the San Joaquin Hills Toll Road was opened to toll paying traffic on November 21, 1996.

The Foothill/Eastern System consists of the Eastern Transportation Corridor (State Routes 241, 261 and 133) and the Foothill Transportation Corridor (State Route 241). The Eastern Transportation Corridor is a limited access 24 mile, four to six-lane toll road, which was opened to toll traffic in segments in October 1998 and February 1999. Currently, the Foothill Transportation Corridor consists of the completed and operating 12.1 mile northern segment, known as "Foothill-North." Foothill-North is a limited access four to six-lane toll road that opened to traffic in segments in October 1993, April 1995 and January 1999.

These corridors were included in official transportation plans, including the County's Long-Range Transportation Improvement Plan, by 1981. A shortage at the time of state and federal gasoline-tax revenue, the traditional funding sources for new highway construction in California, prompted local elected officials to explore alternative ways to fund road improvements to meet the County's growing transportation needs.

In 1985, the State legislature enacted legislation permitting the Development Impact Fee Program. The following year, in 1986, the organizing agencies were formed to implement the Development Impact Fee Program. However, planners soon realized that development impact fees from the Fee Program alone could not fully fund the cost of construction. In 1987, State law authorized the organizing agencies to construct the corridors as toll roads, with tolls pledged to pay revenue bonds issued to finance or refinance construction and imposed no longer than required to retire such bonds.

System construction was funded primarily with bond proceeds, as well as with development impact fees and State funds and assistance. Development impact fees also provide a source of repayment for such bonds. Upon its opening for traffic, each segment of the System was transferred to Caltrans, which owns the System and is responsible for the traffic operations,

maintenance, and liabilities relating thereto, as provided in the Caltrans Cooperative Agreements.

The initial financing of the construction of the System and subsequent refinancing of outstanding debt of the organizing agencies was enhanced through the use of two federal lines of credit that were made available by statute to each of the organizing agencies to support operation and maintenance and debt service costs related to the System. These innovative financial instruments were the precursors for the line of credit provisions of the TIFIA program.

Plan of Finance

Concurrently with the payment of the purchase price for substantially all of the assets and liabilities of the System by TCS to the organizing agencies pursuant to the Acquisition Agreements, the organizing agencies will apply the proceeds of such payment to defease to maturity or earlier call date, or to purchase on the open market, all of their outstanding revenue bonds.

The moneys used by the organizing agencies to defease the bonds which are not otherwise purchased by the organizing agencies will be applied to the purchase of certain investments (the "Defeasance Securities"). The Defeasance Securities will be held by The Bank of New York Trust Company, N.A., as escrow agent, and will pay interest and principal at such times and in such amounts so that, together with an initial cash deposit, sufficient moneys will be available to pay (i) when due, all principal of and interest on the bonds to and including their respective dates of maturity or earlier redemption and (ii) the respective redemption prices of the bonds to be redeemed prior to their stated maturity on their respective redemption dates.

The consolidation and restructuring will be financed with long-term, fixed-rate toll road revenue bonds issued by TCS. TCS' revenue bond financing will be structured to offer the flexibility necessary for the TIFIA loan to be contributed in the most effective manner possible. Per the TIFIA application requirements, TCS will engage a rating agency to review the overall plan of finance with the goal of obtaining no less than an investment grade rating for the senior debt facilities and a possible investment-grade rating for the proposed TIFIA mezzanine facility. This compares favorably to current ratings of TIFIA subordinated debt on other privately financed toll road facilities in the US. Following the acquisition of the System by TCS and the restructuring of existing debt, the System will present a stronger credit structure than is currently in place, and will ensure TCS's financial ability to complete improvements and extensions to the System.

2. The Project

TCS and Caltrans acknowledge the potential need for certain future improvements to the System, including but not limited to HOV lanes, rail transit improvements and other transit improvements, and agree to cooperate with each other in planning, constructing, maintaining and operating such additional improvements. If TCS agrees to assume responsibility for design and construction of such improvements, the terms of the Caltrans Cooperative Agreements would also govern TCS's and Caltrans' respective rights and obligations for those improvements.

The future improvements may include, subject to financial or environmental constraints, (a) the project known as Foothill South (as described below), as well as the improvements and betterments to the System described in Exhibit C; (b) any other replacement, repair, reconstruction, restoration, rehabilitation, upgrade, enhancement or widening of any of the

foregoing or of any existing Facility (as defined herein) or portion thereof, provided that it was included in the description of such existing Facility set forth in the environmental impact statement applicable to such existing Facility approved by SJHTCA or FETCA, as the case may be prior to the original construction of such existing Facility; (c) any other improvements to address operational deficiencies within the limits of, or to provide interchanges or other connections for ingress to or egress from, the existing Facilities (as defined herein) or Foothill South; and (d) mitigation projects related to any of the foregoing. "Facilities" means the System and the project. "Facility" means any of the Facilities.

Foothill South is expected to connect Foothill-North at Oso Parkway with Interstate 5 at the County's border with San Diego County. Foothill South is currently in preliminary design phase and under federal and state environmental review. Upon completion of Foothill South, the Foothill Transportation Corridor will connect the easternmost portion of the Eastern Transportation Corridor and Riverside County with I-5 near the San Diego County border.

On May 18, 1998, the FETCA entered into a Design/Build Contract (the "Saddleback Contract") with Saddleback Constructors, a joint venture and general partnership comprised of FCI Constructors, Inc., HGB Constructors, Inc., Sukut Construction, Inc., and Fluor Daniel, Inc., to provide for the design and construction of Foothill South. The Saddleback Contract will be assigned to the TCS.

There is no assurance that Foothill South will be constructed, and the Traffic and Revenue Report prepared for the acquisition and restructuring financing does not assume construction of Foothill South, though it is discussed in a sensitivity analysis. TCS is uncertain as to how the costs of Foothill South will be financed, although the expectation is that either TCS will issue additional obligations under its master indenture or FETCA will issue revenue bonds supported by TCS to finance all or a portion of the cost of Foothill South. Nevertheless, Foothill South may not be constructed as currently planned or may be financed in an alternative manner with the result that all or a portion thereof may not constitute a part of the project.

TIFIA Component

Without TIFIA funding, TCS's plan is to issue a combination of senior and junior toll road revenue bonds. With TIFIA credit assistance, TCS' acquisition price, which in turn will be used by the organizing agencies to defease their outstanding toll road revenue bonds, will be financed in part by TIFIA loans that will be repaid by TCS on a subordinated basis from tolls, development impact fees and other revenues pledged under the TIFIA loan agreement. The Project represents an excellent opportunity for US DOT to maximize funding in support of an innovative and timely project.

Under TCS's financing plan, a TIFIA loan of \$1.1 billion will be requested. The TIFIA funds would be used, together with other sources of financing, to defease all of the approximately \$4.930 billion of outstanding originating entity debt.

The consolidation and defeasance of originating entity debts will meet the following goals of the SEP- 15 process by:

- Maximizing financial capacity,
- Expediting Project delivery,
- Enabling timely construction of the future improvements, and
- More effectively leveraging private investment in transportation improvements.

Proposed Experimental Feature

This SEP-15 application is submitted to request expansion of the definition of “eligible project costs” to include “refinancing” and to permit the use of TIFIA proceeds which through the acquisition and defeasance of the outstanding debt of the System has the effect of refinancing and restructuring that debt for TCS. Caltrans proposes that FHWA consider as “eligible project costs” the TCS's total cost of consolidating and restructuring the assets and liabilities of SJHTCA and FETCA. The acquisition price is comparable to the total costs expended to acquire and improve the System. Furthermore, the TIFIA loan of \$1.1 billion will enhance the financial capacity of TCS to build the future improvements by approximately \$365 million, as described below and graphically presented in Exhibit B.

Purpose: The maximum size of the TIFIA loan will be determined with reference to TCS' acquisition or refinancing cost for the System, but no greater than the cost of new investment in the System. The expanded definition allows for the maximum amount of TIFIA credit assistance available for the refinancing to enhance the financial capacity of TCS to build the improvements to the System.

TIFIA financing will enhance TCS's financial capacity to build system improvements by lowering its cost to finance the acquisition. The anticipated total principal amount of indebtedness required for the acquisition assuming \$1.1 billion in TIFIA credit assistance is approximately \$4.589 billion, while the anticipated principal amount without TIFIA is approximately \$4.695 billion. This anticipated \$106 million differential can be attributed to: (1) improved senior lien coverage (TIFIA loan is a subordinated obligation); (2) structuring, timing and pre-payment flexibility; and (3) reduced issuance costs. This \$106 million differential, when leveraged over the life of the future improvements, provides a present value of approximately \$365 million in additional financial capacity to build the future improvements.

Deviation from TIFIA requirements: By statute and regulation, the total amount of TIFIA credit assistance is limited to 33% of "eligible project costs", which are defined as developmental activities, construction expenses, and related financing costs. 23 U.S.C. § 601(a)(1). Traditionally, these costs have been associated with the investments required to deliver new infrastructure. In SAFETEA-LU, the Congress gave the Secretary the discretionary authority to allow TIFIA to assist with refinancing long-term debt but it did not address how to determine the maximum amount of TIFIA credit assistance that may be provided when the Secretary approves the use of the refinancing provision. 23 U.S.C. § 603(a)(1)(C).

Caltrans' application will allow the TIFIA JPO to experiment with non-traditional financing techniques, and allow Caltrans and TCS to provide valuable input to the USDOT as it explores the appropriate parameters of TIFIA credit assistance when it is used to refinance long-term debt.

The project offers substantial benefits to the State of California and TCS.

- Construction of the project
- Support for a unique and innovative project
- Transfer of financial commitment from debt service to capital investments

Build Experience with Innovative Project Finance:

This Project will allow TIFIA to experiment with solutions to the questions raised by the SAFETEA-LU language. By approving this application, TIFIA will remove the impediments to the use of this legislation for this Project and this Project only. Using the SEP-15 process for this Project, TIFIA will be able to apply lessons learned to the comprehensive policy that will be implemented on a programmatic basis in future projects. Under the SEP-15 process, TIFIA will be empowered to experiment with a financially sound project involving experienced counterparties who are well-qualified to offer feedback on how best to use SAFETEA-LU to meet the goals of USDOT.

Gain Valuable Feedback from Experienced Counterparties:

SJHTCA and FETCA, TCS's predecessor agencies, have extensive experience in building, owning and operating toll roads. Caltrans has also developed significant experience working with local agencies in the construction, operation and maintenance of toll facilities. TCS and Caltrans will be able to provide valuable feedback to the TIFIA staff as SAFETEA-LU refinancing language is considered much like SJHTCA and FETCA provided FHWA regarding the TIFIA lines of credit.

Appropriate use of TIFIA funds:

The proposed Project meets all TIFIA requirements, terms, and conditions. TIFIA funds will enhance the credit-worthiness of a transaction that will meet the state and local needs for additional road capacity.

Proposed Performance Measures:

Upon completion of the acquisition financing using TIFIA loan proceeds as described herein TCS will submit a report that evaluates how the SEP-15 experimental features contributed to the overall success of the transaction and the future development of the project and summarizes lessons learned from the SEP-15 process. The report shall include, at a minimum, a description of the experiment undertaken, a detail of the lessons learned, an evaluation of the success of the process, its impact on project financing, and recommendations on statutory and regulatory changes with an explanation of how the changes will improve the delivery of the Federal-aid highway program. In addition, the report will include the financial model illustrating how the TIFIA loan was utilized within the capital structure to accomplish required financial measures. The main points of focus for the evaluation will be time savings, financial justification for TIFIA loan size, maximization of capital, and innovation in financing.

EXHIBIT A SYSTEM MAP



EXHIBIT B

**Transportation Corridor Agencies
Debt Service Comparison
Acquisition Financing vs Outstanding Bonds**

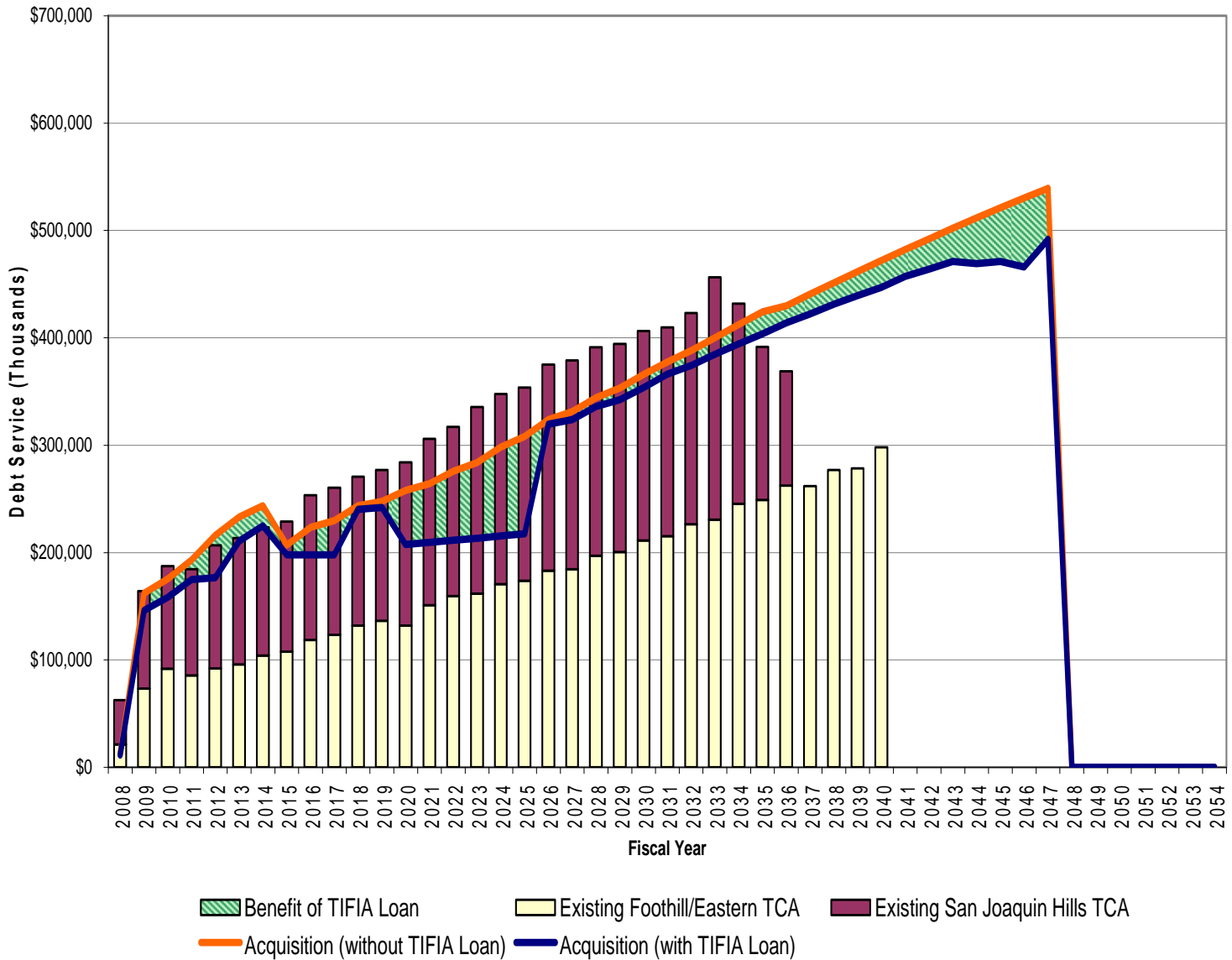


EXHIBIT C

DESCRIPTION OF IMPROVEMENTS AND BETTERMENTS TO THE SYSTEM (as presented in the Capital Improvement Plan Update approved by the FETCA and SJHTCA Boards of Directors)

April 19, 2007

TO: Technical Advisory Committee
Foothill Operations Committee
Foothill/Eastern Board of Directors
San Joaquin Hills Board of Directors

FROM: Michael E. Endres, P.E.
Corridor Manager - Design

SUBJECT: Capital Improvement Plan Update

STAFF RECOMMENDATIONS:

San Joaquin Hills Transportation Corridor Agency Recommendation:

1. Approve the Capital Improvement Plan (CIP) for the San Joaquin Hills Corridor;
2. Direct Staff to implement the San Joaquin Hills CIP as included in the proposed FY 2008 budget in the amount of \$4.5 million.

Foothill/Eastern Transportation Corridor Agency Recommendation:

1. Approve the Capital Improvement Plan (CIP) for the Foothill/Eastern Corridors;
2. Direct Staff to implement the Foothill/Eastern CIP as included in the proposed FY 2008 budget in the amount of \$72.8 million.

BACKGROUND

The Transportation Corridor Agency's 51 miles of toll roads have been operational for more than eight years since the most recent opening to over 13 years for the initial segment of the Foothill Corridor. Sixteen miles of the 67-mile system remain to be constructed and opened to traffic, comprising the Foothill Corridor-South, the southerly completion of State Route 241. Once segments become operational, various roadway expansions and improvement projects are required to keep pace with increasing traffic demands and changing conditions, land uses and demographics. These improvements, which comprise the CIP, are all components of the total ultimate buildout of the Toll Road Corridors as envisioned in the respective environmental documentation for each. The Ultimate Corridors will provide three or four mixed flow traffic lanes plus one HOV (High Occupancy Vehicle) lane in each direction.

The CIPs were first developed in the late 1990's and identified the complete list of projects required to attain ultimate buildout of the system. The CIPs have since been updated annually and subdivided into several project categories defined as Near-Term, Mid-Term, Long-Term, and Completed Capital Projects.

DISCUSSION

The four categories of projects are discussed below and are segregated by the two Agencies.

NEAR-TERM CAPITAL PROJECTS

Nine Near-Term Capital Projects proposed below in Table 1 and shown on the Attachment 1 map, are those projects that staff recommends as the highest priority based on the identified needs of the Toll Road system, prior Board decisions, existing traffic volumes and projections of future traffic. These criteria call for maintaining a level of service of D or better during peak flow conditions. Each of these projects was identified within the Capital Improvement Plan through an evaluation process that began in 1999. Each year the plan, and particularly the Near-Term Projects, are reevaluated and updated in conjunction with the budget process and presented to the Agencies' Boards of Directors. As projects are completed and the years pass, additional projects are moved forward into the Near-Term Capital Projects category, based on stated criteria as assessed by staff and the Technical Advisory Committee (TAC). These Near-Term Projects are proposed to be implemented in the next five years, through 2012, if funding is available and priorities do not change. The FY 2008 proposed budget for the Agencies' CIP Programs reflect the funding proposed to move the Near-Term Capital Projects forward during this fiscal year. A description of each project, along with background, status, cost, and schedule information follows.

**Table 1
Near-Term Projects**

No.	Title	FY 2007 & Prior	Proposed FY 2008	FY 2009 & Later	Total Project Cost (\$ M)
Foothill/Eastern					
1	Foothill Corridor - South	\$178.5	\$63.4	\$1,036.3	\$1,278.2
2	Foothill-North Southbound Widening	0.9	3.3	50.9	55.1
3	Tomato Springs Toll Plaza Water Supply Upgrade	0.2	0.2	0.0	0.4
4	SR 241 Loma Segment Widening	0.0	1.0	19.0	20.0
5	Windy Ridge Toll Plaza FasTrak Lanes	0.6	4.0	4.4	9.0
6	SR 241/91 HOV Connector	0.3	0.8	68.9	70.0
7	SR 241 Eastern Corridor Interchanges	0.1	0.1	35.0	35.2
	F/E Totals	\$180.6	\$72.8	\$1,214.5	\$1,467.9
San Joaquin Hills					
8	SR 73 Northbound Roadway Widening	0.8	4.4	6.8	12.0
9	Caltrans Maintenance Station	0.0	0.1	5.0	5.1
	SJH Totals	\$0.8	\$4.5	\$11.8	\$17.1

Note: Cost Estimates in 2008 Dollars

Description The project consists of completing the final 16 centerline miles of the Transportation Corridor system by constructing a new roadway comprised of two mixed flow lanes in each direction plus auxiliary lanes, between Interstate 5 in San Diego County and the present southerly limit of SR 241 at Oso Parkway. The Buildout Corridor roadway is planned to be two mixed flow lanes and one future HOV lane in each direction, plus auxiliary lanes where needed.

Purpose and Need The project is proposed to provide improvements to the Orange County transportation network infrastructure system to alleviate future traffic congestion and accommodate the need for mobility, access, goods movement and future traffic demands on I-5 and the arterial network in southern Orange County. This statement of purpose and need was agreed to by NEPA/404 MOU agencies in March 1999.

Design Conceptual design was prepared for the A7C-FEC-M “green” alternative which was selected February 23, 2006 as the preferred alternative and the EIR (Environmental Impact Report) was certified by the Agency Board on that date. Preliminary design was reinitiated in April 2006 under the design/build contract with Saddleback Constructors and is progressing on an 18 month schedule for completion of Phase 1C in late 2007.

Construction Final design and construction of Foothill-South are currently planned to be performed under Design/Build Contract No. 97-001 after completion of preliminary design and upon approval of the required permits.

Environmental The DEIS/SEIR environmental document for Foothill-South was prepared and circulated for public review in 2004. The F/ETC Board of Directors certified the Final EIR and selected the Preferred Alternative on February 23, 2006. Approval of the Environmental Impact Statement and issuance of a Record of Decision by the FHWA is expected to occur in mid 2008.

Construction Impacts Impacts during the construction phase of the project will occur mainly at the southern terminus at I-5 and at crossroads. Appropriate separation of traffic from construction activities will be provided to minimize impacts. Temporary construction impacts will include detouring of traffic at crossroads and construction noise particularly from pile driving operations and demolition activities along I-5.

Cost/Budget The Foothill-South preliminary design, environmental documentation, mitigation and right of way activities have expended a total of over \$120 million (as tabulated below) from the beginning of studies to the end of fiscal year 2006. In addition, \$58 million is projected to be expended during FY 2007. The proposed budget for FY 2008 provides \$63,427,000 for the continued advancement of preliminary design, environmental mitigation, permitting, right-of-way acquisition, administration and legal expenses. Additional expenditures will be required after FY 2008 prior to the initiation of Phase II Design/Build Contract activities. The total project cost estimate has been increased by approximately \$168 million due, in large part, to two additional years of escalation as defined in the design/build contract (\$76 million) structure and foundation cost increases (\$30 million), utilities increases (\$17 million), administration and legal increases (\$18 million) and a proposed increase in contingency (\$35 million). A more detailed design/build contract estimate is due in late 2007.

Activity	FY 2006 and Prior	FY 2007 Actual Plus Projected	Proposed FY 2008	FY 2009 & Later	Total
Environmental	\$19,724,000	\$1,000,000	\$2,932,000	\$10,200,000	\$33,856,000
Engineering Design/Oversight	30,876,000	3,340,000	6,553,000	25,100,000	65,869,000
Utility Relocation	119,000	1,000,000	5,300,000	5,000,000	11,419,000
Right of Way (in 2010\$)	13,250,000	40,000	6,018,000	48,000,000	67,308,000
Design/Build Contract (in 2010\$)	17,123,000	19,870,000	8,000,000	779,800,000	824,793,000
Construction Engineering Management	483,000	0	150,000	15,800,000	16,433,000
Contingency	<u>0</u>	<u>650,000</u>	<u>775,000</u>	<u>96,200,000</u>	<u>97,625,000</u>
Subtotal	81,575,000	25,900,000	29,728,000	980,100,000	1,117,303,000
Administration & Legal	8,940,000	2,100,000	3,699,000	26,200,000	40,939,000
SJH Mitigation	<u>\$30,000,000</u>	<u>30,000,000</u>	<u>\$30,000,000</u>	<u>\$30,000,000</u>	<u>120,000,000</u>
Total	\$120,515,000	\$58,000,000	\$63,427,000	\$1,036,300,000	\$1,278,242,000

Schedule Completion of preliminary designs and preparation of a not-to-exceed Phase II design/build contract cost is an 18-month process which is running parallel with the final environmental documentation required to receive a Record of Decision. This Phase IC Contract work is scheduled to be complete in late 2007. Further authorizations for final design and construction will proceed upon reaching the appropriate milestones and obtaining permits for the project.

Description The Project provides a one lane widening for increased capacity of the existing two lane southbound SR 241 roadway from Bake Parkway to the north, where the existing three lane roadway segment presently ends, to south of the Arroyo Trabuco Bridge at Santa Margarita Parkway to the south, a distance of 5.0 miles. Two major twin bridges (Upper Oso Reservoir and Aliso Creek) within this segment are being widened in both the northbound and southbound directions to accommodate the added lanes plus the future full Ultimate Corridor widening. The Ultimate Corridor consists of four general purpose lanes and one HOV lane in each direction, plus an auxiliary lane northbound.

Purpose and Need Traffic volumes on this roadway segment have increased steadily over the years to the present volume periodically exceeding 28,000 vehicles traveling southbound during weekdays, with up to 4,000 vehicles during the evening peak hour. This peak hour volume translates to a level of service (LOS) D. When Foothill-South opens, these volumes are expected to increase even faster than the current average of 5% per year, resulting in decreasing service levels if no lanes were added.

Design The first phase of the Project was completed in late 2005 by HDR Engineering, Inc. with the preparation of a PSR/PR (Project Study Report/Project Report). An engineering design proposal was approved at the April 12, 2007 F/ETCA Board meeting and design is proposed to be initiated in late FY 2007. This includes the preparation of preliminary and final design and construction contract documents for advertising and award.

Construction Impacts During the scheduled 24 month construction period, a temporary concrete barrier will be placed along the left mainline travel lane with construction activities occurring behind the rail. Lane closures will be required during certain daytime off-peak hours to remove bridge rails with some excessive noise resulting at each of the two bridge locations. Similarly, noise will be a factor during pile driving operations for structure foundations.

Environmental An Addendum to the Foothill Corridor Environmental Impact Report has been prepared for the Project. Environmental mitigation will be required to address riparian and coastal sage scrub impacts at the Aliso Creek Bridge construction site.

Cost/Budget The estimated \$55.1 million Project costs is listed below with the proposed fiscal year budget allocations shown:

Activity	FY 2007 and Prior	Proposed FY 2008	FY 2009 & Later	Total
Engineering Oversight	\$145,000	\$250,000	\$50,000	\$445,000
Project Study Report/Project Report	555,000	0	0	555,000
Design	200,000	2,500,000	0	2,700,000
Environmental Mitigation	0	230,000	170,000	400,000
Construction	0	0	43,500,000	43,500,000
Construction Engineering Management	0	0	3,000,000	3,000,000
Materials Testing	<u>0</u>	<u>0</u>	200,000	200,000
Contingency & Misc.	<u>0</u>	<u>320,000</u>	<u>4,000,000</u>	<u>4,320,000</u>
Total	\$900,000	\$3,300,000	\$50,920,000	\$55,120,000

Schedule Construction is proposed to begin in late 2008 under a 24 month schedule. The Project schedule proposes completion of construction and opening of the added lane near the end of 2010, prior to the timing of the projected opening of Foothill-South. The Mitigation Payment and Loan Agreement provided for a completion date by 2011. Subject to available funding, the earlier completion date per the project schedule would be advantageous.

**Foothill Transportation Corridor
Tomato Springs Toll Plaza Water Supply Upgrade**

Near-Term Project No. 3
April 2007

Description The project consists of providing a direct 10” domestic water service and a 4” recycled water service from the proposed new IRWD (Irvine Ranch Water District) reservoirs being constructed adjacent to the SR 241 near the southbound Tomato Springs Toll Plaza. These connections will allow the TCA to deactivate and abandon the existing 180,000 gallon water reservoir which serves this Toll Plaza and the Orange Grove Toll Plazas.

Purpose and Need When constructing segments of the Eastern and Foothill Corridors (241, 261, 133) and the associated toll collection facilities, utility services were provided from public utilities whenever possible. Certain areas were too remote, or the needed utility was not available, to economically provide the desired public utility connections. Such was the case at the Tomato Springs Toll Plaza where fire flow pressure did not exist and the Agency was forced to construct its own vinyl lined water reservoir to meet the prescribed fire flow demand. The reservoir has annual maintenance costs of \$40,000 and is in need of major repair or replacement of the vinyl lining. Deactivation of the reservoir and a direct feed from a new IRWD reservoir will eliminate the need to replace the reservoir liner and provide a permanent solution for the plaza’s water supply.

Design In March 2005, the Agency entered into a contract with Daniel Boyle Engineering for design of the domestic and recycled water service connections. That work was completed in the fall of 2005. In addition, certain design features of the IRWD reservoir contract required modification and IRWD agreed to make those changes. Construction documents were prepared for the first two components of the work.

Environmental A Categorical Exemption has been prepared as there are minimal impacts associated with this project.

Construction Impacts IRWD received pricing from its reservoir contractor for construction of the first two components of the Agency’s water service connections which were completed at a cost of \$154,000. Additional Agency design and construction activities are required to complete the decommissioning of the existing systems and switchover of the irrigation system to the IRWD reclaimed water system (costs are included in the estimates below.)

Cost/Budget Design and construction activities approved to date total \$182,000 through FY 2007. The remaining project estimated costs of \$218,000 will be allocated to deactivating the existing system and miscellaneous items.

Total Project Costs are estimated to be as follows:

Activity	FY 2007 & Prior	Proposed FY 2008	Total
IRWD Design	\$28,000	\$10,000	\$38,000
IRWD Construction	154,000	-0-	154,000
TCA construction	0.0	200,000	200,000
Contingency and Miscellaneous	<u>0.0</u>	8,000	<u>8,000</u>
Total	\$182,000	\$218,000	\$400,000

Schedule The initial IRWD construction was completed in fall 2006 with the remaining Agency work to be completed by the end of FY 2008.

Description The project comprises the addition of a completely new southbound roadway with three general purpose lanes on SR 241 between Chapman Ave. and the East Leg (SR 133). Presently both northbound and southbound roadways are utilizing the Ultimate Corridor northbound roadbed with two lanes in each direction plus a climbing lane northbound. The project would also reconfigure the northbound travel way to add a third general-purpose lane plus a climbing lane northbound. The project would also reconfigure the northbound travel way to add a third general purpose lane plus a climbing lane and full shoulders. The Loma Ridge Segment of the Eastern Corridor was initially constructed to a minimum cross section on a single (northbound) roadbed to reduce initial construction costs, with the intent of expanding the roadway in the future when traffic dictates and funding is available. Full width grading of this segment was accomplished during initial construction.

Purpose and Need Traffic on this segment is steadily increasing and with the opening of Foothill-South is projected to be at capacity during peak hours in 2011. The two lane roadway in each direction (plus a climbing lane northbound) has insufficient capacity for future traffic volumes and was planned for expansion through this proposed construction of additional lanes on the southbound roadbed.

Project Status Preparation of a PSR/PR (Project Study Report/Project Report) is proposed to be initiated early in FY 2008. RBF was selected for design of the project during the competitive consultant selection process of 2006. Conceptual plans of the proposed improvement have been developed by Agency staff for use by RBF in preparing an estimate of the time and cost required to prepare design and the PSR/PR. Upon approval of the PSR/PR by the Agency and Caltrans later this fiscal year, a design contract with RBF is planned for the preparation of construction contract documents.

Environmental An Addendum to FEIR No. 2-1 for the Eastern Corridor will be prepared during the design process.

Construction Impacts The areas adjacent to the proposed project are mostly rural and therefore noise from construction activities should cause few impacts. The construction area is separated from the existing roadway except at the project limits where K-rail will be used for positive traffic delineation.

Cost/Budget Construction costs are estimated at \$15.0 million and, when combined with engineering, environmental and contingency, the estimated project cost totals \$20.0 million.

Total Project Costs are estimated to be as follows:

Activity	Proposed FY 2008	FY 2009 & later	Total
Engineering oversight	\$60,000	\$100,000	\$160,000
Project Report	500,000	0	500,000
Design	300,000	1,500,000	1,800,000
Environmental	0	100,000	100,000
Construction	0	15,000,000	15,000,000
CEM	0	900,000	900,000
Materials Testing	0	100,000	100,000
Contingency & Miscellaneous	140,000	1,300,000	1,440,000
Total	\$1,000,000	\$19,000,000	\$20,000,000

Schedule The project has been forwarded from the Mid-Term Projects into the Near-Term category with construction planned to be complete for traffic opening near the end of 2011.

Description The project consists of adding a third general purpose FasTrak lane in each direction within the SR 241 roadway median through the Windy Ridge Toll Plaza from south of the Southern California Edison wildlife undercrossing to north of the Windy Ridge wildlife undercrossing, a distance of 3.0 miles. Also included is the reconfiguration of lane delineation in both directions at the exit from the mainline into the attended toll lanes to favor the predominant movement of FasTrak traffic and thereby improve traffic operations.

Purpose and Need This Windy Ridge segment of SR 241 carries approximately 59,000 vehicles on an average weekday split 49% northbound and 51% southbound. Of the nearly 30,000 vehicles traveling southbound, approximately 75% use FasTrak and almost 3,600 trips occur during the highest volume morning hour. This volume represents a Level of Service E at the point of exit. The project will add the third FasTrak lane through the toll plaza and reduce the number of lane changes required.

Project Status Design of the project is underway with Board approval of the selected design firm (Parsons Transportation Group) and its design contract in November 2006. Preparation of a Project Report and environmental documentation is also progressing under that contract. Once the Report is approved by the Agency and Caltrans, final design will be developed and PS&E will be prepared for construction of the project.

Environmental An environmental Addendum to the FEIR No. 2-1 is required for the project. This document has been initiated concurrently with project design.

Construction Impacts During the planned 16 month construction period, temporary concrete barriers will be placed along the left mainline travel lane with construction activities occurring behind. Some excessive noise will result from concrete removal and pile driving operations at the two bridge locations. This area is relatively isolated, therefore no significant impacts are anticipated.

Costs/Budget Construction costs for the project are estimated at \$6.5 million. This amount, combined with the costs of the Project Report, design, CEM (Construction Engineering Management), materials testing environmental documentation, environmental mitigation and contingency brings the total estimated cost to \$9.0 million. The FY 2007 budget included \$900,000 for the environmental documentation and design; however, \$300,000 is expected to remain at fiscal year end and will be available in FY 2008.

Activity	FY 2007 Actual Plus Projected	Proposed FY 2008	FY 2009 & Later	Total
Engineering Oversight	\$40,000	\$40,000	\$0	\$80,000
Design	500,000	500,000	0	1,000,000
Environmental	0.0	100,000	0	100,000
Construction	0.0	3,000,000	3,500,000	6,500,000
Construction Engineering Management	0.0	200,000	200,000	400,000
Materials Testing	0	30,000	30,000	60,000
Contingency & Misc.	<u>60,000</u>	<u>130,000</u>	<u>670,000</u>	<u>860,000</u>
Total	\$600,000	\$4,000,000	\$4,400,000	\$9,000,000

Schedule This project has been advanced from previous schedules due to the increased periods of operational constraints. A period of 1½ years is estimated to prepare the Project Report, design, obtain approvals and prepare PS&E. Upon completion of this process, construction will commence in the spring of 2008 and be completed in the fall of 2009.

Description The project consists of providing a single or dual lane (in each direction) directional connector within the median of the SR 91 Toll Lanes to the east, to and from the median of SR 241 to the south. A Project Report and environmental studies for the roadway and the bridge connector ramp will be prepared as the first phase of the Project. One configuration of this connector (providing one HOV lane in each direction) was included in the Ultimate Corridor Environmental Document, EIR/EIS No. 2, for the Eastern Corridor.

Purpose and Need The SR 91/241 connector between the two toll facilities is an integral component of the SR 91 improvements as well as the Eastern Corridor Ultimate Project. Traffic on SR 91 east of SR 241 greatly exceeds the capacity of the existing roadway during extended peak hours and many improvements have been proposed to alleviate this congestion.

Project Status In July 2001 the F/ETCA Board authorized the preparation of a PSR/PR (Project Study Report/Project Report) for the HOV connector ramp to better define the project. As that study progressed it became apparent that other project alternatives were available for study. Four alternatives were identified to assist in defining the recommended project. A draft Technical Memo was prepared and submitted to TCA. During the study period it was determined that any Agency HOV improvements would require State highway improvements on SR 91 to the east of the HOV connector ramp. With the uncertainty of those State Highway improvement projects and their status, this project was placed on hold. Recently OCTA circulated an RFSOQ to solicit design firms to further study this connector and its continuation to SR 71 and to I-15.

Environmental An HOV connector ramp between SR 241 and SR 91 was included as a project component in the Eastern Corridor environmental document, EIS No. 2-1. An Addendum to that document would be the minimum environmental document required to construct the HOV connector. The project continuation to SR 71 and I-15 would require a full EIR/EIS.

Construction Impacts The project would cause significant impacts to traffic during the estimate two to three year construction period. The eastbound lanes of SR 91 (including toll lanes require complete relocation and reconstruction for a minimum length of approximately one mile to provide sufficient room in the SR 91 median for the connector ramp. Similar constraints easterly of the SR 91/241 connector would require creative solutions. Corridor traffic would experience significant impacts during construction.

Costs/Budget Four potential project alternatives were identified in the Technical Memorandum with a construction cost ranging from \$45 million to \$57 million in the 2001 estimate. These are project to project costs ranging from \$55 million to \$68 million with all project components included. Since 2001, construction costs have escalated.

Activity	FY 2007 & Prior	Proposed FY 2008	FY 2009 & Later	Total
Engineering Oversight	\$31,000	\$50,000	\$100,000	\$181,000
Project Report	282,000	600,000	-0-	882,000
Design	-0-	-0-	4,000,000	4,000,000
Environmental	-0-	-0-	200,000	200,000
Right-of-Way	-0-	-0-	300,000	300,000
Construction	-0-	-0-	60,000,000	60,000,000
Construction Engineering Management	-0-	-0-	3,000,000	3,000,000
Contingency & Miscellaneous	-0-	150,000	1,300,000	1,450,000
Total	\$313,000	\$800,000	\$68,900,000	\$70,013,000

Schedule The project was placed on hold until such time as the SR 91 MIS was completed to further the planning process for SR 91 improvement projects. A six year period is estimated from authorization to proceed within design and opening to traffic.

Description The project involves the design and construction of three proposed interchange improvements along the Eastern Corridor (SR 241 and SR 133), one each in the cities of Anaheim, Irvine and Orange. These interchanges were included in the Ultimate Corridor preliminary plans and environmental documentation but were deferred to a later date for construction. Implementation is proposed during development of the adjacent land. A new Weir Canyon Road Interchange is being designed and constructed in the City of Anaheim by the Irvine Company (TIC) in conjunction with the proposed Mountain Park development. The second interchange improvement is being processed in the County of Orange and the City of Orange in connection with the East Orange, Santiago Hills, Phase II development. In addition a proposed new interchange on the Eastern Corridor, East Leg (SR 133) at Trabuco Road is being proposed by the City of Irvine and TIC. A fourth interchange at Jeffrey Road is included as a Mid-Term Project.

Purpose and Need These interchanges are adjacent to property that is to be developed by The Irvine Company. The Eastern Corridor environmental document FEIR No. 2-1 of 1994 included five future interchanges and one expanded interchange (East Orange) all to be implemented at a future date. Since then, development plans have slowed and have been scaled back with fewer interchanges now proposed to service the area. The F/ETC Agency and TIC entered into an agreement in December 2004, whereby TIC will design and build these interchanges and the Agency will reimburse TIC for certain costs, up to the maximum amounts defined for each interchange location and a maximum total reimbursement of \$50 million for all interchanges.

Project Status The Irvine Company (utilizing the services of RBF Consulting) completed a Project Report for the first two interchanges discussed above. Agency staff, along with CDMG (Corridor Design Management Group), has been reviewing documents that are submitted periodically. Design of these interchanges is now underway and submittals of plans and specifications are ongoing. Detailed design reviews by the Agency, CDMG and Caltrans are anticipated to continue during this next fiscal year.

Environmental An Addendum to environmental document FEIR No. 2-1 was prepared by the Agency for the East Orange interchange improvements. An EIR (Environmental Impact Report) was prepared by The Irvine Company for the Weir Canyon Road Interchange. Mitigation of any environmental impacts will be required, the costs of which are to be included in the estimate of project costs.

Costs/Budget Review of design submittals during FY 2008 is estimated to require from \$25,000 to \$50,000 per interchange, with a total of \$100,000 budgeted for the three. A total of \$86,000 is projected to have been expended, on design reviews by the Agency, at the close of FY 2007. Per the terms of the TIC/FETCA agreement, the Agency shall not be required to reimburse TIC for any design costs until after TIC's award of the construction contract for that interchange. There are no reimbursement funds required for FY 2008. The maximum future amount to be reimbursed is \$15 million for the Weir Canyon Road Interchange and \$20 million for the East Orange Interchange improvements. Any reimbursement relative to the Trabuco Interchange is yet to be determined as that interchange was not part of the Ultimate Corridor. The Agency is only required to pay up to \$5 million per year with the earliest payment not due until September 2008 (i.e. FY 2009).

Schedule The Irvine Company has retained engineering firms and the design is underway on the Weir Canyon Road, East Orange and Trabuco Road Interchanges. The design process has been slowed by economic considerations and is now expected to consume virtually the full 2007 fiscal year with construction possibly beginning in the summer to fall of 2008 and continuing throughout 2009 and 2010.

Description The project consists of adding a fourth general purpose lane in the northbound direction within the roadway median at two locations: 1) from the present large drop north of Aliso Viejo Parkway, PM 15.0 to north of the Laguna Canyon Road entrance ramp PM 17.7, a distance of 2.7 miles, and 2) from the Catalina View Toll Plaza cash lane merge PM 19.7, to the MacArthur Blvd. exit PM 23.0, a distance of 3.3 miles. To accomplish this, three bridges require widening (a single span wildlife crossing, a two span Newport Coast Drive undercrossing and a three-span Bonita Canyon Drive Undercrossing). An optional extension within location 1, 1.5 miles northerly to PM 17.7 was approved by the Agency Board of Directors on April 12, 2007.

Purpose and Need Approximately 70,000 vehicles use these segments of the SJH Corridor on a typical weekday with 36,500 or 52% traveling northbound. Of these 36,500 northbound vehicles, up to 6,900 use the facility during the morning peak hour from 7 – 8 am. This greatly exceeds the capacity of these 3-lane segments, producing a level of service F (very congested). Value pricing peak period toll adjustments were first made in February 2002 which, when combined with subsequent toll increases, have somewhat alleviated this condition. Slowdowns and stoppages, however, continue to occur periodically.

Project Status In response to an RFSOQ in early 2006, DMJM Harris was selected for the bridge design, while CDMG prepares the roadway design, Kleinfelder, Inc. the geotechnical and LSA the environmental. Board approval was given in August 2006, and these activities are well underway.

Environmental An environmental Addendum to the SJH FEIS/EIR is required for the project. This document is being prepared by LSA Associates and draft reports are currently under review by the Agency.

Construction During the 15 month construction period that is scheduled to begin in early 2008, a temporary concrete barrier will be placed along the left mainline northbound travel lane with construction activities occurring behind the rail. Some short-term lane closures may be required during daytime off-peak hours to remove bridge rails with some excessive noise resulting at each of the three bridge locations during certain construction operations.

Costs/Budget Construction costs for the project including the optional segment are estimated at \$9.0 million. This amount combined with the Project Report preparation, design, CEM (Construction Engineering Management), materials testing, environmental documentation, environmental mitigation and contingency brings the total estimated project cost to \$12.0 million. The FY 2007 budget contained \$900,000 for preparation of the Project Report, preparation of design and associated activities.

Activity	FY 2007 Actual Plus Projected	Proposed FY 2008	FY 2009 & Later	Total
Engineering Oversight (CDMG)	\$40,000	\$50,000	\$-0-	\$90,000
Design	600,000	800,000	-0-	1,400,000
Environmental	106,000	100,000	-0-	206,000
Construction	-0-	3,000,000	6,000,000	9,000,000
Construction Engineering Management	-0-	200,000	400,000	600,000
Contingency & Misc.	<u>54,000</u>	<u>250,000</u>	<u>400,000</u>	<u>704,000</u>
Total	800,000	\$4,400,000	\$6,800,000	\$12,000,000

Schedule A 27 month period is estimated to complete the Project Report, design, obtain approvals, complete PS&E, bid and construct the project on an expedited schedule.

Description The project is to develop a permanent 3.0-acre Maintenance Station on a site of Caltrans' choosing. The original site at Forbes Road on the San Joaquin Corridor was released by Caltrans to OCTA in exchange for a replacement site at Marine Way. The site acquired by Caltrans is southerly of Marine Way, east of Sand Canyon Avenue, near the juncture of I-5 and SR 133. Other sites are under consideration and an alternate location may be chosen by Caltrans prior to project initiation. The Station will be designed to house two maintenance crews, offices, equipment, shop and storage for a total building area of 6717 sq ft. Gas, sewer, water, telephone and electrical services shall be provided.

Purpose and Need Construction and opening of the three Corridors increased the need for Caltrans maintenance facilities and the Cooperative Agreements with Caltrans for each of the Corridors defined the Agency's responsibilities for providing these facilities. This Maintenance Station represents the commitment for providing such a Station related to the San Joaquin Corridor as specified in District Cooperative Agreement No. 12-079 as amended.

Project Status The project has not been advanced beyond that which has been defined in the Cooperative Agreements and correspondence between the Agency and Caltrans. Conceptual layouts have been discussed with Caltrans representatives to better define the requirements. The agreement is to complete the Station for use and occupancy by Caltrans by December 31, 2008. With the delays in defining the site, this date is proposed to be extended by mutual agreement.

Environmental Caltrans will provide the environmental documentation of the Project site through the preparation of an Initial Site Assessment including archaeo, paleo and hazardous materials clearances. The Agency will prepare the environmental document for construction of the Station including impacts on the site surroundings.

Construction Impacts The maintenance site is currently planned adjacent to SR 133 and I-5, but not near any residential development. Impacts should therefore be minimal.

Cost/Budget The Project cost estimate totals \$5,100,000, which includes administration, design, construction engineering management and construction. Only a nominal amount is proposed for budgeting by the Agency on the Project in Fiscal Year 2008 pending selection of an alternate site. A total of \$5,100,000 has been set aside to date for this Facility.

Activity	Proposed FY 2008	FY 2009 & Later	Total
Design	\$100,000	\$300,000	\$400,000
Construction	-0-	4,000,000	4,000,000
Construction Engineering Management	-0-	200,000	200,000
Contingency	-0-	500,000	500,000
Total	\$100,000	\$5,000,000	\$5,100,000

Schedule No detailed schedule has been developed to date; however, it is anticipated that design will be initiated in late FY 2008 and when combined with construction of the facility, will take approximately three years after site selection. The completion date being proposed to Caltrans by the Agency is one year after opening of the Foothill South segment.

II. MID-TERM CAPITAL PROJECTS

The two mid-term capital projects are listed and discussed below in Table 2 and on the Attachment 2 map. Mid-term projects are those projected to be required beyond the Near-Term (5-year) window but prior to final effort to implement buildout of the Corridors. The projects include added mainline lanes, local interchange ramps and direct freeway to freeway connectors in areas of highest traffic volumes, and any remaining interchanges improvements. The projected year of project initiation is also shown.

Table 2
Mid-Term Projects

No.	Title	Estimated Project Cost (\$M)	Projected Year of Completion
Foothill/Eastern			
1	SR 241/Jeffrey Road Interchange	15.0	2014
	F/E Total	\$15.0	
San Joaquin Hills			
2	SR 73/Glenwood Interchange Phase II	\$12.0	2013
	SJH Total	\$12.0	

Foothill/Eastern

SR 241/Jeffrey Road Interchange This is one of the four remaining interchange improvement projects yet to be accomplished on the Eastern Corridor. A full diamond interchange configuration is proposed to be constructed in conjunction with adjacent future development in Planning Area 2 of the City of Irvine. The interchange requires toll collection facilities on the ramps to and from the north. The maximum reimbursement to The Irvine Company for the Weir Canyon, East Orange and Jeffrey Road Interchanges is \$50M.

San Joaquin Hills

SR 73/Glenwood Interchange Phase II This improvement is the second of three phases of construction at this interchange location and provides for traffic movements to and from the south. The improvement adds a new northbound off-ramp with toll collection facilities at Glenwood/Pacific Park and provides a new southbound on-ramp at that same location. The new on-ramp is proposed to connect by collector/distributor road into the existing toll plaza at Aliso Creek Road, therefore no new toll plaza is required southbound.

LONG-TERM CAPITAL PROJECTS

The seven projects listed below in Table 3, and shown on Attachment 3, consist of roadway widenings representing the complete build-out of the Ultimate Corridors as defined in the respective environmental documents for each corridor. Long Term is defined as 2017 to 2045. The projects include any remaining general purpose lanes, high-occupancy vehicle (HOV) lanes, HOV direct connectors, median barriers and all other remaining facilities required to complete the Ultimate Corridor.

**Table 3
Long-Term Projects**

No.	Title	Total Project Cost *
Foothill/Eastern		
1	FTC-S (SR 241) Final Phase Widening	\$350
2	FTC-N (SR 241) Final Phase Widening	68
3	ETC (SR 241) Final Phase Widening	118
4	ETC (SR 261) Final Phase Widening	88
5	ETC (SR 133) Final Phase Widening	160
F/ETC Total		\$784
San Joaquin Hills		
6	SJHTC (SR 73) Final Phase Widening	134
7	SR 73 Glenwod Interchange Phase III	15
SJH Total		\$149

* Cost estimates currently under review.

COMPLETED CAPITAL PROJECTS

1997 thru 2005

During the first ten years of implementing the Capital Improvement Plan eleven projects have been completed or are near completion (see Table 4 and Attachment 4). These projects were funded in the CIP budget each year during the design and construction phases. Just over \$61 million has been expended to date by the two agencies, of which approximately \$7.4 million was reimbursed through grant funding. A brief discussion of the scope of each project is listed below.

**Table 4
Completed Capital Projects**

No.	Title	Total Project Cost (Current \$M)
San Joaquin Hills Corridor		
1	SR 73 Glenwood Interchange Phase I	\$8.50
2	Landscaping Enhancements	2.30
	Total SJHTC	\$10.80
Foothill/Eastern Corridor		
3	SR 241 Banderas Bridge Overcrossing	\$1.22
	Santa Margarita Parkway On-Ramp Widening	11.57
5	Arroyo Trabuco Southbound Bridge Widening	8.52
6	FTC Northbound Widening	15.28
7	Tomato Springs Toll Plaza Third AVI Lanes	3.00
8	Landscaping Enhancement	5.00
I. 9	SR 241/91 HOV Connector (Study)	0.31
10	Toll Plaza Wastewater	0.20
11	SR 133 East Leg Widening	5.34
II.	Total F/ETC	\$50.44
III.	Total All Projects	\$61.24

SR 73 Glenwood Interchange Phase I – This project included the design and construction of ramps to and from the north at Glenwood/Pacific Park Drive on the San Joaquin Hills Corridor. Work was performed under a design/build contract with construction completed in April 2003 at a total project cost of \$8.50 million. Just under \$6.7 million was received by the San Joaquin Hills Agency in grant funding for the project.

SR 73 Landscape Enhancements – A contract was awarded and completed in the late 1990's to enhance the landscaping at interchanges along the San Joaquin Corridor, at a cost of \$2.30 million.

SR 241 Banderas Bridge Overcrossing. - This project provided a new overcrossing of the Foothill Corridor between Antonio Parkway and Santa Margarita Parkway. It was sponsored by the City of Rancho Santa Margarita to provide improved traffic circulation within the City. The F/ETCA contributed \$1.22 million as its fair share of the project costs. The project was completed and opened to traffic in October 2002.

SR 241 Santa Margarita Parkway On-Ramp Widening - The northbound on-ramp at this location previously narrowed to a single lane prior to merging into the mainline. This project added a second lane to the ramp to address high peak-hour traffic volumes, which also required widening the 1,500 foot long Arroyo Trabuco Creek Bridge. The bridge was widened to the Ultimate Corridor configuration at a total project cost of \$11.57 million. This project was completed in 2003.

SR 241 Arroyo Trabuco Southbound Bridge Widening. - In bidding Project No. 3 above, the contractor was asked to price a similar widening of the southbound traffic structure thereby allowing both northbound and southbound structures to be widened to their Ultimate Corridor width at the same time. This would allow only one disruption of the Arroyo below the bridge. The project was designed and constructed including the addition of a second exit lane to Santa Margarita Parkway at a total project cost of \$8.52 million. This project was completed in early 2005.

SR 241 Foothill Northbound Widening – One additional mixed flow lane was constructed in the median of the Foothill Corridor northbound from Arroyo Trabuco Creek to Bake Parkway. This project included the widening of five twin northbound and

southbound bridges to their Ultimate Corridor configuration. Construction was completed in late 2003 at a total project cost of \$15.28 million.

SR 241 Tomato Springs Toll Plaza Third FasTrak Lanes – These lanes were added to address increasing traffic volumes and FasTrak usage at this Foothill Corridor location. Included was a reconfiguration of the lane delineation between the toll plaza and the adjacent SR 133 Interchange to favor FasTrak as the predominant toll payment method. Construction was completed in the spring of 2004 at a total project cost of \$3.00 million.

SR 261/241/133 Landscaping Enhancements – Two separate contracts were designed and constructed/installed in the early 2000's on the Eastern and Foothill Corridors. These were completed (save extended maintenance) at project costs totaling \$5.00 million. Grant funds of \$750,000 reduced the Agency's net cost by that amount. Implementation was completed in 2004.

SR 241/91 HOV Connector (Study) - Mid-Term Project No. 1 describes the activities performed on this study. A Draft Technical Memorandum dated November 2001 was the study product at a total cost of \$313,000.

SR 241/261/133 Toll Plaza Wastewater – Improvements to the toll plaza wastewater systems were effected at three mainline toll plazas on the Foothill and Eastern Corridors, including one new connection to a public sewer. These were completed in early 2002 at a cost of \$196,000.

SR 133 East Leg Widening – One mixed flow lane was added in each direction from I-5 to SR 241 along with median guard rail for most of the 2.5 mile project length. Construction was completed in the fall of 2005 at a project cost of \$5.34 million.

FUNDING

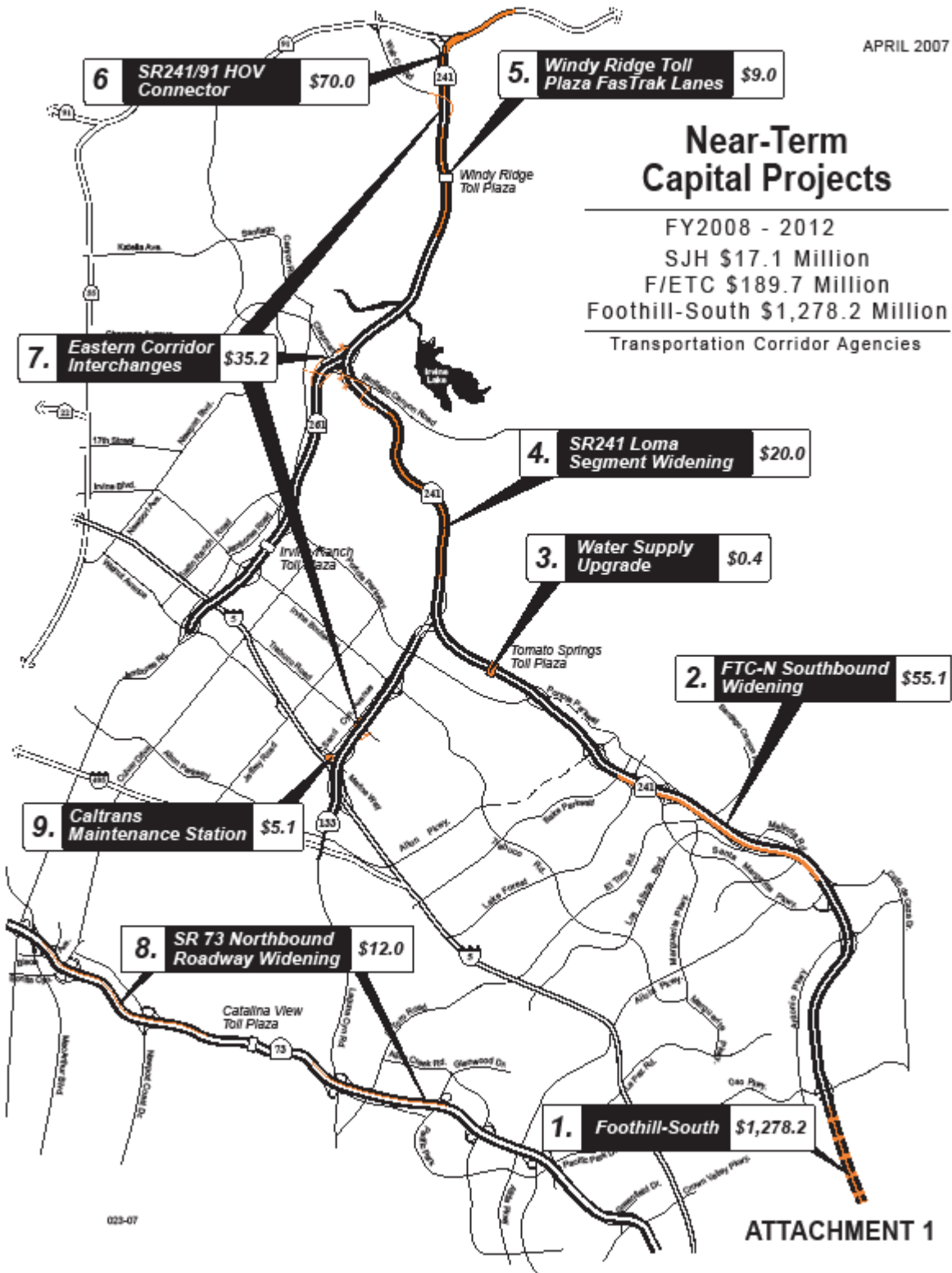
The Capital Improvement Plan for each Agency will continue to be reviewed each year during the budget process. Project priorities and the availability of funds will help determine the projects selected for implementation and the funding allocations for each project.

SUMMARY:

This annual update to the CIP for each Agency outlines the currently proposed Near-Term Capital projects and those recommended to be implemented in the mid-term and long-term basis. Funding levels for the FY 2008 budget are proposed and recommended by staff.

Near-Term Capital Projects

FY2008 - 2012
SJH \$17.1 Million
F/ETC \$189.7 Million
Foothill-South \$1,278.2 Million
Transportation Corridor Agencies



023-07

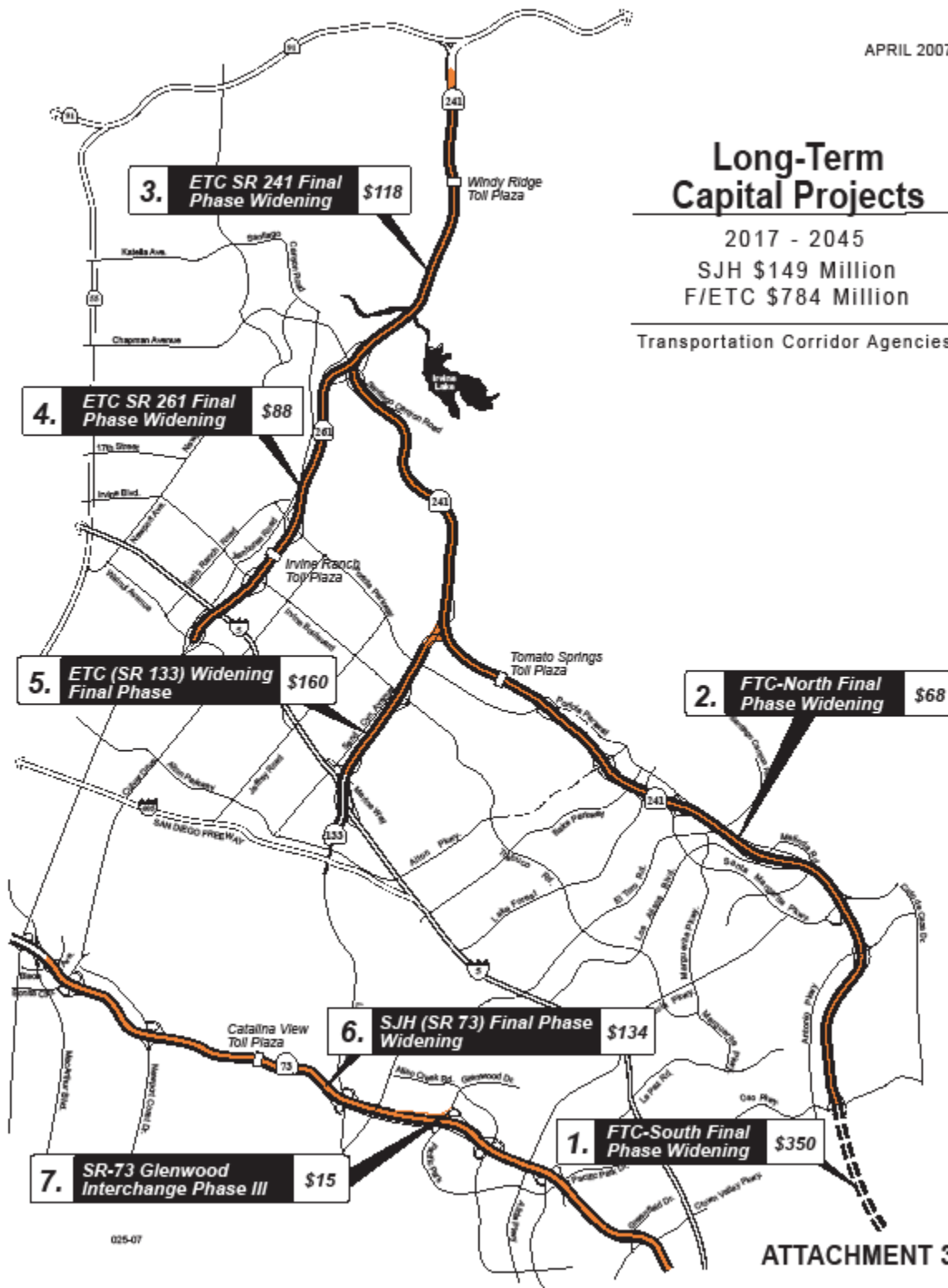
ATTACHMENT 1

Long-Term Capital Projects

2017 - 2045

SJH \$149 Million
F/ETC \$784 Million

Transportation Corridor Agencies



ATTACHMENT 3

