

Minutes of the
Orange County Transportation Authority
Orange County Transit District
Orange County Local Transportation Authority
Orange County Service Authority for Freeway Emergencies
Board of Directors Meeting

Call to Order

The September 10, 2018 regular meeting of the Orange County Transportation Authority (OCTA) and affiliated agencies was called to order by Chairwoman Bartlett at 9:03 a.m. at the OCTA Headquarters, 550 South Main Street, Board Room – Conference Room 07-08, Orange, California.

Roll Call

Following the Invocation and Pledge of Allegiance, the Clerk of the Board noted a quorum was present, with the following Directors in attendance:

Directors Present: Lisa A. Bartlett, Chairwoman
 Tim Shaw, Vice Chairman
 Laurie Davies
 Barbara Delgleize
 Andrew Do
 Lori Donchak
 Michael Hennessey
 Steve Jones
 Mark A. Murphy
 Richard Murphy
 Al Murray
 Shawn Nelson
 Miguel Pulido
 Todd Spitzer
 Michelle Steel
 Tom Tait
 Gregory T. Winterbottom
 Gerardo De Santos, Acting District Director
 California Department of Transportation District 12

Directors Absent: None

Also Present: Darrell E. Johnson, Chief Executive Officer
 Kenneth Phipps, Deputy Chief Executive Officer
 Laurena Weinert, Clerk of the Board
 Olga Prado, Assistant Clerk of the Board
 James Donich, General Counsel

Special Calendar

There were no Special Calendar matters.

Consent Calendar (Items 1 through 4)

Orange County Transportation Authority Consent Calendar Matters

1. Approval of Minutes

A motion was made by Director M. Murphy, seconded by Director Pulido, and declared passed by those present, to approve the Orange County Transportation Authority and affiliated agencies' regular meeting minutes of August 27, 2018.

Director Nelson was not present to vote on this item.

2. Consultant Selection for the Beach Boulevard Corridor Study

A motion was made by Director M. Murphy, seconded by Director Pulido, and declared passed by those present, to:

- A. Approve the selection of Kittelson & Associates, Inc. as the firm to conduct the Beach Boulevard Corridor Study.
- B. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-8-1683 between the Orange County Transportation Authority and Kittelson & Associates, Inc., in the amount of \$439,999, for an 18-month term through April 30, 2020, to conduct the Beach Boulevard Corridor Study.

Director Nelson was not present to vote on this item.

Orange County Local Transportation Authority Consent Calendar Matters

3. Cooperative Agreements for Regional Traffic Signal Synchronization Program Projects

A motion was made by Director M. Murphy, seconded by Director Pulido, and declared passed by those present, to:

- A. Authorize the Chief Executive Officer to negotiate and execute Cooperative Agreement No. C-8-1797 for the Garden Grove Boulevard Regional Traffic Signal Synchronization Project, with an agency match of \$529,168.

3. (Continued)

- B. Authorize the Chief Executive Officer to negotiate and execute Cooperative Agreement No. C-8-1798 for the Katella Avenue Regional Traffic Signal Synchronization Project, with an agency match of \$1,012,347.
- C. Authorize the Chief Executive Officer to negotiate and execute Cooperative Agreement No. C-8-1799 for the Los Alisos Boulevard Regional Traffic Signal Synchronization Project, with an agency match of \$444,446.
- D. Authorize the Chief Executive Officer to negotiate and execute Cooperative Agreement No. C-8-1800 for the Main Street Regional Traffic Signal Synchronization Project, with an agency match of \$764,544.

Director Tait did not participate due to a potential conflict.

Director Nelson was not present to vote on this item.

4. Comprehensive Transportation Funding Programs - Measure M2 Environmental Cleanup Program Revised 2018 Tier 1 Projects

A motion was made by Director M. Murphy, seconded by Director Pulido, and declared passed by those present, to approve the revised 2018 Tier 1 Environmental Cleanup Program programming recommendations to fund 12 projects, in the amount of \$2,460,363.

Director Tait did not participate due to a potential conflict.

Director Nelson was not present to vote on this item.

Regular Calendar

Orange County Local Transportation Authority Regular Calendar Matters

5. Measure M2 Next 10 Plan: Market Conditions Key Indicators Analysis and Forecast

Darrell E. Johnson, Chief Executive Officer (CEO), provided opening comments and introduced Doctor (Dr.) Wallace Walrod, PhD, Chief Economic Advisor, Orange County Business Council (OCBC), and Dr. Marlon Boarnet, PhD, Professor and Chair of the Department of Urban Planning and Spatial Analysis, Sol Price School of Public Policy, at the University of Southern California.

5. (Continued)

Drs. Walrod and Boarnet provided a joint PowerPoint presentation for this item as follows:

- OCTA Infrastructure Construction Cost Pressure Index Model Components;
- Three-Year Moving Average of Year-Over-Year Percent Change in California Department of Transportation (Caltrans) Construction Cost Index (CCI) and Building Permits;
- Three-Year Moving Average of Year-Over-Year Percent Change in Caltrans CCI and California Unemployment Rate;
- Predicted versus Actual Year-on-Year Percent Change in Caltrans CCI, 1994-2017;
- Forecast and Range of OCTA Infrastructure Cost Increases by Index Value;
- Potential Risks to Infrastructure Construction Cost Pressure Index;
- Orange County's Construction Workforce: Labor Market Flows;
- Commuters as a Percent of Orange County Construction Jobs;
- OCBC Infrastructure Construction Cost Forecast; and
- Questions.

A discussion ensued regarding:

- The model suggests a six to 11 percent increase in construction costs in 2018, a two to six percent increase in construction costs from 2019-2020, and the model does not suggest that waiting is beneficial.
- Tariffs will have an impact on companies.
- Nationally, the construction industry has not done a great job, through education or training, to attract people to work in the industry.
- In Orange County, construction labor is an issue due to housing costs.
- Potential stockpiling in the bidding environment, especially for a long-term project.

A motion was made by Director Davies, seconded by Director Donchak, and declared passed by those present, to continue to monitor market conditions and their effects on the advancement of the Next 10 Delivery Plan, and provide updates to the Board of Directors as appropriate.

Director Nelson was not present to vote on this item.

6. Measure M2 2018 Update: Next 10 Delivery Plan

Darrell E. Johnson, CEO, provided opening comments and introduced Tami Warren, Manager of the Measure M Program Office, who provided a PowerPoint presentation for this item as follows:

- Measure M2 (M2) Delivery Plan – Goals;
- M2 Delivery Plans Timeline;
- M2 Sales Tax Revenue Forecast;
- Comparison of CCI and Taxable Sales;
- Key Risks;
- Freeway Cash Flow 2017 to 2018;
- M2 Program Cash Balance with Senate Bill 1 (SB 1);
- M2 Program Cash Balance Layered;
- Next 10 Deliverables 2017-2026; and
- Next Steps.

A discussion ensued regarding:

- Next 10 Delivery Plan considers SB 1 funds and repeal of SB 1 funds.
- Consumer spending changes and internet sales have impacted the M2 sales tax revenues.
- At the program level, 13 percent is what OCTA can accomplish.
- OCTA reviewed the commitments that the California Transportation Commission programmed for OCTA under SB 1 and \$170 million in commitments could be at risk.
- For M2 projects, the Board of Director's (Board) policy states to first use State Transportation Improvement Program (STIP) before M2 funds.
- Should SB 1 be repealed, the legislature would need to review the STIP funding formulas and potentially go back to the previous formula.
- Historical promises made by the legislature to the voters have not been kept on taxes passed for transportation projects.
- M2 does not have an active transportation component; however, there is an opportunity for cities to use local fair share dollars for active transportation.
- Director Tait stated for the record that his action does not mean he supports the OC Streetcar Project.

A motion was made by Director Murray, seconded by Director Donchak, and declared passed by those present, to:

- A. Adopt the 2018 Measure M2 Next 10 Delivery Plan with revised financial assumptions.
- B. Direct staff to continue to monitor revenue and project cost impacts that could affect the delivery plan and return to the Board of Directors with changes if necessary.

Director Pulido was not present to vote on this item.

7. Interstate 405 Improvement Project Update

Jeff Mills, Program Manager, Interstate 405 Improvement Project, introduced Chris Boucly, Section Manager, Capital Projects Outreach, and a joint PowerPoint presentation was provided for this item as follows:

Mr. Mills presented:

- Project Location and Key Features;
- Background;
- Project Update;
- Construction Update;
- Roadway Construction Look Ahead;
- Upcoming Bridge Work; and
- Bridge Construction Map.

Mr. Boucly presented:

- Open House Meetings; and
- Neighborhood Meetings.

A discussion ensued regarding:

- On Saturday, September 15th, from 9:00 a.m. to 10:30 a.m., there is a Slater Avenue bridge construction status neighborhood meeting adjacent to Fountain Valley High School.
- Director Delgleize requested a copy of the flyer for the Saturday, September 15th neighborhood meeting.

No action was taken on this receive and file information item.

Discussion Items

8. Update on State Route 57 Northbound Improvement Project from Orangewood Avenue to Katella Avenue

Niall Barrett, Program Manager of Highway Programs, provided a PowerPoint presentation for this item as follows:

- Project Improvements;
- Alternatives 2, 2A, and 2B;
- Project Benefits;
- Public Noticing and Outreach; and
- Environmental Phase Schedule.

No action was taken on this receive and file information item.

9. Public Comments

There were no public comments.

10. Chief Executive Officer's Report

Darrell E. Johnson, CEO, reported on the following:

- Long-Range Transportation Plan (LRTP) Survey and Town Hall:
 - OCTA is seeking public input on the LRTP with an online survey available at octaLRTP.com.
 - OCTA will host a telephone town hall meeting on Wednesday, September 12th, and a community open house at the OCTA Headquarters on Saturday, September 22nd.
 - The public review period is open until Friday, September 28th.
- Annual OCTA Rodeo:
 - At 8:00 a.m., on Saturday, September 15th, the annual OCTA Rodeo will take place at the Santa Ana Base.
 - Board Members are invited to participate in the competition, and a practice session was offered to the Members.
- Orange Parking Structure:
 - On Tuesday, September 18th, crews will begin a six-week effort to install 120 brick panels on the exterior of the Orange Metrolink Parking Structure to reflect the city's Old Towne Historic District standards and aesthetics.
 - In mid-October, daytime closures of Lemon Street, between Chapman Avenue and Maple Avenue, will be required to maximize safety.
 - OCTA is working with the City of Orange on outreach to key stakeholders, area businesses, and neighboring residents.

11. Directors' Reports

Director Davies thanked Mr. Johnson, CEO, Chairwoman Bartlett, Director Donchak, and OCTA staff for the recent South County Mayors Forum.

Director R. Murphy thanked Mr. Johnson, CEO, Kia Mortazavi, Executive Director of Planning, and Andrea West, Senior Government Relations Representative, for last week's Second District Mayors Forum.

Director Delgleize concurred with Director R. Murphy's comments and stated that it is important to update the elected officials on OCTA's programs.

Director Delgleize acknowledged Director Steel for last Saturday's well-attended OC Public Safety event in the City of Huntington Beach.

Chairwoman Bartlett thanked staff and commented that the OCTA regional updates for the elected officials are important.

Director Hennessey commented on today's presentation regarding importing construction labor into Orange County and encouraged OCTA to review adding a general purpose lane on the 91 corridor.

Mr. Johnson, CEO, responded that cross county traffic demands is a large component of the LRTP, and Director Hennessey's request to review adding a general purpose lane on the 91 corridor is applicable to the north and east part of the 91 corridor.

12. Closed Session

A Closed Session was held as follows:

Pursuant to Government Code Section 54956.9(d)(2) – Conference with General Counsel – Anticipated Litigation – Two Matters.

There was no report out, and all Members were present for the Closed Session item.

13. Adjournment

The meeting adjourned at 10:03 a.m.

The next regularly scheduled meeting of this Board will be held at **9:00 a.m. on Monday, September 24, 2018**, at the Orange County Transportation Authority Headquarters, 550 South Main Street, Board Room - Conference Room 07-08, Orange, California.

ATTEST:

Laurena Weinert
Clerk of the Board

Lisa A. Bartlett
OCTA Chairwoman