



Orange County Transportation Authority

Executive Committee Agenda

Monday, November 4, 2024 at 9:00 a.m.

Board Room, 550 South Main Street, Orange, California

Committee Members

Tam T. Nguyen, Chair

Doug Chaffee, Vice Chair

Michael Hennessey, Finance & Administration, Chair

Fred Jung, Transit Committee Chair

Donald P. Wagner, Legislative & Communications, Chair

Accessibility

Any person with a disability who requires a modification or accommodation in order to participate in this meeting should contact the Orange County Transportation Authority (OCTA) Clerk of the Board's office at (714) 560-5676, no less than two business days prior to this meeting to enable OCTA to make reasonable arrangements to assure accessibility to this meeting.

Agenda Descriptions

Agenda descriptions are intended to give members of the public a general summary of items of business to be transacted or discussed. The posting of the recommended actions does not indicate what action will be taken. The Committee may take any action which it deems to be appropriate on the agenda item and is not limited in any way by the notice of the recommended action.

Public Availability of Agenda Materials

All documents relative to the items referenced in this agenda are available for public inspection at www.octa.net or through the Clerk of the Board's office at the OCTA Headquarters, 600 South Main Street, Orange, California.

Meeting Access and Public Comments on Agenda Items

Members of the public can either attend in-person or listen to audio live streaming of the Board and Committee meetings by clicking this link: <https://octa.legistar.com/Calendar.aspx>

In-Person Comment

Members of the public may attend in-person and address the Board regarding any item within the subject matter jurisdiction of the Orange County Transportation Authority. Please complete a speaker's card and submit it to the Clerk of the Board and notify the Clerk regarding the agenda item number on which you wish to speak. Speakers will be recognized by the Chair at the time of the agenda item is to be considered by the Board. Comments will be limited to three minutes. The Brown Act prohibits the Board from either discussing or taking action on any non-agendized items.

EXECUTIVE COMMITTEE MEETING AGENDA

Written Comment

Written public comments may also be submitted by emailing them to ClerkOffice@octa.net, and must be sent by 5:00 p.m. the day prior to the meeting. If you wish to comment on a specific agenda item, please identify the item number in your email. All public comments that are timely received will be part of the public record and distributed to the Board. Public comments will be made available to the public upon request.

Call to Order

Pledge of Allegiance

Vice Chair Chaffee

Closed Session

There are no Closed Session items scheduled.

Special Calendar

1. Proposed 2025 Board of Directors Meetings Calendar

Andrea West/Jennifer L. Bergener

Overview

Presented for consideration and approval are the proposed 2025 Board of Directors and Committee meetings calendars, depicting the dates of the Board of Directors and Committee meetings and holidays for the year.

Recommendation(s)

Approve the Orange County Transportation Authority and affiliated agencies 2025 Board of Directors meetings calendar.

Attachments:

[Staff Report](#)

[Attachment A](#)

[Attachment B](#)

[Attachment C](#)

Consent Calendar (Items 2 and 3)

All items on the Consent Calendar are to be approved in one motion unless a Committee Member or a member of the public requests separate action or discussion on a specific item.

2. Approval of Minutes

Clerk of the Board

Recommendation(s)

Approve the minutes of the October 7, 2024 Executive Committee meeting.

Attachments:

[Minutes](#)

EXECUTIVE COMMITTEE MEETING AGENDA

3. Orange County Transportation Authority Climate Adaptation and Sustainability Plan Follow-Up Activities Update

Lauren Sato/Kia Mortazavi

Overview

The Orange County Transportation Authority completed its first Climate Adaptation and Sustainability Plan in 2024. The Climate Adaptation and Sustainability Plan is a comprehensive, agencywide plan that addresses how the Orange County Transportation Authority can protect its infrastructure and operations from the negative impacts of climate change (climate adaptation), while minimizing its emissions (sustainability). This report highlights progress that has been made on activities resulting from the completion of the Climate Adaptation and Sustainability Plan and next steps.

Recommendation(s)

Receive and file as an information item

Attachments:

[Staff Report](#)

Regular Calendar

4. First Quarter Fiscal Year 2024-25 Capital Action Plan and Performance Metrics

James G. Beil

Overview

Staff has prepared a quarterly progress report on capital project delivery for the period of July 2025 through September 2025, for review by the Orange County Transportation Authority Board of Directors. This report highlights the Capital Action Plan for project delivery, which is used as a performance metric to assess delivery progress on highway, transit, and rail projects.

Recommendation(s)

Receive and file as an information item.

Attachments:

[Staff Report](#)

[Attachment A](#)

[Attachment B](#)

EXECUTIVE COMMITTEE MEETING AGENDA

5. Measure M2 2024 Update: Next 10 Delivery Plan

Francesca Ching/Kia Mortazavi

Overview

The Measure M2 Next 10 Delivery Plan aims to strategically deliver Measure M2 freeway, roadway, transit, and environmental projects. A comprehensive review of the M2 Next 10 Delivery Plan was recently conducted to incorporate updates to the Measure M2 sales tax revenue forecast, external funding assumptions, and project information. As a result of this review, staff has prepared the 2024 update of the Measure M2 Next 10 Delivery Plan. The 2024 update verifies the realization of Measure M2 near-term commitments through fiscal year 2033-34, maintains fiscal sustainability, and strives to deliver transportation benefits expeditiously to the benefit of the Orange County community. The draft update is presented to the Board of Directors for review and approval.

Recommendation(s)

- A. Adopt the 2024 Measure M2 Next 10 Delivery Plan.
- B. Direct staff to continue to work with Metrolink to develop a financially sustainable service plan.
- C. Direct staff to continue monitoring revenue and project cost shifts that could affect the delivery plan and, if necessary, report to the Board of Directors with changes.

Attachments:

[Staff Report](#)

[Attachment A](#)

[Attachment B](#)

[Attachment C](#)

[Attachment D](#)

[Presentation](#)

6. Principles for 405 Express Lanes Excess Toll Revenue Policy and Expenditure Plan

Adriann Cardoso/Kia Mortazavi

Overview

Under state law, the Orange County Transportation Authority can use future 405 Express Lanes excess toll revenues for maintenance and improvements to the Interstate 405 corridor. At the October 14, 2024, Board of Directors meeting, following a review of the agreements and statutory requirements associated with the development of the future 405 Express Lanes Excess Toll Revenue Expenditure Plan, the Board of Directors directed staff to develop principles to help guide the use of excess toll revenues and the preparation of the expenditure plan. These principles are presented for Board of Directors review and approval.

EXECUTIVE COMMITTEE MEETING AGENDA

Recommendation(s)

- A. Approve the principles for developing the 405 Express Lanes Excess Toll Revenue Policy and the future 405 Express Lanes Excess Toll Revenue Expenditure Plan.

- B. Direct staff to return with a draft 405 Express Lanes Excess Toll Revenue Policy in 2025.

Attachments:

[Staff Report](#)

Discussion Items

- 7. **Public Comments**


- 8. **Chief Executive Officer's Report**

- 9. **Committee Members' Reports**

- 10. **Adjournment**
The next regularly scheduled meeting of this Committee will be held:
9:00 a.m. on Monday, December 2, 2024
OCTA Headquarters
Board Room
550 South Main Street
Orange, California



November 4, 2024

To: Executive Committee
From: Darrell E. Johnson, Chief Executive Officer 
Subject: Proposed 2025 Board of Directors Meetings Calendar

Overview

Presented for consideration and approval are the proposed 2025 Board of Directors and committee meeting calendars, depicting the dates of the Board of Directors and committee meetings and holidays for the year.

Recommendation

Approve the Orange County Transportation Authority and affiliated agencies 2025 Board of Directors meetings calendar.

Discussion

The 2025 meetings calendar for the Orange County Transportation Authority Board of Directors (Board) and affiliated agencies has been prepared by the Clerk of the Board and is presented for approval and adoption.

In order to mitigate scheduling conflicts for Board Members, the proposed calendar takes into consideration the scheduled meetings of the:

- Orange County Board of Supervisors
- Southern California Regional Rail Authority
- Southern California Association of Governments - Regional Council
- Local Agency Formation Commission
- Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency
- Air Quality Management District – Mobile Source Air Pollution Reduction Review Committee
- Transportation Corridor Agencies
- Conferences and events regularly attended by members of the Board

The proposed 2025 calendar reflects 22 regular Board meetings occurring on the second and fourth Mondays of the month, consistent with well-established past scheduling practices (Attachment A). Only one Board meeting is scheduled for August and December.

In consultation with the Chair and Vice Chair, it is proposed that the Board meeting start time be adjusted to 9:30 a.m.

The Chair retains the right to call a Special Meeting at any time should unforeseen circumstances arise which need to be addressed.

For planning purposes, a draft committee calendar has been provided. Once the committee chairs have been assigned and committee members appointed by the Board on January 27, 2025, changes to the proposed 2025 committee meeting schedules may occur.

Each committee will approve their respective meeting schedules in February 2024 (Attachment B), and exceptions to the standard monthly meeting schedule are noted (Attachment C).

Summary

Approval is requested for the proposed Board meetings calendar, which sets dates for the regular Board meetings in 2025.

Attachments

- A. Orange County Transportation Authority 2025 Board Meetings Calendar – Draft 11.4.24
- B. Orange County Transportation Authority 2025 Board and Committee Meeting Calendar – Draft 11.4.24
- C. 2025 Board and Committee Calendar – Proposed Exceptions

Prepared by:



Andrea West
Clerk of the Board
(714) 560-5676

Approved by:



Jennifer L. Bergener
Deputy Chief Executive Officer
(714) 560-5462



2025 OCTA BOARD MEETINGS CALENDAR

JANUARY						
SUN	MON	TUE	WED	THU	FRI	SAT
			1	2	3	4
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FEBRUARY						
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JULY						
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DRAFT 11.4.24

OCTA, OCTD, OCLTA, and OCSAFE regular Board meeting
 9:30 a.m., OCTA Headquarters
 550 South Main Street, Board Room - Conf. Room 07-08, Orange CA

Holidays



ORANGE COUNTY TRANSPORTATION AUTHORITY

2025 BOARD AND COMMITTEE MEETING CALENDAR

Draft 11.4.24

JANUARY						
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MARCH						
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JUNE						
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*Corona City Hall (400 S. Vicentia Ave., Corona)

JULY						
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AUGUST						
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SEPTEMBER						
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OCTOBER						
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NOVEMBER						
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DECEMBER						
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OCTA, OCTD, OCLTA, and OCSAFE regular Board meeting
 9:30 a.m.: OCTA Headquarters, 550 South Main Street, Board Room - Conf. Room 07-08, Orange CA

Holidays

EXEC
 9:00 a.m.

Transit
 9:00 a.m.

RTP
 10:30 a.m.

F & A
 10:30 a.m.

SR-91
 9:30 a.m.

L & C
 9:00 a.m.

2025 Board and Committee Calendar - Proposed Exeptions

Standard monthly meeting dates and times are as follows:

Board of Directors (Board) – 2nd and 4th Monday at 9:30 a.m. (reflects a change from prior years)

Executive Committee – 1st Monday at 9:00 a.m.

Regional Transportation Planning (RTP) Committee – 1st Monday at 10:30 a.m.

Finance and Administration (F&A) Committee – 2nd and 4th Wednesday at 10:30 a.m.

Transit Committee – 2nd Thursday at 9:00 a.m.

Legislative and Communications (L&C) Committee – 3rd Thursday at 9:00 a.m.

Month	Proposed Exceptions to Standard Meeting Dates
January	Cancel Executive and RTP Committees
February	No change
March	No change
April	F&A Committee meets once
May	Adjust May 26 Board meeting to Tuesday, May 27 to accommodate Memorial Day holiday
June	No change Note: June 19 L&C Committee meets on Juneteenth
July	F&A Committee meets once
August	Adjust the September Executive and RTP Committees to Thursday, August 28, due to the Labor Day holiday Board meets once
September	See the month of August for adjustments to the Executive and RTP Committees Note: September 11 Transit Committee meets on Patriot Day
October	F&A Committee meets once Note: October 13 Board meets on Columbus Day
November	F&A Committee meets once
December	F&A Committee meets once Board meets once

Committee meeting calendars are pending approval by each committee at their first meeting with new committee assignments



Committee Members Present

Tam T. Nguyen, Chair
Doug Chaffee, Vice Chair
Fred Jung
Donald P. Wagner

Staff Present

Darrell E. Johnson, Chief Executive Officer
Jennifer L. Bergener, Deputy Chief Executive Officer
Gina Ramirez, Assistant Clerk of the Board
Allison Cheshire, Clerk of the Board Specialist, Senior
James Donich, General Counsel
OCTA Staff

Committee Members Absent

Michael Hennessey

Call to Order

The October 7, 2024, Executive Committee regular meeting was called to order by Chair Nguyen at 9:00 a.m.

Roll Call

The Clerk of the Board conducted an attendance roll call and announced a quorum of the Executive Committee.

Closed Session

There were no Closed Session items scheduled.

Special Calendar

There were no Special Calendar matters.

Consent Calendar (Items 1 and 2)

1. Approval of Minutes

A motion was made by Vice Chair Chaffee, seconded by Director Jung, and following a roll call vote, declared passed 3-0, to approve the minutes of the August 29, 2024, Executive Committee meeting.

Director Wagner was not present to vote on this item.

2. Agreement for Security System Service and Maintenance

A motion was made by Vice Chair Chaffee, seconded by Director Jung, and following a roll call vote, declared passed 3-0, to:

- A. Approve the selection of Converjint Technologies LLC as the firm to provide service and maintenance of the Orange County Transportation Authority's security system.



- B. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C 4 2293 between the Orange County Transportation Authority and Convergent Technologies LLC, in the amount of \$480,454, for a three year initial term with two, one year option terms, to provide service and maintenance of the Orange County Transportation Authority's security system.

Director Wagner was not present to vote on this item.

Regular Calendar

3. OC Streetcar Passenger Safety and Security

Matt Ankley, Department Manager of Security & Emergency Preparedness, provided a presentation on this item.

A motion was made by Director Jung, seconded by Vice Chair Chaffee, and following a roll call vote, declared passed 4-0, to:

- A. Direct staff to return with a request for proposals to implement security trained ambassadors for the OC Streetcar.
- B. Direct staff to return with an amendment to the contract with the Orange County Sherriff's Department to provide Transit Police Services on the OC Streetcar system.

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

Mr. Johnson CEO, provided opening comments and introduced Dr. Wallace Walrod & Dr. Marlon Boarnet from the Orange County Business Council who provided a presentation.

A motion was made by Director Wagner, seconded by Vice Chair Chaffee, and following a roll call vote, declared passed 4-0, to continue to monitor market conditions, key indicators and provide updates to the Board of Directors as appropriate.

5. Measure M2 Ten Year Review Framework

Mr. Johnson, CEO provided opening comments and introduced Francesca Ching, Section Manager, who provided a presentation on this item.

A motion was made by Director Jung, seconded by Director Wagner, and following a roll call vote, declared passed 4-0, to direct staff to proceed with the Measure M2 ten year review framework as presented.



6. 405 Express Lanes Expenditure Plan Requirement

Mr. Johnson, CEO, provided opening comments and introduced Kirk Avila, General Manager of Express Lanes, who provided a presentation.

A motion was made by Director Wagner, seconded by Vice Chair Chaffee, and following a roll call vote, declared passed 4-0, to direct staff to develop principles to guide the establishment of a 405 Express Lanes Excess Toll Revenue Policy and Expenditure Plan and return to the Board of Directors for consideration and approval.

Discussion Items

7. Public Comments

There were no public comments received.

8. Chief Executive Officer's Report

Mr. Johnson, CEO, reported on the following:

- Service Animal Training
- American Public Transportation Association Transform Conference

9. Committee Members' Reports

There were no Committee Members' Reports.

10. Adjournment

The meeting adjourned at 9:55 a.m.

The next regularly scheduled meeting of this Committee will be held:

9:00 a.m. on Monday, November 4, 2024

OCTA Headquarters

Board Room

550 South Main Street

Orange, California

ATTEST:

Gina Ramirez
Assistant Clerk of the Board



November 4, 2024

To: Executive Committee
From: Darrell E. Johnson, Chief Executive Officer

A handwritten signature in blue ink, appearing to read "Darrell E. Johnson", is written over the "From:" line of the memo.

Subject: Orange County Transportation Authority Climate Adaptation and Sustainability Plan Follow-Up Activities Update

Overview

The Orange County Transportation Authority completed its first Climate Adaptation and Sustainability Plan in 2024. The Climate Adaptation and Sustainability Plan is a comprehensive, agencywide plan that addresses how the Orange County Transportation Authority can protect its infrastructure and operations from the negative impacts of climate change (climate adaptation), while minimizing its emissions (sustainability). This report highlights progress that has been made on activities resulting from the completion of the Climate Adaptation and Sustainability Plan and next steps.

Recommendation

Receive and file as an information item.

Background

Development of the Climate Adaptation and Sustainability Plan (CASP), the first of its kind for the Orange County Transportation Authority (OCTA), began in early 2022, and focuses on how OCTA can ensure long-term resilience from climate-related impacts, as well as reduce its greenhouse gas emissions. An update on the development of the CASP was presented to the Board in December 2023 prior to it being finalized in April 2024. The final CASP compiles a comprehensive inventory and builds on all of OCTA's adaptation and sustainability activities to date, including but not limited to, the Natural Hazard Mitigation Plan, Rail Defense Against Climate Change Plan, and Zero-Emission Bus Program. The CASP also addresses potential risks to OCTA's infrastructure¹ and services from climate impacts such as extreme heat and flooding. Based on the results of a climate vulnerability assessment and

¹ Due to OCTA's prior development of the Rail Defense Against Climate Change Plan and ongoing south Orange County coastal rail studies, the shared railway asset was not included in the CASP assessment to avoid duplication of efforts.

greenhouse gas emissions inventory, the plan outlines strategies to advance adaptation and sustainability efforts.

The CASP serves as a strategic roadmap to guide OCTA's climate action efforts. It helps to support OCTA's mission to keep Orange County moving amidst the impacts of a changing climate. Additionally, the CASP helps to align OCTA with the state's climate policies and goals, as well as support OCTA's efforts to secure future state and federal funding.

Discussion

The completion of the CASP marked a significant milestone for the agency as it provides a framework to support future efforts on climate action. The CASP and the potential climate adaptation and sustainability targets and strategies it outlines were intended to serve as a blueprint for further investigation, planning, and decision-making. Since its completion, OCTA has been assessing the feasibility and cost-effectiveness of the proposed strategies to determine which actions should be prioritized for future implementation, while keeping employee and customer safety at the forefront.

To guide this evaluation process, a prioritization tool was developed to assess the initial recommendations identified in the CASP based on factors such as feasibility, cost, level of effort, and impact of implementation. More specifically, several criteria were used to evaluate and rank the CASP strategies. Some of these included whether the relevant asset(s) is owned and operated by OCTA, estimated planning and capital costs, equity benefits (i.e., social and environmental impacts that may benefit disadvantaged communities), energy security and resilience (i.e., measures that contribute to the diversification of OCTA's energy supply), and alignment with existing OCTA policies, goals, and regulatory compliance.

As indicated above, this initial stage of CASP follow-up activities focuses on strategies for assets and facilities owned and operated by OCTA. The abovementioned criteria were then used to prioritize strategies that would have the most influence on OCTA infrastructure, operations, employees, and riders. This initial process yielded potential CASP strategies to consider expanding on or implementing, as outlined in the table below.

Preliminary results of highest ranked CASP strategies for OCTA implementation consideration:

Scored Priority	Focus or Hazard Area	CASP Measure Focus	Potential Results
1	Sustainability	Energy Efficiency/Facility Electrification	Increased energy efficiency of facilities, equipment, and operations
2	Air Quality	Outdoor Exposure and Emissions Reduction	Enhanced productivity and increased employee health
3	Extreme Weather	Emergency Operations	Maintained productivity and improved response to extreme weather events
4	High Heat	Weatherizing	Maintained continuity of service
5	Sustainability	Onsite Renewable Energy	Increased cost savings and resilience co-benefits
6	Air Quality	Indoor Air Quality	Enhanced productivity and increased employee health
7	High Heat	Power	Maintained continuity of service
8	High Heat	Employee Cooling	Maintained productivity and increased employee health
9	Sustainability	Zero-Emission Bus Fleet	Reduced greenhouse gas emissions and air pollution
10	High Heat	Shade Trees	Decreased temperatures and improved work environment

Next Steps

OCTA will continue to assess the adaptation and sustainability recommendations proposed in the CASP to prioritize which to concentrate on moving forward. Once the top CASP priorities are determined, draft implementation plans will be developed to support the application of those strategies. The draft implementation strategies will then be further evaluated and ranked to identify actions that would be the most feasible and impactful for OCTA to consider for implementation. This process will enable OCTA to explore additional strategies, where appropriate, that were not included in the CASP. With ongoing progress in climate change research and awareness at the regional, state, and national levels, new opportunities may emerge to consider further actions that align with state priorities.

Staff will continue to evaluate the CASP action strategies and complete any necessary supplemental analyses to support CASP implementation planning. Staff will also identify potential funding options for the top priority CASP strategies and develop an implementation framework.

Summary

The CASP represents a key step for OCTA toward greater alignment with the state's climate objectives and goals, emphasizing the importance of proactively planning for climate change impacts while working to reduce emissions. OCTA will utilize the CASP to make decisions and determine next steps for potential future implementation.

Attachment

None.

Prepared by:



Lauren Sato
Senior Transportation Analyst, Planning
(714) 560-5756

Approved by:



Kia Mortazavi
Executive Director, Planning
(714) 560-5741



November 4, 2024

To: Executive Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: First Quarter Fiscal Year 2024-25 Capital Action Plan and Performance Metrics

A handwritten signature in blue ink, appearing to read "Darrell E. Johnson", is written over the "From:" line of the memo.

Overview

Staff has prepared a quarterly progress report on capital project delivery for the period of July 2025 through September 2025, for review by the Orange County Transportation Authority Board of Directors. This report highlights the Capital Action Plan for project delivery, which is used as a performance metric to assess delivery progress on highway, transit, and rail projects.

Recommendation

Receive and file as an information item.

Background

The Orange County Transportation Authority (OCTA) delivers highway, transit, rail, and facility projects from the beginning of the environmental approval phase through construction completion. Project delivery milestones are planned carefully with consideration of project scope, costs, schedule, and assessment of risks. The milestones reflected in the Capital Action Plan (CAP) are OCTA's planned and budgeted major project delivery commitments.

This report provides the first quarter progress report on the CAP performance metrics, which are a snapshot of the planned CAP project delivery milestones in fiscal year (FY) 2024-25.

Discussion

OCTA's objective is to deliver projects on schedule and within the approved project budget. Key project cost and schedule commitments are captured in the CAP, which is regularly updated with project status and any new projects (Attachment A). The CAP is categorized into four key project groupings

of freeway, railroad grade separation, and rail and station projects. Schedule milestones are used as performance indicators of progress in project delivery. The CAP performance metrics report provides a FY snapshot of the milestones targeted for delivery in the FY and provides transparency and performance measurement of capital project delivery.

The CAP project costs represent the total cost across all phases of project delivery, including support costs, right-of-way (ROW), and construction capital costs. Baseline costs, if established, are shown in comparison to either the actual or forecast cost. Baseline costs may be shown as to-be-determined (TBD) if project scoping studies and estimates have not been developed or approved and may be updated as delivery progresses and milestones achieved. Projects identified in the Orange County local transportation sales tax Measure M2 (M2) are identified with the corresponding M2 project logo. The CAP status update is also included in the M2 Quarterly Progress Report.

The CAP summarizes the very complex capital project critical path delivery schedules into eight key milestones.

Begin Environmental	The date work on the environmental clearance, project report, or preliminary engineering phase begins.
Complete Environmental	The date environmental clearance and project approval is achieved.
Begin Design	The date final design work begins, or the date when a design-build contract begins.
Complete Design	The date final design work is 100 percent complete and approved.
Construction Ready	The date contract bid documents are ready for advertisement, including certification of ROW, all agreements executed, and contract constraints cleared.
Advertise for Construction	The date a construction contract is advertised for construction bids.
Award Contract	The date the construction contract is awarded.
Construction Complete	The date all construction work is completed and the project is open to public use.

These delivery milestones reflect progression across the project delivery phases shown below.



Project schedules reflect planned baseline milestone dates in comparison to forecast or actual milestone dates. Milestone dates may be shown as TBD if project scoping or approval documents have not been finalized and approved, or if the delivery schedule has not been negotiated with a partnering agency or consultant implementing the specific phase of a project. Planned milestone dates can be revised to reflect new dates from approved baseline schedule changes. Project schedules are reviewed monthly, and milestone achievements and updated forecast dates are included to reflect project delivery status.

CAP milestones achieved in the first quarter of FY 2024-25 include:

- The complete design milestone was achieved for the State Route 57 (SR-57) northbound improvements between Orangewood Avenue and Katella Avenue. The project is now with the California Department of Transportation (Caltrans) Office Engineer for final review and packaging with a target construction contract advertisement by Caltrans in July 2025.
- The complete design milestone was achieved for the Interstate 5 (I-5) Improvement Project between Yale Avenue and State Route 55 (SR-55). Pending completion of project ROW activities, the target construction contract advertisement by Caltrans is in July 2025.
- The award contract milestone was achieved for the Transit Security and Operations Center Project. The OCTA Board of Directors (Board) awarded the construction contract to Bernards Bros., Inc., the lowest responsive, responsible bidder, in the amount of \$44,452,000, on September 23, 2024.

The following CAP milestones missed the planned delivery through the first quarter of FY 2024-25:

Freeway Projects

- The construction ready milestone for the Interstate 605 (I-605)/Katella Avenue Interchange Improvement Project was missed due to final ROW acquisition activities. However, the project did achieve the

construction ready milestone on October 4, 2024, just outside the first quarter. The project is planned to be advertised for construction by Caltrans in January 2025.

Recap of FY 2024-25 Performance Metrics

The performance metrics snapshot provided at the beginning of FY 2024-25 reflected four planned major project delivery milestones to be accomplished through the first quarter (Attachment B). Three of the four planned milestones were delivered within the quarter. The I-605/Katella Avenue Interchange Project was delayed by only days and has since been achieved.

CAP Milestone and Cost Variance Updates

I-5, Pico to San Diego County

The forecast complete environmental milestone was revised from July 2025 to January 2026 to assess and gain agreement from Caltrans on measures to mitigate project-induced increases in vehicle miles traveled.

I-5, State Route 73 (SR-73) to Oso Parkway

The forecast complete construction milestone was revised from January 2025 to February 2025 based on construction progress to date.

I-5, Oso Parkway to Alicia Parkway

The forecast complete construction milestone was revised from October 2024 to November 2024 based on construction progress to date.

I-5, Alicia Parkway to El Toro Road

The forecast complete construction milestone was revised from February 2025 to March 2025 based on construction progress to date. The forecast cost increased by \$5.7 million from \$203.6 million to \$209.3 million due to construction contract change orders and support cost projections.

I-5, SR-73 to El Toro Road Replacement Planting and Landscape

The forecast complete design milestone was revised from January 2025 to February 2025 based on Caltrans progress to date. This necessitates revising the construction ready milestone to June 2025, the advertise construction date to August 2025, the award contract date to November 2025, and the complete construction date to May 2027.

I-5, I-5/El Toro Road Interchange

The forecast complete environmental milestone was revised from April 2026 to February 2027 to allow time to gain general consensus amongst the cities of Laguna Hills, Laguna Woods, and Lake Forest prior to finishing technical studies and releasing the environmental document to the public for comment.

I-5, Interstate 405 to Yale Avenue

The forecast cost increased by \$86.4 million from \$230.5 million to \$316.9 million. The project cost estimates were last updated in 2021 when the project report was being prepared. The final design and engineers estimate includes updated final bid quantities and unit pricing which accounts for significant escalation since 2021 out to the mid-point of construction.

I-5, Yale Avenue to SR-55

The forecast cost increased by \$31.8 million from \$258.2 million to \$290 million. The project cost estimates were last updated in 2021 when the project report was being prepared. The final design and engineers estimate includes updated final bid quantities and unit pricing which accounts for significant escalation from 2021 to the mid-point of construction.

SR-57 Northbound, Orangewood Avenue to Katella Avenue

The forecast cost increased by \$20.5 million from \$114.9 million to \$135.4 million. The project cost estimates were last updated in early 2019 when the project report was being prepared. The final design and engineers estimate includes updated final bid quantities and unit pricing which accounts for significant escalation from 2019 to the mid-point of construction.

State Route 91 (SR-91), SR-55 to Lakeview Avenue (Segment 1)

The forecast award contract milestone was revised from October 2024 to November 2024 since Caltrans opened the construction bids on October 16, 2024.

SR-91, La Palma Avenue to SR-55 (Segment 2)

The forecast construction ready milestone was revised from August 2025 to September 2025. This also results in the forecast advertise construction milestone being revised to December 2025, the award contract milestone revised to March 2026, and the complete construction milestone revised to July 2030.

SR-91 Eastbound Corridor Operations Project (State Route 241 to State Route 71)

The Riverside County Transportation Commission (RCTC) is preparing the project report and environmental clearance. Based on project progress, the forecast complete environmental milestone is being revised from April 2025 to August 2025.

91 Express Lanes to State Route 241 Toll Connector

The Transportation Corridor Agencies is preparing the final design for the project. Based on reported progress, the complete design milestone is being revised from January 2025 to February 2025. This also results in the construction ready milestone being revised to May 2025, and the award contract milestone revised to September 2025. These milestones will be updated as project approvals and agreements are completed.

I-605, I-605/Katella Interchange

The advertise construction milestone was revised to January 2025, the award contract milestone revised to May 2025, and the complete construction milestone revised to January 2027.

FY 2024-25 Cost and Performance Metrics Risks

The OC Streetcar project cost and schedule risks related to design deficiencies and contractor performance persist. Staff, in partnership with the Federal Transit Administration (FTA) and FTA's consultants, are still finalizing an FTA-prescribed 90 percent complete risk assessment to forecast the most probable completion cost and schedule. Following a thorough review by the FTA's program management consultant, staff will report the updated risk-based cost and schedule to the Board in late 2024 or early 2025. Regular reports will continue to be provided to the Board on project status.

Final engineers' estimates for projects moving to the construction phase continue to be higher than planned. The recent apparent low construction bid on the SR-91 Improvement Project between SR-55 and Lakeview Avenue came in 14.11 percent higher than the engineers' estimate. Staff is assessing the unit pricing data from this bid to make any needed adjustments to the final engineers' estimates on other near term projects. Staff will continue to monitor construction bids in the region and account for any identified escalation of material and labor costs.

Summary

Capital project delivery continues to progress and is reflected in the CAP. Through the first quarter of FY 2024-25, 75 percent of the planned CAP milestones were delivered. Forecast schedules and costs have been updated for the FY 2024-25 performance metrics, which will be used as a general quarterly project delivery performance indicator in FY 2024-25. Staff will continue to manage project costs and schedules across all project phases to meet project delivery commitments and report quarterly.

Attachments

- A. Capital Action Plan, Status Through September 2024
- B. Capital Programs Division, Fiscal Year 2024-25 Performance Metrics Through September 2024

Prepared by:


















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

Capital Action Plan

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Capital Projects	Cost	Schedule							
	Baseline/Forecast	Plan/Forecast							
	(millions)	Begin Environmental	Complete Environmental	Begin Design	Complete Design	Construction Ready	Advertise Construction	Award Contract	Complete Construction
Freeway Projects:									
I-5, Avenida Pico to San Diego County Line	TBD	Feb-21	Apr-24	TBD	TBD	TBD	TBD	TBD	TBD
	TBD	Feb-21	Jan-26	TBD	TBD	TBD	TBD	TBD	TBD
 I-5, Avenida Pico to Vista Hermosa	\$113.0	Jun-09	Dec-11	Jun-11	Oct-13	Feb-14	Oct-14	Dec-14	Aug-18
Project C	\$83.6	Jun-09	Oct-11	Jun-11	Oct-13	May-14	Sep-14	Dec-14	Aug-18
 I-5, Vista Hermosa to Pacific Coast Highway	\$75.6	Jun-09	Dec-11	Jun-11	Feb-13	Jun-13	Oct-13	Dec-13	Mar-17
Project C	\$75.3	Jun-09	Oct-11	Jun-11	May-13	Aug-13	Feb-14	Jun-14	Jul-17
 I-5, Pacific Coast Highway to San Juan Creek Road	\$70.7	Jun-09	Dec-11	Jun-11	Jan-13	May-13	Aug-13	Oct-13	Sep-16
Project C	\$74.3	Jun-09	Oct-11	Jun-11	Jan-13	Apr-13	Aug-13	Dec-13	Jul-18
 I-5, I-5/Ortega Interchange	\$90.9	Sep-05	Jun-09	Jan-09	Nov-11	Mar-12	Jun-12	Aug-12	Sep-15
Project D	\$79.8	Sep-05	Jun-09	Jan-09	Dec-11	Apr-12	Jun-12	Aug-12	Jan-16
 I-5, I-5/Ortega Interchange (Landscape)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Project D	N/A	N/A	N/A	Jan-14	Oct-14	Feb-15	Aug-15	Sep-15	Sep-16
 I-5, SR-73 to Oso Parkway	\$151.9	Sep-11	Jun-14	Mar-15	Jan-18	May-18	Aug-18	Dec-18	Apr-25
Project C & D	\$229.4	Oct-11	May-14	Mar-15	Aug-18	May-19	Aug-19	Dec-19	Feb-25
 I-5, Oso Parkway to Alicia Parkway	\$196.2	Sep-11	Jun-14	Nov-14	Jun-17	Dec-17	Feb-18	Jun-18	Nov-23
Project C & D	\$230.3	Oct-11	May-14	Nov-14	Dec-17	Jun-18	Nov-18	Mar-19	Nov-24
 I-5, Alicia Parkway to El Toro Road	\$133.6	Sep-11	Jun-14	Mar-15	Jun-18	Dec-18	Jan-19	May-19	Oct-24
Project C	\$209.3	Oct-11	May-14	Mar-15	May-19	Apr-20	May-20	Sep-20	Mar-25
 I-5, SR-73 to El Toro Road (Landscape)	TBD	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Project C	\$12.4	N/A	N/A	Mar-23	Feb-25	Jun-25	Aug-25	Nov-25	May-27
 I-5, I-5/El Toro Road Interchange	TBD	Apr-17	Apr-26	TBD	TBD	TBD	TBD	TBD	TBD
Project D	TBD	Apr-17	Feb-27	TBD	TBD	TBD	TBD	TBD	TBD
 I-5, I-405 to Yale Avenue	\$230.5	May-14	Aug-18	Oct-21	May-24	May-25	Dec-25	Feb-26	Sep-29
Project B	\$316.9	May-14	Jan-20	Oct-21	Dec-24	May-25	Dec-25	Feb-26	Sep-29
 I-5, Yale Avenue to SR-55	\$200.4	May-14	Aug-18	May-21	Feb-25	Aug-25	Nov-25	Mar-26	Sep-29
Project B	\$290.0	May-14	Jan-20	May-21	Aug-24	Mar-25	Jul-25	Oct-25	May-29
 I-5, SR-55 to SR-57	\$38.1	Jul-11	Jun-13	Jun-15	Mar-17	Jul-17	Sep-17	Dec-17	Apr-21
Project A	\$38.9	Jun-11	Apr-15	Jun-15	Jun-17	Dec-17	Mar-18	Nov-18	Jan-21
 SR-55, I-405 to I-5	\$410.9	Feb-11	Nov-13	Sep-17	Apr-20	Dec-20	Apr-21	May-22	Feb-27
Project F	\$505.7	May-11	Aug-17	Sep-17	Apr-20	Sep-21	Dec-21	May-22	Feb-27
 SR-55, I-5 to SR-91	\$131.3	Dec-16	Jan-20	Aug-22	Jul-25	Dec-25	Apr-26	Jul-26	Oct-29
Project F	\$131.3	Dec-16	Mar-20	Aug-22	Jul-25	Dec-25	Apr-26	Jul-26	Oct-29

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Capital Projects	Cost	Schedule							
	Baseline/Forecast	Plan/Forecast							
	(millions)	Begin Environmental	Complete Environmental	Begin Design	Complete Design	Construction Ready	Advertise Construction	Award Contract	Complete Construction
 SR-57 Northbound (NB), Orangewood Avenue to Katella Avenue Project G	\$71.8	Apr-16	Dec-18	Mar-22	Jul-24	Feb-25	Jul-25	Nov-25	Jun-28
	\$135.4	Apr-16	Mar-19	Mar-22	Aug-24	Feb-25	Jul-25	Nov-25	Jun-28
 SR-57 (NB), Katella Avenue to Lincoln Avenue Project G	\$78.7	Apr-08	Jul-09	Jul-08	Nov-10	Mar-11	May-11	Aug-11	Sep-14
	\$38.0	Apr-08	Nov-09	Aug-08	Dec-10	Apr-11	Jul-11	Oct-11	Apr-15
 SR-57 (NB), Katella Avenue to Lincoln Avenue (Landscape) Project G	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	May-09	Jul-10	Jun-17	Jul-17	Sep-17	Jun-18
 SR-57 (NB), Orangethorpe Avenue to Yorba Linda Boulevard Project G	\$80.2	Aug-05	Dec-07	Feb-08	Dec-09	Apr-10	Jun-10	Oct-10	May-14
	\$52.3	Aug-05	Dec-07	Feb-08	Jul-09	Dec-09	May-10	Oct-10	Nov-14
 SR-57 (NB), Yorba Linda Boulevard to Lambert Road Project G	\$79.3	Aug-05	Dec-07	Feb-08	Dec-09	Apr-10	Jun-10	Oct-10	Sep-14
	\$54.1	Aug-05	Dec-07	Feb-08	Jul-09	Mar-10	May-10	Oct-10	May-14
 SR-57 (NB), Orangethorpe Avenue to Lambert Road (Landscape) Project G	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	Oct-14	Aug-17	Dec-17	Jan-18	Feb-18	Apr-19
 SR-57 (NB), Lambert Road to Tonner Canyon Project G	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
	TBD	Jul-26	Mar-29	TBD	TBD	TBD	TBD	TBD	TBD
 SR-91 Westbound (WB), I-5 to SR-57 Project H	\$78.1	Jul-07	Apr-10	Oct-09	Feb-12	Jul-12	Aug-12	Nov-12	Apr-16
	\$59.2	Jul-07	Jun-10	Mar-10	Apr-12	Aug-12	Oct-12	Jan-13	Jun-16
 SR-91 Westbound (WB), I-5 to SR-57 (Landscape) Project H	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	Nov-14	Aug-16	Dec-16	Feb-17	Mar-17	Nov-17
 SR-91, SR-55 to Lakeview Avenue (Segment 1) Project I	\$108.6	Jan-15	Oct-18	Mar-20	Jan-23	Aug-23	Oct-23	Feb-24	Sep-27
	\$133.9	Jan-15	Jun-20	Mar-20	Mar-23	May-24	Jun-24	Nov-24	Aug-28
 SR-91, La Palma Avenue to SR-55 (Segment 2) Project I	\$208.4	Jan-15	Oct-18	Jun-20	Jul-23	Feb-24	Mar-24	Jul-24	Mar-28
	\$208.4	Jan-15	Jun-20	Jun-20	Jan-25	Sep-25	Dec-25	Mar-26	Jul-30
 SR-91, Acacia Street to La Palma Ave (Segment 3) Project I	\$147.7	Jan-15	Oct-18	Nov-20	Apr-24	Nov-24	Jan-25	Apr-25	Sep-28
	\$238.5	Jan-15	Jun-20	Nov-20	Oct-24	May-25	Sep-25	Dec-25	Jun-29
 SR-91 (WB), Tustin Interchange to SR-55 Project I	\$49.9	Jul-08	Jul-11	Jul-11	Mar-13	Jul-13	Aug-13	Oct-13	Jul-16
	\$42.5	Jul-08	May-11	Jun-11	Feb-13	Apr-13	Jun-13	Oct-13	Jul-16
 SR-91, SR-55 to SR-241 Project J	\$128.4	Jul-07	Jul-09	Jun-09	Jan-11	Apr-11	Jun-11	Sep-11	Dec-12
	\$79.7	Jul-07	Apr-09	Apr-09	Aug-10	Dec-10	Feb-11	May-11	Mar-13

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Capital Projects	Cost	Schedule							
	Baseline/Forecast	Plan/Forecast							
	(millions)	Begin Environmental	Complete Environmental	Begin Design	Complete Design	Construction Ready	Advertise Construction	Award Contract	Complete Construction
 SR-91, SR-55 to SR-241 (Landscape) Project J	N/A N/A	N/A N/A	N/A N/A	N/A May-12	N/A Feb-13	N/A Apr-13	N/A Jul-13	N/A Oct-13	N/A Feb-15
 SR-91 Eastbound (EB), SR-241 to SR-71 Project J	\$104.5 \$57.8	Mar-05 Mar-05	Dec-07 Dec-07	Jul-07 Jul-07	Dec-08 Dec-08	Mar-09 May-09	May-09 Jun-09	Jul-09 Aug-09	Nov-10 Jan-11
 SR-91 EB Corridor Operations Project (SR-241 to SR-71) Project J	TBD TBD	N/A Jun-23	N/A Aug-25	N/A TBD	N/A TBD	N/A TBD	N/A TBD	N/A TBD	N/A TBD
91 Express Lanes to SR-241 Toll Connector	TBD TBD	N/A Nov-13	N/A Jan-20	N/A Jun-16	N/A Feb-25	N/A May-25	N/A Jul-25	N/A Sep-25	N/A Dec-28
 I-405, I-5 to SR-55 Project L	TBD TBD	Dec-14 Dec-14	Jul-18 Aug-18	TBD TBD	TBD TBD	TBD TBD	TBD TBD	TBD TBD	TBD TBD
 I-405, SR-55 to I-605 (Design-Build) Project K	\$2,160.0 \$2,160.0	Mar-09 Mar-09	Mar-13 May-15	Mar-14 Mar-14	Nov-15 Nov-15	Feb-16 Feb-16	Mar-16 Mar-16	Nov-16 Nov-16	Feb-24 Feb-24
I-405/SR-22 HOV Connector	\$195.9 \$120.8	N/A N/A	N/A N/A	Sep-07 Sep-07	Sep-09 Jun-09	Mar-10 Sep-09	May-10 Feb-10	Aug-10 Jun-10	Aug-14 Mar-15
I-405/I-605 HOV Connector	\$260.4 \$172.6	N/A N/A	N/A N/A	Sep-07 Sep-07	Sep-09 Sep-09	Mar-10 Feb-10	May-10 May-10	Oct-10 Oct-10	Jan-15 Mar-15
 I-605, I-605/Katella Interchange Project M	\$29.0 \$49.7	Aug-16 Aug-16	Nov-18 Oct-18	Dec-20 Dec-20	Mar-23 Jan-23	Jul-23 Oct-24	Nov-23 Jan-25	Feb-24 May-25	Nov-25 Jan-27
Grade Separation Projects:									
 Sand Canyon Avenue Railroad Grade Separation Project R	\$55.6 \$61.9	N/A N/A	Sep-03 Sep-03	Jan-04 Jan-04	Jul-10 Jul-10	Jul-10 Jul-10	Oct-10 Oct-10	Feb-11 Feb-11	May-14 Jan-16
 Raymond Avenue Railroad Grade Separation Project O	\$77.2 \$126.2	Feb-09 Feb-09	Nov-09 Nov-09	Mar-10 Mar-10	Aug-12 Dec-12	Nov-12 Jul-13	Feb-13 Oct-13	May-13 Feb-14	Aug-18 May-18
 State College Boulevard Railroad Grade Separation (Fullerton) Project O	\$73.6 \$99.6	Dec-08 Dec-08	Jan-11 Apr-11	Jul-06 Jul-06	Aug-12 Feb-13	Nov-12 May-13	Feb-13 Sep-13	May-13 Feb-14	May-18 Mar-18
 Placentia Avenue Railroad Grade Separation Project O	\$78.2 \$64.5	Jan-01 Jan-01	May-01 May-01	Jan-09 Jan-09	Mar-10 Jun-10	May-10 Jan-11	Mar-11 Mar-11	Jun-11 Jul-11	Nov-14 Dec-14
 Kraemer Boulevard Railroad Grade Separation Project O	\$70.4 \$63.8	Jan-01 Jan-01	Sep-09 Sep-09	Jan-09 Feb-09	Jul-10 Jul-10	Jul-10 Jan-11	Apr-11 Jun-11	Aug-11 Sep-11	Oct-14 Dec-14

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Capital Projects	Cost	Schedule							
	Baseline/Forecast	Plan/Forecast							
	(millions)	Begin Environmental	Complete Environmental	Begin Design	Complete Design	Construction Ready	Advertise Construction	Award Contract	Complete Construction
 Orangethorpe Avenue Railroad Grade Separation Project O	\$117.4	Jan-01	Sep-09	Feb-09	Dec-11	Dec-11	Feb-12	May-12	Sep-16
	\$105.9	Jan-01	Sep-09	Feb-09	Oct-11	Apr-12	Sep-12	Jan-13	Oct-16
 Tustin Avenue/Rose Drive Railroad Grade Separation Project O	\$103.0	Jan-01	Sep-09	Feb-09	Dec-11	Mar-12	May-12	Aug-12	May-16
	\$96.6	Jan-01	Sep-09	Feb-09	Jul-11	Jun-12	Oct-12	Feb-13	Oct-16
 Lakeview Avenue Railroad Grade Separation Project O	\$70.2	Jan-01	Sep-09	Feb-09	Oct-11	Oct-12	Feb-13	May-13	Mar-17
	\$110.7	Jan-01	Sep-09	Feb-09	Jan-13	Apr-13	Sep-13	Nov-13	Jun-17
 17th Street Railroad Grade Separation Project R	TBD	Oct-14	Jun-16	TBD	TBD	TBD	TBD	TBD	TBD
	TBD	Oct-14	Nov-17	TBD	TBD	TBD	TBD	TBD	TBD
Transit Projects:									
 Rail-Highway Grade Crossing Safety Enhancement Project R	\$94.4	Jan-08	Oct-08	Jan-08	Sep-08	Sep-08	Sep-08	Aug-09	Dec-11
	\$90.4	Jan-08	Oct-08	Jan-08	Sep-08	Sep-08	Sep-08	Aug-09	Dec-11
 San Clemente Beach Trail Safety Enhancements Project R	\$6.0	Sep-10	Jul-11	Feb-12	Apr-12	Apr-12	Jul-12	Oct-12	Jan-14
	\$5.0	Sep-10	Jul-11	Feb-12	Jun-12	Jun-12	Oct-12	May-13	Mar-14
 Emergency Track Stabilization at Mile Post 206.8 Project R	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	\$23.3	N/A	N/A	N/A	N/A	N/A	Sep-22	Oct-22	Aug-23
San Juan Capistrano Passing Siding	\$25.3	Aug-11	Jan-13	Mar-15	May-16	May-16	Aug-16	Dec-16	Feb-21
	\$33.2	Aug-11	Mar-14	Mar-15	Aug-18	Aug-18	Aug-18	Mar-19	Nov-20
 OC Streetcar Project S	\$595.8	Aug-09	Mar-12	Feb-16	Sep-17	Oct-17	Dec-17	Aug-18	Aug-25
	\$595.8	Aug-09	Mar-15	Feb-16	Nov-17	Dec-17	Dec-17	Sep-18	Aug-25
Transit Security and Operation Center (TSOC)	N/A	Jun-17	Jun-20	Jun-20	Oct-23	Nov-23	Jan-24	Sep-24	Sep-26
	\$77.8	Jun-17	Jun-20	Jun-20	Mar-24	Mar-24	Mar-24	Sep-24	Mar-27
 Placentia Metrolink Station and Parking Structure Project R	\$34.8	Jan-03	May-07	Oct-08	Jan-11	TBD	TBD	TBD	TBD
	\$40.1	Jan-03	May-07	Oct-08	Feb-11	TBD	TBD	TBD	TBD
 Orange County Maintenance Facility - ON HOLD Project R	TBD	Apr-20	Apr-22	TBD	TBD	TBD	TBD	TBD	TBD
	TBD	Apr-20	Nov-23	TBD	TBD	TBD	TBD	TBD	TBD
 Irvine Station Improvements - ON HOLD Project R	TBD	Jan-22	TBD	TBD	TBD	TBD	TBD	TBD	TBD
	TBD	Jan-22	TBD	TBD	TBD	TBD	TBD	TBD	TBD
Anaheim Canyon Station	\$27.9	Jan-16	Dec-16	Mar-19	May-19	May-19	Jul-19	Nov-19	Jan-23
	\$34.2	Jan-16	Jun-17	Mar-18	Oct-20	Oct-20	Oct-20	Mar-21	Jan-23
Orange Station Parking Expansion	\$33.2	Dec-09	Dec-12	Nov-10	Apr-13	Jul-16	Jul-16	Nov-16	Feb-19
	\$30.9	Dec-09	May-16	Nov-10	Apr-16	Jul-16	Jul-16	Jun-17	Feb-19

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Capital Projects	Cost	Schedule							
	Baseline/Forecast	Plan/Forecast							
	(millions)	Begin Environmental	Complete Environmental	Begin Design	Complete Design	Construction Ready	Advertise Construction	Award Contract	Complete Construction
Fullerton Transportation Center - Elevator Upgrades	\$3.5	N/A	N/A	Jan-12	Dec-13	Dec-13	Jun-14	Sep-14	Mar-17
	\$4.2	N/A	N/A	Jan-12	Dec-13	Dec-13	Aug-14	Apr-15	May-19
Anaheim Regional Transportation Intermodal Center	\$227.4	Apr-09	Feb-11	Jun-09	Feb-12	Feb-12	May-12	Jul-12	Nov-14
Project R & T	\$232.2	Apr-09	Feb-12	Jun-09	May-12	May-12	May-12	Sep-12	Dec-14

Note: Costs associated with landscape projects are included in respective freeway projects.

Grey = Milestone achieved

Green = Forecast milestone meets or exceeds plan

Yellow = Forecast milestone is one to three months later than plan

Red = Forecast milestone is over three months later than plan

Begin Environmental: The date work on the environmental clearance, project report, or preliminary engineering phase begins.

Complete Environmental: The date environmental clearance and project approval is achieved.

Begin Design: The date final design work begins, or the date when a design-build contract begins.

Complete Design: The date final design work is 100 percent complete and approved.

Construction Ready: The date contract bid documents are ready for advertisement, including certification of right-of-way, all agreements executed, contract constraints are cleared.

Advertise for Construction: The date a construction contract is both funded and advertised for bids.

Award Contract: The date the construction contract is awarded.

Construction Complete: The date all construction work is completed and the project is open to public use.

Acronyms

I-5 - Santa Ana Freeway (Interstate 5)

SR-73 - San Joaquin Freeway (State Route 73)

I-405 - San Diego Freeway (Interstate 405)

SR-55 - Costa Mesa Freeway (State Route 55)

SR-57 - Orange Freeway (State Route 57)

SR-91 - Riverside Freeway (State Route 91)

SR-241 - Foothill/Eastern Transportation Corridor (State Route 241)

SR-71 - Corona Freeway (State Route 71)

I-605 - San Gabriel River Freeway (Interstate 605)

SR-22 - Garden Grove Freeway (State Route 22)

HOV - high-occupancy vehicle

Capital Programs Division Fiscal Year 2024-25 Performance Metrics Through September 2024

Begin Environmental

Project Description	FY 25 Qtr 1		FY 25 Qtr 2		FY 25 Qtr 3		FY 25 Qtr 4		FY 25
	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst
No "Begin Environmental" milestones scheduled for fiscal year (FY) 2024-25									
Total Forecast/Actual	0	0	0	0	0	0	0	0	0

Complete Environmental

Project Description	FY 25 Qtr 1		FY 25 Qtr 2		FY 25 Qtr 3		FY 25 Qtr 4		FY 25
	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst
SR-91 Eastbound Corridor Operations Project (SR-241 to SR-71)							X		
Total Forecast/Actual	0	0	0	0	0	0	1	0	1

Begin Design

Project Description	FY 25 Qtr 1		FY 25 Qtr 2		FY 25 Qtr 3		FY 25 Qtr 4		FY 25
	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst
No "Begin Design" milestones scheduled for FY 2024-25									
Total Forecast/Actual	0	0	0	0	0	0	0	0	0

Complete Design

Project Description	FY 25 Qtr 1		FY 25 Qtr 2		FY 25 Qtr 3		FY 25 Qtr 4		FY 25
	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst
SR-57 Northbound (NB), Orangewood Avenue to Katella Avenue	X	✔							
I-5, Yale Avenue to SR-55	X	✔							
SR-91, Acacia Street to La Palma Avenue (Segment 3)			X						
I-5, I-405 to Yale Avenue			X						
I-5, SR-73 to El Toro Road (Landscape)					X				
SR-91, La Palma Avenue to SR-55 (Segment 2)					X				
91 Express lanes to SR-241 Toll Connector					X				
Total Forecast/Actual	2	2	2	0	3	0	0	0	7

Construction Ready

Project Description	FY 25 Qtr 1		FY 25 Qtr 2		FY 25 Qtr 3		FY 25 Qtr 4		FY 25
	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst
I-605, I-605/Katella Interchange	X								
SR-57 NB, Orangewood Avenue to Katella Avenue					X				
I-5, Yale Avenue to SR-55					X				
I-5, I-405 to Yale Avenue							X		
SR-91, Acacia Street to La Palma Avenue (Segment 3)							X		
91 Express lanes to SR-241 Toll Connector							X		
I-5, SR-73 to El Toro Road (Landscape)							X		
Total Forecast/Actual	1	0	0	0	2	0	4	0	7

Capital Programs Division

Fiscal Year 2024-25 Performance Metrics Through September 2024

Advertise Construction

Project Description	FY 25 Qtr 1		FY 25 Qtr 2		FY 25 Qtr 3		FY 25 Qtr 4		FY 25
	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst
I-605, I-605/Katella Interchange			X						
Total Forecast/Actual	0	0	1	0	0	0	0	0	1

Award Contract

Project Description	FY 25 Qtr 1		FY 25 Qtr 2		FY 25 Qtr 3		FY 25 Qtr 4		FY 25
	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst
Transit Security and Operations Center (TSOC)	X	✔							
SR-91, SR-55 to Lakeview Avenue (Segment 1)			X						
I-605, I-605/Katella Interchange					X				
Total Forecast/Actual	1	1	1	0	1	0	0	0	3

Complete Construction

Project Description	FY 25 Qtr 1		FY 25 Qtr 2		FY 25 Qtr 3		FY 25 Qtr 4		FY 25
	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst
I-5, Oso Parkway to Alicia Parkway			X						
I-5, SR-73 to Oso Parkway					X				
I-5, Alicia Parkway to El Toro Road					X				
Total Forecast/Actual	0	0	1	0	2	0	0	0	3

Totals	4	3	5	0	8	0	5	0	22
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Begin Environmental: The date work on the environmental clearance, project report, or preliminary engineering phase begins.

Complete Environmental: The date environmental clearance and project approval is achieved.

Begin Design: The date final design work begins or the date when a design-build contract begins.

Complete Design: The date final design work is 100 percent complete and approved.

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I-405 - San Diego Freeway (Interstate 405)

SR-73 - San Joaquin Freeway (State Route 73)

I-605 - San Gabriel River Freeway (Interstate 605)

X = milestone forecast in quarter

✔ = milestone accomplished in quarter



November 4, 2024

To: Executive Committee
From: Darrell E. Johnson, Chief Executive Officer
Subject: Measure M2 2024 Update: Next 10 Delivery Plan

A handwritten signature in blue ink, appearing to read "Darrell Johnson", is written over the "From:" line of the header.

Overview

The Measure M2 Next 10 Delivery Plan aims to strategically deliver Measure M2 freeway, roadway, transit, and environmental projects. A comprehensive review of the M2 Next 10 Delivery Plan was recently conducted to incorporate updates to the Measure M2 sales tax revenue forecast, external funding assumptions, and project information. As a result of this review, staff has prepared the 2024 update of the Measure M2 Next 10 Delivery Plan. The 2024 update verifies the realization of Measure M2 near-term commitments through fiscal year 2033-34, maintains fiscal sustainability, and strives to deliver transportation benefits expeditiously to the benefit of the Orange County community. The draft update is presented to the Board of Directors for review and approval.

Recommendations

- A. Adopt the 2024 Measure M2 Next 10 Delivery Plan.
- B. Direct staff to continue to work with Metrolink to develop a financially sustainable service plan.
- C. Direct staff to continue monitoring revenue and project cost shifts that could affect the delivery plan and, if necessary, report to the Board of Directors with changes.

Background

On November 7, 2006, Orange County voters, by nearly 70 percent, approved the Renewed Measure M (M2) Transportation Investment Plan (Plan), a one half-cent sales tax for transportation improvements. Effective in 2011, the Plan provides a 30-year program of investments across a broad range of transportation and environmental initiatives and a governing ordinance that defines the requirements for implementing the Plan. Ordinance No. 3 (M2 Ordinance) designates the Orange County Transportation Authority (OCTA) as responsible for administering the Plan and ensuring that OCTA's contract with

the voters is followed. The M2 Plan defines the general scope of the programs and projects that are to be delivered within four primary categories: freeways, streets and roads, transit, and environmental programs. The M2 Plan summary page is included as Attachment A.

OCTA is committed to delivering the programs and projects in the M2 Plan, fulfilling the promises made to voters. Fulfilling this commitment began with the development of delivery plans to expedite the implementation of M2 projects and programs. The delivery plans validate OCTA's ability to deliver the M2 Plan consistent with commitments to voters, outline a near-term work plan to promote effectiveness and efficiency, establish a common understanding among M2 stakeholders, set a baseline upon which future changes are measured, and provide the basis for the preparation of OCTA's budgets and financial plans for capital projects. To date, the Board of Directors (Board) has adopted three types of delivery plans:

- The 2007 Early Action Plan to mobilize the M2 Plan;
- The 2012 M2020 Plan to outline a delivery plan through 2020;
- The 2016 Next 10 Delivery Plan (Next 10 Plan) replaced the M2020 Plan and addressed economic changes and impacts to M2 Plan delivery.

Since 2016, the Next 10 Plan has been regularly updated. The latest update of the Next 10 Plan was presented to the Board in November 2023 and spanned fiscal year (FY) 2022-23 to FY 2031-32. The Next 10 Plan is intended to be a living document with delivery time frames that shift every two years to ensure the outlook on revenues, project costs, and delivery schedules remain current and provide a path forward. The draft 2024 update of the Next 10 Plan spans FY 2024-25 to FY 2033-34.

OCTA receives annual updates to the M2 sales tax revenue forecasts; the most recent update was presented to the Board on October 14, 2024. Sales tax collections for FY 2023-24 decreased by 1.8 percent to \$431 million, compared to the prior FY. The 2024 M2 sales tax revenue forecast is estimated to be \$14 billion over the 30-year span of the measure. The latest estimate represents a 5.4 percent decrease from what was included in the 2023 Next 10 Plan. In the long term, the revenue forecasts assume an annual average growth rate of approximately 3.2 percent. While a reduction in sales tax revenues affects all M2 programs, in most areas of the M2 Plan, programs can be scaled to available revenues. The M2 Freeway Program does not have the same flexibility because the general scope of the promised project is defined.

OCTA also monitors construction market conditions key indicators to provide insight on potential construction cost drivers that could affect projects delivered within the Next 10 Plan timeframe. On October 28, 2024, the latest market conditions analysis and forecast was presented to the Board, indicating a

tempering of inflationary pressures in 2025, 2026, and 2027, and a softening macroeconomy. This is due to a decline in residential building permits, an increase in California unemployment rates, and an increase in the cost of construction materials and labor.

Discussion

The 2024 Next 10 Plan, as well as prior delivery plans, were developed based on three fundamental principles: fulfill the commitment to voters, ensure fiscal sustainability, and implement projects and programs effectively and expeditiously. OCTA implements these principles in the following manner. First, the annual review of the Next 10 Plan tests and validates whether the complete M2 Plan can be delivered consistent with the commitments to voters. Second, financial analysis of the latest revenue forecast and project information ensures that the rate of expenditures is financially sustainable and that M2 can withstand economic fluctuations over the life of M2 through 2041. Third, the Next 10 Plan aims to implement projects and programs pragmatically and expeditiously so the public can realize the benefits of M2 as early as possible.

The 2024 update of the Next 10 Plan, included as Attachment B, incorporates the \$14 billion 2024 M2 sales tax revenue forecast, committed external revenues, and refined project information. Through this effort, OCTA can confirm that the M2 Plan remains deliverable; however, this update continues to emphasize that Metrolink operations require close monitoring. Additional details on Metrolink are included under the transit section of this report. The 2024 update also continues progress on near-term projects and prepares additional projects for delivery while optimizing the level of debt financing, which assumes no additional bond issuances through 2041.

Sales tax revenues and market pressures will continue to fluctuate due to unpredictable changes in the economy. OCTA will also need to monitor and manage regulatory risks. However, these uncertainties do not alter the M2 commitments. Some of the strategies that OCTA will continue to employ to uphold voter-commitments include using innovative project delivery methods, managing the scope and cost of remaining freeway projects in conjunction with the California Department of Transportation, working proactively with stakeholders and communities, continuing to closely monitor market conditions, and pursuing external grants to supplement M2 funds.

The 2024 Next 10 Plan outlines an investment of approximately \$5.6 billion to improve the local transportation system from FY 2024-25 through FY 2033-34 (Attachment C); the planned deliverables along with progress to date are included as Attachment D. The following sections provide a brief overview of what is included in the 2024 Next 10 Plan.

Freeway Program

The M2 Freeway Program consists of 13 projects listed in the M2 Plan, which have been subdivided into 30 project segments for delivery purposes. The included projects have defined project scopes and cannot be scaled to available revenue. As of June 2024, 14 project segments have been completed, four are in construction, and eight are progressing in final design/readying for construction. The remaining three project segments are currently in various stages of project development. With this progress, OCTA remains on track to complete 27 of the 30 freeway projects, effectively 90 percent of the M2 Freeway Program by 2030, ten years in advance of the M2 Plan horizon. This outcome fulfills the goal of delivering project benefits early, despite extraordinary financial and regulatory challenges.

Included in the M2 Freeway Program is the Environmental Mitigation Program (EMP). OCTA has purchased seven properties and is addressing the balance of the freeway program mitigation needs through restoration projects on 12 publicly owned properties. The 2024 Next 10 Plan accounts for the recurring costs for the management and support of the EMP, as well as an annual deposit of approximately \$2.9 million to fund a non-wasting endowment to maintain the purchased properties. While the performance of the endowment fund may affect the timeframe for full funding, current projections indicate that OCTA remains on track to meet the endowment target of \$46.2 million in FY 2027-28. Regular reports on the status of the endowment are provided to the Board as a standalone item.

Streets and Roads Program

The M2 streets and roads elements are programmatic and scale to available revenues. The M2 Streets and Roads Program includes three programs: Regional Capacity Program (RCP {Project O}), Regional Traffic Signal Synchronization Program (RTSSP {Project P}), and the Local Fair Share Program (Project Q). The RCP makes funding available on an annual basis to address roadway bottlenecks and close gaps in the regional roadway network. The RTSSP provides ongoing funding support to ensure a network of 2,000 intersections across the County remains coordinated to minimize stop-and-go traffic. Lastly, the Local Fair Share Program will continue to provide flexible funding to local jurisdictions to improve and maintain streets or for other local transportation priorities including residential street projects, bicycle trails, sidewalks, or community transit services. The assumptions for the funding of the three programs remain on a pay-as-you-go basis. The 2024 Next 10 Plan assumes annual calls for projects (call) for Project O and Project P, as well as provide a reliable, flexible funding source for local jurisdictions for transportation improvements through 2041.

Transit Program

The M2 Transit Program includes funding for Metrolink operations, station and infrastructure improvements (Project R), implementation of the OC Streetcar (Project S), expanded mobility for seniors and persons with disabilities (Project U), funding for community-based transit circulators (Project V), and enhanced passenger amenities for Orange County's busiest transit stops (Project W).

Close monitoring of Metrolink operations is necessary to ensure sustainability through 2041. Metrolink ridership recovery continues to struggle, which impacts farebox revenues and cost recovery. To exacerbate this shortfall, operating costs have also increased. The 2024 Next 10 Plan cashflow includes the assumption of Transit and Intercity Rail Program formula funds to help sustain Metrolink operations. However, without changes in service levels, ridership growth, and operations and rehabilitation costs or additional external funds, the current service cannot be sustained beyond FY 2037-38. On October 21, 2024, Metrolink implemented a new pilot train schedule which offers increased frequency, better connections, and increased service during weekdays. This optimized schedule aims to address service gaps and make the most efficient use of equipment and crews as Metrolink adjusts the focus from commuter rail to regional rail in an effort to broaden their market and increase ridership. OCTA will continue to actively engage with Metrolink and the other member agencies to monitor ridership levels and the financial impacts to M2.

Railroad track stabilization efforts in south Orange County have become a major focus area, given their importance to the continued operation of Metrolink in Orange County. While emergency work has been completed and service has resumed, long-term solutions must be developed to ensure the ability to provide reliable rail service in this portion of the County. In partnership with key stakeholders, a planning study is currently underway to identify and evaluate immediate as well as short- and medium-term solutions with the goal of protecting the rail line in place. A separate study will follow to assess potential long-term solutions, which may include relocation of the rail line. The California State Transportation Agency has committed to lead the long-term study to plan for future investments necessary to ensure a resilient Los Angeles-San Diego-San Luis Obispo (LOSSAN) rail corridor. As these studies progress, future updates to the Next 10 Plan will incorporate more current information.

Project S, transit extensions to Metrolink, funds the capital and long-term operating cost of the OC Streetcar, which is slated to be operational in late 2025. OCTA continues to actively manage the contractor to advance the project, however challenges and risks remain. Staff, in coordination with the Federal Transit Administration, have continued to assess the remaining schedule and cost risks.

Project U is made up of three programs: Senior Mobility Program, Senior Non-Emergency Medical Transportation Program, and Fare Stabilization Program. While all three programs adjust to available revenue, the Fare Stabilization Program requires a minimum level of funding, which presented a challenge when sales tax revenues significantly decreased. OCTA proactively addressed this challenge with an early amendment to the M2 Ordinance to provide additional funding by transferring the savings from completed transit projects to this program. The 2024 Next 10 Plan projects adequate and stable funding for all three Project U programs through 2041.

Both Project V and Project W are funded on a pay-as-you-go basis. OCTA continues to communicate with local cities to support successful Project V services and to evaluate opportunities for future service additions. On September 13, 2024, the Board approved programming recommendations for the fifth Project V call, which allows successful services to continue or expand and funds some new services. Through Project W, OCTA will continue to have the capacity to invest in amenities at the County's busiest transit stops.

Environmental Cleanup Program

The Environmental Cleanup Program (ECP) also adjusts to available revenues and is funded on a pay-as-you-go basis. ECP projects prevent the flow of trash and debris into waterways. The 2024 Next 10 Plan assumes continued commitment to annual Tier 1 calls for water quality spot-improvement grants. Timing of Tier 2 calls for larger scale, system-level improvements will be evaluated based on project success, local jurisdiction interest, and detailed cash flow analysis.

Key Risks and Actions to Protect M2 Delivery

Delivering a major program such as M2 is not without challenges. OCTA remains cognizant and continues to monitor delivery risks. A table of risks is included on pages six through eight in Attachment B, with the two key risks highlighted below.

- Financial – The 2024 30-year sales tax revenue forecast of \$14 billion represents a decrease compared to prior year forecast. As the M2 program matures, the delivery of more projects will reduce the likelihood of projects being impacted by economic fluctuations. However, it is important to recognize that 17 years of M2 delivery remain; outstanding M2 projects will need to contend with future financial impacts. Additionally, as M2 freeway projects are nearing completion of the design phase or in construction, project cost estimates have a higher level of engineering. As these project costs are revised, they will capture current material and labor costs which experienced extraordinarily high inflation from 2021 through 2023.

Current external funding commitments are assumed in the M2 cash flow for the 2024 Next 10 Plan, but prospects of future revenues for highway projects are uncertain. State transportation policies continue to shift towards projects that reduce automobile travel, which could affect access to currently programmed, as well as future, state funding opportunities for the M2 Freeway Program. These policies are more suited for the advancement of transit projects where OCTA has more flexibility in defining the scale of project scopes. However, external funding opportunities for transit capital projects are contingent on developing plans to sustain the ongoing operational cost of such services as the grants primarily fund the initial capital costs. As such, managing the costs of the near-term projects is critical. Future updates of the Next 10 Plan may include the outcome of transit project development activities to leverage external funding opportunities.

- **Regulatory** – Current state planning and project approval policies place great emphasis on reducing travel by automobile and encourage project alternatives that promote short trips where possible, such as travel by transit, bicycling or walking, and use of zero-emission vehicles. These requirements will affect the project environmental review process. The majority of M2 freeway projects, where this risk could manifest itself, have obtained the necessary approvals, but if the approvals require a review or revision, these new requirements could impact delivery. This risk is compounded by the fact that the current rules do not permit OCTA to take credit for M2-funded services such as regional rail service or community-based transit circulators as complementary measure to deliver balanced mobility solutions.
- **Climate** – Over the past several years, coastal storm surges, combined with several other environmental factors, have damaged the LOSSAN rail corridor. These events have required increased maintenance and emergency repairs to stabilize the rail infrastructure. The emergency repairs have also led to intermittent service loss and delays. Although the affected portion of the railroad tracks in the City of San Clemente is located in Orange County, this rail corridor is vital for Metrolink, state-supported intercity rail (Pacific Surfliner), freight connection to the Port of San Diego, and plays a strategic role in the operations of Camp Pendleton. The long-term solution will require collaboration from key stakeholders to develop and implement. OCTA will be an active participant in the process; future implications to M2 with respect to service levels or costs are unknown at this time.

Updated revenue assumptions and commitments result in a delivery plan that ensures the M2 promises to voters are upheld. This balanced plan not only allows OCTA to maintain current commitments but will also allow OCTA to weather reasonable changes to cost or revenues in the future while reducing reliance on debt financing.

Summary

Staff has reviewed and updated the Next 10 Plan with the \$14 billion sales tax revenue forecast, revised external funding, and refined project information. Strategic financial decisions to date result in a delivery plan that fulfills OCTA’s commitment to the voters of Orange County. The 2024 updated Next 10 Plan is presented for Board review and approval.

Attachments

- A. Measure M Investment Summary
- B. 2024 Update, Next 10 Delivery Plan, 2025-2034, Draft
- C. 2024 Updated Next 10 Delivery Plan, Measure M2 Investments
- D. 2024 Updated Next 10 Delivery Plan, Progress on Deliverables

Prepared by:



Francesca Ching
Section Manager,
Measure M2 Program Management Office
(714) 560-5625

Approved by:



Kia Mortazavi
Executive Director, Planning
(714) 560-5741



Measure M Investment Summary

LOCATION		PROJECTS	COSTS 2005 estimates in millions	
Freeway Projects (in millions)			\$4,871.1	
I-5	Santa Ana Freeway Interchange Improvements	A	\$470.0	
I-5	Santa Ana/San Diego Freeway Improvements	B C D	1,185.2	
SR-22	Garden Grove Freeway Access Improvements	E	120.0	
SR-55	Costa Mesa Freeway Improvements	F	366.0	
SR-57	Orange Freeway Improvements	G	258.7	
SR-91	Riverside Freeway Improvements	H I J	908.7*	
I-405	San Diego Freeway Improvements	K L	1,392.5*	
I-605	Freeway Access Improvements	M	20.0	
All	Freeway Service Patrol	N	150.0	
Streets & Roads Projects (in millions)			\$3,625.0	
	Regional Capacity Program	O	\$1,132.8	
	Regional Traffic Signal Synchronization Program	P	453.1	
	Local Fair Share Program	Q	2,039.1	
Transit Projects (in millions)			\$2,832.0	
	High Frequency Metrolink Service	R	\$1,129.8*	
	Transit Extensions to Metrolink	S	1,000.0	
	Metrolink Gateways	T	57.9*	
	Expand Mobility Choices for Seniors and Persons with Disabilities	U	392.8*	
	Community Based Transit/Circulators	V	226.5	
	Safe Transit Stops	W	25.0	
Environmental Cleanup (in millions)			\$237.2	
	Clean Up Highway and Street Runoff that Pollutes Beaches	X	\$237.2	
Taxpayer Safeguards and Audits (in millions)			\$296.6	
	Collect Sales Taxes (State charges required by law)		\$178.0	
	Oversight and Annual Audits		118.6	
Total (2005 dollars in millions)			\$11,861.9	

*Asterisk notes project estimates that have been amended since 2006.

DRAFT

NEXT 10

DELIVERY PLAN

2025-2034



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UPDATE

On November 12, 2024, the Orange County Transportation Authority (OCTA) Board of Directors (Board) will consider adoption of the Draft 2024 Updated Next 10 Delivery Plan (Next 10 Plan). The 2024 update shifts the timeframe of the Next 10 Plan from fiscal year (FY) 2022-23 through FY 2031-32 to FY 2024-25 through FY 2033-34. As such, commitments have been reviewed and adjusted accordingly. The draft 2024 Updated Next 10 Plan also incorporates refined project information including cost estimates, schedules, and available external funding.

Printed November 2024

For the latest version of the Next 10 Plan,
including any edits or corrections,
please visit: www.octa.net/Next10

For status updates on M2 projects and programs,
including quarterly progress reports,
please visit: www.octa.net/m2

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24
UPDATE

NEXT 10

OC
GO

DELIVERY PLAN

I. DEVELOPMENT OF NEXT 10 PLAN

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1.1. Introduction

Voters initially endorsed Measure M (M1) in 1990 with a sunset in 2011. On November 7, 2006, Orange County voters, by a margin of 69.7 percent, approved the Renewed Measure M (M2) Transportation Investment Plan (Plan) to continue the one-half cent sales tax for transportation improvements. With the approval of M2, the voters agreed to a continued investment of local tax dollars in Orange County's transportation infrastructure for another 30 years to 2041.

Since M2 (also branded externally as OC Go) approval, the OCTA Board has continued to pursue the expeditious implementation of M2 through the adoption of delivery plans. These delivery plans validate OCTA's ability to deliver the entire slate of M2 Plan elements, outline a near-term work plan to promote effectiveness and efficiency, establish a common understanding among M2 stakeholders, set a baseline upon which future changes are measured, and provide the basis for the preparation of OCTA's annual budgets for capital projects. They are developed based on three fundamental principles: to fulfill the commitments as promised to the voters, ensure fiscal sustainability, and implement projects and programs effectively and expeditiously. The goal is to bring transportation improvements to Orange County residents and commuters earlier, and as appropriate, address changes in sales tax revenue projections through strategic financing and augmenting the M2 Program with external revenue.

To date, there have been three delivery plans: Early Action Plan (EAP) adopted in 2007, M2020 Plan adopted in 2012 (intended to go through 2020), and the Next 10 Plan adopted on November 14, 2016. Due to significant changes in sales tax revenue projections, the M2020 Plan was replaced after four years with the Next 10 Plan that covered FY 2016-17 through FY 2025-26. The Next 10 Plan was last updated in 2023 and spanned FY 2022-23 to FY 2031-32. The intent is for the Next 10 Plan to be a living document with delivery time frames shifted every two years to ensure revenue and project information stay current. The 2024 update spans FY 2024-25 to FY 2033-34.

To ensure and reconfirm the ability to deliver M2 through 2041, annual reviews and updates of the Next 10 Plan have taken place incorporating changes in sales tax revenue forecast assumptions, external revenue, and project cost and schedule refinement.

A summary of the adopted Next 10 Plan and annual updates of the base assumptions follow:

- The 2016 adopted Next 10 Plan set M2 project and program priorities based on a revenue forecast of \$14.2 billion through 2041. The Next 10 Plan revenues were augmented by net excess 91 Express Lanes revenue, in an amount not to exceed the project costs for two eligible projects on State Route 91 (SR-91) – Project I between State Route 57 (SR-57) and State Route 55 (SR-55) and Project J between State Route 241 (SR-241) and the Riverside County Line. Net excess 91 Express Lanes revenue is designated for improvements on the SR-91 corridor.

- The 2017 update incorporated a revised \$13.5 billion revenue forecast and required bonding adjustments and inclusion of the full amount of eligible excess 91 Express Lanes revenue. The update also designated Project I as one of the priority projects for advancement through construction.
- The 2018 update incorporated a revised \$13.1 billion revenue forecast offset by an early \$300 million increase in captured external revenue. The update also responded to construction market concerns of potential project cost increases in the freeway program by incorporating a program level line item for economic uncertainty to ensure OCTA could weather fluctuations in M2 revenue receipts. The 2018 update anticipated up to four bond issuances during the Next 10 Plan period to accommodate market changes if necessary.
- The 2019 update incorporated a revised \$13.4 billion revenue forecast, which was the first increase in the M2 forecast since 2014. The increase was driven by the growing economy and the implementation of the Wayfair decision in California. The Wayfair related legislation enabled the collection of sales tax for out-of-state transactions. As a result of the decision, increased sales tax receipts were incorporated in the short-term forecast provided by MuniServices, LLC, which increased the overall long-term forecast.
- The 2020 update incorporated a revised \$11.6 billion revenue forecast, the lowest since M2 inception. The substantial decrease was driven by uncertainties regarding the economic impacts of the coronavirus (COVID-19) pandemic. The update also shifted the time frame from FY 2016-17 through FY 2025-26 to FY 2020-21 through FY 2029-30 for more strategic, forward-thinking planning and adjusted commitments as appropriate. To maintain progress on near-term projects and ready additional projects for delivery per Board direction, one bond issuance was anticipated.
- The 2021 update incorporated a revised \$13.2 billion revenue forecast. While the COVID-19 pandemic negatively impacted sales tax revenues through the first half of FY 2020-21, the second half of the FY showed tremendous growth as the Orange County economy began emerging from the pandemic. Sales tax collections for FY 2021-22 grew by 8.6 percent to \$345 million. As a result of higher sales tax collections, the 2021 update reduced the amount of the one bond issuance anticipated.
- The 2022 update incorporated a revised \$15 billion revenue forecast. Orange County's economy continued to strongly emerge from the COVID-19 pandemic. Sales tax collections for FY 2021-22 grew by 23 percent to \$424 million. As a result of the higher sales tax collections, the 2022 update eliminated the one bond issuance with no additional bonding anticipated through 2041.
- The 2023 update incorporated a revised \$14.8 billion revenue forecast. Although sales tax collections for FY 2022-23 grew by 3.35 percent to \$439 million, which is the highest annual sales tax collection for M2, construction market conditions indicate a tempering inflationary environment. The 2023 update maintained no additional bonding assumptions through 2041.

1.2. 2024 Review

The 2024 M2 sales tax revenue forecast of \$14.0 billion was presented to the Board on October 14, 2024. This represents a -5.4 percent, or a \$800 million decrease from what was assumed in the 2023 Next 10 Plan. Sales tax collections for FY 2023-24 decreased by 1.8 percent to \$431 million, compared to the prior FY. Future year annual growth rates are forecasted to average approximately 3.2 percent. While a reduction in sales tax revenues affects the M2 Program as a whole, in most areas of the M2 Plan, programs can be scaled to available revenues.

Staff has reviewed and updated the cash flow for the complete M2 Plan of projects and programs. The 2024 update incorporates the latest M2 sales tax revenue forecast, current programmed external revenues, revised bonding assumptions, and refined project information. Through this process, staff confirms that the M2 Program remains deliverable; however, this update continues to emphasize that Metrolink operations require close monitoring.

1.3. Next 10 Plan Delivery Risks

Delivering a major program such as M2 is not without challenges. OCTA remains cognizant and continues to monitor delivery risks. Three key risks are highlighted below.

Financial – The 2024 sales tax revenue forecast of \$14.0 billion represents a \$800 million year-over-year decrease. While this may not affect the M2 programs that can scale to available revenue, programs that cannot do so easily such as Metrolink may be impacted. Additionally, 17 years of M2 delivery remain; fluctuations in economic conditions may affect future sales tax revenue forecasts.

Current external funding commitments are assumed in the M2 cash flow for the 2024 Next 10 Plan, but prospects of future revenues for highway projects are uncertain. State transportation policies continue to shift towards projects that reduce automobile travel, which could affect access to currently programmed as well as future state funding opportunities for the M2 Freeway Program.

Regulatory – Current state planning and project approval policies place great emphasis on reducing travel by automobile and encourage project alternatives that promote short trips where possible, travel by transit, bicycling or walking, and use of zero-emission vehicles. These requirements will affect the project environmental review process. The majority of M2 freeway projects, where this risk would manifest itself, have obtained the necessary approvals, but if the approvals require a review or revision, these new requirements could impact delivery.

Climate – Over the past several years, coastal storm surges, combined with several other environmental factors, have damaged the Los Angeles – San Diego - San Luis Obispo rail corridor. These events required increased maintenance and emergency repairs to stabilize the rail infrastructure. The emergency repairs have also led to intermittent service loss and delays. Although the affected portion of the railroad tracks in the City of San Clemente is located in Orange County, this rail corridor is vital for State-supported intercity rail (Pacific Surfliner), freight connection to the Port of San Diego, and plays a strategic role in the operations of Camp Pendleton. The long-term solution will require collaboration from key stakeholders to develop and implement. OCTA will be an active participant in the process; future implications to M2 with respect to service levels or costs are unknown at this time.

A summary of risks, explanations, and suggested management actions are included in Exhibit 1. These are tracked, updated, and included in the M2 Quarterly Progress Reports presented to the Board throughout the year.

EXHIBIT 1: SUMMARY OF DELIVERY RISKS

Risk		Explanation	Action
	Moderate		One to Watch
Financial			
1	Sales tax revenues are driven by economic conditions. The 2024 M2 revenue forecast is \$14.0 billion, which represents a \$800 million (-5.4 percent) year-over-year decrease from the 2023 forecast.	While the 2024 M2 sales tax revenue forecast is lower, in most areas of the M2 Plan, programs can be scaled to available revenues. Additionally, 17 years of M2 delivery remain and fluctuations in economic conditions may affect future revenue projections.	Staff will continue to monitor sales tax revenue receipts to ensure delivery of M2 as promised to voters.
2	Reduced external funding opportunities for the M2 freeway program.	State and federal priorities continue to shift and favor projects that reduce automobile travel, which could affect access to currently programmed as well as future external funding opportunities for the M2 freeway projects.	Current external funding commitments are assumed in the M2 cash flow for the 2024 Next 10 Plan, but prospects of future revenues for freeway projects are low.
3	Potential for an environment of increasing cost for M2 capital projects.	The fall 2024 update of the Next 10 Plan Market Conditions Forecast and Risk Analysis anticipates a tempering of inflationary pressures in 2025, 2026, and 2027, and a softening macroeconomy. This is due to a decline in building permits and an increase in California unemployment rates. Additionally, construction materials costs and labor have increased.	The Next 10 Plan Market Conditions Forecast and Risk Analysis report is updated biannually and provides a three-year look ahead. OCTA will continue to monitor bid results and market conditions affecting project costs.
4	Schedule and scope changes on capital projects that impact delivery and project costs.	Changes as a result of updated highway standards, new regulatory requirements, or issues identified in the field may impact scope, schedule, and costs substantially.	OCTA will work closely with project partners and project contractors to limit changes in scope and schedules.

Risk	Explanation	Action
<p>5 Increase Southern California Regional Rail Authority (Metrolink) train service as an alternative to driving within the limits of available revenue.</p>	<p>COVID-19 altered travel behavior, which has affected ridership and farebox revenues. The cost of Metrolink service continues to grow as contracted rates increase, the system ages, track-sharing arrangements with BNSF Railway Company (BNSF) are revised, and new air quality requirements are implemented.</p>	<p>External funding (one-time federal funds through the Coronavirus Aid, Relief and Economic Security Act, Coronavirus Response and Relief Supplemental Appropriations Act, and Infrastructure Investment and Jobs Act) has helped alleviate some near-term financial concerns but increasing operational costs and slow ridership recovery affect long-term sustainability. OCTA will continue to work closely with Metrolink and member agencies to ensure cost increases are minimized, while continuing to seek external revenue.</p>
Resource		
<p>6 Substantial work underway in the region has resulted in significant demand for professional and skilled labor which may impact delivery given the volume of the M2 capital program.</p>	<p>The fall 2024 update of the Next 10 Plan Market Conditions Forecast and Risk Analysis reflects an increase in unemployment rates. This may temper costs and reduce delivery risk.</p>	<p>OCTA will monitor resources for professional and skilled labor needed for project delivery. Expert and timely coordination between OCTA and project partners is imperative to manage this risk.</p>
<p>7 New operational responsibilities with the OC Streetcar.</p>	<p>With the implementation of the OC Streetcar service, OCTA will be increasing its overall role in operations.</p>	<p>To ensure the success of the OC Streetcar, OCTA hired a streetcar operations manager with proven start-up experience to oversee start-up and daily operations. A contractor with extensive experience in operations of rail systems was selected to handle the startup and revenue operation phases.</p>

Climate			
8	Climate-related hazards could affect M2 investments.	OCTA has experienced hazards affecting M2 investments. Wildfires present a continual risk to the M2 Environmental Mitigation Program (EMP) Preserves and restoration projects that have not been completed and approved by the Wildlife Agencies. Additionally, tidal events, ocean currents and waves, storm surges, and slope movement affect OCTA's railroad track in south Orange County.	OCTA has developed Fire Management Plans (FMP) for the Preserves purchased as part of the M2 Freeway EMP. Additionally, OCTA has initiated a planning study to identify immediate as well as short- and medium-term solutions to address rail infrastructure protection in south Orange County.
Regulatory			
9	Changing federal and state directives could affect M2 freeway project approvals.	Current state planning and project approval policies place great emphasis on reducing travel by automobile and encourage project alternatives that promote short trips where possible, travel by transit, bicycling or walking, and use of zero-emission vehicles. These requirements will affect the project environmental review process.	The majority of M2 freeway projects, where this risk would manifest itself, have obtained the necessary approvals. If the approvals require a review or revision, these new requirements could impact delivery.

1.4. Guiding Principles

During the development of the EAP, guiding principles were established that set direction for staff on establishing priorities for freeway project delivery. These guiding principles continue to instruct us and were used to identify projects to recommend moving from the environmentally cleared/shelf-ready list to advancement through construction.

- Project Readiness
- Congestion Relief and Demand
- External Funding Availability
- Public Opinion and Support
- Project Sequencing and Connectivity
- Project Duration

1.5. Updated Next 10 Plan Deliverables

Significant M2 progress and accomplishments have been made since 2007. The 2024 update of the Next 10 Plan confirms that M2 can be delivered consistent with the commitment to voters, however, Metrolink operations still require close monitoring. To outline a near-term work plan to promote effectiveness and efficiency, ten deliverables on program and project delivery have been defined during the ten-year period from FY 2024-25 through FY 2033-34, equating to approximately \$5.6 billion invested to improve the local transportation system.

Freeways

1. Deliver 13 freeway improvement projects through construction (Projects A-M).

Status: The M2 Freeway Program is currently made up of 30 projects/project segments of which 14 have been completed to date. Deliverable 1 includes 13 projects to be delivered through construction. Exhibit 2 reflects the projects along with latest phase, schedule and cost information. For more details, see updates in Section 2.1.

EXHIBIT 2: PHASE, SCHEDULE, AND COST FOR DELIVERABLE 1 PROJECTS

In Construction		Construction Complete	Cost*
1. Project C, D	Interstate 5 (I-5) between State Route 73 (SR-73) and Oso Parkway/Avery Parkway Interchange	2025	\$229.4
2. Project C, D	I-5 between Oso Parkway and Alicia Parkway/ La Paz Road Interchange	2024	\$230.3
3. Project C	I-5 between Alicia Parkway and El Toro Road	2024	\$209.3
Project C, D	I-5 between SR-73 and El Toro Road Landscaping	2027	\$12.4
4. Project F	SR-55 between Interstate 405 (I-405) and I-5	2027	\$505.7
		Subtotal	\$1,187.1
In Design		Construction Complete	Cost*
5. Project B	I-5 between I-405 and Yale Avenue	2029	\$230.5
6. Project B	I-5 between Yale Avenue and SR-55	2029	\$258.2
7. Project F	SR-55 between I-5 and SR-91	2029	\$131.3
8. Project G	SR-57 Northbound from Orangewood Avenue to Katella Avenue	2028	\$114.9
9. Project I	SR-91 between SR-55 and Lakeview Avenue	2028	\$134.0
10. Project I	SR-91 between La Palma Avenue and SR-55	2030	\$208.4

In Design		Construction Complete	Cost*
11. Project I	SR-91 between Acacia Street and La Palma Avenue	2029	\$238.5
12. Project M	I-605 Katella Avenue Interchange	2026	\$49.7
		Subtotal	\$1,365.5
In Environmental		Construction Complete	Cost*
13. Project J	SR-91 between SR-241 and Orange/Riverside County Line	2030	\$161.8 ^{1,2}
		Deliverable 1 Total	\$2,714.4

*Cost in millions

The completion of these 13 projects will bring the total number of completed projects to 27 by 2030, which equates to approximately 90 percent of the M2 Freeway Program. For more details, see program updates in Section 2.1.

2. Prepare remaining freeway improvement projects for delivery (Projects A-M).

Status: The three remaining projects (of the 30 total) are environmentally cleared or on track to be cleared by 2034, making them shelf-ready for future advancement. Exhibit 3 reflects these projects with updated environmental clearance schedules and estimated costs. For more details, see program updates in Section 2.1.

EXHIBIT 3: ENVIRONMENTAL CLEARANCE SCHEDULE AND COST FOR DELIVERABLE 2 PROJECTS

Remaining Projects		Environmentally Clear Shelf-Ready	Cost*
1. Project D	I-5 El Toro Road Interchange	2026	\$120.5 ^{2,1}
2. Project G	SR-57 Northbound from Lambert Road to Orange/Los Angeles County Line	2029	\$226.0 ²
3. Project L	I-405 between I-5 and SR-55	2018	\$269.6 ^{0,0}
		Remaining M2 Freeway Projects Total	\$616.1³⁰

*Cost in millions

¹ Project schedule and cost assumptions subject to change and are contingent on the outcome of the environmental review process, availability of funding, and coordination with RCTC.

² These cost estimates are preliminary and will be updated once the project alternative is selected at the completion of environmental clearance.

³ The total will be revised once the two remaining projects (Project D and G) have a selected project alternative and complete environmental clearance.

Streets and Roads

3. **Provide annual competitive funding opportunities for local jurisdictions to address bottlenecks and gaps in the street system (Project O), synchronize signals (Project P) and continue flexible funding to local jurisdictions to support pavement rehabilitation or other transportation needs as appropriate (Project Q).**

Status: Since inception, OCTA has awarded approximately \$556.6 million in competitive funding through the Regional Capacity Program (RCP {Project O}) and Regional Traffic Signal Synchronization Program (RTSSP {Project P}) through annual competitive calls for projects (call). Additionally, \$736.3 million^{4,5} in Local Fair Share (LFS {Project Q}) funds have been distributed to local jurisdictions. For more details, see program updates in Section 2.2.

Transit

4. **Maintain Metrolink service (Project R).**

Status: Project R provides funding for Metrolink operations and aims to increase rail services within the County and provide additional Metrolink service north of the City of Fullerton to the Los Angeles County Line. The program also provides for track improvements, the addition of trains and parking capacity, upgraded stations, and safety enhancements to allow cities to establish quiet zones along the tracks.

Close monitoring of Metrolink operations is necessary to ensure sustainability through 2041. The three lines serving Orange County currently operate 45 weekday trains, a 17 percent reduction from the 54 weekday trains operated prior to COVID-19. Metrolink ridership recovery continues to struggle, which impacts farebox revenues and cost recovery. To exacerbate this shortfall, operating costs have also increased. Without changes in service levels, ridership growth, and operations and rehabilitation costs or additional external funds, the current service cannot be sustained beyond FY 2037-38. OCTA will continue to actively engage with Metrolink and the other member agencies to monitor ridership levels and the financial impacts to M2.

Railroad track stabilization efforts in south Orange County have become a major focus area given its importance to continued operation of Metrolink in Orange County. While emergency work has been completed and service has resumed, long-term solutions need to be developed to ensure the ability to provide rail service in this portion of the County. In partnership with key stakeholders, a planning study is currently underway to identify and evaluate immediate as well as short- and medium-term solutions with the goal of protecting the rail line in place. A separate study will follow to assess potential long-term solutions, which may include relocation of the rail line. The California State Transportation Agency has committed to lead the long-term study to plan for future investments necessary to ensure a resilient LOSSAN corridor. As these studies progress, future updates to the Next 10 Plan will incorporate more current information.

⁴ Only includes disbursed funds. On May 28, 2024, the Board determined the City of Buena Park ineligible to receive net M2 revenues for five years pursuant to Section 10.4 of the M2 Ordinance. Disbursements of net M2 revenues have been suspended until the City of Buena Park reestablishes eligibility.

⁵ Only includes disbursed funds. On May 28, 2024, the Board determined the City of Orange ineligible to receive net M2 revenues. Disbursements of net M2 revenues have been suspended until the City of Orange achieves compliance and the Board reconsiders the matter at a future meeting.

Additionally, OCTA remains committed to delivering the Placentia Metrolink Station Project. However, the project is on hold pending a shared-use agreement between Metrolink and BNSF prior to advertisement and construction. There is no projected date for when this agreement will be completed at this time. OCTA will include project scope, schedule, and budget as they become available in future Next 10 Plan updates.

5. Complete construction, secure vehicles, begin operating the OC Streetcar, and work with local jurisdictions to consider recommendations from planning studies to guide development of future high-quality transit connections (Project S).

Status: The 4.15-mile OC Streetcar will serve the Santa Ana Regional Transportation Center (SARTC) through Downtown Santa Ana and the Civic Center to Harbor Boulevard in the City of Garden Grove. Activities underway include installation of all tracks and overhead contact system poles, continued installation of overhead wires, train warning, and gate systems, and continued construction of the Maintenance and Storage Facility (MSF). All eight cars are complete and are in storage at the vehicle manufacturer’s storage facility. Construction is anticipated to be complete to begin revenue operations in late 2025. For more details, see project updates in Section 2.3.

6. Support expanded mobility choices for seniors and persons with disabilities (Project U).

Status: Project U is comprised of three programs: the Senior Mobility Program (SMP), the Senior Non-Emergency Medical Transportation (SNEMT) Program, and the Fare Stabilization Program. Since inception, approximately \$134.7 million^{6,7} has been provided to these three programs. The SMP provides funding to participating cities to design and implement transit service that best fits the needs of seniors (60 and above) in their communities. The SNEMT Program provides funding to the County of Orange Office on Aging for senior (60 and above) transportation to and from medical appointments, dentists, therapies, exercise programs, testing, and other health-related trips at a low cost to the rider than would otherwise be available. The Fare Stabilization Program provides stable discounted fares for seniors and persons with disabilities by lowering the cost of riding transit. For more details, see program updates in Section 2.3.

7. Work with local jurisdictions to maintain successful community circulator projects and potentially provide grant opportunities for expanded or new local transit services (Project V).

Status: Since inception, OCTA has approved 49 projects and ten planning studies totaling approximately \$96.1 million through five calls. OCTA receives ridership reports from local agencies on a regular basis to monitor the success of awarded services against performance measures adopted by the Board. To date, 17 projects are active, 15 are planned, 13 have been cancelled (primarily due to low ridership), and four have been completed. Staff continues to work with local jurisdictions through letters of interest requests, workshops, Comprehensive Transportation Funding Program Guidelines revisions, calls, and cooperative agreement amendments to fine-tune this program and facilitate successful project implementation. For more details, see program updates in Section 2.3.

⁶ Only includes disbursed funds. On May 28, 2024, the Board determined the City of Buena Park ineligible to receive net M2 revenues for five years pursuant to Section 10.4 of the M2 Ordinance. Disbursements of net M2 revenues have been suspended until the City of Buena Park reestablishes eligibility.

⁷ Only includes disbursed funds. On May 28, 2024, the Board determined the City of Orange ineligible to receive net M2 revenues. Disbursements of net M2 revenues have been suspended until the City of Orange achieves compliance and the Board reconsiders the matter at a future meeting.

8. Continue to improve the top 100 busiest transit stops to enhance the customer experience (Project W).

Status: Through three calls, the Board has approved \$3.1 million to improve 122 city-initiated improvement projects at the busiest OCTA transit stops. The program is designed to ease transfers between bus lines and provide passenger amenities such as installation of bus benches or seating, shelters, improved lighting, and other passenger-related amenities. To date, 59 improvements have been completed, 53 improvements are in various stages of implementation, and ten improvements have been cancelled by the awarded agency. For more details, see program updates in Section 2.3.

Environmental

9. Ensure the ongoing preservation of purchased open space, which provides comprehensive mitigation of the environmental impacts of freeway improvements and higher-value environmental benefits in exchange for streamlined project approvals (Projects A-M).

Status: The M2 freeway EMP includes seven conservation properties (Preserves) totaling more than 1,300 acres and 12 restoration projects covering nearly 350 acres. In 2017, OCTA received biological resource permits after completing a state and federal Natural Community Conservation Plan/Habitat Conservation Plan (Conservation Plan) for the EMP, allowing streamlined project approvals for the M2 freeway improvement projects. The Conservation Plan also includes a streamlined process for coordination of streambed alteration agreements. In 2018, OCTA secured programmatic permits and assurances for federal and state clean water permitting requirements. Receipt of these permits represents the culmination of years of collaboration and support by the Board, environmental community, and regulatory agencies.

OCTA makes annual endowment deposits of approximately \$2.9 million. As of June 30, 2024, the endowment balance was \$28,424,735. While the performance of the endowment fund will affect the time frame for full funding, current projections indicate that OCTA is on track to meet the target of \$46.2 million in FY 2027-28. For more details, see program updates in Section 2.1.

10. Work with the Environmental Cleanup Allocation Committee (ECAC) to develop the next tiers of water quality programs to prevent the flow of trash, pollutants, and debris into waterways from transportation facilities. In addition, focus on improving water quality on a regional scale that encourages partnerships among the local agencies as part of the Environmental Cleanup Program (ECP) (Project X).

Status: In May 2010, the Board approved a two-tier approach to funding Project X. Tier 1 consists of funding equipment purchases and upgrades to existing catch basins and related best management practices, such as screens and other low-flow diversion devices. Tier 2 consists of funding regional, potentially multi-jurisdictional, and capital-intensive projects. Since inception, the Board has approved \$40.3 million in funding for 233 Tier 1 projects through 14 calls and \$34.9 million for 26 Tier 2 projects through three calls. For more details, see ECP updates in Section 2.4.

1.6. Oversight and Safeguards

The 2024 Next 10 Plan is taking place with the full oversight and regular reporting promised to the voters. Regular progress reports on implementing the Next 10 Plan are included in the M2 Quarterly Progress Reports that are prepared for the Board. These reports are included on the OCTA website to ensure accessibility and transparency of the information. Contact information for the OCTA staff member responsible for each program or project is also included.

Additionally, as specified in Ordinance No. 3 (M2 Ordinance), Section 10, there will be three performance assessments conducted during the Next 10 Plan time frame. Performance assessments are to be conducted at least once every three years to evaluate the efficiency, effectiveness, economy, and program results of OCTA in satisfying the provisions and requirements of the M2 Plan and M2 Ordinance. These assessments will take place during 2027, 2030, and 2034. The most recent performance assessment covering FY 2017-18 through FY 2020-21 was completed and presented to the Board in April 2022. The consultant's report reflected a positive assessment of OCTA's efficiency and effectiveness in the delivery of M2 projects and programs. The performance assessment covering FY 2021-22 through FY 2023-24 is currently underway and is anticipated to be presented to the Board in early 2025.

Also included in the M2 Ordinance, Section 11, is a ten-year comprehensive review of M2 programs and projects, which will be completed during the Next 10 Plan time frame. Due to the early initiation of project development activities prior to the start-up of revenue collection in 2011, the first review was completed in 2015. A second review is underway and is anticipated to be presented to the Board in late 2025. The ten-year review includes a comprehensive review of all projects and programs implemented under the M2 Plan to evaluate the performance of the overall program and may result in revisions to further improve performance.

1.7. Sustainable Communities Strategy

It is important to note that M2 also supports and enhances the ability of OCTA to support the regional Sustainable Communities Strategy in Orange County. M2 projects and programs are part of a larger suite of transportation improvements included in the 30-year M2 Plan. Over 50 percent of M2 funds are intended to fulfill transit, system optimization, enhanced environmental elements and infrastructure preservation goals. In addition, the funding eligibility criteria encourages local agencies to consider accommodations for transit and non-motorized transportation.

M2 was publicly reviewed through a Program Environmental Impact Report (EIR) prior to voters approving the ballot measure in November 2006. Since 2008, the M2 Program has been included in the Regional Transportation Plans, Sustainable Communities Strategies, and the associated Program EIR prepared by the Southern California Association of Governments.

In addition to funding freeway improvements, the M2 Program dedicates funding for many transit and local street improvement projects. These include improvements such as:

- New transit connections between major Orange County activity areas that reduce the need for short automobile trips;

- Enhanced convenience and reliability for bus services and Metrolink commuter rail to encourage transit as a dependable commute option;
- Local funding for development of multimodal corridors and roadway preservation that improves the quality of mobility for all users; and
- Signal synchronization on 750 miles of roadways throughout Orange County to reduce congestion and tailpipe emissions.

The M2 freeway EMP has preserved 1,300 acres of wild lands that will be converted to the Preserves to enhance connectivity and wildlife movement between existing conservation areas – such as the Cleveland National Forest, the Chino Hills State Park, and the Irvine Ranch Conservancy lands – and to coastal areas. Furthermore, the program also provides critical habitat for endangered or listed species. Additionally, since M2 inception, the ECP has awarded 259 projects totaling over \$75.2 million to treat storm water runoff and help keep waterways and beaches clean in Orange County.

The aforementioned transit, local streets, and environmental programs collectively contribute to and enhance the quality of life, as well as provide a sustainable future, and an efficient transportation system that benefits the region.

Brief summaries of the specific programs are listed below.

- ✓ Projects A through N – Freeway improvements and Freeway Service Patrol (FSP) to provide emission reductions through congestion relief.
- ✓ Projects O and P – Signal synchronization and street improvements that provide emission reductions through congestion relief and flexibility to accommodate bike and pedestrian project elements as appropriate.
- ✓ Project Q – Local funding for city-selected transportation projects that provide for preservation of the streets and roads system and includes bicycle, pedestrian, water quality, and transit enhancements as eligible expenditures.
- ✓ Project R – Expanded Metrolink train capacity including improvements to stations and parking to improve transit reliability and convenience and reduce reliance on highways while also supporting potential transit-oriented development.
- ✓ Project S – Transit extensions to improve access between Metrolink stations and residential/employment centers and provide an alternative to driving.
- ✓ Project T – Station improvements to connect to planned future high-speed rail services.
- ✓ Project U – Sustain mobility choices for seniors and persons with disabilities and provides an alternative to driving.
- ✓ Project V – Community-based circulators to complement regional transit services with local communities and provides an alternative to driving.
- ✓ Project W – Transit stop improvements to support transfers between major bus lines and support the implementation of mobile ticketing to ensure ease of fare purchase and convenience for bus passengers.
- ✓ Project X – Water quality improvement programs/projects to meet federal Clean Water Act standards for urban runoff, and augment required mitigations.
- ✓ Freeway Mitigation Program – Natural resource protection strategy to provide for more comprehensive mitigation of environmental impacts from M2 freeway improvements.

1.8. Updated Next 10 Plan Funding Assumptions

The 2024 update of the Next 10 Plan includes funding assumptions for revenue and expenses that are merged into a high-level cash flow model. This effort was conducted to ensure the complete M2 Program could be delivered consistent with commitments provided to the voters as part of M2 approval in November 2006. Revenues are expected to fluctuate over time. The M2 expenditure plan includes programmatic items which are adjusted according to available revenues. However, the freeway portion defines specific project scopes which cannot be easily adjusted to revenue fluctuations. The revenue assumptions incorporate the latest 2024 M2 sales tax revenue forecast of \$14.0 billion and prior commitments in programmed local, state, and federal external revenues.

To support project delivery schedules in the Freeway Program, bond assumptions were included in earlier updates of the Next 10 Plan. While there has been a decrease in the M2 revenue forecast since the 2023 update, no additional bond issuances are planned through 2041. Bonding capacity is available, as OCTA's debt coverage ratios are well above the allowable amount of 1.3x. The minimum forecasted debt coverage ratio during the Next 10 Plan time frame is 9.1x in 2024. This offers significant financial protection against unforeseen economic changes related to project delivery. For a more detailed discussion on assumed revenues, costs, and debt service, see Section 3.1 of the Appendix.

Funding for the freeway mode assumes \$9.1 billion in total revenue, with costs for the same period totaling \$8.7 billion. To date, OCTA has been very successful in capturing external funding to offset reductions in sales tax revenue and preserve M2 funds. The long-term M2 freeway plan relies on the total receipt of approximately \$1.8 billion in state and federal revenues. Additionally, the program includes \$656 million in net excess 91 Express Lanes revenue and \$495 million in bond proceeds.

As a result of the lower forecasted sales tax, the freeway program net sales tax revenue through 2041 decreased by approximately \$244 million. In addition, each project in the freeway program was reviewed and cost estimates updated. With the majority of projects now either nearing completion of the design phase or in construction, project cost estimates have a higher level of engineering and are therefore better defined. The 2024 update captures some of these revised cost estimates, which reflect increased material costs that experienced high inflation from 2021 through 2023. While net revenues decreased, no future bonding assumptions are included in the 2024 Next 10 Plan update, which provides significant savings in the freeway program while maintaining project delivery schedules. Economic uncertainties were reduced, with the majority of the funds available between FY 2034-35 and FY 2040-41. As noted earlier, there is significant bonding capacity available should the freeway program require additional revenue to support project expenses.

Funding for the streets and roads mode assumes \$5.2 billion in total revenue, with costs for the same period totaling \$5.1 billion. The projects within the Streets and Roads Program are scaled to available revenue and are reflected in the cash flow on a pay-as-you-go basis. The Streets and Roads Program relies on the total receipt of approximately \$572.6 million in external revenues (state, federal, and local) primarily for the OC Bridges grade separation projects. For more details, see Section 3.1 of the Appendix and the project updates contained in their respective sections.

For the transit mode, \$4.3 billion in total revenue is assumed, with costs for the same period totaling \$4.2 billion. The majority of projects within the Transit Program are scaled to available revenue with the exception of Project U's Fare Stabilization Program. The M2 Ordinance specifically requires that the Fare

Stabilization Program subsidize fares for seniors and persons with disabilities to the extent of maintaining the reduced fare rate effective on July 24, 2006, through FY 2040-41. While this program is not scalable, it remains solvent due to OCTA's proactive amendment to the M2 Ordinance. The remaining transit mode programs are assumed on a pay-as-you-go basis. The funding for the transit mode assumes the total receipt of \$726.4 million in local, state, and federal revenues. This number is inclusive of \$158.4 million in Federal New Starts and \$175.4 million in State Cap-and-Trade revenues to partially fund the OC Streetcar project. For more detailed program assumptions for the Transit Program, see the Appendix.

The ECP assumes \$279.4 million in total revenue, with costs for the same period totaling \$261 million. The projects within the ECP are scaled to available revenue and are reflected in the cash flow on a pay-as-you-go basis. For more detailed program assumptions for the ECP, see Section 3.1 of the Appendix.

1.9. Financing

The Board's vision in developing the EAP created a great opportunity for the M2 Program. While the economy took a significant downturn due to the 2008 Great Recession, OCTA advanced projects years before revenue became available. Projects were accelerated, making them shelf-ready. This allowed OCTA to capture significant one-time external funding provided through State Proposition 1B and the American Recovery and Reinvestment Act. Using the revised forecasting methodology implemented in March 2016, the 2024 M2 sales tax revenue forecast is \$14.0 billion.

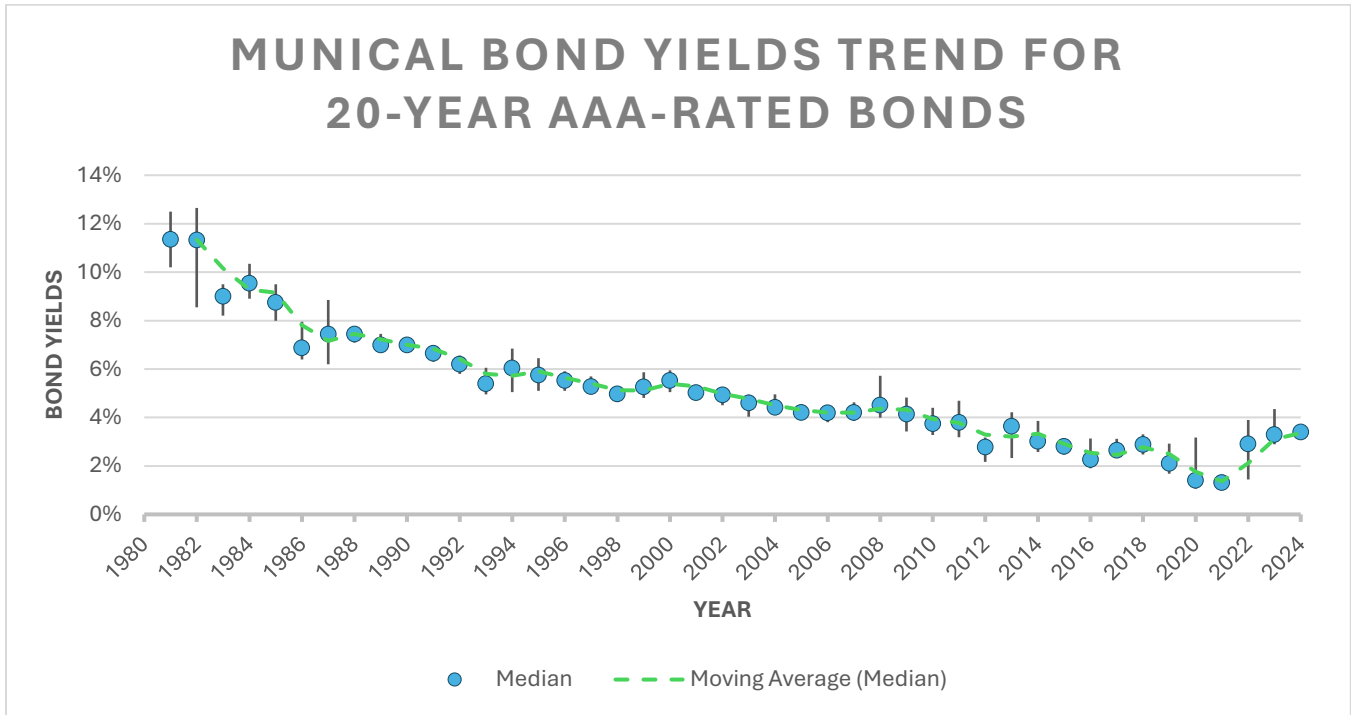
When it comes to the bidding environment, OCTA significantly benefited during the recession by capitalizing on a low-cost environment with early project development and acceleration. When the M2020 Plan was adopted in late 2012, staff reported that freeway construction bids were consistently coming in between ten to 20 percent below engineers' estimates. Since that time, construction bids have slowly risen to meet and in some cases exceed the engineers' estimates.

This year's update assumes no additional bonding is required through 2041. The update also continues to maintain prudent annual ending balances and an economic uncertainties allowance, which provides continued financial stability in the event of additional financial fluctuations.

Pay-as-you-go project funding is identified in the M2 Ordinance as the preferred method of financing, while bond financing is an option that is within the purview of the Board. It takes many years to bring projects to fruition therefore it is prudent to maintain current project schedules to deliver M2 benefits earlier.

While the current cost of debt remains relatively low and trending upwards, there are no additional issuances planned through 2041. Current 20-year bond rates have increased 16 basis points from last year from 3.28 percent to 3.44 percent. See Exhibit 4 showing historical issuance rates of 20-year bonds.

EXHIBIT 4: HISTORICAL ISSUANCE RATES AND MUNICIPAL BOND YIELDS FOR 20-YEAR BONDS



Source: TM3 AAA 20-year GO Bonds (inception through 2010), Bloomberg index of AAA 20-Year Municipal Bonds (2011 to date)

OCTA has a strong track record of successfully delivering projects by utilizing bond financing, as seen in M1, as well as M2, under the EAP and M2020 Plan. While the 2024 Next 10 Plan anticipates no bond financing for the Freeway Program through 2041, OCTA has significant bonding capacity available should the freeway program require additional revenue to support project expenses.

1.10. Future Outlook

As noted in the Next 10 Plan Delivery Risks in Section 1.3, major capital work is underway in the Southern California region that may impact OCTA’s ability to secure resources needed for future project and program delivery. Competition for available resources for capital projects has increased with the major capital work currently underway in Los Angeles, Riverside, and San Bernardino counties. For future projects going forward, engineers, right-of-way (ROW) experts, skilled labor, and materials will be in higher demand.

In September 2017, the Board was presented with a Market Conditions Forecast and Risk Analysis report conducted by economists Dr. Wallace Walrod and Dr. Marlon Boarnet through a contract with the Orange County Business Council (OCBC). The result of this analysis identified strong potential for OCTA to experience an increasing-cost environment in the near term. Recognizing the benefits of proactive monitoring and forecasting of market conditions, the Board directed staff to continue to work with OCBC and provide OCTA with cost risk factors for project delivery.

In October 2024, OCBC provided an updated forecast to the Board for 2025 through 2027. OCBC tracked relevant market data and indicators, performed analytics, and incorporated this analysis to provide OCTA

with a range of potential cost fluctuations through the use of an Infrastructure Construction Cost Pressure Index (ICCPI), as reflected in Exhibit 5. The ICCPI incorporates a detailed trend analysis of building permits, unemployment rates, localized labor costs, material costs and general economic conditions.

EXHIBIT 5: ICCPI RANGE OF COST FLUCTUATIONS

ICCPI Range of Cost Fluctuations			
Index Score	Low	Midpoint	High
0	-17%	-9.5%	-2%
1	-2%	-0.5%	1%
2	1%	1.5%	2%
3	2%	4%	6%
4	6%	8.5%	11%
5	11%	25.5%	40%

OCBC forecasts a score of three in 2025, which represents a potential cost fluctuation range of two percent to six percent. The forecast for 2026 and 2027 drops to a score of two, which anticipates a tempering of economic conditions. Exhibit 6 summarizes the forecasts. The updated forecast points to a gradual decline of inflation with the most recent data available. Major drivers include the decline of building permits, an increase in unemployment rates, and rising construction wages. While Portland Cement Concrete pavement and structural steel prices have increased significantly, the cost of Portland Cement Concrete structure and steel bar has declined on an annualized basis.

EXHIBIT 6: OCBC ORANGE COUNTY TRANSPORTATION ICCPI SCORE

OCBC Orange County Transportation ICCPI Score, 2025-2027		
Year	Index Score	Range of Cost Fluctuation
2025	3	2% - 6%
2026	2	1% - 2%
2027	2	1% - 2%

As in prior forecasts, OCBC indicates that OCTA will also need to be aware and ready to respond to cost pressures that cannot be modeled. Examples of such forces include:

- Significant downward revisions in labor market data could influence federal policy decisions;
- Rising wages coincide with record-high consumer debt, potentially affecting future spending; and
- Political and economic uncertainty is creating both domestic and international instability.

To mitigate cost pressures, OCTA’s Project Controls Department monitors and adjusts project cost escalation assumptions according to market trends. Project Controls’ cost estimating process uses historical information, as well as current trends in the market, and follows a consistent and defined process. Looking back at the last 20 years, OCTA’s cost estimates have included a three percent escalation, which, on average during this time frame, provided the appropriate escalation to deliver projects successfully. Currently, using 3.5 to five percent for construction escalation, as well as incorporating contingency based on the project phase and complexity, is staff’s preferred approach to cost estimating.

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24
UPDATE

NEXT 10

DELIVERY PLAN

II. MEASURE M2 TRANSPORTATION INVESTMENT PLAN

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**20
24**
UPDATE

NEXT 10

DELIVERY PLAN



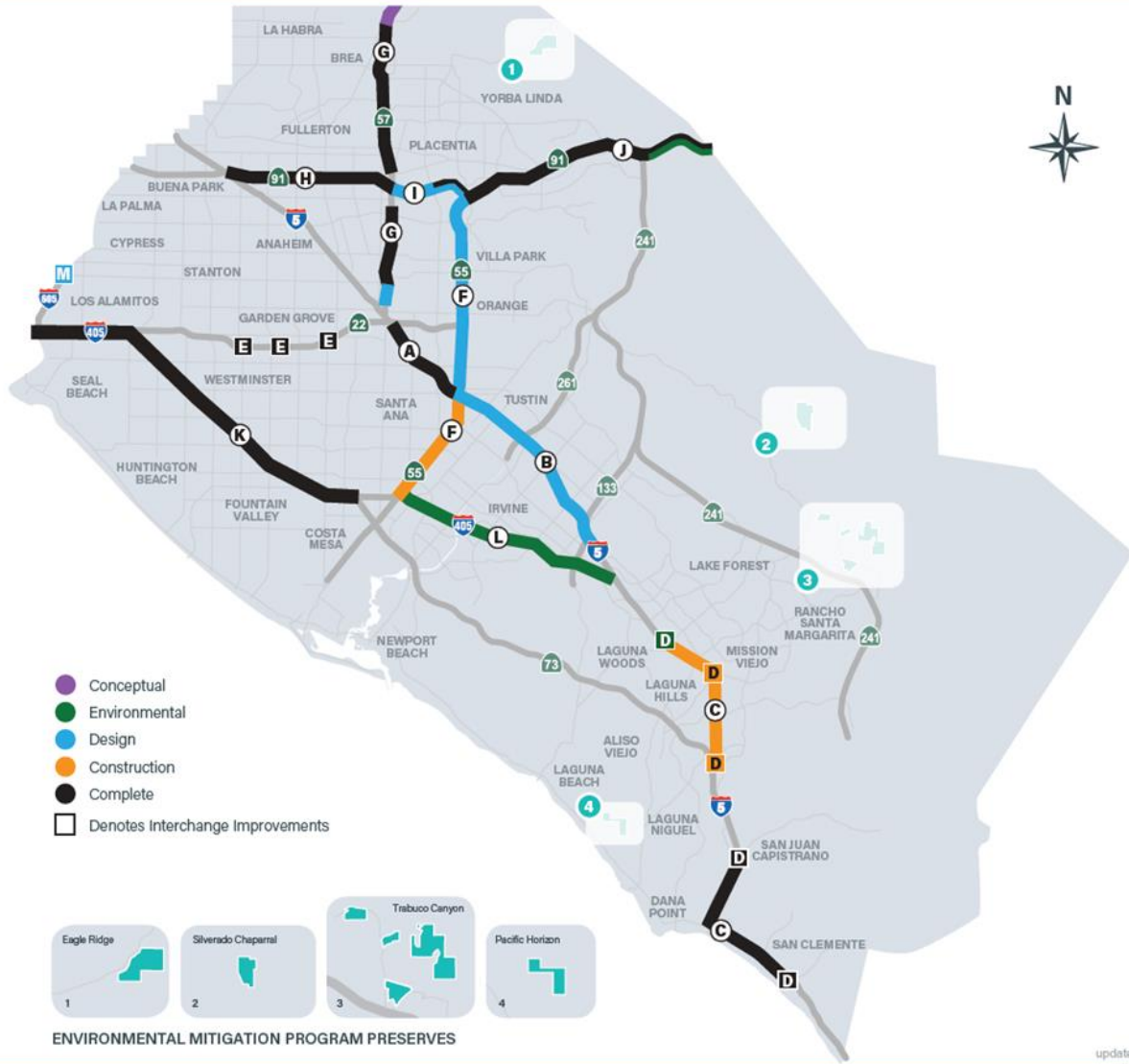
2.1 FREEWAY PROGRAMS

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EXHIBIT 7: OC GO FREEWAY PROGRAM COUNTYWIDE MAP

OC GO FREEWAY PROGRAM



updated 08.02.24

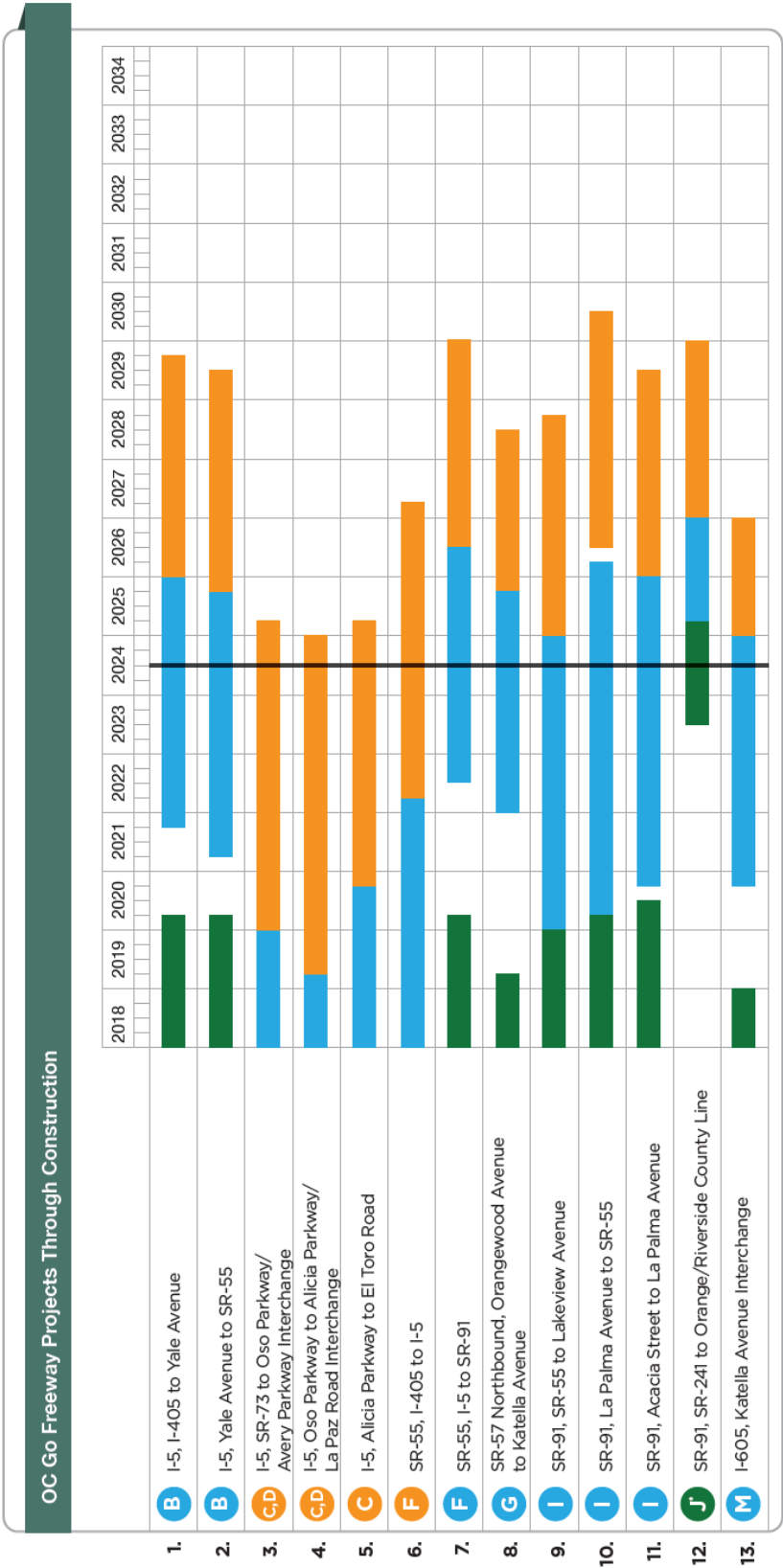
- | | |
|---|--|
| <ul style="list-style-type: none"> A I-5 (SR-55 to SR-57) B I-5 (I-405 to SR-55) C I-5 (Avenida Pico to San Juan Creek Road) D I-5 (SR-73 to El Toro Road) D I-5/Ortega Highway Interchange Improvements D I-5/El Toro Road Interchange Improvements E SR-22 Access Improvements F SR-55 (I-405 to I-5) F SR-55 (I-5 to SR-91) G SR-57 NB (Orangewood Avenue to Katella Avenue) G SR-57 NB (Katella Avenue to Lincoln Avenue) G SR-57 NB (Orangethorpe Avenue to Lambert Road) G SR-57 NB (Lambert Road to County Line) H SR-91 WB (I-5 to SR-57) | <ul style="list-style-type: none"> I SR-91 (SR-57 to SR-55) I SR-91 WB (Tustin Avenue to SR-55) J SR-91 (SR-55 to SR-71) J SR-91 (SR-241 to I-15)* K I-405 (SR-73 to I-605) L I-405 (I-5 to SR-55) M I-605/Katella Avenue Interchange Improvements N Freeway Service Patrol (not mapped) A-M Environmental Mitigation Program <ul style="list-style-type: none"> -1,300 acres of permanent open space -12 restoration projects totaling nearly 350 acres (not mapped) |
|---|--|
- *Project environmentally reviewed as part of the Riverside County Transportation Commission's Corridor Improvement Project. Additional studies needed prior to construction.



EXHIBIT 8: OC GO FREEWAY PROJECTS THROUGH CONSTRUCTION



Environmental Design/Advertise & Award Construction

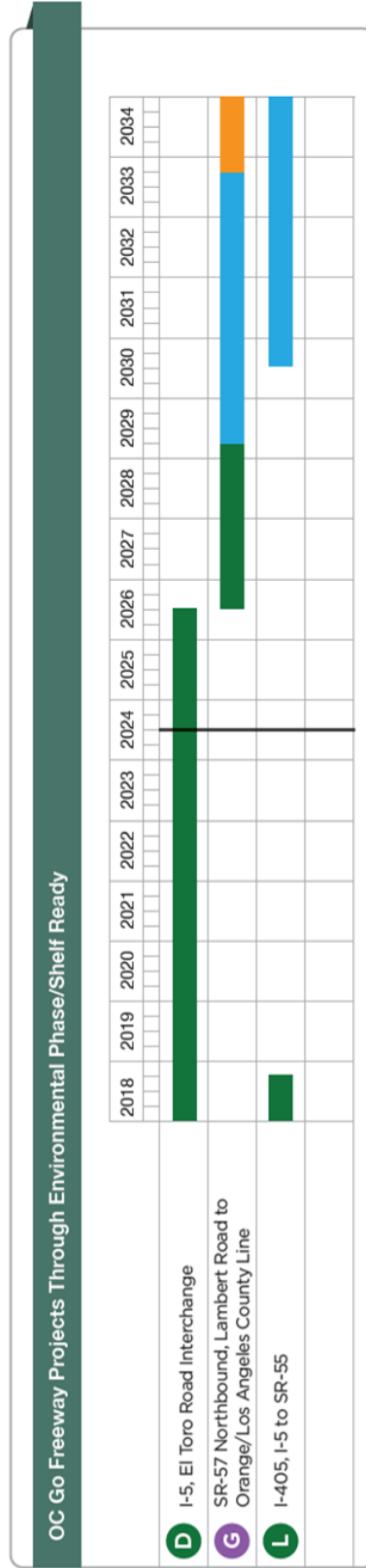


Please note that schedules are updated as of June 30, 2024. Shown schedules are subject to change.

*RCTC is the lead agency for advancing the environmental phase of the 91 Eastbound Corridor Operations Project (operational lane from SR-241 to SR-71) which began in June 2023. Future phases are contingent on the outcome of the environmental review process, availability of funding, and coordination with RCTC.



EXHIBIT 9: OC GO FREEWAY PROJECTS THROUGH ENVIRONMENTAL PHASE/SHELF READY



Please note that schedules are updated as of June 30, 2024. Projected and active project schedules are subject to change. The Next 10 Plan provides direction through 2034. Schedules and revenues will be reviewed annually. The Board will adopt an updated delivery plan to provide direction on further advancement as appropriate.



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2.1. Freeway Program

Overview:

The Freeway Program accounts for 43 percent of the M2 Program. Over the life of M2, approximately \$6.0 billion is expected to be generated in sales tax revenues for freeway Projects A-N (not including the five percent of net revenues apportioned to the EMP). Improving Orange County freeways is a major investment of the M2 Program.

To ensure delivery of the Freeway Program, the Next 10 Plan includes the following framework:

- Bring congestion relief.
- Deliver projects using the guiding principles.
- Work with California Department of Transportation (Caltrans) to seek cost effective measures on freeway projects through changes in scope and design parameters where possible.
- Tightly manage project scopes and schedule to reduce cost escalation risk.

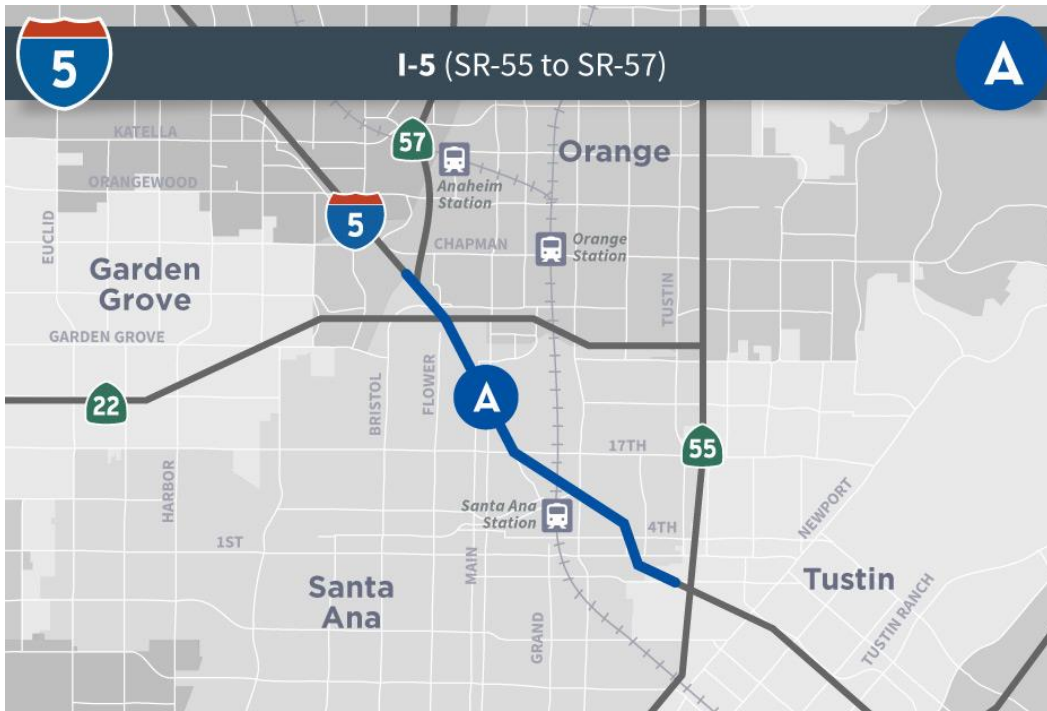
Next 10 Plan Deliverables:

When M2 originally passed, 13 freeway projects were highlighted in the M2 Plan. Since then, these projects have been segmented into 30 projects or project segments. For a list of completed projects, see Exhibit 31 in the Appendix. Significant progress of the freeway program is included in the Next 10 Plan deliverable goals through 2034:

1. Deliver construction of 13 freeway projects or project segments: five along I-5, two along SR-55, four along SR-91, one along SR-57, and one at the I-605 Interchange (Projects B, C, C/D, F, G, I, J, and M). See Exhibit 8.
2. Prepare the remaining three project segments for delivery. This includes one on I-405 and SR-57; and one interchange project at I-5, El Toro Road (Projects D, G, and L). See Exhibit 9.

A. I-5 (SR-55 to SR-57)

EXHIBIT 10: PROJECT A – MAP OF APPROXIMATE LIMITS



Description:

Project A reduced freeway congestion by adding a second high-occupancy vehicle (HOV) lane (approximately three miles) in both directions on I-5 between SR-55 and SR 57. See Exhibit 10 for a map of the approximate limits. The project was generally constructed within the existing ROW.

Cost:

\$38.85 million.

Status:

All lanes opened to traffic in August 2020. Construction was completed in January 2021.


Benefits:

This project improved the HOV facility on I-5 in Santa Ana to meet traffic demands and eliminate bottlenecks. Improvements were needed to accommodate HOV traffic from both the SR-55/I-5 and SR-57/I-5 direct HOV connectors.

Originally considered under this project, the extension of the auxiliary lane from southbound I-5 to southbound SR-55 through the McFadden Avenue exit ramp on SR 55 to Edinger Avenue, was instead studied as part of SR-55 Project F.

External Funding:

The Board approved \$36.19 million in federal funds to support this project.



A. I-5 (SR-55 to SR-57)

Risks:

None – project completed.

Related Projects:

Projects B and F.

Other Involved Agencies:

CTC, Caltrans, City of Santa Ana, Federal Highways Administration (FHWA), and Metrolink.

Assumptions:

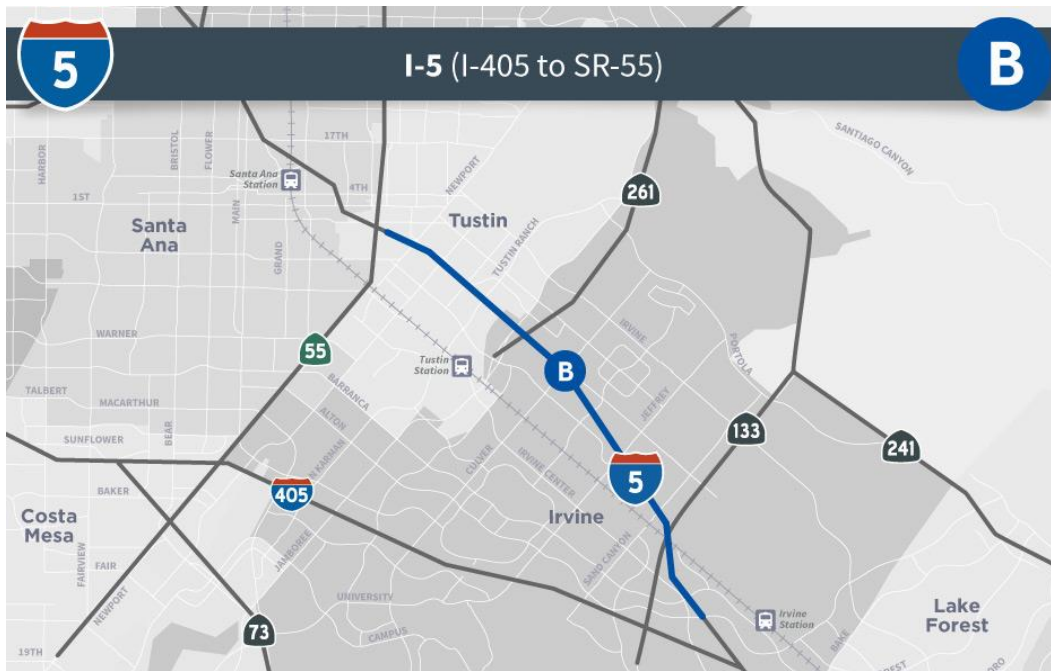
Cost based on June 2024 M2 Program cash flow.

References:

- OCTA 2022 Long-Range Transportation Plan
- June 2024 Project Status Report
- Capital Funding Program Report – State Highway Project (August 2024)

B. I-5 (I-405 to SR-55)

EXHIBIT 11: PROJECT B – MAP OF APPROXIMATE LIMITS



Description:

Project B will reduce congestion by constructing new general purpose lanes in both directions and improving key interchanges in the area between SR-55 and State Route 133 (near the El Toro “Y”). This segment of I-5 is the major route serving activity areas in the cities of Irvine, Santa Ana, and Tustin, and north Orange County. See Exhibit 11 for a map of the approximate limits. The project will generally be constructed within the existing ROW. The project is divided into two segments as described below.

Segment 1: This project will add one general purpose lane in each direction between I-405 and Yale Avenue (approximately 4.5 miles), improve interchanges, and add auxiliary lanes where needed to improve traffic operations in the Irvine area.

Segment 2: This project will add one general purpose lane in each direction between Yale Avenue and SR-55 (approximately 4.5 miles), improve interchanges, and add auxiliary lanes where needed to improve traffic operations in Irvine and Tustin areas.

Cost:

Segment 1: \$230.48 million (Year of Expenditure [YOE]).

Segment 2: \$258.17 million (YOE).

Status:

The environmental phase for both segments was completed in January 2020.

Segment 1: Final design was initiated in October 2021 and is anticipated to be complete in late 2024/early 2025. Construction is anticipated to begin in spring 2026.



B. I-5 (I-405 to SR-55)

Segment 2: Final design was initiated in May 2021 and completed in August 2024. Construction is anticipated to begin in late 2025.

Benefits:

Project improvements would alleviate congestion and reduce delays.

External Funding:

The Board has approved funding that supports this project including:

Segment 1: \$52.89 million in federal funds and \$106.71 million in state funds.

Segment 2: \$32.53 million in federal funds.

Risks:

Overall time, scope, and costs risks are high with this project due to tight ROW and the need for design variations.

Related Projects:

Projects A and F.

Other Involved Agencies:

Caltrans, cities of Irvine and Tustin, and FHWA.

Assumptions:

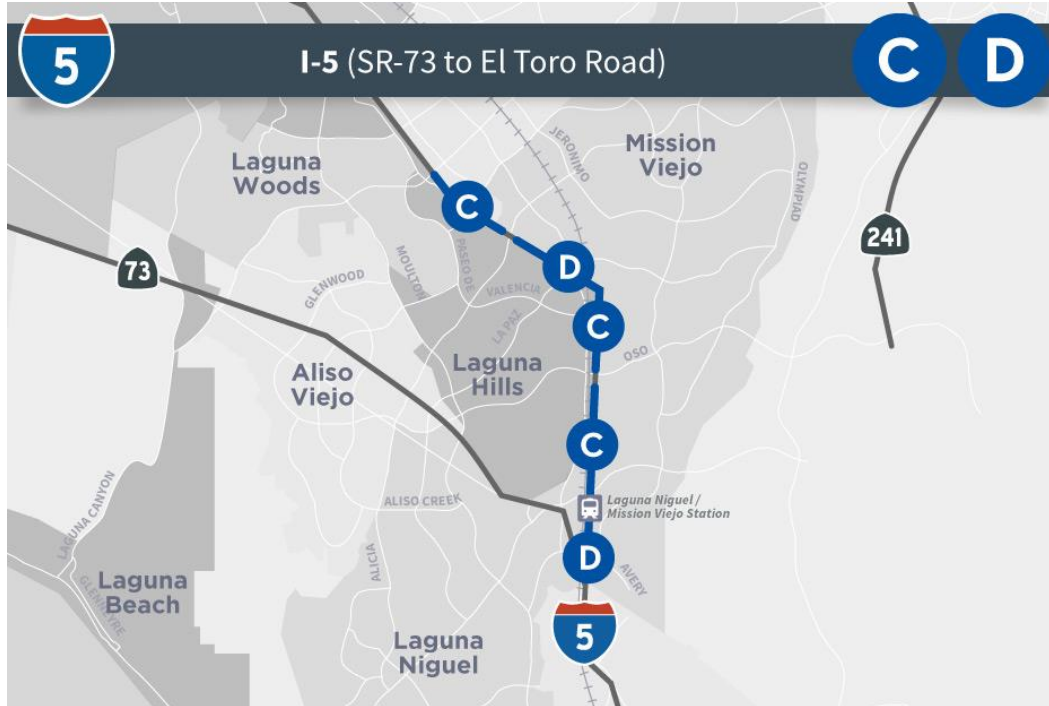
Cost based on June 2024 M2 Program cash flow.

References:

- OCTA 2022 Long-Range Transportation Plan
- June 2024 Project Status Report
- Capital Funding Program Report – State Highway Project (August 2024)

C. I-5 (SR-73 to El Toro Road, includes Avery Parkway and La Paz Road Interchanges)

EXHIBIT 12: PROJECT C,D – MAP OF APPROXIMATE LIMITS




Description:

Project C will add new lanes to I-5 from El Toro Road in the City of Lake Forest to the vicinity of SR-73 in the cities of Laguna Hills, Laguna Niguel, Laguna Woods, Lake Forest, and Mission Viejo. Additional improvements include continuous HOV access completion and major improvements at the Avery Parkway and La Paz Road interchanges, as part of Project D. The project will generally be constructed within the existing ROW. See Exhibit 12 for a map of the approximate limits. This project is divided into three segments as described below.

Segment 1: This project will add one general purpose lane (approximately 2.2 miles) in both directions between SR-73 and Oso Parkway, reconstruct Avery Parkway interchange, and add auxiliary lanes where needed to reduce congestion in Laguna Niguel and Mission Viejo areas.

Segment 2: This project will add one general purpose lane (approximately 2.6 miles) in both directions between Oso Parkway and Alicia Parkway, reconstruct La Paz Road interchange, and add auxiliary lanes where needed to reduce congestion in Laguna Hills and Mission Viejo areas.

Segment 3: This project will add one general purpose lane (approximately 1.7 miles) in the southbound direction between Alicia Parkway and El Toro Road, continue the additional general purpose lane in the northbound direction through Alicia Parkway, extend the second HOV lane (approximately one mile) in both directions from El Toro Road to Alicia Parkway, and add auxiliary lanes where needed to reduce congestion in Laguna Hills, Lake Forest, and Mission Viejo areas.



C. I-5 (SR-73 to El Toro Road, includes Avery Parkway and La Paz Road Interchanges)

Cost:

Segment 1: \$229.38 million (YOE).

Segment 2: \$230.35 million (YOE).

Segment 3: \$209.27 million (YOE).

Landscaping for all three segments: \$12.37 million (YOE).

Status:

Segment 1: Construction began in January 2020 and is anticipated to be complete and open to traffic in early 2025.

Segment 2: Construction began in April 2019 and is anticipated to be complete and open to traffic in late 2024.

Segment 3: Construction began in October 2020 and is anticipated to be complete and open to traffic in early 2025.

Benefits:

This project will help alleviate congestion and reduce traffic delays. The second HOV extension for segment 3 will enable more efficient operation of general purpose lanes for future projected traffic volumes. Adding an additional general purpose lane and auxiliary lanes in Segments 1 and 2 will accommodate future projected traffic volumes. The I 5/La Paz Road and I 5/Avery Parkway interchange improvement projects called for in M2 Project D will reduce chokepoints and congestion, as well as accommodate future traffic demands on the local roads at each interchange.

External Funding:

The Board has approved funding that supports this project including:

Segment 1: \$34.60 million in federal funds and \$121.81 million in state funds.

Segment 2: \$56.60 million in federal funds.

Segment 3: \$54.63 million in federal funds and \$16.92 million in state funds.


Additionally, \$790,000 in federal funds and \$6.00 million in state funds have been approved for landscape planting across all three segments.

Risks:

Coordination between the three segments on striping, lane closures, and closeout activities pose risks to project schedule and cost.

Related Projects:

Project C (I-5, Avenida Pico to San Juan Creek Road) and Project D (I-5, El Toro Road Interchange).



C. I-5 (SR-73 to El Toro Road, includes Avery Parkway and La Paz Road Interchanges)

Other Involved Agencies:

Caltrans, cities of Laguna Hills, Laguna Niguel, and Mission Viejo, CTC, FHWA, and Transportation Corridor Agencies.

Assumptions:

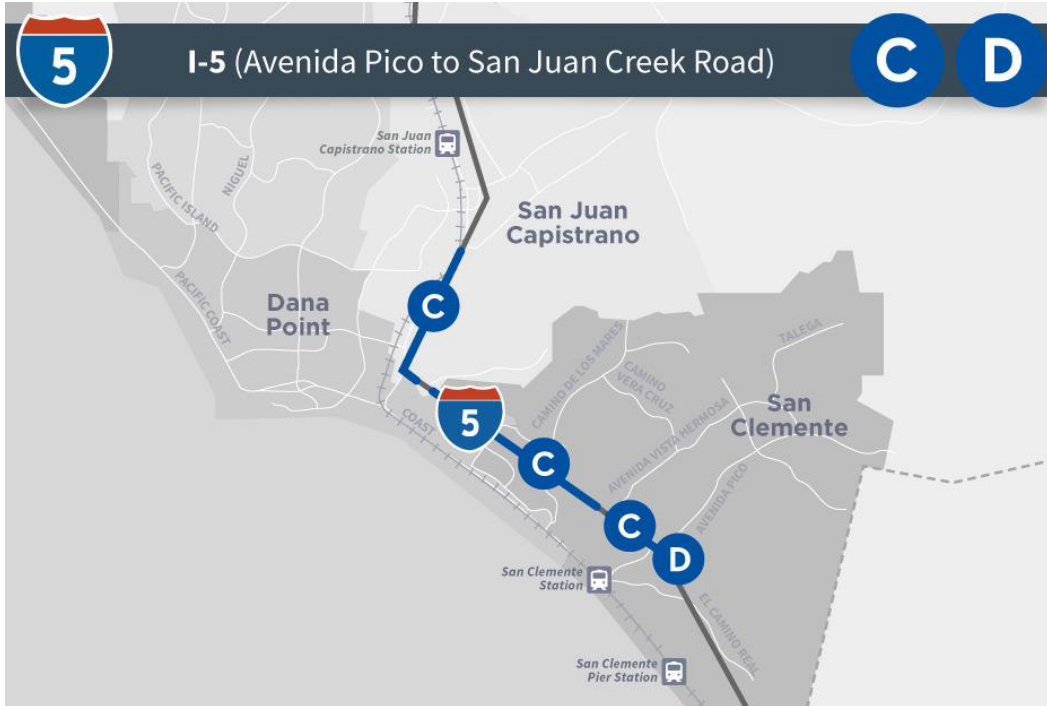
Costs are based on June 2024 (Segments 1 and 2 and revised cost estimates for segments 3) M2 Program cash flow.

References:

- OCTA 2022 Long-Range Transportation Plan
- June 2024 Project Status Report (Segment 1 and 2)
- July 2024 Project Status Report (Segment 3)
- Capital Funding Program Report – State Highway Project (August 2024)

C. I-5 (Avenida Pico to San Juan Creek Road, includes Avenida Pico Interchange)

EXHIBIT 13: PROJECT C,D – MAP OF APPROXIMATE LIMITS




Description:

Project C extended the HOV lanes on I-5 from Avenida Pico to San Juan Creek Road in the cities of Dana Point, San Clemente, and San Juan Capistrano. Major interchange improvements were also included at Avenida Pico, as part of Project D. See Exhibit 13 for a map of the approximate limits. This project was generally constructed within the existing ROW and was divided into three segments as described below.

Segment 1: This project added new continuous-access HOV lanes (approximately 0.7 miles) in each direction between Avenida Pico and Avenida Vista Hermosa. The Avenida Pico Interchange was reconstructed to optimize traffic movements within the interchange and provided bicycle lanes in both directions of Avenida Pico.

Segment 2: This project added new continuous-access HOV lanes (approximately 2.5 miles) in each direction between Avenida Vista Hermosa and Pacific Coast Highway (PCH). The project also reconstructed on- and off-ramps at Avenida Vista Hermosa and Camino de Estrella, and re-established existing auxiliary lanes. Avenida Vaquero undercrossing was widened in both directions to accommodate the new HOV lanes.

Segment 3: This project added new continuous-access HOV lanes (approximately 2.5 miles) in each direction between PCH and San Juan Creek Road. The project also reconstructed on- and off-ramps at Camino Las Ramblas/PCH and the I-5/PCH northbound connector and I 5/Camino Las Ramblas undercrossings were widened in both directions.



C. I-5 (Avenida Pico to San Juan Creek Road, includes Avenida Pico Interchange)

Cost:

Segment 1: \$83.60 million.

Segment 2: \$75.26 million.

Segment 3: \$74.27 million.

Status:

All segments of Project C opened to traffic at the same time in early 2018. Segment 1 was completed in August 2018, segment 2 in July 2017, and segment 3 in July 2018.

Benefits:

This project eliminated a southbound lane drop at PCH by extending the southbound HOV lane between Camino Capistrano and Avenida Pico, and the northbound HOV lane between Avenida Pico and PCH. Elimination of the lane drop enabled more efficient operation of general purpose lanes and serves projected traffic volumes for the year 2040.

External Funding:

The Board approved funding that supported these projects including:

Segment 1: \$28.47 in federal funds and \$43.74 million in state funds.

Segment 2: \$12.07 million in federal funds and \$46.78 million in state funds.

Segment 3: \$11.33 million in federal funds and \$20.79 million in state funds.

Risks:

No risk to project delivery as the project is complete. Final claims remain pending in segment 3, however, the cost risk is low.

Related Projects:

Project D.

Other Involved Agencies:

Caltrans, cities of Dana Point, San Clemente, and San Juan Capistrano, CTC and FHWA.

Assumptions:

Cost based on June 2024 M2 Program cash flow.

References:

- OCTA 2022 Long-Range Transportation Plan
- June 2024 Project Status Report
- Capital Funding Program Report – State Highway Project (August 2024)

D. I-5 (El Toro Road Interchange)

EXHIBIT 14: PROJECT D – LOCATION OF IMPROVEMENT



Description:

Proposed Project D improvements at I 5/El Toro Road Interchange include modifying entrance and exit ramps and modifying or replacing existing bridge structures. See Exhibit 14 for the location of improvement.

Cost:

\$120.51 million (YOE) is currently included in the cash flow. However, once the selected project alternative is determined this will need to be updated.

Status:

The environmental phase for this project began in April 2017. The Next 10 Plan includes funding this project through environmental. This project has faced challenges determining a build alternative that has local support and consensus with the three stakeholder cities (cities of Laguna Hills, Laguna Woods, and Lake Forest). Built into M2 is a promise that projects will be delivered in cooperation with local agencies. A consultant was retained in September 2020 by OCTA to provide further assessment of the build alternatives to help facilitate reaching an agreement. The draft final assessment study was completed in October 2021. An agreement has been made with Caltrans and the three cities to include two new alternatives, in addition to the two alternatives from the draft environmental document, to be incorporated into the environmental phase. The environmental phase of this project is anticipated to be complete in summer 2026.

Benefits:

This project would reduce the chokepoint and better accommodate forecasted traffic demands. Modification of the entrance and exit ramps would alleviate congestion at adjacent intersections.

D. I-5 (El Toro Road Interchange)

External Funding:

The Board has approved \$9.21 million in federal funds for the environmental phase. Future phases are also eligible for state and federal funds. Any additional funding is expected to be submitted for Board approval at a later time.

Risks:

Overall time, scope, and cost risks are high with this project due to the challenging project area with significant ROW impacts with study alternatives under consideration. Community concerns have resulted in a lack of consensus between the three stakeholder local jurisdictions. This project will need local jurisdiction consensus, before moving forward.

Related Projects:

Project C.

Other Involved Agencies:

Caltrans, cities of Laguna Hills, Laguna Woods, and Lake Forest, and FHWA.

Assumptions:

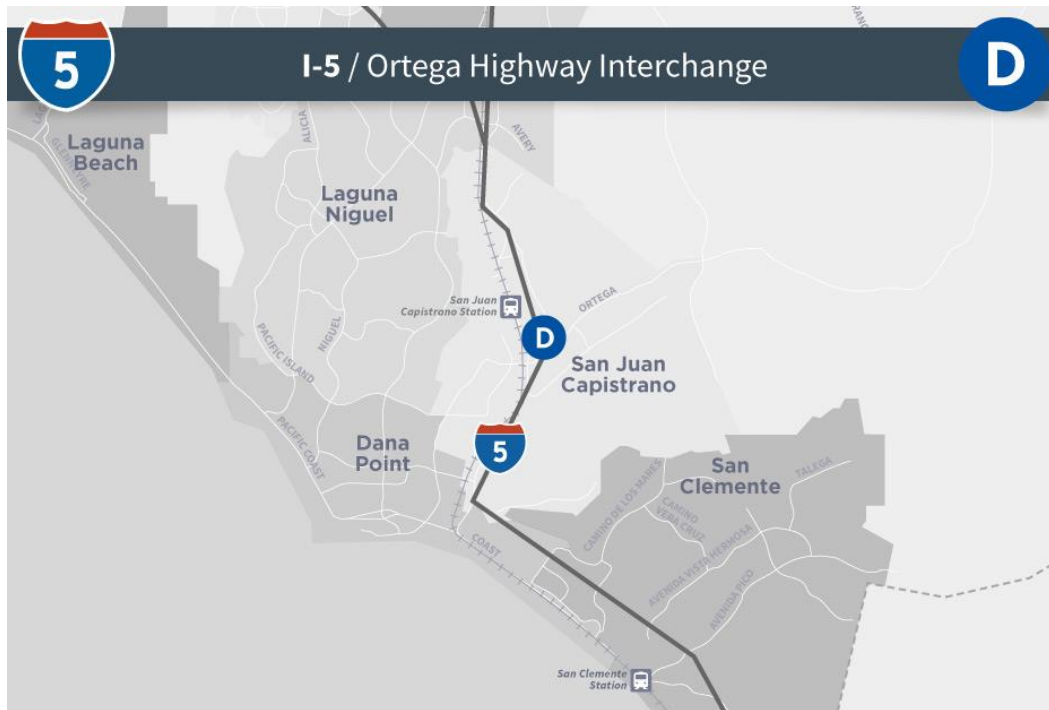
Cost based on conceptual estimates, which was incorporated in the June 2024 M2 Program cash flow.

References:

- OCTA 2022 Long-Range Transportation Plan
- June 2024 Project Status Report
- Capital Funding Program Report – State Highway Project (August 2024)

D. I-5 (Ortega Highway Interchange)

EXHIBIT 15: PROJECT D – LOCATION OF IMPROVEMENT



Description:

Project D improvements included reconstructing the I-5 interchange at State Route 74 (SR-74) in south Orange County, as well as widening SR 74, modifying entrance and exit ramps and replacing the existing bridge structure. See Exhibit 15 for the location of the improvement.

Cost:

\$79.80 million.

Status:

The project opened to traffic in September 2015 and was officially completed in January 2016.

Benefits:

This project alleviated a major chokepoint and reduced congestion by widening the Ortega Highway bridge and improving local traffic flow through reconfigured streets and on- and off-ramps.

External Funding:

\$752,000 in federal funds, \$73.48 million in state funds, \$2.50 million in M1 funds from the regional interchange program, and \$5.01 million in other local funds were used for the project.

Risks:

None – project completed.

Related Projects:

Project C.



D. I-5 (Ortega Highway Interchange)

Other Involved Agencies:

Caltrans, City of San Juan Capistrano, and CTC.

Assumptions:

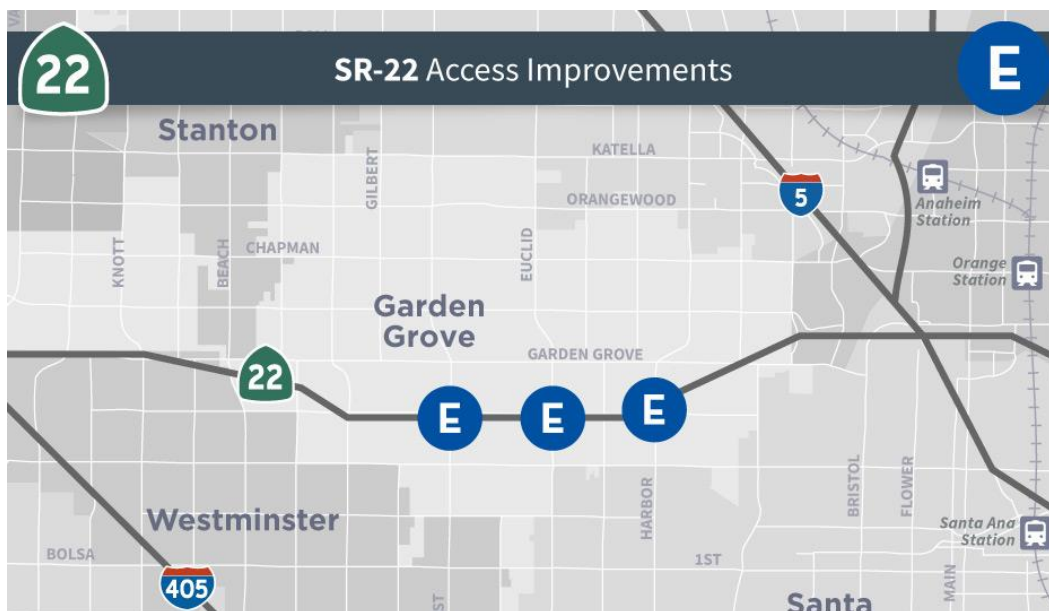
Cost based on January 2020 Project Status Report, which was incorporated in the June 2024 M2 Program cash flow.

References:

- OCTA 2022 Long-Range Transportation Plan
- January 2020 Project Status Report
- Capital Funding Program Report – State Highway Project (August 2024)

E. SR-22 Access Improvements

EXHIBIT 16: PROJECT E – LOCATION OF IMPROVEMENTS



Description:

Project E constructed interchange improvements at Euclid Street, Brookhurst Street, and Harbor Boulevard to reduce freeway and street congestion near these interchanges. See Exhibit 16 for the location of the improvements.

Cost:

\$25.80 million.

Status:

These projects were part of the State Route 22 (SR-22) Widening Project completed in 2008 using M1 funds.

Benefits:

The project reconstructed the freeway overcrossings to allow these streets to be widened through the interchange area. These improvements reduced congestion and delay at all three interchanges.

External Funding:

\$15.9 million of M1 funds and \$9.9 million of other non-M2 (federal, state and city) funds were used for the project.

Risks:

None – project completed.



E. SR-22 Access Improvements

Related Projects:

West County Connector (WCC) improvements at SR-22/I-405 and I-405/I-605 interchanges.

Other Involved Agencies:

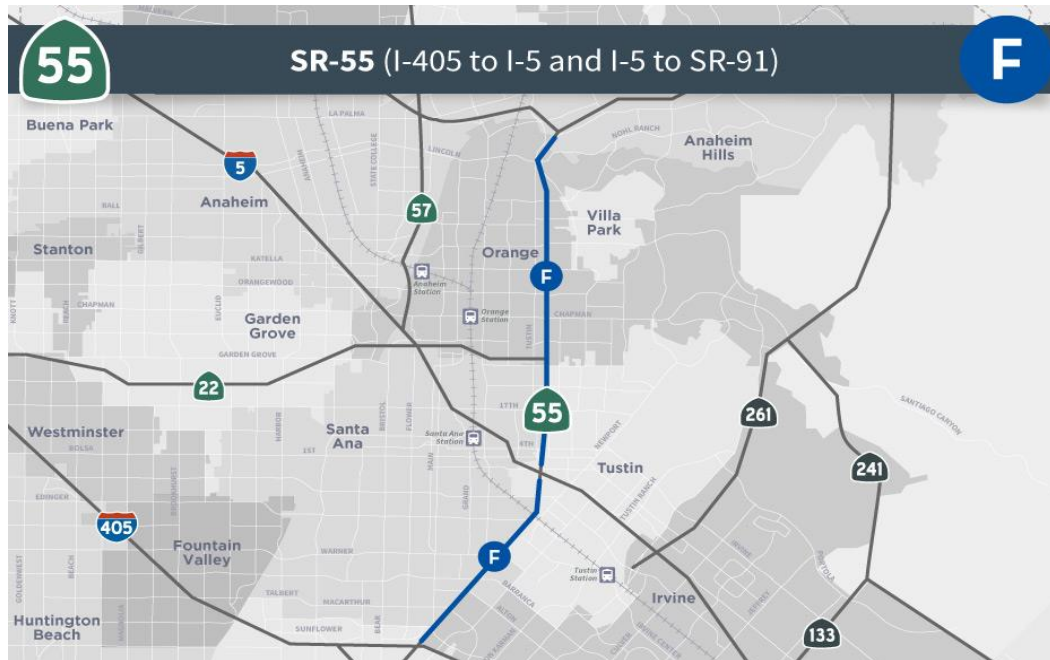
Caltrans and City of Garden Grove.

Assumptions:

Completed as part of the M1 SR-22 Design/Build project.

F. SR-55 Improvements

EXHIBIT 17: PROJECT F – MAP OF APPROXIMATE LIMITS



Description:

Project F will reduce congestion by adding lanes and operational improvements to SR-55 between I-405 and SR-91. See Exhibit 17 for a map of the approximate limits. This project is divided into two segments as described below.

Segment 1: This project will add one general purpose lane (approximately four miles) between I-405 and I-5, including auxiliary lanes between interchanges to smooth traffic flow. The general purpose lane will be funded with M2, state, and federal funds. Concurrent with these efforts, a second HOV lane will also be constructed between I-5 and I-405 with state and local funds, along with a northbound auxiliary lane between MacArthur Boulevard and Edinger Avenue with state funds.

Segment 2: This project will add new lanes between I-5 and SR-22, including merging lanes between interchanges to smooth traffic flow. Operational improvements between SR-22 and SR-91 will also be incorporated. This segment will generally be constructed within the existing ROW. The total project length is approximately 7.5 miles.

Cost:

Segment 1: \$505.72 million (YOE)

Segment 2: \$131.31 million (YOE).

Status:

Segment 1: Construction began in June 2022 and is anticipated to be complete in February 2027.



F. SR-55 Improvements

Segment 2: Final design was initiated in August 2022 and is anticipated to be complete in August 2025.

Benefits:

This project will improve mobility and reduce congestion in central Orange County areas by adding new lanes and make operational improvements for existing and forecasted traffic volumes (especially for weaving and lane efficiency at ramp junctions).

External Funding:

Segment 1: The Board has approved providing \$160.50 million in federal funds and \$220.00 million in state funds. In addition, \$475,000 in federal earmarks and \$41.90 million in State Highway Operation and Protection Program funds were committed for this project.

Segment 2: The Board has approved providing \$11.00 million in federal funds for this project. This project is eligible for future state and federal funds.

Risks:

Segment 1: Schedule, scope, and cost risks remain high due to complex ROW impacts which rely on design variations. This may also delay receipt of the State's share of funding.

Segment 2: Overall schedule, scope, cost risks are low at this time.

Related Projects:

Projects A and B.

Other Involved Agencies:

Caltrans, cities of Anaheim, Orange, Santa Ana, and Tustin, and FHWA.

Assumptions:

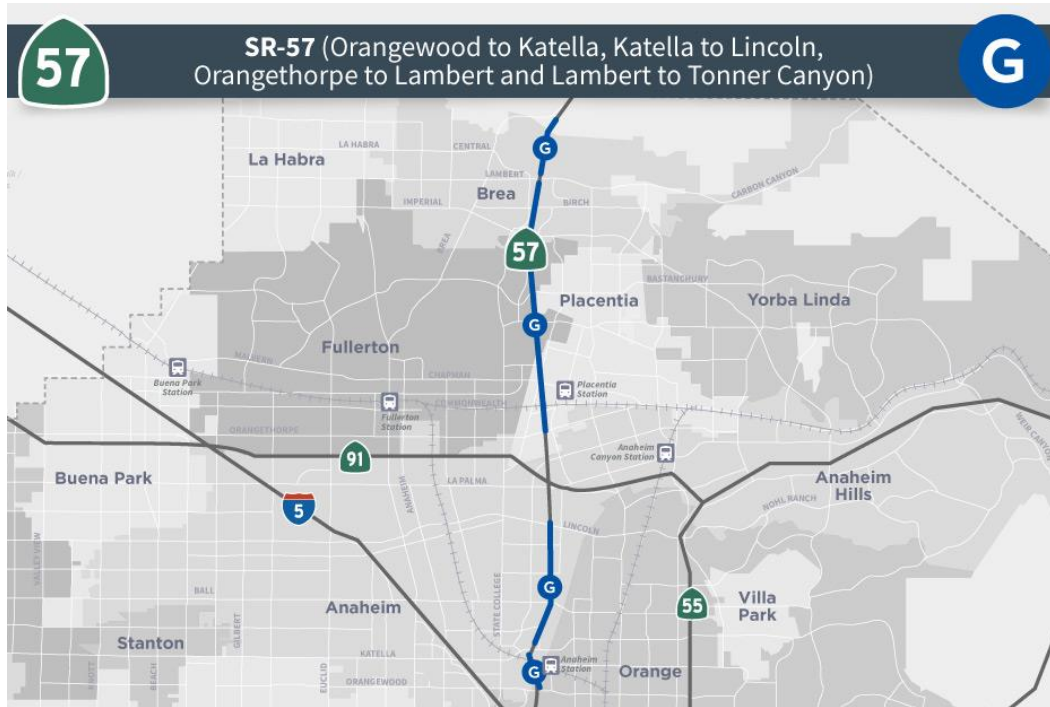
Cost based on June 2024 M2 Program cash flow.

References:

- OCTA 2022 Long-Range Transportation Plan
- June 2024 Project Status Report
- Capital Funding Program Report – State Highway Project (August 2024)

G. SR-57 Improvements

EXHIBIT 18: PROJECT G – MAP OF APPROXIMATE LIMITS



Description:

Project G will reduce congestion by adding one general purpose lane in the northbound direction from Orangewood Avenue in the City of Orange to approximately Tonner Canyon Road in the City of Brea. See Exhibit 18 for a map of the approximate limits.

Select northbound undercrossings will also be widened and seismically retrofitted, as required. The project is divided into three segments as described below.

Segment 1: This project consists of three segments that added a northbound general purpose lane from Katella Avenue to Lincoln Avenue (approximately 2.8 miles), Orangethorpe to Yorba Linda Avenue (approximately 2.4 miles), and Yorba Linda Boulevard to Lambert Road (approximately 2.5 miles) in the cities of Anaheim, Brea, Fullerton, and Placentia.

Segment 2: This project will provide a truck climbing lane (up to two miles) and other operational improvements in the northbound direction from Lambert Road in the City of Brea to approximately the Orange County/Los Angeles County Line.

Segment 3: This project will add one northbound general purpose lane (approximately one mile) from Orangewood Avenue in the City of Orange to Katella Avenue in the City of Anaheim. Segment improvements would maintain the existing auxiliary lane and address existing non-standard features between Orangewood Avenue and Katella Avenue.



G. SR-57 Improvements

Cost:

Segment 1: \$144.36 million.

Segment 2: \$226.04 million (YOE).

Segment 3: \$114.90 million (YOE).

Status:

Segment 1: This project was completed and opened to traffic in 2014.

Segment 2: In 2001, Caltrans completed a project study report to add a northbound truck-climbing lane from Lambert Road in the City of Brea to just north of the Orange County/Los Angeles County Line. However, following discussions with Caltrans in late 2021, it was decided that a new project study report-project development support document should be prepared to reassess the project. Through the SB 1 (SB 1) (Chapter 5, Statutes of 2017) Trade Corridor Enhancement Program, construction of an initial phase for interchange improvements at Lambert Road was completed in early 2024. Phase two was approved for State Transportation Improvement Program (STIP) funding in March 2022 to begin the environmental phase. The preparation of a new project study report-project development support document began in summer 2023 and is anticipated to be complete in 2025. OCTA included the final design phase in the 2024 STIP which was adopted by CTC in March 2024.

Segment 3: Final design was initiated in March 2022 and was completed in August 2024.

Benefits:

This project will substantially improve existing and future mobility, reduce congestion, improve mainline weaving, and merge/diverge movements, which will improve both traffic operations and safety. Combined improvements from Orangethorpe Avenue to Tonner Canyon Road could achieve a 40 percent reduction in total delay through the SR-57 northbound corridor.

External Funding:

Segment 1: \$104.85 million in state funds.

Segment 2: The Board approved \$6.50 million and \$18 million in state funds to support the environmental and design phases of this project.

Segment 3: The Board approved \$14.74 million in federal funds.

Risks:

No risk on segment 1 as the project is complete. For segment 2 and segment 3, overall time, scope, costs, and quality risks are low to medium with this project due to construction within the existing ROW and relatively straightforward design issues. However, risks exist due to the potential need for seismic retrofitting of existing bridges and proximity to the Southern California Regional Rail Authority, future High-Speed Rail ROW, and other important stakeholders.



G. SR-57 Improvements

Related Projects:

Project H.

Other Involved Agencies:

Caltrans, cities of Anaheim, Brea, Fullerton, Orange, and Placentia, CTC, and FHWA.

Assumptions:

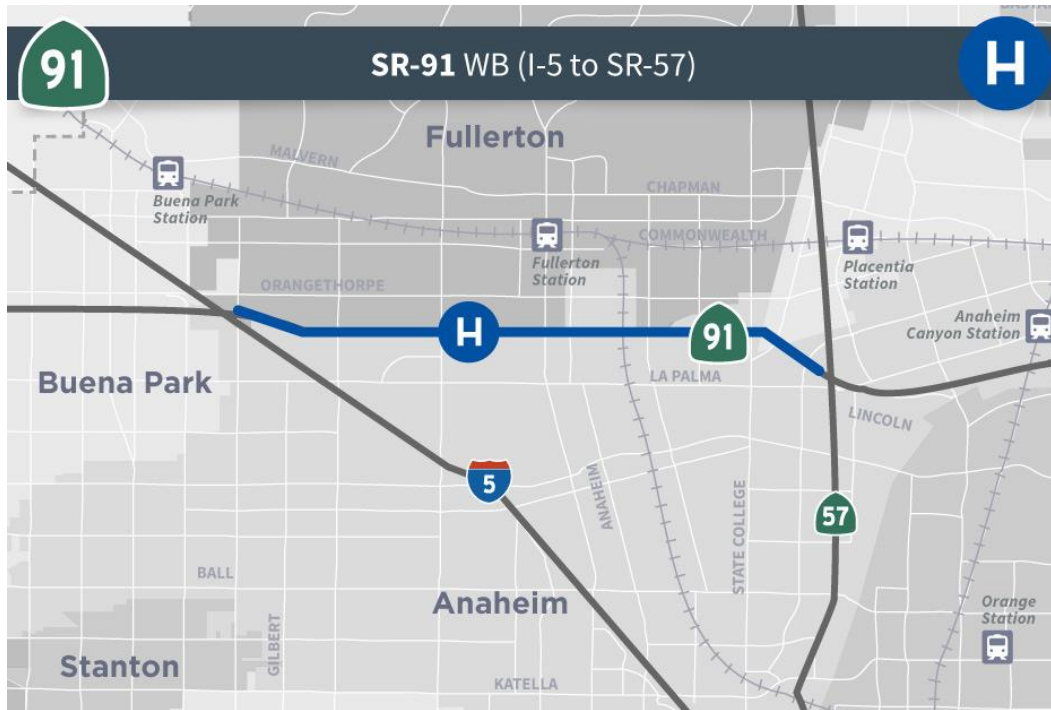
Cost based on June 2024 M2 Program cash flow.

References:

- OCTA 2022 Long-Range Transportation Plan
- June 2024 Project Status Report
- Capital Funding Program Report – State Highway Project (August 2024)

H. SR-91 (I-5 to SR-57)

EXHIBIT 19: PROJECT H – MAP OF APPROXIMATE LIMITS



Description:

Project H widened westbound SR 91 by connecting existing auxiliary lanes (approximately 4.5 miles) through interchanges, thus forming a fourth continuous general purpose lane between I-5 and SR-57. The project also replaced existing auxiliary lanes on westbound SR-91 between State College Boulevard and Raymond Avenue, and between Euclid Street and Brookhurst Street, and added a new auxiliary lane between Raymond Avenue and Lemon Street. See Exhibit 19 for a map of the approximate limits.

Cost:

\$59.23 million.

Status:

The project opened to traffic in March 2016 and was officially completed in June 2016.

Benefits:

This project alleviated congestion by adding a continuous general purpose lane and replaced existing auxiliary lanes, which improved merging operations at each interchange.

External Funding:

\$27.23 million in state funds were used for the project.

Risks:

None – project completed.

Related Projects:

Project I.



H. SR-91 (I-5 to SR-57)

Other Involved Agencies:

Caltrans, cities of Anaheim and Fullerton, and CTC.

Assumptions:

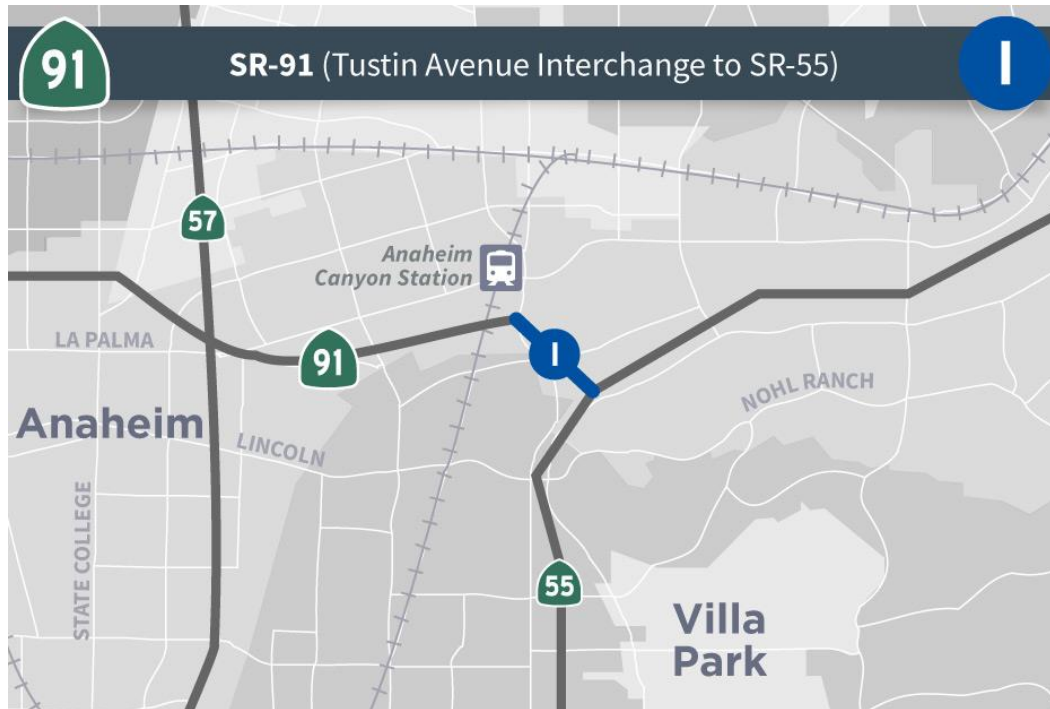
Cost based on June 2024 M2 Program cash flow.

References:

- OCTA 2022 Long-Range Transportation Plan
- June 2024 Project Status Report
- Capital Funding Program Report – State Highway Project (August 2024)

I. SR-91 (Tustin Avenue Interchange to SR-55)

EXHIBIT 20: PROJECT I – MAP OF APPROXIMATE LIMITS



Description:

Project I from Tustin Avenue Interchange to SR-55 added a westbound auxiliary lane, beginning at the northbound SR-55 to westbound SR-91 connector, through the Tustin Avenue interchange. The overall segment length was approximately two miles. Additional features of this project included widening the westbound Santa Ana River Bridge to accommodate the auxiliary lane. See Exhibit 20 for a map of the approximate limits.

Cost:

\$42.47 million.

Status:

The project was completed and opened to traffic in 2016.

Benefits:

This project addressed chokepoint conditions and reduced operational problems, including weaving and merging maneuvers, which were primarily caused by extensive weaving between the northbound SR-55 to westbound SR-91 connector and the westbound SR-91 off-ramp to Tustin Avenue.

External Funding:

\$29.75 million in state funds were used for the project.

Risks:

None – project completed.



I. SR-91 (Tustin Avenue Interchange to SR-55)

Related Projects:

Projects H, I (SR-57 to SR-55) and J.

Other Involved Agencies:

Caltrans, City of Anaheim, CTC, and FHWA.

Assumptions:

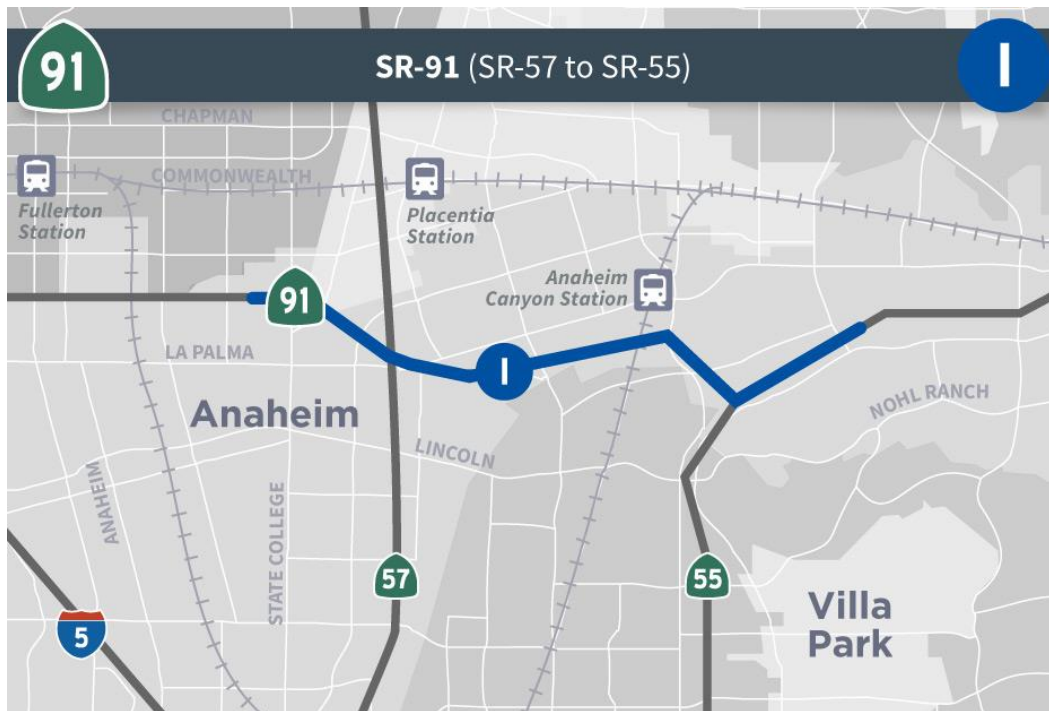
Cost based on January 2019 Project Status Report, which was incorporated in the June 2024 M2 Program cash flow.

References:

- OCTA 2022 Long-Range Transportation Plan
- January 2019 Project Status Report
- Capital Funding Program Report – State Highway Project (August 2024)

I. SR-91 (SR-57 to SR-55)

EXHIBIT 21: PROJECT I – MAP OF APPROXIMATE LIMITS



Description:

Project I from approximately SR-57 to SR-55 will add one westbound general purpose lane between northbound SR-57/westbound SR-91 connector and State College Boulevard, and one eastbound general purpose lane between SR-57 and SR-55. See Exhibit 21 for a map of the approximate limits. The project is divided into three segments as described below.

Segment 1: This project from SR-55 to Lakeview Avenue (approximately 2.2 miles) will realign the westbound SR-91 on-ramp at Lakeview Avenue interchange, replace the Lakeview Avenue overcrossing bridge, and add a new on-ramp from the Lakeview Avenue bridge to connect directly to southbound SR-55 to improve traffic operations in the Anaheim area.

Segment 2: This project will add an eastbound general purpose lane on SR-91 between La Palma Avenue and SR-55 (approximately 2.7 miles) and include bridge widening over the Santa Ana River on eastbound SR-91 and bridge replacements at Glassell Street/Kraemer Boulevard and Tustin Avenue to reduce congestion and improve traffic operations in the cities of Anaheim and Fullerton.

Segment 3: This project from Acacia Street to La Palma Avenue (approximately 1.8 miles) will add a fourth general purpose lane on westbound SR-91 between northbound SR-57/westbound SR-91 connector and State College Boulevard, make improvements to the weave from westbound SR-91 to northbound and southbound SR-57, and replace the bridge at La Palma Avenue to enhance westbound operations on SR-91, to reduce congestion and improve traffic operations in the cities of Anaheim and Fullerton.



I. SR-91 (SR-57 to SR-55)

Cost:

Segment 1:

- M2 Portion: \$126.26 million (YOE).
- Caltrans Multi Asset Project Portion: \$7.71 million (YOE).

Segment 2: \$208.45 million (YOE).

Segment 3:

- M2 Portion: \$207.0 million (YOE).
- Caltrans Multi Asset Project Portion: \$31.44 million (YOE).

Status:

The environmental phase for all three segments was completed in June 2020.

Segment 1: The project was advertised for construction in June 2024 and construction is anticipated to start in early 2025.

Segment 2: Final design was initiated in June 2020 and is anticipated to be complete in early 2025.

Segment 3: Final design was initiated in November 2020 and is anticipated to be complete in late 2024/early 2025.

Benefits:

Segment 1: This project is anticipated to alleviate congestion and reduce delay by improving the connection from Lakeview Avenue to southbound SR-55.

Segment 2: This project is anticipated to alleviate congestion in the eastbound direction and improve safety in both directions.

Segment 3: This project will enhance westbound operations and safety.

External Funding:

The Board has approved funding that supports this project including:

Segment 1: \$6.77 million in federal funds, \$42.57 million in state funds, and \$58.76 million in 91 Express Lanes excess revenues. Caltrans is responsible for the Multi Asset Project which is currently estimated at \$7.71 million.

Segment 2: \$3.46 million in federal funds and \$42.81 million in 91 Express Lanes excess revenue.

Segment 3: \$4.77 million in federal funds and \$159.70 million in 91 Express Lanes excess revenue. Caltrans is responsible for the Multi Asset Project which is currently estimated at \$31.44 million.

Risks:

Overall time, scope and costs risks are high due to coordination with the Caltrans multi-asset project and refined design options that require Caltrans concurrence, which remains under review.



I. SR-91 (SR-57 to SR-55)

Related Projects:

Projects H, I (Tustin Avenue Interchange to SR-55), and J.

Other Involved Agencies:

Caltrans, cities of Anaheim, Fullerton, Orange, and Placentia, CTC, and FHWA.

Assumptions:

Cost based on June 2024 M2 Program cash flows. Caltrans is responsible for the Multi Asset Project cost.

References:

- OCTA 2022 Long-Range Transportation Plan
- June 2024 Project Status Report
- Capital Funding Program Report – State Highway Project (August 2024)

J. SR-91 (SR-55 to SR-71)

EXHIBIT 22: PROJECT J – MAP OF APPROXIMATE LIMITS



Description:

Project J includes improvements on SR-91 from SR-55 to SR-71 in Riverside County and is divided into three segments. See Exhibit 22 for a map of the approximate limits.

Segment 1: This project added one eastbound lane (approximately six miles) on SR-91 from one-mile east of SR-241 to SR-71 in Riverside County. This project was led by RCTC in coordination with Caltrans District 8.

Segment 2: This project added one new lane (approximately six miles) in both directions of SR-91 between SR-55 and SR-241 and improved key interchanges. Additional improvements included the widening and seismic retrofitting of the Imperial Highway and Weir Canyon Road undercrossing bridges. This project was led by OCTA in coordination with Caltrans District 12.

Segment 3: This project requires coordination and funding agreements with RCTC to deliver complementary improvements between SR-241 and SR-71 in Riverside County. M2 is only responsible for the Orange County portion of this project. Improvements beyond SR-71 are overseen by RCTC.

Cost:

Segment 1: \$57.77 million.

Segment 2: \$79.74 million.

Segment 3: \$161.83 million (YOE).



J. SR-91 (SR-55 to SR-71)

Status:

Segment 1: Completed in January 2011.

Segment 2: Completed in March 2013.

Segment 3: This project was environmentally reviewed as part of the RCTC's Corridor Improvement Project. RCTC and OCTA advanced the westbound direction of this segment by adding a general purpose lane (two miles in length) from Green River Road to SR-241. RCTC was the lead agency and OCTA contributed \$15 million towards the project. Construction began in November 2020 and was completed in January 2022. A feasibility study to evaluate potential eastbound improvements from SR-241 to SR-71 was completed in April 2022. RCTC is the lead agency for advancing the environmental phase of the eastbound improvements known as the Eastbound Corridor Operations Project (ECOP), which began in June 2023 and is anticipated to be complete in mid-2025. Future phases are contingent on the outcome of the environmental review process, availability of funding, and coordination with RCTC.

Benefits:

Segment 1: This project added one general purpose lane, which improved weaving by reducing the volume of exiting vehicles in the SR-91 mainline through lanes that are exiting at Green River Road and SR-71.

Segment 2: This project helped to alleviate congestion and reduce delays.

Segment 3: This project will reduce congestion and delays and improve operational efficiency by reducing the existing chokepoints within the project limits.

External Funding:

Segment 1: \$45.91 million in federal funds and \$4.92 million in local funds were used for this project.

Segment 2: \$76.30 million in state funds were used for this project and \$2.90 million in state funds were used for replacement planting.

Segment 3: \$15.00 million of 91 Express Lanes excess revenue is Board approved for the Orange County portion of this segment.

Risks:

No risks for Segments 1 and 2 as they are complete. For segment 3, time, scope, and costs risks are dependent upon required coordination with RCTC. Eastbound improvements have engineering challenges due to project area topography (Santa Ana Canyon) and natural constraints (Santa Ana River).

Related Projects:

Project I and the Riverside County Corridor Improvement Project.



J. SR-91 (SR-55 to SR-71)

Other Involved Agencies:

Caltrans, cities of Anaheim and Yorba Linda, Corona, County of Orange, CTC, FHWA, and RCTC.

Assumptions:

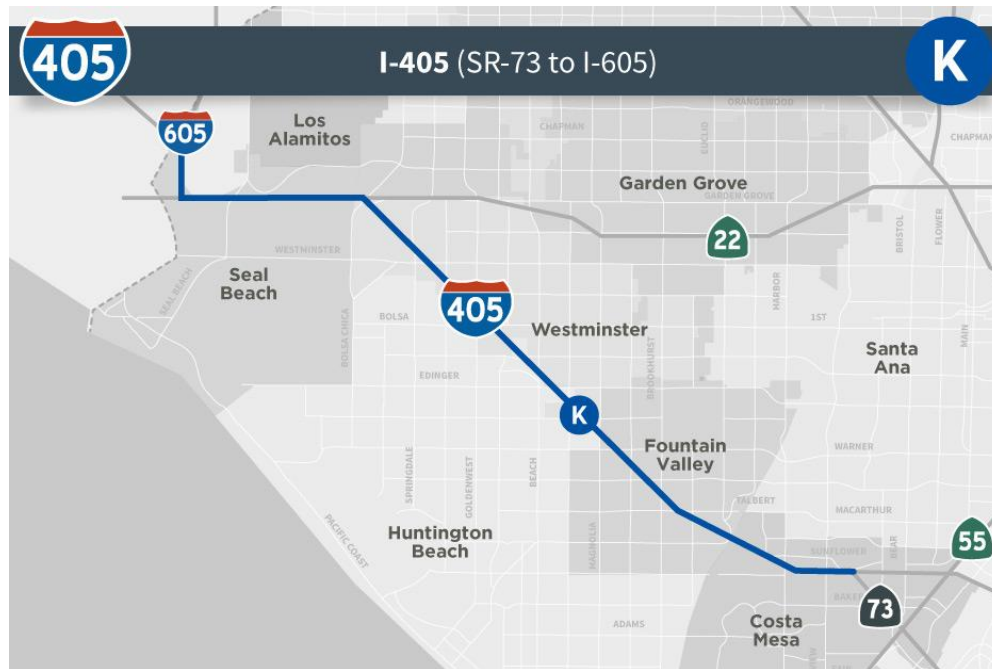
Cost based on December 2012 Project Status Report (segment 1), June 2018 Project Status Report (segment 2), and estimates from RCTC (segment 3) which were incorporated in the June 2024 M2 Program cash flow. The ECOP schedule and cost is subject to change and are contingent on the outcome of the environmental phase, availability of funding, and coordination with RCTC.

References:

- OCTA 2022 Long-Range Transportation Plan
- December 2012 Project Status Report (segment 1)
- June 2018 Project Status Report (segment 2)
- Capital Funding Program Report – State Highway Project (August 2024)

K. I-405 (SR-73 to I-605)

EXHIBIT 23: PROJECT K – MAP OF APPROXIMATE LIMITS



Description:

Project K included the addition of new lanes to I-405 between SR-73 and I-605. The project made the best use of available freeway property by staying generally within the freeway ROW and updating key local interchanges to the current Master Plan of Arterial Highway (MPAH) standards. The project added one general purpose lane (approximately 16 miles) in each direction of I-405 from Euclid Street to I-605. Additional improvements included reconstruction of local interchanges and improvements to freeway entrances and exits along the corridor from SR-73 to I-605 through the cities of Costa Mesa, Fountain Valley, Garden Grove, Huntington Beach, Los Alamitos, Seal Beach, and Westminster. See Exhibit 23 for a map of the approximate limits.

Concurrently with Project K, an additional lane (approximately 14 miles) was added in each direction that combined with the existing HOV lane to provide dual express lanes in each direction on I-405 from SR-73 to I-605. The general purpose lanes were funded with M2, state, and federal funds; the express lanes were funded solely with toll revenues.

Cost:

- M2 Portion: \$1.62 billion
- Express Lanes Portion: \$540.00 million

Status:

The project fully opened to traffic on December 1, 2023. Remaining work includes landscaping and punch-list items. Final acceptance and relief of maintenance is expected in late 2024.



K. I-405 (SR-73 to I-605)

Benefits:

Project K included the addition of auxiliary and general purpose lanes that reduced congestion and improved travel times. Additional improvements included interchange and local street improvements, and a direct Express Lanes connector at the I-405/SR-73 interchange.

The express lanes operate congestion-free throughout the day, due to toll rates that vary based on traffic demand. The express lanes provide commuters with a reliable travel option compared to the adjacent, general purpose lanes.

M2 improvements, in combination with express lanes improvements, provide more throughput in the corridor. These improvements added two additional freeway lanes to I-405 in both directions between SR-73 to the I-605 interchange.

External Funding:

The Board has approved funding that supports this project, including \$45.65 million in federal funds and \$89.77 million in state funds. The project also successfully secured \$628.93 million from Transportation Infrastructure Finance and Innovation Act (TIFIA), a low-cost federal loan. The M2 cash flow will benefit from \$108.93 million in TIFIA revenues for this project. The entire TIFIA loan will be paid back solely with toll revenues.

Risks:

None – project completed.

Related Projects:

Project L and WCC improvements at SR-22/I-405 and I-405/I-605 interchanges (mentioned under Project E).

Other Involved Agencies:

Caltrans, Build America Bureau TIFIA Office, cities of Costa Mesa, Fountain Valley, Huntington Beach, Seal Beach, and Westminster, Community of Rossmore, CTC, and FHWA.

Assumptions:

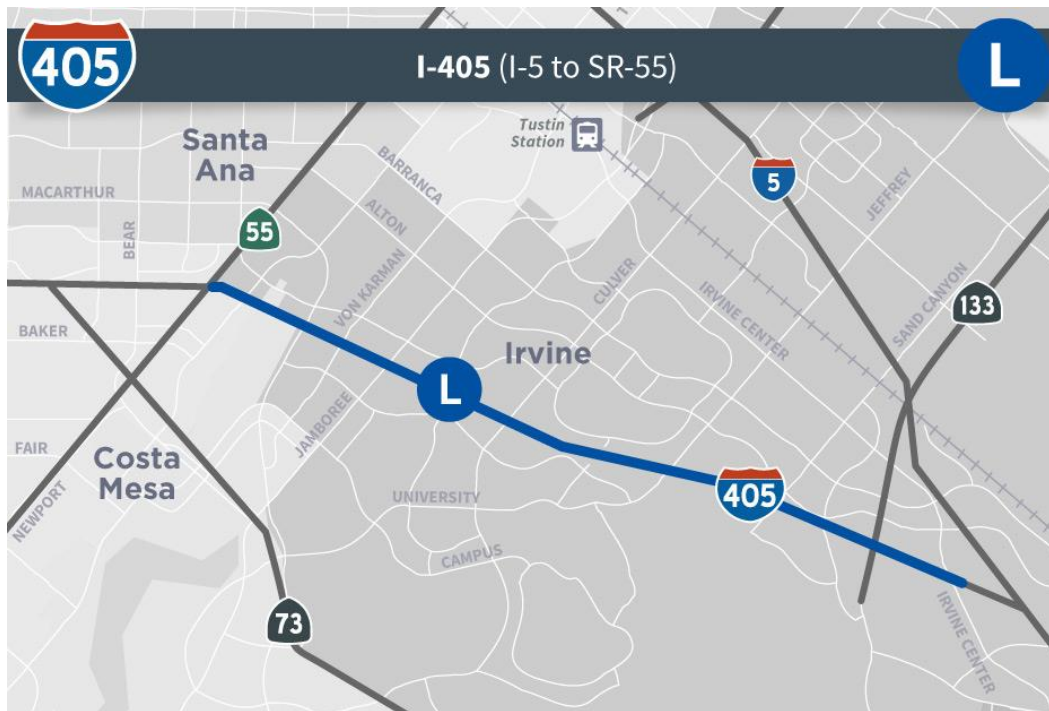
Costs based on June 2024 M2 Program cash flow. M2 will only pay for the addition of the general purpose lanes. Toll revenues will pay for the 405 Express Lanes.

References:

- OCTA 2022 Long-Range Transportation Plan
- June 2024 Project Status Report
- Capital Funding Program Report – State Highway Project (August 2024)

L. I-405 (I-5 to SR-55)

EXHIBIT 24: PROJECT L – MAP OF APPROXIMATE LIMITS



Description:

Project L will add new lanes (approximately 8.5 miles) to I-405 from the vicinity of I-5 to SR-55 to alleviate congestion and reduce delays. See Exhibit 24 for a map of the approximate limits. The project will generally be constructed within the existing ROW.

Cost:

\$269.60 million (YOE).

Status:

The project completed the environmental phase in August 2018 and is shelf-ready to begin the design phase.

Project B (I-5, I-405 to SR-55) is a parallel project designated for construction. As a result, Project L will follow to avoid excessive inconvenience to the traveling public. Additionally, a significant Caltrans safety project is scheduled to take place within the Project L project limits and will require additional coordination.

Benefits:

Improvements between I-5 and SR-55 would help alleviate congestion and reduce delays.

External Funding:

The Board approved providing \$8.00 million in federal funds to support the environmental phase of the project. This project is eligible for future state and federal funds.



L. I-405 (I-5 to SR-55)

Risks:

Overall time, scope, and costs risks are low with this project due to low ROW impacts and straightforward design.

Related Projects:

Projects B and K.

Other Involved Agencies:

Caltrans, City of Irvine, CTC, FHWA, and Transportation Corridor Agencies.

Assumptions:

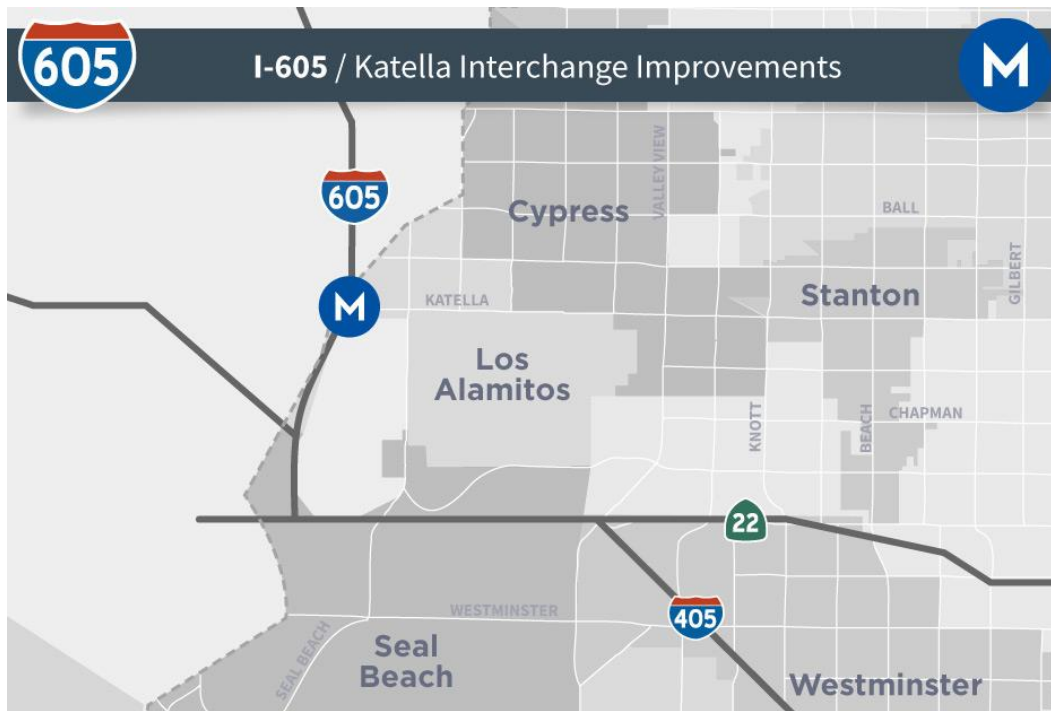
Cost based on estimate developed in the environmental phase which was incorporated in the June 2024 M2 Program cash flow.

References:

- OCTA 2022 Long-Range Transportation Plan
- February 2019 Project Status Report
- Capital Funding Program Report – State Highway Project (August 2024)

M. I-605 (Katella Avenue Interchange) Improvements

EXHIBIT 25: PROJECT M – LOCATION OF IMPROVEMENT



Description:

Project M includes improvements to I-605 freeway access and the arterial connection at Katella Avenue, which serves communities in the cities of Cypress and Los Alamitos. See Exhibit 25 for the location of the improvement.

Cost:

\$49.72 million (YOE).

Status:

The environmental phase for this project was completed in late 2018 and was done in cooperation with the City of Los Alamitos. Final design was initiated in December 2020 and was completed in January 2023. ROW Certification is underway and is anticipated to be completed in fall 2024.

Benefits:

The I-605 Katella Avenue interchange project would include both freeway and arterial improvements that would improve interchange traffic operations and improve bicycle and pedestrian facilities while minimizing adjacent ROW and environmental impacts. Additionally, these improvements would reduce congestion, traffic queuing, and delays within the interchange area.

External Funding:

The Board approved providing \$17.80 million in federal funds.

Risks:

Overall time, scope, and costs risks are low with this project due to low ROW impacts and straightforward design.



M. I-605 (Katella Avenue Interchange) Improvements

Related Projects:

Project K and WCC improvements at the SR-22/I-405 and I-405/I-605 interchanges (mentioned under Project E).

Other Involved Agencies:

Caltrans and City of Los Alamitos.

Assumptions:

Cost based on June 2024 M2 Program cash flow.

References:

- OCTA 2022 Long-Range Transportation Plan
- June 2024 Project Status Report
- Capital Funding Program Report – State Highway Project (August 2024)



N. Freeway Service Patrol

Description:

The FSP provides competitively-bid, privately contracted tow truck services to help stranded motorists in addition to clearing disabled vehicles and large debris from freeway lanes to reduce congestion caused by blocked traffic lanes and passing motorists rubbernecking. FSP is available on all Orange County freeways during peak traffic hours, Monday through Friday, and in specific congested areas on weekends. This project assures that this basic level of service will be continued through 2041.

Program Funding:

\$64.34 million in M2 revenue between 2025 and 2034.

Status:

FSP is primarily funded by State Highway Account (SHA) and Road Repair and Accountability Act of 2017 (SB 1) funds. OCTA meets matching fund requirements by utilizing a portion of its share of Service Authority for Freeway Emergencies (SAFE) funds collected by the Department of Motor Vehicles each year. Since June 2012, the FSP has assisted more than 794,363 motorists along Orange County freeways.

As demand, congestion levels, and costs increase, this project will allow the program to maintain existing service hours and extend service throughout the day and on weekends on additional freeway segments.

M2 also helps support the California Highway Patrol (CHP) as the partner responsible for field supervision. M2 funds a full-time dispatcher and CHP Officer overtime to ensure adequate program support seven days a week.

Present Day:

The FSP program assisted 56,166 motorists along the Orange County freeway system in FY 2023-24.

Benefits:

To keep Orange County moving, FSP provides free limited roadside assistance to motorists whose vehicles have become disabled and removes congestion-causing debris on Orange County freeways. Motorist assistance is limited to taping a leaking hose, providing water for a radiator, a jump start, a gallon of gas, a tire change, or towing a disabled vehicle off the freeway to a designated drop zone where the motorist may seek additional assistance.

In FY 2022-23, Orange County received approximately \$5 of congestion relief benefit for every dollar invested in the program.

External Funding:

- SHA allocation provided by Caltrans – approximately \$2.2 million annually.
- SB 1 allocation provided by Caltrans – approximately \$2 million annually.
- SAFE (\$1 per vehicle registration fee) -funds not allocated to the Freeway Call Box and 511 Motorist Assistance and Traveler Information programs are available for FSP program use, to meet local match fund requirements – approximately \$1.2 million annually.



N. Freeway Service Patrol

Risks:

Should the State of California stop funding FSP through the SHA and SB 1, M2 will not be sufficient to maintain existing service levels.

Related Projects:

M2 Project N funds are designated to maintain existing service levels, provide mid-day and weekend service, and limited FSP support services for construction of Projects A-M.

Other Involved Agencies:

Caltrans and CHP.

Assumptions:

Project N is assumed to be funded on a pay-as-you-go basis. Funding provided through the SHA and SB 1 are allocated first, and then M2 funding is applied as needed.

References:

M2 Project N Guidelines for FSP Project, approved on February 13, 2012.

Freeway Environmental Mitigation Program

Overview:

The EMP provides for allocation of five percent of the total M2 freeway budget for comprehensive environmental mitigation related to impacts from freeway improvements (projects A-M). The EMP was approved by Orange County voters under the M2 half-cent sales tax for transportation improvements in 2006.

A master agreement between OCTA, Caltrans, and state and federal resource agencies was approved in January 2010. This offers higher-value environmental benefits such as habitat protection, connectivity, and resource preservation in exchange for streamlined project approvals for the 13 (segmented into 30) M2 freeway projects.

To adhere to the promise of M2, the Next 10 Plan includes the following framework for the Mitigation Program as it relates to Projects A-M:

- Streamline freeway projects through the biological permitting process.
- Provide comprehensive environmental mitigation.
- Partner with state and federal resource and regulatory agencies.
- Provide higher-value environmental benefits such as habitat protection, connectivity, and resource preservation.

Next 10 Plan Deliverables:

In 2009, the Board approved a policy to allocate approximately 80 percent of the revenues to acquisitions and 20 percent to fund restoration projects. This policy will need to be revisited periodically to ensure it continues to meet program needs. The Next 10 Plan recommends four major initiatives through 2034 consistent with the above framework:

1. Oversee and manage the Preserves while the endowment is being established and determine potential long-term land manager(s) and endowment holder(s). This includes coordinating with local fire authorities and the Wildlife Agencies to monitor habitat recovery after wildfires impact the Preserves.
2. Focus EMP resources funding as a first priority toward the establishment of the endowment for the Preserves.
3. Review and update the resource management plans (RMP) on the Preserves as appropriate. This includes the development of FMPs for each of the Preserves.
4. Complete approximately 350 acres of restoration projects funded through M2 to fulfill the Conservation Plan commitments.

Environmental Mitigation Program

Description:

In 2010, OCTA began preparing a Conservation Plan, which examines habitat resources within broad geographic areas and identifies conservation and mitigation measures to protect habitat and species. This analysis was completed in 2016; in accordance with the master agreement “advance credit” provision, funds were allocated prior to completion of the Conservation Plan. In 2017, the United States Fish and Wildlife Service (USFWS) and the California Department of Fish and Wildlife (CDFW) (collectively, Wildlife Agencies) finalized the issuance of their respective biological opinion, findings, and associated permits, as well as signed the Conservation Plan Implementing Agreement. Receipt of these permits represents the culmination of years of collaboration and support by the Board, environmental community, and Wildlife Agencies.

Concurrent with efforts made toward completing the Conservation Plan and EIR/Environmental Impact Statement (EIS), OCTA collaborated with the United States Army Corps of Engineers (USACE) and the State Water Resources Control Board (SWRCB) – regulatory agencies – to streamline the regulatory permitting process. In 2017, the USACE issued a programmatic permit to OCTA and Caltrans (as owner/operator of the state highway system). The SWRCB provided a letter to OCTA in 2018, which further secured assurances related to advanced mitigation and freeway project permit issuance.

RMPs for each of the seven Preserves were finalized in 2018. These RMPs guide the management of the Preserves as outlined within the Conservation Plan. The Conservation Plan also requires that each Preserve have a Preserve-specific FMP. Staff will continue to oversee and manage the Preserves until a long-term management strategy is determined at which time, some or all of the Preserve responsibilities could be transferred to another entity.

Cost:

In 2007, the Board approved approximately \$55 million as part of the EAP. Accordingly, \$42 million and \$10.5 million were allocated for acquisition and restoration, respectively. An additional \$2.5 million was allocated for the Conservation Plan development and program support, including appraisals and biological surveys.

Status:

Since 2010, a total of \$10 million has been allocated for 12 projects to restore approximately 350 acres of open space lands throughout Orange County.

On September 26, 2016, the Board approved the selection of the endowment fund manager. Annually, approximately \$2.9 million is deposited in the endowment. These annual deposits are expected over a ten to 12 year period, or until the fund totals approximately \$46.2 million. As of June 30, 2024, the balance was \$28,424,735, which includes eight deposits. Annual endowment deposits will continue to be made near the beginning of each FY. The Wildlife Agencies finalized the issuance of their respective permits, as well as executing the Implementing Agreement in 2017. In early 2018, OCTA secured advanced streamlined state and federal clean water permitting requirements. All seven Preserves have finalized RMPs and are being managed and protected for an interim period by OCTA staff and contractors. These RMPs are currently being reevaluated and will be revised as necessary in 2025. Staff will continue to oversee and manage the Preserves while a long-term management strategy and manager is determined.

Environmental Mitigation Program

Present Day:

The FMPs provide guidelines for decision-making at all stages of a fire. These FMPs were drafted to be compatible with the conservation and stewardship responsibilities of the Preserves. Coordination with local fire agencies and the Wildlife Agencies occurred and the FMPs were approved in early 2024. The FMPs are available on the OCTA website and will be attached to the updated RMPs.

OCTA continues to manage the Preserves and is required to provide Conservation Plan reports annually to the Wildlife Agencies. To date, these reports document that OCTA is complying with all the commitments within the Conservation Plan. The 2023 report is underway and is anticipated to be shared with the Board in late 2024; it will subsequently be posted on the OCTA EMP website.

Benefits:

The completed Conservation Plan and regulatory permitting process are tools by which OCTA obtains biological and regulatory permits/assurances for the 13 (segmented into 30) M2 freeway projects. This comprehensive process enables OCTA to streamline future M2 freeway improvement projects.

External Funding:

Examples of external funding available for this program include:

- USFWS contribution toward the acquisition of open space land in the Trabuco Canyon area.
- USFWS Habitat Conservation Planning Assistant Grant to help fund the completion of the Conservation Plan.
- Restoration project sponsors utilize external funds and resources to implement their projects.

Risks:

To date, seven restoration projects have been completed and signed off by the Wildlife Agencies. The success of the restoration projects will support OCTA's Conservation Plan and regulatory permitting processes. However, unforeseeable conditions such as the frequency of drought and wildfires have and may continue to impact plant reestablishment. Additional funding may be necessary to ensure successful implementation of the restoration projects if the Wildlife Agencies do not sign off on the project under current conditions. OCTA will need to establish the endowment over a ten to 12-year period. OCTA currently holds the title and interim land management responsibility of the Preserves but will potentially secure a long-term land manager(s) in the future.

Related Projects:

Projects A-M.

Other Involved Agencies:

Caltrans, CDFW, the environmental community, SWRCB, USACE, and USFWS.

Assumptions:

This program is assumed to be funded primarily on a pay-as-you-go basis in the future, in addition to prior bonding issuances. More detailed assumptions are included in the appendices.

References:

- Final Conservation Plan and EIR/EIS
- Additional resources can be found online: www.octa.net/environmental

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UPDATE

NEXT 10

DELIVERY PLAN



2.2 STREETS & ROADS PROGRAM

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EXHIBIT 26: OC GO STREETS AND ROADS PROGRAM MAP

OC GO STREETS AND ROADS PROGRAM



updated 08.02.24

- ① Regional Capacity Program**
 - Competitive funding program with annual call for projects for roadway improvements (not mapped)
 - OC Bridges Grade Separation Projects

- ② Regional Traffic Signal Synchronization Program**
 - Competitive funding program with annual call for projects for signal coordination

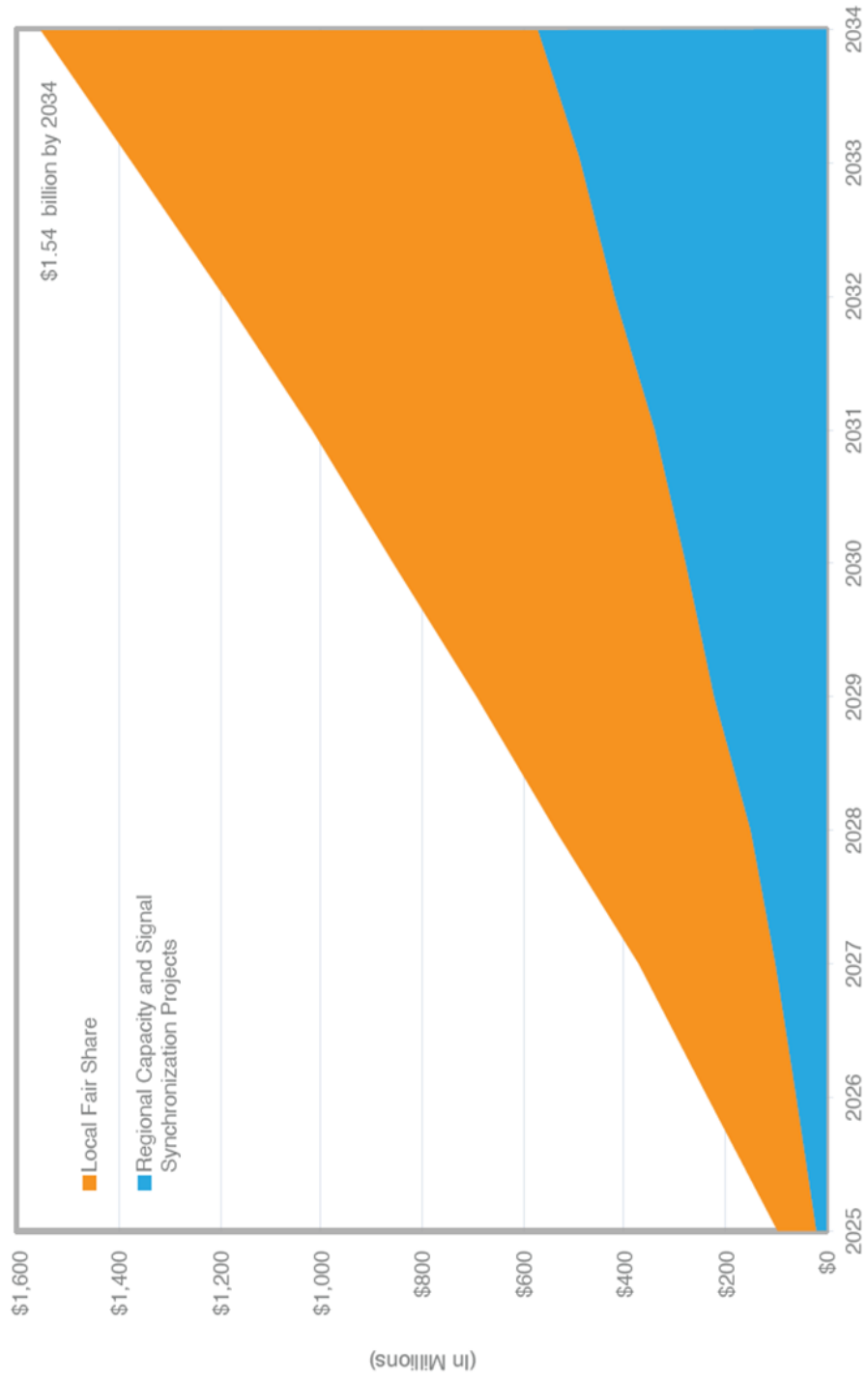
- ③ Local Fair Share Program**
 - Flexible funding to local jurisdictions for street maintenance and improvements (not mapped)



EXHIBIT 27: OC GO STREETS AND ROADS CUMULATIVE EXPENDITURES



OC Go Streets and Roads Cumulative Expenditures





2.2. Streets and Roads Program

Overview:

Local streets provide the capacity for the movement of people and goods which is essential to Orange County's commerce and vitality. Streets carry approximately half of Orange County's car and truck traffic and nearly all of Orange County's bicycle and pedestrian traffic. Keeping people moving on local streets is an essential function of the M2 funding programs for local streets. To meet this broad mobility goal, the Next 10 Plan includes the following framework for the Streets and Roads Program:

- Target M2 competitive program funds for streets with the worst traffic congestion.
- Maintain the value of investments in streets by synchronizing traffic signals and keeping pavement in good condition.
- Consider all modes of travel when planning for added street capacity.

Within this program is the OC Bridges Program, which funded seven over- or underpass grade separations that eliminated car and train conflicts along the BNSF railway in northern Orange County. For more details, see Section 3.1 in the Appendix.

Next 10 Plan Deliverables:

Continue to provide funding to improve the countywide network of streets and roads, making them safer and more efficient. The Next 10 Plan for streets and roads recommends two major initiatives through 2034, consistent with the above framework:

1. Provide annual calls for competitive funding to local jurisdictions to address bottlenecks and gaps in the street system and synchronize signals (Project O and P).
2. Provide flexible funding to local jurisdictions to preserve the quality of streets or for use on other transportation needs as appropriate (Project Q).



O. Regional Capacity Program

Description:

Project O provides funding through a competitive process to local jurisdictions for recommended streets and roads projects which complete the Orange County MPAH, relieve congestion, are cost effective, and can proceed to construction quickly. These projects fall into one of two categories as described below.

RCP: This portion of Project O provides a funding source to complete the Orange County MPAH, a plan for future roadway improvements throughout Orange County. This includes intersection improvements and other projects that help improve street operations and reduce congestion. The M2 goal for these projects is to complete roughly 1,000 miles of new street lanes, mostly in the form of widening existing streets to their ultimate planned width. Matching local funds are required for these projects.

OC Bridges: This portion of Project O funded seven over- or underpass grade separations that eliminate car and train conflicts along the BNSF railway (Orangethorpe Avenue corridor) in northern Orange County. These grade separations increased safety for everyone traveling through the intersections and eliminated delays caused by trains.

Program Funding:

RCP: \$426.01 million between 2025 and 2034.

Status:

To date, OCTA has awarded \$406.35 million, which includes \$24.25 million in external funding, to 186 projects through 14 competitive RCP calls. Annual calls are planned for projects between 2025 and 2034.

As of November 2017, all seven grade separation projects were opened to traffic (Kraemer Boulevard, Lakeview Avenue, Orangethorpe Avenue, Placentia Avenue, Raymond Avenue, State College Boulevard, and Tustin Avenue/Rose Drive). No future calls for grade separations are anticipated.

Present Day:

Annual RCP calls take place providing local jurisdictions the opportunity to request funding for street improvements that reduce congestion.

Benefits:

Completion of the MPAH system, including grade separations, will result in better traffic flow and a more efficient transportation system.

External Funding:

RCP: Local jurisdictions are required to provide a 50 percent local match. Matching funds may be reduced contingent on participation in pavement and signal programs, as well as use of non-M2 funds for local match. While other external state and federal funding are not typically used for RCP projects, there have been seven projects to date which qualified for and were awarded State-Local Partnership Program funds, amounting to approximately \$24.25 million.

OC Bridges: The Board approved the use of \$209.7 million in federal funds and \$260.8 million in state funds for this project. Additionally, local jurisdictions provided \$44.4 million in funding. OC Bridges funding includes 75 percent in external local, state, and federal funds.



O. Regional Capacity Program

Risks:

Local jurisdictions must meet and maintain eligibility requirements to receive net M2 funds. Additionally, funds received are subject to M2 timely use of funds provisions.

Related Projects:

Project P and Project Q.

Other Involved Agencies:

All local jurisdictions (cities and County of Orange).

Assumptions:

Project O is assumed to be funded primarily on a pay-as-you-go basis with bonding for the seven OC Bridges projects. More detailed assumptions are included in the appendices.

References:

- M2 Eligibility Guidelines
- Comprehensive Transportation Funding Program Guidelines
- Orange County MPAH Guidelines
- Capital Funding Program Report – Local Road Project (August 2024)

P. Regional Traffic Signal Synchronization Program

Description:

Project P provides funds to local jurisdictions to implement new signal timing on a 750-mile regional network that covers most of Orange County. Optimizing traffic signal timing is a low-cost, high-benefit approach to reducing congestion and improving traffic flow. Better signal timing results in fewer traffic stops, delays, pollution, and saves commuters gas and money.

Program Funding:

\$200.86 million between 2025 and 2034.

Status:

As of June 2024, OCTA has funded approximately \$184.8 million, including \$40.1 million in M1 and external funding, to 137 projects. Since 2008, 107 corridor-based signal synchronization projects have been implemented, 26 are planned or underway, and three have been cancelled. Annual calls are planned for projects between 2025 and 2034. From FY 2024-25 through FY 2033-34, the entire network of signals is anticipated to have been retimed or optimized at least two times. This equates to more than 4,000 intersections retimed over a ten-year period.

Present Day:

In the past, many traffic signal synchronization projects were limited to segments of roads in individual cities. M2 provides funds to expand these projects to benefit neighboring cities and regional corridors.

Benefits:

Optimizing signal timing offers substantial benefits in reducing traffic delays and improving air quality. To date, OCTA has implemented optimized signal timing on 107 corridors with 3,705 intersections covering 954 miles of roadway. On the average, each project resulted in a 13 percent travel time savings for corridor end-to-end travel, saving commuters time and money for a relatively low investment. Future projects may see comparable benefits when combined with capital improvements to reduce physical bottlenecks where appropriate.

External Funding:

Local jurisdictions are required to provide a 20 percent local match. Matching funds may be in-kind services. There may be future needs for more capital-intensive investments as systems age.

Projects that started prior to the 2011 call were funded with \$4.95 million in M1, \$1.77 million in federal Congestion Mitigation and Air Quality Improvement (CMAQ), and \$3.82 million in Prop 1B funds. The 2013 call was partially funded with \$1.25 million in Mobile Source Air Pollution Reduction Review Committee grant money. The 2018 call was able to leverage \$6.69 million in SB 1 Local Partnership Program competitive grant funds. OCTA was also able to leverage \$12 million in SB 1 Solutions for Congested Corridor Program competitive grant funds for three corridor projects outside the 2020 call.

In parallel with the annual call, OCTA secured and awarded \$9.63 million in CMAQ and Surface Transportation Block Grant funds to develop and implement a countywide signal synchronization network for Orange County that will consist of retiming approximately 2,500 signals along regionally significant corridors to ensure seamless travel across the County. This Countywide Signal Synchronization Baseline

P. Regional Traffic Signal Synchronization Program

project kicked off in June 2024 with data collections. While this innovative project is entirely externally funded, the results will benefit and shape the future of Project P.

In all, external funding (not including funds provided by local jurisdictions) contributed is approximately \$40.11 million.

Risks:

Local jurisdictions must meet and maintain eligibility requirements to receive net M2 funds. Additionally, funds received are subject to M2 timely use of funds provisions.

Related Projects:

Project O (RCP) and Project Q.

Other Involved Agencies:

Caltrans and all local jurisdictions (cities and County of Orange).

Assumptions:

Project P is assumed to be funded on a pay-as-you-go basis.

References:

- M2 Eligibility Guidelines
- Comprehensive Transportation Funding Program Guidelines
- OCTA's Comprehensive Business Plan
- Capital Funding Program Report – Local Road Project (August 2024)



Q. Local Fair Share

Description:

Project Q provides formula-based funds that local jurisdictions may use for a variety of transportation purposes and needs, including repairing aging streets, residential street projects, bicycle lanes, and pedestrian safety.

Key among these needs is pavement preservation, which involves extending the useful life of pavement and avoiding costly street reconstruction. Preserving and maintaining roads in good condition is a key goal of M2 and Project Q in particular.

Program Funding:

Up to \$920.60 million will be provided between 2025 and 2034.

Status:

As of June 2024, approximately \$736.33 million^{8,9} in LFS payments have been provided to local jurisdictions and the County.

Orange County streets are in generally good condition on average (with a pavement condition index of 79 based on the 2022 statewide report, the best in state). As roadway pavement conditions deteriorate, however, the cost for repairs increases exponentially. For example, it costs as much as 14 times more to reconstruct pavement than to preserve it when it is in good condition.

Present Day:

The cost of street rehabilitation has increased substantially in recent years, and gas tax revenues have not kept pace, which has a direct impact on the ability to fund street maintenance and rehabilitation.

Benefits:

Investments in streets and roads save future costs, keep traffic moving, and offer expanded travel choices.

LFS funds are also flexible and can be used as matching funds for capacity and safety projects, bicycle, pedestrian facilities, or community transit services.

External Funding:

This program is not externally funded.

Risks:

Local jurisdictions must meet and maintain eligibility requirements to receive net M2 funds. Additionally, funds received are subject to M2 timely use of funds provisions.

⁸ Only includes disbursed funds. On May 28, 2024, the Board determined the City of Buena Park ineligible to receive net M2 revenues for five years pursuant to Section 10.4 of the M2 Ordinance. Disbursements of M2 revenues have been suspended until the City of Buena Park reestablishes eligibility.

⁹ Only includes disbursed funds. On May 28, 2024, the Board determined the City of Orange ineligible to receive net M2 revenues. Disbursements of net M2 revenues have been suspended until the City of Orange achieves compliance and the Board reconsiders the matter at a future meeting.



Q. Local Fair Share

Related Projects:

Project O (RCP) and Project P.

Other Involved Agencies:

All local jurisdictions (cities and County of Orange).

Assumptions:

Project Q is assumed to be funded on a pay-as-you-go basis.

References:

- M2 Eligibility Guidelines
- 2022 California Statewide Local Streets and Roads Needs Assessment
- OCTA's Comprehensive Business Plan



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UPDATE

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DELIVERY PLAN



2.3 TRANSIT PROGRAM

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EXHIBIT 28: OC GO TRANSIT PROGRAMS MAP

OC GO TRANSIT PROGRAMS



updated 08.02.24

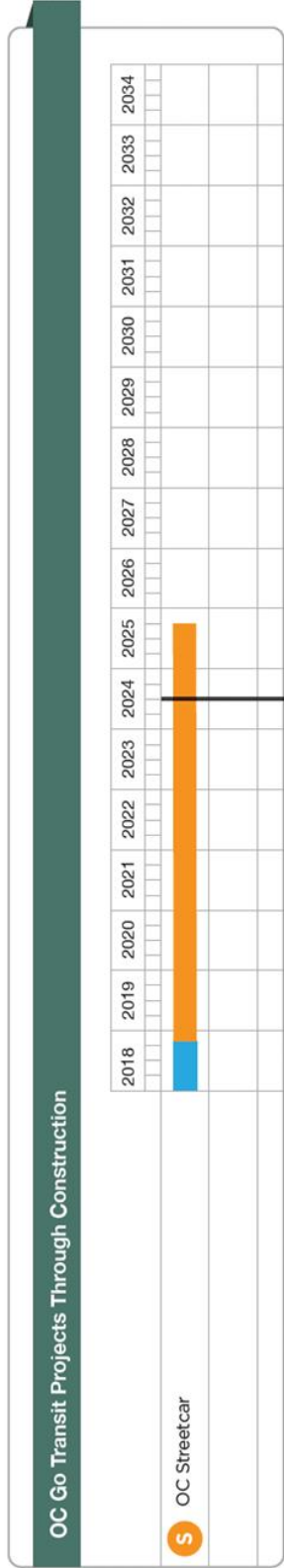
- R High Frequency Metrolink Service**
 - Metrolink Grade Crossing Improvements
 - Metrolink Station Improvement Projects
 - Planned Metrolink Station
 - Laguna Niguel-San Juan Capistrano Passing Siding Project
 - Sand Canyon Grade Separation Project
- S Transit Extensions to Metrolink**
 - Bus and Station Van Extension Projects (not mapped)
 - OC Streetcar
- T Metrolink Gateways**
 - Anaheim Regional Transportation Intermodal Center (ARTIC)
- U Expand Mobility Choices for Seniors and Persons with Disabilities (countywide, not mapped)**
 - Senior Mobility Program
 - Senior Non-Emergency Medical Transportation
 - Fare Stabilization Program
- V Community Based Transit/Circulators**
- W Safe Transit Stops (countywide, not mapped)**



EXHIBIT 29: OC GO TRANSIT PROJECTS THROUGH CONSTRUCTION

2024 UPDATE **NEXT 10** **OC GO**
DELIVERY PLAN

Design/Advertise & Award ■ Construction ■



Please note that schedules are updated as of June 30, 2024. Shown schedules are subject to change.



2.3. Transit Program

Overview:

The goal of the Transit Program is to build a visionary transit system that is safe, clean, and convenient, with a focus on Orange County's transportation future. Providing mobility choices and connectivity for Orange County residents and workers are key components of the overall M2 Plan. To meet this broad mobility goal, the Next 10 Plan includes the following framework for the Transit Program:

- Ensure efficient and integrated Metrolink service for Orange County residents.
- Assess and deliver transit options providing riders first and last mile connections and alternatives to driving.
- Provide services and programs to meet the growing transportation needs of seniors and persons with disabilities.
- Support local agency efforts to deliver Board-approved community-based transit projects.
- Advance improvements to the busiest transit stops across the County to provide passenger amenities that ease transfers between bus lines.

Next 10 Plan Deliverables:

The Next 10 Plan for transit recommends six major initiatives through 2034, consistent with the above framework.

1. Sustain Metrolink service as an attractive alternative to driving in Orange County.
2. Complete construction and begin operating the OC Streetcar.
3. Incorporate recommendations from planning studies to guide development of future transit connections.
4. Support expanded mobility choices for seniors and persons with disabilities.
5. Work with local jurisdictions to maintain successful community circulator projects and potentially provide grant opportunities for expanded or new local transit services.
6. Continue to improve the top 100 busiest bus stops in Orange County.



R. High Frequency Metrolink Service

Description:

Project R provides for sustained and expanded rail service into Los Angeles and Orange counties along the three Metrolink lines serving Orange County (Orange County, Inland Empire-Orange County, and 91/Perris Valley Lines). Project R also provides for safety and operational improvements to the railroad infrastructure necessary to support existing and expanded train service, including grade crossing improvements, track improvements, signal and communications system improvements, as well as other projects as necessary to support the rail system. Grade separation projects will be considered as available funding permits.

Program Funding:

Approximately \$470.16 million between 2025 and 2034.

Status:

To date, rail safety enhancements at 50 at-grade rail-highway crossings have been completed. As a result, quiet zones have been established in the cities of Anaheim, Dana Point, Irvine, Orange, San Clemente, San Juan Capistrano, Santa Ana, and Tustin.

Station improvements completed during the EAP include parking expansion projects at the Fullerton Transportation Center, Tustin Station, and Laguna Niguel/Mission Viejo Station, as well as safety repairs to the San Clemente Pier Station platform.

Since then, several station improvement projects have been completed: the San Clemente Pier Metrolink/Amtrak Station lighting, the Laguna Niguel/Mission Viejo Metrolink Station Americans with Disabilities Act (ADA) ramps, the Orange Transportation Center Parking Structure, the Fullerton Transportation Center elevator upgrades project and stair replacement project, and detectable tile replacements at various stations. Most recently completed in January 2023, the Anaheim Canyon Metrolink Station improvement project added a second main track and passenger platform, extended the existing passenger platform, improved at-grade crossings for pedestrian circulation, and installed new station amenities.

OCTA remains committed to delivering the new Placentia Metrolink Station. However, the project is on hold pending a shared-use agreement between Metrolink and BNSF prior to advertisement and construction. There is no projected date for when this agreement will be completed at this time. OCTA will include project scope, schedule, and budget as they become available in future Next 10 Plan updates.

Completed rail corridor improvements include Control Point at 4th Street, Control Point Stadium, the San Clemente Beach Trail Audible Warning System, Laguna Niguel to San Juan Capistrano Passing Siding, Railroad ROW Slope Stabilization, and six Project Study Reports for potential grade separations along the Los Angeles-San Diego-San Luis Obispo Rail (LOSSAN) corridor, including: 17th Street, Ball Road, Grand Avenue, Main Street, Orangethorpe Avenue, and Santa Ana Boulevard.

Rail corridor improvements underway include: San Juan Creek Railroad Bridge Replacement, track stabilization and protection in San Clemente, Metrolink Preventive Maintenance Capitalized Operation, Metrolink Rehabilitation/Renovation, and ongoing operation of Positive Train Control.



R. High Frequency Metrolink Service

Present Day:

Metrolink is currently operating 45 weekday trains. In October 2019, four intracounty trips operating between Laguna Niguel/ Mission Viejo and Fullerton were extended to Los Angeles, however the extended trips were temporarily suspended due to COVID-19. OCTA will continue to actively engage with Metrolink and other member agencies and monitor ridership levels and the corresponding financial impacts to M2.

Benefits:

Project R allows for sustained operation and enhanced capacity of Metrolink trains serving Orange County, providing a viable alternative to single-occupant vehicle travel, thereby reducing congestion on crowded roadways and freeways.

External Funding:

- State: STIP, Propositions 1A, 1B, and 116, and Transit and Intercity Rail Capital Program (TIRCP) totaling \$314.58 million.
- Federal: CMAQ, the Surface Transportation Block Grant Program, and Federal Transit Administration (FTA) Sections 5307, 5309, and 5337, totaling \$468.19 million.
- Other Local: Local funding from the cities as well as other entities is programmed for \$86.26 million.
- M1 also provided \$136.58 million.

Risks:

Close monitoring of Metrolink operations is necessary to ensure sustainability through 2041. Despite ridership improving quarter-over-quarter, ridership recovery continues to struggle, thereby affecting farebox revenues. To exacerbate this shortfall, operating costs have increased. The 2024 Next 10 Plan cashflow includes the assumption of TIRCP formula funds to help sustain Metrolink operations. However, without changes in service levels, ridership growth, and operations and rehabilitation costs or additional external funds, the current service cannot be sustained beyond FY 2037-38. Starting October 21, 2024, Metrolink will implement a new pilot train schedule which offers increased frequency, better connections, and increased service during weekdays. This optimized schedule aims to address service gaps and make the most efficient use of equipment and crews as Metrolink adjusts the focus from commuter rail to regional rail. OCTA will continue to actively engage with Metrolink and the other member agencies to monitor ridership levels and the financial impacts to M2.

Another impact to Metrolink in Orange County is the railroad track stabilization effort in the City of San Clemente; OCTA owns the railroad ROW in the affected area. In September 2021, a failing slope severely degraded the railroad track structure [Mile Post (MP) 206.8]. Emergency repair efforts were taken between late 2021 and early 2022. However, higher tidal events have continued to impact the stability of the track, leading to a suspension of rail service. On October 3, 2022, the Board adopted a resolution to authorize OCTA to take all necessary actions to address the emergency need for railroad track stabilization. On April 17, 2023, track stabilization efforts were sufficiently completed to allow the passenger rail service to resume. However, a hillside owned by the City of San Clemente at the Casa Romantica Cultural Center and Gardens (MP 204.6) failed and continues to incrementally move. Landslide debris continued to crumble down the slope and foul the tracks owned by OCTA, which again led to the suspension of all passenger rail services in the City of San Clemente and south Orange County on April 27, 2023. On June 26, 2023, the Board adopted a resolution to authorize OCTA to take all necessary actions to address the emergency need for railroad track protection. Construction of a



R. High Frequency Metrolink Service

temporary barrier wall at the bottom of the slope to protect the railroad track was completed on July 16, 2023. As a result, service through San Clemente resumed on July 17, 2023.

On Jan 24, 2024, a privately owned hillside near Mariposa Point in the City of San Clemente (MP 204.2) failed and dislodged two spans of a pedestrian bridge. The bridge spans and the landslide debris led to the suspension of all passenger rail services. OCTA took emergency action to remove debris and to regrade the slope in an effort to stabilize the slope to resume service. While the landslide continued to move, a temporary catchment wall was constructed, which allowed full passenger service to resume on March 25, 2024.

While emergency work has been completed and service has resumed, long-term solutions need to be developed to ensure the ability to provide rail service in this portion of the County. In partnership with key stakeholders, a planning study is currently underway to identify and evaluate immediate as well as short- and medium-term solutions with the goal of protecting the rail line in place. A separate study will follow to assess potential long-term solutions, which may include relocation of the rail line. The California State Transportation Agency has committed to lead the long-term study to plan for future investments necessary to ensure a resilient LOSSAN corridor. As these studies progress, future updates to the Next 10 Plan will incorporate more current information.

Related Projects:

Project S, Project T, and Project V.

Other Involved Agencies:

BNSF, Caltrans, California Office of Emergency Services, California Public Utilities Commission (CPUC), California State Transportation Agency (CalSTA), Corridor Agencies, CTC, FTA, Los Angeles County Metropolitan Transportation Authority, Metrolink, RCTC, San Bernardino County Transportation Authority, and Ventura County Transportation Commission.

Assumptions:

Funding and operating agreements with partner agencies will be successfully implemented.

References:

- OCTA's Comprehensive Business Plan
- Capital Funding Program Report - Rail Project (August 2024)



S. Transit Extensions to Metrolink

Description:

Project S establishes a competitive program for local jurisdictions to broaden the reach of Metrolink to other Orange County cities, communities, and activity centers via transit, to connect passengers to their final destinations. With approximately 60 percent of Orange County's population and employment centers located within a four-mile radius of Metrolink stations, the emphasis of Project S is on expanding access to the core rail system and establishing connections to destinations that are not immediately adjacent to the Metrolink corridor, within the central core, north and south of Orange County. These connections may include a variety of transit technologies such as conventional bus or vanpool (Rubber Tire), bus rapid transit or high capacity rail transit systems (Fixed Guideways), as long as they can be fully integrated and provide seamless transition for the users.

Program Funding:

Approximately \$357.20 million between 2025 and 2034 for fixed guideways in sales tax revenue.

Status:

Fixed Guideway: Through a competitive process, one project (OC Streetcar) advanced beyond initial study. The OC Streetcar is under construction and will operate in the cities of Garden Grove and Santa Ana.

Rubber Tire: One call has been issued since 2012, providing approximately \$732,000 for four projects in the cities of Anaheim and Lake Forest. The City of Lake Forest has cancelled all three projects. The City of Anaheim project successfully completed its grant on June 30, 2020, and is being funded on a go-forward basis through a subsequent Project V grant. No future calls for rubber tire projects are anticipated.

Present Day:

Maintaining and growing Metrolink ridership relies on convenient and seamless bus and rail connections. Currently, OCTA fixed bus service and company shuttles are the prime providers of transit connections. However, Uber/Lyft paid-ridesharing services have been a growing presence.

Benefits:

Project S will provide expanded transit access to the centralized Metrolink system, thereby allowing Metrolink commuters to connect to other parts of the County without using an automobile.

External Funding:

Fixed Guideways: External funds for two preliminary studies for the cities of Anaheim and Santa Ana were funded with \$3.12 million in federal FTA Section 5307 and city local funds. M1 also provided \$20.63 million for preliminary studies.

The Board has approved funding supporting the OC Streetcar project, including \$321.94 million in federal funds from federal American Rescue Plan, CMAQ, FTA Section 5307 and 5309, and New Starts funding, and \$234.80 million in state funds, totaling \$556.74 million.

Rubber Tire: None. These projects are funded by M2 and local city matching funds.



S. Transit Extensions to Metrolink

Risks:

Overall schedule, scope, and cost risks are high with this project due to the extensive project scope.

Related Projects:

Project R (High Frequency Metrolink Service), Project T, and Project V.

Other Involved Agencies:

CalSTA, Caltrans, CPUC, CTC, FTA, and local jurisdictions.

Assumptions:

OC Streetcar: Cities of Garden Grove and Santa Ana will provide their required match for operations. Funding for a future call will be at the Board's discretion.

Rubber Tire: Future calls will be at the Board's discretion based on the level of interest from local jurisdictions but will likely be transitioned to Project V which provides for greater flexibility.

References:

- M2 Eligibility Guidelines
- Project S Guidelines
- Federal 5307 and 5309 Funding Guidelines
- OCTA's Comprehensive Business Plan
- OC Streetcar Project Revised Funding Plan (April 2023)
- Capital Funding Program Report - Rail Project (August 2024)

T. Convert Metrolink Stations to Regional Gateways that Connect Orange County with High-Speed Rail Systems

Description:

Provide funding for local improvements to stations along the LOSSAN corridor in Orange County to facilitate connections to future high-speed rail systems, thereby ensuring Orange County's presence in the development and implementation of high-speed rail systems that will serve Orange County. One project, the Anaheim Regional Transportation Intermodal Center (ARTIC), moved forward to completion.

Cost:

M2 contributed \$35.29 million of the \$225.53 million cost of the ARTIC project.

Status:

As part of EAP efforts, OCTA held a competitive call in 2009 for eligible station cities for the development and implementation of station projects in preparation of future high-speed rail systems. The cities of Anaheim, Fullerton, Irvine, and Santa Ana were awarded funding for planning of major expansions of their Metrolink Stations. The City of Anaheim received environmental clearance for the ARTIC project in early 2012. The completed facility opened to rail and bus service on December 6, 2014.

On December 14, 2015, the Board amended the M2 Ordinance and Plan to officially close out Project T by considering the completion of ARTIC as fulfilling the intent of Project T, as the only Orange County station on the planned high-speed rail route. The remaining balance of M2 funds were then transferred to two projects in need: the Metrolink Service Expansion Program (part of Project R), and the Fare Stabilization Program for Seniors and Persons with Disabilities (part of Project U).

Present Day:

In partnership with transportation agencies, corridor cities, and stakeholders, the California High-Speed Rail Authority in 2008 planned a high-speed rail system that was envisioned to extend as far north as Sacramento and as far south as San Diego with a connection in Anaheim. Work on the Central Valley segment from Bakersfield to Merced continues, however other areas of the system have been postponed.

Benefits:

Early completion of Project T allowed for investment in Orange County's rail system to facilitate the planned ultimate integration of various high-speed rail systems within the County. The project relocated the prior rail station from leased land in the Los Angeles Angels of Anaheim parking lot, to its new permanent location as a multimodal station for all transit riders.

External Funding:

Federal: CMAQ, Regional Surface Transportation Program, FTA Sections 5309 and 5337, FTA Bus Livability, and Highway Safety Improvement Program, totaling \$76.07 million.

State: STIP totaling \$29.22 million.

M1 also provided \$85.27 million of which \$32.50 million for ROW will be repaid plus interest by the City of Anaheim by 2025.

Risks:

None – project completed.

T. Convert Metrolink Stations to Regional Gateways that Connect Orange County with High-Speed Rail Systems

Related Projects:

California High-Speed Rail System.

Other Involved Agencies:

California High-Speed Rail Authority, Caltrans, cities of Anaheim, Fullerton, Irvine, and Santa Ana, CTC, FTA, and Metrolink.

Assumptions:

The California High-Speed Rail System will extend to the City of Anaheim as identified in their 2016 Business Plan.

References:

- M2 Eligibility Guidelines
- Section 5309 and 5337 Funding Guidelines
- California High-Speed Rail 2016 Business Plan
- December 2017 Project Status Report
- Capital Funding Program Report – Rail Project (August 2024)
- Status of Loan Agreements as of September 30, 2023



U. Expand Mobility Choices for Seniors and Persons with Disabilities

Description:

Project U provides funding for three programs to expand mobility choices for seniors and persons with disabilities.

The SMP, administered by OCTA, was first established in 2001. For the first ten years, this program was supported with Transit Development Act funds. The allocation of Project U funding ensures the continuation of dedicated resources to sustain this program.

The SNEMT Program was established by the County of Orange in 2003, utilizing Tobacco Settlement Revenue (TSR) to fund the program. Project U funding supplements existing TSR resources to expand the capacity of the program and increase the number of available SNEMT trips.

The Fare Stabilization Program ensures that fares for seniors and persons with disabilities continue to be discounted at the same percentage as 2006 levels.

Program Funding:

Up to \$177.47 million will be provided between 2025 through 2034.

Status:

SMP: This program offers a variety of senior transportation resources. Participating cities determine the services that best meet the needs of the seniors in their community. Examples of services include transportation for medical, nutrition, shopping, and social trips. As of June 2024, there are 32 cities participating in the program.

SNEMT: This program is administered by the County of Orange Office on Aging and is carried out by two transportation contractors. This program provides trips under Project U for non-emergency services such as trips to doctor and dental appointments, therapy, dialysis, and pharmacy visits.

Fare Stabilization: In December 2015, the Board approved an amendment to the M2 Ordinance and M2 Plan that backfilled a funding shortfall identified in this program with remaining Project T funds. Effective January 2016, an amendment to the M2 Ordinance adjusted this amount to 1.47 percent of net M2 revenues. With the amendment, projected Fare Stabilization revenues are expected to be solvent through the life of the M2 Program.

As of June 2024, approximately \$55.00 million has supported approximately 152.6 million trips through the Fare Stabilization Program, more than \$38.50 million^{10, 11} provided nearly three million trips through SMP, and more than \$41.10 million provided nearly 1.6 million trips through the SNEMT Program since the inception of M2.

¹⁰ Only includes disbursed funds. On May 28, 2024, the Board determined the City of Buena Park ineligible to receive net M2 revenues for five years pursuant to Section 10.4 of the M2 Ordinance. Disbursements of M2 revenues have been suspended until the City of Buena Park reestablishes eligibility.

¹¹ Only includes disbursed funds. On May 28, 2024, the Board determined the City of Orange ineligible to receive net M2 revenues. Disbursements of net M2 revenues have been suspended until the City of Orange achieves compliance and the Board reconsiders the matter at a future meeting.



U. Expand Mobility Choices for Seniors and Persons with Disabilities

Present Day:

Studies of senior mobility needs have identified seniors' preference for utilizing local, community-based transportation services rather than countywide or regional services.

The SMP allows participating cities to identify the specific mobility needs of the seniors in their communities and develop transportation programs to best meet those needs with available funding.

The SNEMT Program fills a gap in senior transportation services, as trips are often provided to seniors who do not qualify for OC ACCESS service, or to seniors whose advanced age or disposition make it difficult to use OC ACCESS service. Contracting with social service agencies to provide SNEMT services allows this program to provide enhanced service elements beyond the requirements of OC ACCESS, a paratransit service that complements OCTA's fixed-route bus service and is provided to comply with ADA.

Benefits:

M2 funding of these programs, combined with OC ACCESS service and other senior transportation services funded with public and private resources, provide a menu of mobility options for Orange County seniors, allowing them to select the service that most appropriately meets their transportation need.

External Funding:

Local jurisdictions contribute a 20 percent match to their SMP services. A variety of funding sources are used by cities for their SMP match requirement, including general fund, Community Development Block Grants, sponsorships, advertising revenue, transit fares, and administrative in-kind resources. The County of Orange utilizes primarily TSR funds to meet their maintenance of effort requirement.

Risks:

Local jurisdictions must meet eligibility requirements and provide matching funds for SMP.

Related Projects:

Not Applicable.

Other Involved Agencies:

Nearly all local jurisdictions. Participating SMP cities include: Aliso Viejo, Anaheim, Brea, Buena Park, Costa Mesa, Cypress, Dana Point, Fountain Valley, Fullerton, Garden Grove, Huntington Beach, Irvine, La Habra, Laguna Beach, Laguna Hills, Laguna Niguel, Laguna Woods, Lake Forest, Mission Viejo, Newport Beach, Orange, Placentia, Rancho Santa Margarita, San Clemente, San Juan Capistrano, Santa Ana, Seal Beach, Stanton, Tustin, Villa Park, Westminster, and Yorba Linda. The Orange County Office on Aging administers the SNEMT Program.

Assumptions:

Project U is assumed to be funded on a pay-as-you-go basis.

References:

- M2 Eligibility Guidelines
- Project U Funding and Policy Guidelines
- OCTA's Comprehensive Business Plan

V. Community-Based Circulators

Description:

Project V provides funding to local jurisdictions through a competitive process to develop local bus transit services, such as community-based circulators, shuttles, and bus trolleys that complement regional bus and rail services, and meet local needs in areas not adequately served by regional transit. Projects need to meet performance criteria, connect to bus and rail services, and document financial viability to be considered for funding.

Program Funding:

\$99.56 million between 2025 through 2034.

Status:

Since M2 inception, the Board has approved \$96.1 million for 49 projects (Note: service expansions and/or extensions from the 2018 & 2020 calls are counted as separate projects) and ten planning studies through five calls. This includes the Board-approved funding recommendations for 13 projects totaling more than \$42.3 million on September 13, 2024.

Of the 49 projects awarded by OCTA, 17 are currently active, 15 are planned, 13 have been cancelled (primarily due to low ridership), and four have been completed.

Present Day:

Project V helps address the regularly expressed need for local community-based transit service by Orange County communities.

Benefits:

Community-based circulators can provide relief to arterials in high traffic areas, provide non-auto based mobility options that meet specific local needs, and convenient alternative that improves access to regular special events that attract large numbers of visitors (i.e., OC Fair).

External Funding:

The local match requirement for both capital and any operating funds authorized by the Board is a minimum of ten percent.

Risks:

Local jurisdictions must meet eligibility requirements to receive funding. The ability to maintain service performance and ridership by adapting to volatile changes in travel behavior and remote work trends will be key. Regional transit operator shortages and demand for capital investments in electric vehicle infrastructures may impact long-term financial viability of existing services and ability to fund additional new services.

Related Projects:

Project S (some Project S and V routes could serve dual purposes).

Other Involved Agencies:

Participating local jurisdictions.

V. Community-Based Circulators

Assumptions:

Project V is assumed to be funded on a pay-as-you-go basis.

References:

- M2 Eligibility Guidelines
- Comprehensive Transportation Funding Program Guidelines
- OCTA's Comprehensive Business Plan

W. Safe Transit Stops

Description:

Project W provides funding for passenger amenities at the 100 busiest transit stops across Orange County. The intent is to assist bus riders in the ease of transfer between bus lines and provide passenger amenities.

Program Funding:

\$12.12 million between 2024 through 2035.

Status:

Since inception, the Board has approved over \$3.1 million for 122 stop improvements through three calls. To date, 59 stops have been completed, 53 stop improvements are either planned or underway, and ten improvements have been cancelled by the awarded agency. A future call will be evaluated based on local jurisdiction interest and cash flow analysis.

Present Day:

High volume stops are eligible for funding, which provides needed passenger amenities commensurate with the volume of riders.

Benefits:

Eligible improvements in locations where such amenities do not exist to enhance the customer experience. Improvements include enhancements such as sun/rain protection, passenger seating, improved lighting, etc.

External Funding:

Minimal local match provided for design requests; the rest is 100 percent M2 funded up to the Project W funding caps. If over the cap, then additional local agency funds are required.

Risks:

Local jurisdictions are responsible for amenities at bus stops. Depending on the amenities selected, long-term maintenance and costs could be required. Local jurisdictions must meet eligibility requirements and timely use of funds provisions to receive M2 funding.

Related Projects:

Not Applicable.

Other Involved Agencies:

Local jurisdictions with a top 100 busiest stop are eligible to receive these funds.

Assumptions:

Project W is assumed to be funded on a pay-as-you-go basis.

References:

- M2 Eligibility Guidelines
- Project W Guidelines
- OCTA's Comprehensive Business Plan



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NEXT 10

DELIVERY PLAN



2.4 ENVIRONMENTAL CLEANUP PROGRAM

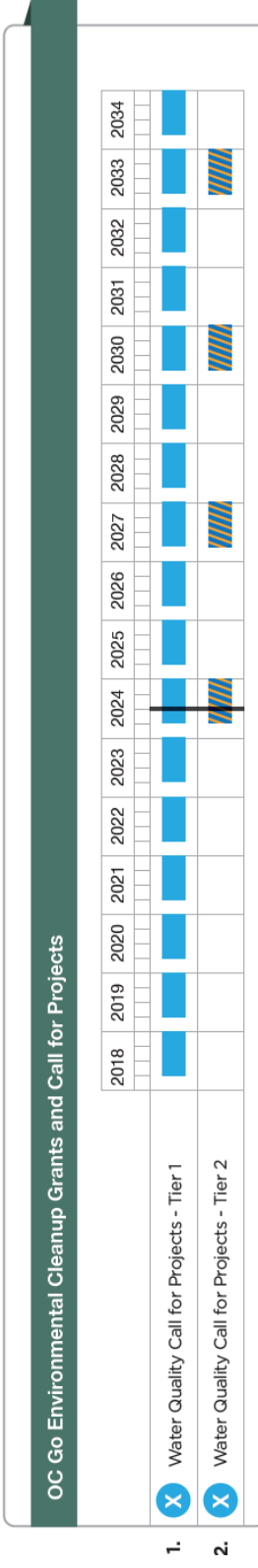
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EXHIBIT 30: OC GO ENVIRONMENTAL CLEANUP GRANTS AND CALLS



Call for Projects
 Call for Projects to be determined based on revenue flow



Tier 1 grants program consists of funding for equipment purchases and upgrades to existing storm drains and related best management practices.
 Tier 2 grants program consists of funding for regional, potentially multi-jurisdictional, capital-intensive projects.



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2.4. Environmental Cleanup Program

Overview:

The ECP (Project X) allocates more than \$279 million toward improving overall water quality in Orange County from transportation-related pollution. Project X was approved by Orange County voters under the M2 half-cent sales tax for transportation improvements in 2006.

To adhere to the promise of M2, the Next 10 Plan includes the following framework for Project X:

- Provide supplemental funds (not supplant) for existing transportation-related water quality programs.
- Allocate funds on a competitive basis to improve water quality standards in Orange County.
- Reduce transportation-generated pollutants along Orange County's streets, roads, and freeways.
- Implement best management practices to improve runoff from streets, roads, and freeways.

Additionally, as part of the overall M2 Plan, all M2 capital projects (freeway, street, and transit) must include water quality mitigation as part of their respective project scope and cost. Therefore, this source of funding is not eligible for environmental mitigation efforts.

Next 10 Plan Deliverables:

The Next 10 Plan for Project X recommends two major initiatives through 2034 consistent with the above framework:

1. Protect Orange County beaches by removing trash from entering waterways and inlets that ultimately lead to the ocean.
2. Work with the ECAC to develop the next tiers of water quality funding programs to prevent the flow of trash, pollutants, and debris into waterways from transportation facilities. In addition, focus on improving water quality on a regional scale that encourages partnerships among the local agencies as part of Project X.



X. Environmental Cleanup Program

Description:

Project X implements street- and highway-related water quality improvement programs and projects that assist Orange County cities, the County of Orange and special districts in meeting federal Clean Water Act standards for urban runoff. Project X is intended to augment, not replace existing transportation related water quality expenditures and to emphasize high-impact capital improvements over local operations and maintenance costs.

In May 2010, the Board approved a two--tiered approach to fund Project X. The Tier 1 grant program is designed to mitigate the more visible forms of pollutants, such as litter and debris that collect on roadways and in storm drains. Tier 1 consists of funding equipment purchases and upgrades to existing catch basins and related best management practices, such as screens and other low-flow diversion devices.

The Tier 2 grant program consists of funding regional, potentially multi-jurisdictional, and capital-intensive projects. Examples include constructed wetlands, detention/infiltration basins, and bioswales which mitigate pollutants such as heavy metals, organic chemicals, and sediment and nutrients.

Program Funding:

\$94.85 million between 2025 and 2034.

Status:

To date, the Board has awarded over \$40.2 million to fund 233 Tier 1 projects across the County through 14 rounds of funding since M2 inception. This includes the Board-approved funding recommendations for 11 projects totaling more than \$3.7 million on October 14, 2024.

The Board has also awarded approximately \$34.9 million for 26 Tier 2 projects over three calls in 14 cities and the County of Orange. This includes the Board-approved funding recommendations for four projects totaling more than \$6.9 million on October 14, 2024.

The 2024 Next 10 Plan will continue to commit to annual Tier 1 calls. The timing for future Tier 2 calls will be evaluated based on local jurisdiction interest and cash flow analysis.

Present Day:


Staff estimates that nearly 70 million gallons (which equates to over 12,000 garbage trucks) of trash have been captured as a result of the installation of Tier 1 devices since the inception of the Tier 1 Program in 2011. As the equipment is in service over time, the volume of trash captured is expected to increase. The funded Tier 2 projects, once fully operational, have the potential to recharge 157 million gallons of groundwater annually.

Benefits:

Improvements funded through this program will improve overall water quality in Orange County. Funds allocated on a countywide competitive basis will assist agencies in meeting federal Clean Water Act requirements for controlling transportation-generated pollution.

External Funding:

Local jurisdictions are required to provide a 20 percent (Tier 1) and 50 percent (Tier 2) minimum local cash match. Tier 2 matching funds may be reduced, depending on project readiness.



X. Environmental Cleanup Program

Risks:

Local jurisdictions must meet eligibility requirements and timely-use-of-funds provisions to M2 receive funding.

Related Projects:

Not Applicable.

Other Involved Agencies:

All local jurisdictions (cities and County of Orange). Third parties such as environmental organizations, homeowner's associations, non-profit groups, and water and wastewater public entities cannot be a lead agency applicant; however, they could jointly apply with an eligible applicant.

Assumptions:

Funds will be allocated on a countywide competitive basis to assist agencies with improving water quality related to transportation pollution.

References:

- M2 Eligibility Guidelines
- Comprehensive Transportation Funding Program Guidelines
- Tier 2 Grant Program Planning Study
- OCTA's Comprehensive Business Plan



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DELIVERY PLAN

III. APPENDIX

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NEXT 10 DELIVERY PLAN

The OC GO logo, featuring the letters 'OC' in a green circle above the letters 'GO' in a green circle, with a small green leaf above the 'O' in 'GO'.

3.1. Next 10 Plan Funding Assumptions

To determine the status of the M2 Program, staff reviewed and updated cash flows for the Next 10 Plan for each of the program elements to test whether commitments provided to the voters as part of the M2 approval in November 2006 remain achievable. The revenue assumptions are based on the 2024 M2 revenue forecast of \$14.0 billion using the latest M2 revenue forecast methodology approved by the Board. The Next 10 Plan also assumes approved TIFIA proceeds, Full Funding Grant Agreement, and net excess 91 Express Lanes revenues for eligible projects. Revenues and expenses were merged into a high-level cash flow model. Bonding assumptions were reviewed to determine the need to address projected negative ending balances by year (compared to a pay-as-you-go scenario) and are constrained to minimum debt coverage ratios.

Freeway Program

Revenues for the M2 Freeway Program assumed a proportional share (43 percent) of net M2 revenue. From inception to 2034, the Freeway Program would receive approximately \$4.00 billion in M2 revenue, \$495.44 million in prior bond proceeds, and \$1.76 billion in state/federal grants, \$89.00 million in committed TIFIA proceeds, \$656.20 million in net excess 91 Express Lanes revenue for eligible projects, \$35.71 million in interest, and \$20.00 million transferred in from M1 for a total of \$7.06 billion in total revenue. Costs for the same period total \$6.08 billion (including debt service payments against prior bonding).

For the 2024 Next 10 Plan update, forecasted revenues and costs through 2041 were also tested for the complete M2 Freeway Program to ensure it could be delivered consistent with commitments. For projects currently in environmental or final design, project schedules and costs were based on data provided by OCTA's Project Controls Department. For projects that have not yet entered the environmental phase, conceptual estimates were prepared based on a scoring of congestion relief, project readiness, and cost escalation risks (associated with project delays). There are no anticipated bond issuances looking out to 2041. As always, bonding is constrained to legal debt coverage ratios, and a Plan of Finance is brought separately to the Board for approval as needed with refined bond assumptions.

Prior to FY 2024-25, 14 of the 30 freeway projects have been completed, as listed in Exhibit 31.

EXHIBIT 31: COMPLETED M2 FREEWAY PROJECTS

Completed M2 Freeway Projects		Construction Complete	Cost*
1. Project A	I-5 between SR-55 and SR-57	2021	\$38.9
2. Project C, D	I-5 between Avenida Pico and Avenida Vista Hermosa/ Avenida Pico Interchange	2018	\$83.6
3. Project C	I-5 between Avenida Vista Hermosa and PCH	2017	\$75.3
4. Project C	I-5 between PCH and San Juan Creek Road	2018	\$74.3
5. Project D	I-5, Ortega Highway Interchange	2016	\$79.8
6. Project E	SR-22 Access Improvements at Euclid Street, Brookhurst Street, and Harbor Boulevard	2008	M1\$'s
7. Project G	SR-57 Northbound from Katella Avenue to Lincoln Avenue	2015	\$38.0
8. Project G	SR-57 Northbound from Orangethorpe Avenue to Yorba Linda Boulevard	2014	\$52.3
9. Project G	SR-57 Northbound from Yorba Linda Boulevard to Lambert Road	2014	\$54.1
10. Project H	SR-91 Westbound from I-5 to SR-57	2016	\$59.2
11. Project I	SR-91 Westbound from Tustin Avenue Interchange to SR-55	2016	\$42.5
12. Project J	SR-91 between SR-55 to SR-241	2013	\$79.7
13. Project J	SR-91 Eastbound from SR-241 to SR-71	2011	\$57.8
14. Project K	I-405 between SR-73 and Interstate 605 (I-605)	2024	\$1,620.0
Completed M2 Freeway Projects Total:			\$2,355.5

* Cost in millions

Streets and Roads

The M2 Streets and Roads Program consists of Project O (RCP), Project P (RTSSP), and Project Q (LFS). Combined M2 revenues for these programs assume a proportional share (32 percent) of net M2 revenue. From inception to 2034, the Streets and Roads Program would receive approximately \$2.98 billion in M2 revenue, \$45.50 million in interest, \$121.62 million in prior bond proceeds, and \$627.53 million in M1 and state/federal grants (primarily for the OC Bridges Program), for a total of \$3.77 billion in total revenue. This includes \$6.69 million in SB 1 and \$9.10 million in Solutions for Congested Corridors Program funding leveraged for Project P. Costs for the same period would total approximately \$3.54 billion (including debt service payments against prior bonding).

Part of Project O includes the OC Bridges Program, which funded seven over- or underpass grade separations that eliminated car and train conflicts along the BNSF railway in northern Orange County. These grade separations, listed in Exhibit 32, increased safety for everyone traveling through the intersections and eliminated delays caused by trains.

EXHIBIT 32: COMPLETED OC BRIDGES – GRADE SEPARATION PROJECTS

Completed OC Bridges – Grade Separation Projects		Construction Complete	Cost*
1. Project O	Kraemer Boulevard (Anaheim/Placentia)	2014	\$63.8
2. Project O	Placentia Avenue (Fullerton/Placentia)	2014	\$64.5
3. Project O	Orangethorpe Avenue (Anaheim/Placentia)	2016	\$105.9
4. Project O	Tustin Avenue/Rose Drive (Anaheim/Placentia)	2016	\$96.7
5. Project O	Lakeview Avenue (Anaheim/Placentia)	2017	\$110.7
6. Project O	Raymond Avenue (Fullerton)	2018	\$126.2
7. Project O	State College Boulevard (Fullerton)	2018	\$99.6
Completed OC Bridges – Grade Separation Projects Total:			\$667.4

*Cost in millions

Transit Program

The M2 Transit Program consists of Project R (High Frequency Metrolink Service), Project S (Transit Extensions to Metrolink), Project T (Metrolink Gateways), Project U (Seniors/Disabled Persons Mobility Programs), Project V (Community-Based Transit/Circulators), and Project W (Safe Transit Stops). Revenues for the M2 Transit Program assume a proportional share (approximately 25 percent) of net M2 revenue. From inception to 2034, the Transit Program would receive approximately \$2.33 billion in M2 revenue, \$51.68 million in prior bond proceeds, \$726.43 million in external revenue, \$45.65 million transferred from M1, and \$19.33 million in interest for a total of \$3.17 billion. The cash flow includes \$158.36 million in Federal New Starts funding, \$108.13 million in federal CMAQ, \$13.60 million in federal FTA 5307, and \$175.43 million in State Cap-and-Trade for the OC Streetcar project. Expenses for this same time period total \$2.80 billion (including debt service payments against prior bonding). The unprogrammed balance for Project S allows for the option of an additional future transit connection project.

Environmental Cleanup Program

The M2 ECP consists of Project X (Cleanup Highway and Street Runoff that Pollutes Beaches). Revenues for the M2 ECP assume two percent of gross annual M2 sales tax revenue. From inception to 2034, the ECP would receive approximately \$189.2 million in M2 revenue. Expenses for this same time period total \$144.4 million.



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3.2. Common Abbreviations

Americans with Disabilities Act	ADA
Anaheim Regional Transportation Intermodal Center	ARTIC
BNSF Railway Company	BNSF
Board of Directors	Board
California Department of Fish and Wildlife	CDFW
California Department of Transportation	Caltrans
California Highway Patrol	CHP
California Public Utilities Commission	CPUC
California State Transportation Agency	CalSTA
California Transportation Commission	CTC
Call for Projects	Call
Congestion Mitigation and Air Quality	CMAQ
Conservation Properties	Preserves
Coronavirus	COVID-19
Early Action Plan	EAP
Eastbound Corridor Operations Project	ECOP
Environmental Cleanup Allocation Committee	ECAC
Environmental Cleanup Program	ECP
Environmental Impact Report	EIR
Environmental Impact Statement	EIS
Environmental Mitigation Program	EMP
Federal Highways Administration	FHWA
Federal Transit Administration	FTA
Fire Management Plan	FMP
Fiscal Year	FY
Freeway Service Patrol	FSP
High-Occupancy Vehicle	HOV
Infrastructure Construction Cost Pressure Index	ICCPi
Interstate 405	I-405
Interstate 5	I-5
Interstate 605	I-605
Local Fair Share	LFS
Los Angeles-San Diego-San Luis Obispo	LOSSAN
Master Plan of Arterial Highways	MPAH
Measure M	M1
Measure M2 or Renewed Measure M	M2
Natural Community Conservation Plan/Habitat Conservation Plan	Conservation Plan
Next 10 Delivery Plan	Next 10 Plan
Orange County Business Council	OCBC
Orange County Transportation Authority	OCTA
Ordinance No. 3	M2 Ordinance

3.2. Common Abbreviations

Pacific Coast Highway	PCH
Regional Capacity Program	RCP
Regional Traffic Signal Synchronization Program	RTSSP
Resource Management Plan	RMP
Right-of-Way	ROW
Riverside County Transportation Commission	RCTC
Senate Bill 1	SB 1
Senior Mobility Program	SMP
Senior Non-Emergency Medical Transportation	SNEMT
Service Authority for Freeway Emergencies	SAFE
State Highway Account	SHA
State Route 22	SR-22
State Route 241	SR-241
State Route 55	SR-55
State Route 57	SR-57
State Route 71	SR-71
State Route 73	SR-73
State Route 74	SR-74
State Route 91	SR-91
State Transportation Improvement Program	STIP
State Water Resources Control Board	SWRCB
Transit and Intercity Rail Capital Program	TIRCP
Tobacco Settlement Revenue	TSR
Transportation Infrastructure Finance and Innovation Act	TIFIA
Transportation Investment Plan	Plan
United States Army Corps of Engineers	USACE
United States Fish and Wildlife Service	USFWS
Year of Expenditure	YOE



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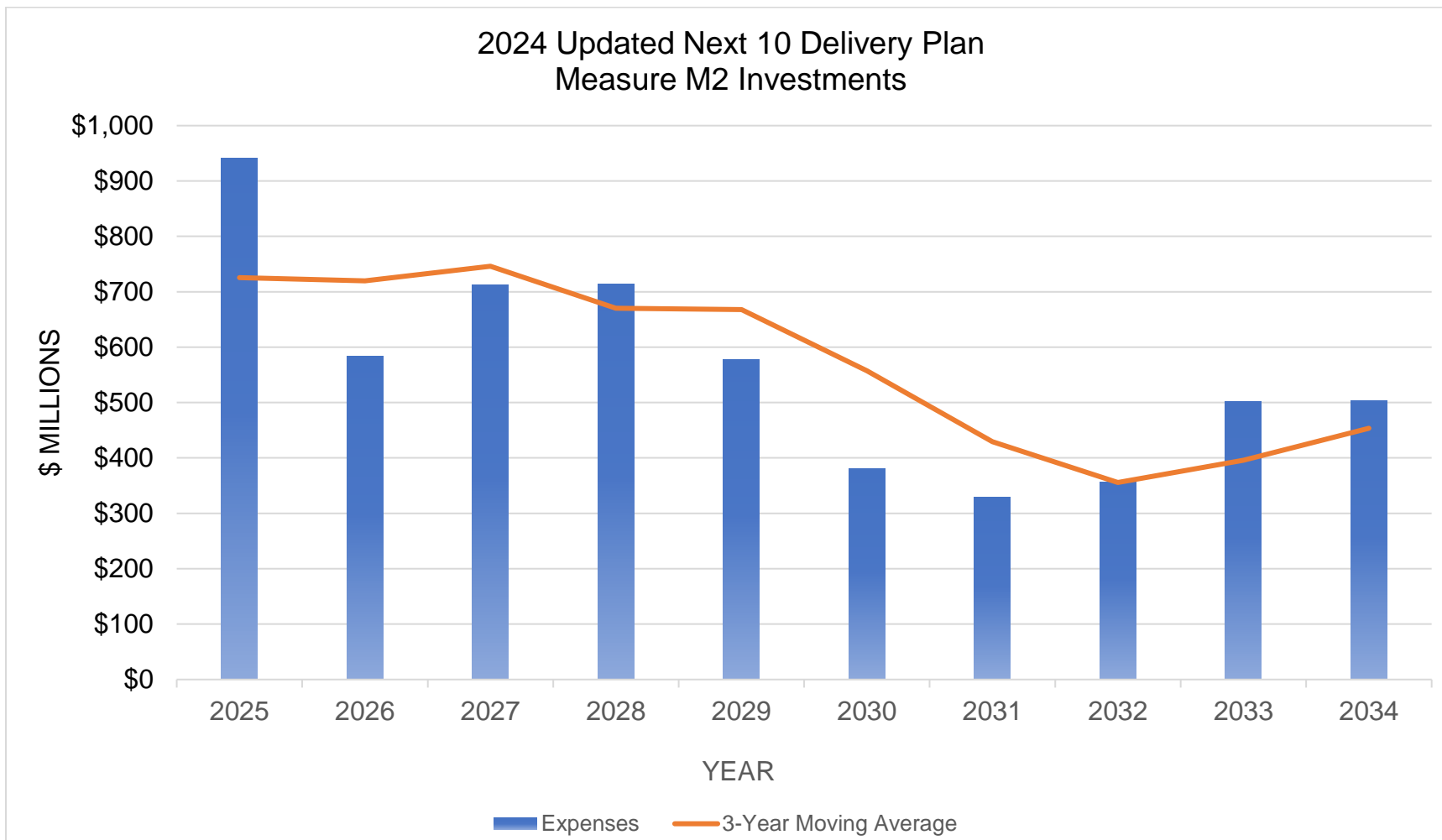
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**2024 Updated Next 10 Delivery Plan
Progress on Deliverables**

Significant Measure M2 (M2) progress and accomplishments have been made since 2007. The 2024 update of the Next 10 Delivery Plan (Next 10 Plan) confirms that M2 can be delivered consistent with the commitment to voters, however, Metrolink operations still require close monitoring. To outline a near-term work plan to promote effectiveness and efficiency, ten deliverables on program and project delivery have been defined during the ten-year period from fiscal year (FY) 2024-25 through FY 2033-34, equating to approximately \$5.6 billion invested to improve the local transportation system.

Freeways

1. Deliver 13 freeway improvement projects through construction (Projects A-M).

Status:

The M2 Freeway Program is currently made up of 30 projects/project segments of which 14 have been completed to date. Deliverable 1 includes 13 projects to be delivered through construction as reflected in the table below.

In Construction		Construction Complete	Cost*
1. Project C, D	Interstate 5 (I-5) between State Route 73 (SR-73) and Oso Parkway/Avery Parkway Interchange	2025	\$229.4
2. Project C, D	I-5 between Oso Parkway and Alicia Parkway/ La Paz Road Interchange	2024	\$230.3
3. Project C	I-5 between Alicia Parkway and El Toro Road	2024	\$209.3
Project C, D	I-5 between SR-73 and El Toro Road Landscaping	2027	\$12.4
4. Project F	State Route 55 (SR-55) between Interstate 405 (I-405) and I-5	2027	\$505.7
		Subtotal	\$1,187.1
In Design		Construction Complete	Cost*
5. Project B	I-5 between I-405 and Yale Avenue	2029	\$230.5
6. Project B	I-5 between Yale Avenue and SR-55	2029	\$258.2
7. Project F	SR-55 between I-5 and State Route 91 (SR-91)	2029	\$131.3
8. Project G	State Route 57 (SR-57) Northbound from Orangewood Avenue to Katella Avenue	2028	\$114.9
9. Project I	SR-91 between SR-55 and Lakeview Avenue	2028	\$134.0

2024 Updated Next 10 Delivery Plan Progress on Deliverables

In Design		Construction Complete	Cost*
10. Project I	SR-91 between La Palma Avenue and SR-55	2030	\$208.4
11. Project I	SR-91 between Acacia Street and La Palma Avenue	2029	\$238.5
12. Project M	I-605 Katella Avenue Interchange	2026	\$49.7
		Subtotal	\$1,365.5
In Environmental		Construction Complete	Cost*
13. Project J	SR-91 between SR-241 and Orange/Riverside County Line	2030	\$161.8 ^{1,2}
		Deliverable 1 Total	\$2,714.4

*Cost in millions

The completion of these 13 projects will bring the total number of completed projects to 27 by 2030, which equates to approximately 90 percent of the M2 Freeway Program.

2. Prepare remaining freeway improvement projects for delivery (Projects A-M).

Status: The three remaining projects (of the 30 total) are environmentally cleared or on track to be cleared by 2034, making them shelf-ready for future advancement. The table below reflects these projects along with updated environmental clearance schedules and estimated costs.

Remaining Projects		Environmentally Clear/ Shelf-Ready	Cost
1. Project D	I-5 El Toro Road Interchange	2026	\$120.5 ²
2. Project G	SR-57 Northbound from Lambert Road to Orange/Los Angeles County Line	2029	\$226.0 ²
3. Project L	I-405 between I-5 and SR-55	2018	\$269.6
		Remaining M2 Freeway Projects Total	\$616.1³

*Cost in millions

¹ Project schedule and cost assumptions subject to change and are contingent on the outcome of the environmental review process, availability of funding, and coordination with RCTC.

² These cost estimates are preliminary and will be updated once the project alternative is selected at the completion of environmental clearance.

³ The total will be revised once the two remaining projects (Project D and G) have a selected project alternative and complete environmental clearance.

2024 Updated Next 10 Delivery Plan Progress on Deliverables

Streets and Roads

3. **Provide annual competitive funding opportunities for local jurisdictions to address bottlenecks and gaps in the street system (Project O), synchronize signals (Project P) and continue flexible funding to local jurisdictions to support pavement rehabilitation or other transportation needs as appropriate (Project Q).**

Status: Since inception, OCTA has awarded approximately \$556.6 million in competitive funding through the Regional Capacity Program (Project O) and Regional Traffic Signal Synchronization Program (Project P) through annual competitive calls for projects (call). Additionally, \$736.3 million^{4,5} in Local Fair Share (Project Q) funds have been distributed to local jurisdictions.

Transit

4. **Maintain Metrolink service (Project R).**

Status: Project R provides funding for Metrolink operations and aims to increase rail services within the County and provide additional Metrolink service north of the City of Fullerton to the Los Angeles County Line. The program also provides for track improvements, the addition of trains and parking capacity, upgraded stations, and safety enhancements to allow cities to establish quiet zones along the tracks.

Close monitoring of Metrolink operations is necessary to ensure sustainability through 2041. The three lines serving Orange County currently operate 45 weekday trains, a 17 percent reduction from the 54 weekday trains operated prior to the coronavirus. Metrolink ridership recovery continues to struggle, which impacts farebox revenues and cost recovery. To exacerbate this shortfall, operating costs have also increased. Without changes in service levels, ridership growth, operations and rehabilitation costs, or additional external funds, the current service cannot be sustained beyond FY 2037-38. OCTA will continue to actively engage with Metrolink and the other member agencies to monitor ridership levels and the financial impacts to M2.

Railroad track stabilization efforts in south Orange County have become a major focus area given its importance to continued operation of Metrolink in Orange County. While emergency work has been completed and service has resumed, long-term solutions need

⁴ Only includes disbursed funds. On May 28, 2024, the Board determined the City of Buena Park ineligible to receive net M2 revenues for five years pursuant to Section 10.4 of the M2 Ordinance. Disbursements of net M2 revenues have been suspended until the City of Buena Park reestablishes eligibility.

⁵ Only includes disbursed funds. On May 28, 2024, the Board determined the City of Orange ineligible to receive net M2 revenues. Disbursements of net M2 revenues have been suspended until the City of Orange achieves compliance and the Board reconsiders the matter at a future meeting.

2024 Updated Next 10 Delivery Plan Progress on Deliverables

to be developed to ensure the ability to provide rail service in this portion of the County. In partnership with key stakeholders, a planning study is currently underway to identify and evaluate immediate as well as short- and medium-term solutions with the goal of protecting the rail line in place. A separate study will follow to assess potential long-term solutions, which may include relocation of the rail line. The California State Transportation Agency has committed to lead the long-term study to plan for future investments necessary to ensure a resilient LOSSAN corridor. As these studies progress, future updates to the Next 10 Plan will incorporate more current information.

Additionally, OCTA remains committed to delivering the Placentia Metrolink Station Project. However, the project is on hold pending a shared-use agreement between Metrolink and BNSF prior to advertisement and construction. There is no projected date for when this agreement will be completed at this time. OCTA will include project scope, schedule, and budget as they become available in future Next 10 Plan updates.

5. Complete construction, secure vehicles, begin operating the OC Streetcar, and work with local jurisdictions to consider recommendations from planning studies to guide development of future high-quality transit connections (Project S).

Status: The 4.15-mile OC Streetcar will serve the Santa Ana Regional Transportation Center (SARTC) through Downtown Santa Ana and the Civic Center to Harbor Boulevard in the City of Garden Grove. Activities underway include installation of all tracks and overhead contact system poles, continued installation of overhead wires, train warning, and gate systems, and continued construction of the Maintenance and Storage Facility (MSF). All eight cars are complete and are in storage at the vehicle manufacturer's storage facility. Construction is anticipated to be complete to begin revenue operations in late 2025.

6. Support expanded mobility choices for seniors and persons with disabilities (Project U).

Status: Project U is comprised of three programs: the Senior Mobility Program (SMP), the Senior Non-Emergency Medical Transportation (SNEMT) Program, and the Fare Stabilization Program. Since inception, approximately \$134.7 million^{6,7} has been provided to these three programs. The SMP provides funding to participating cities to design and implement transit service that best fits the needs of seniors (60 and above) in their communities. The SNEMT Program provides funding to the County of Orange Office on

⁶ Only includes disbursed funds. On May 28, 2024, the Board determined the City of Buena Park ineligible to receive net M2 revenues for five years pursuant to Section 10.4 of the M2 Ordinance. Disbursements of net M2 revenues have been suspended until the City of Buena Park reestablishes eligibility.

⁷ Only includes disbursed funds. On May 28, 2024, the Board determined the City of Orange ineligible to receive net M2 revenues. Disbursements of net M2 revenues have been suspended until the City of Orange achieves compliance and the Board reconsiders the matter at a future meeting.

2024 Updated Next 10 Delivery Plan Progress on Deliverables

Aging for senior (60 and above) transportation to and from medical appointments, dentists, therapies, exercise programs, testing, and other health-related trips at a low cost to the rider than would otherwise be available. The Fare Stabilization Program provides stable discounted fares for seniors and persons with disabilities by lowering the cost of riding transit.

7. Work with local jurisdictions to maintain successful community circulator projects and potentially provide grant opportunities for expanded or new local transit services (Project V).

Status: Since inception, OCTA has approved 49 projects and ten planning studies totaling approximately \$96.1 million through five calls. OCTA receives ridership reports from local agencies on a regular basis to monitor the success of awarded services against performance measures adopted by the Board. To date, 17 projects are active, 15 are planned, 13 have been cancelled (primarily due to low ridership), and four have been completed. Staff continues to work with local jurisdictions through letters of interest requests, workshops, Comprehensive Transportation Funding Program Guidelines revisions, calls, and cooperative agreement amendments to fine-tune this program and facilitate successful project implementation.

8. Continue to improve the top 100 busiest transit stops to enhance the customer experience (Project W).

Status: Through three calls, the Board has approved \$3.1 million to improve 122 city-initiated improvement projects at the busiest OCTA transit stops. The program is designed to ease transfers between bus lines and provide passenger amenities such as installation of bus benches or seating, shelters, improved lighting, and other passenger-related amenities. To date, 59 improvements have been completed, 53 improvements are in various stages of implementation, and ten improvements have been cancelled by the awarded agency.

Environmental

9. Ensure the ongoing preservation of purchased open space, which provides comprehensive mitigation of the environmental impacts of freeway improvements and higher-value environmental benefits in exchange for streamlined project approvals (projects A-M).

Status: The M2 freeway Environmental Mitigation Program (EMP) includes seven conservation properties totaling more than 1,300 acres and 12 restoration projects covering nearly 350 acres. In 2017, OCTA received biological resource permits after completing a state and federal Natural Community Conservation Plan/Habitat Conservation Plan (Conservation Plan) for the EMP, allowing streamlined project approvals for the M2 freeway improvement projects. The Conservation Plan also includes

2024 Updated Next 10 Delivery Plan Progress on Deliverables

a streamlined process for coordination of streambed alteration agreements. In 2018, OCTA secured programmatic permits and assurances for federal and state clean water permitting requirements. Receipt of these permits represents the culmination of years of collaboration and support by the Board, environmental community, and regulatory agencies.

OCTA makes annual endowment deposits of approximately \$2.9 million. As of June 30, 2024, the endowment balance was \$28,424,735. While the performance of the endowment fund will affect the time frame for full funding, current projections indicate that OCTA is on track to meet the target of \$46.2 million in FY 2027-28.

- 10. Work with the Environmental Cleanup Allocation Committee to develop the next tiers of water quality programs to prevent the flow of trash, pollutants, and debris into waterways from transportation facilities. In addition, focus on improving water quality on a regional scale that encourages partnerships among the local agencies as part of the Environmental Cleanup Program (Project X).**

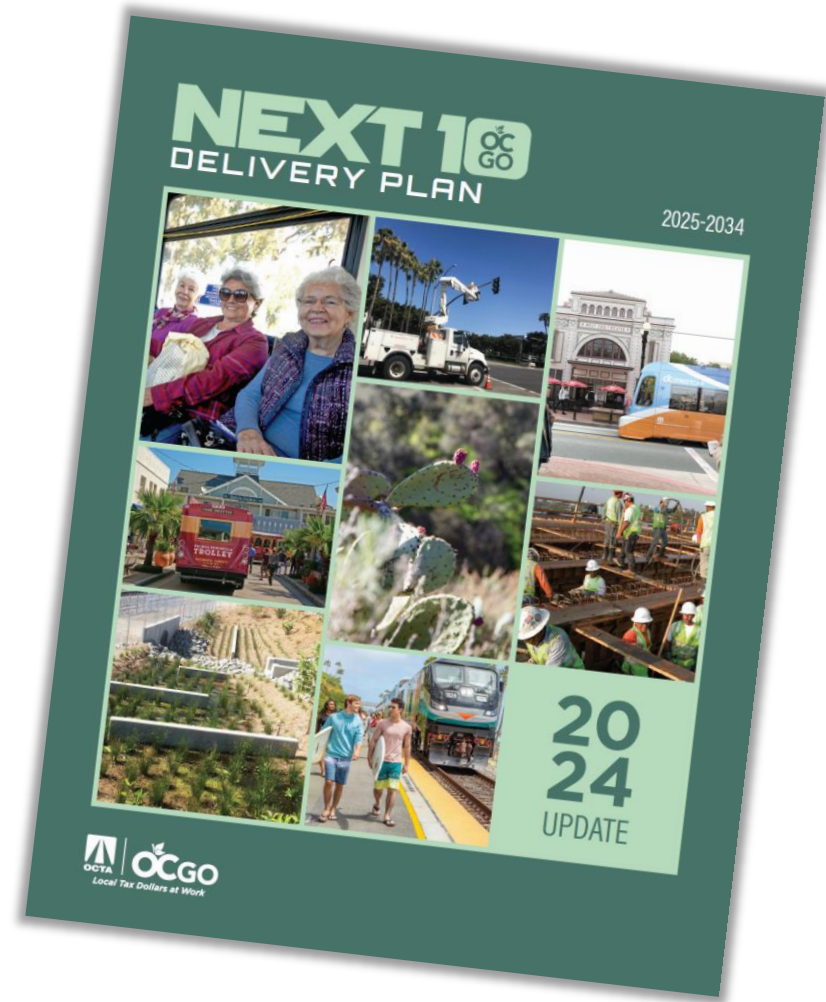
Status: In May 2010, the Board approved a two-tier approach to funding Project X. Tier 1 consists of funding equipment purchases and upgrades to existing catch basins and related best management practices, such as screens and other low-flow diversion devices. Tier 2 consists of funding regional, potentially multi-jurisdictional, and capital-intensive projects. Since inception, the Board has approved \$40.3 million in funding for 233 Tier 1 projects through 14 calls and \$34.9 million for 26 Tier 2 projects through three calls.

Measure M2

20
24
UPDATE

NEXT 10 
DELIVERY PLAN

- Purpose
- Accomplishments
- Financial Outlook
- Deliverables
- Risks
- Next Steps

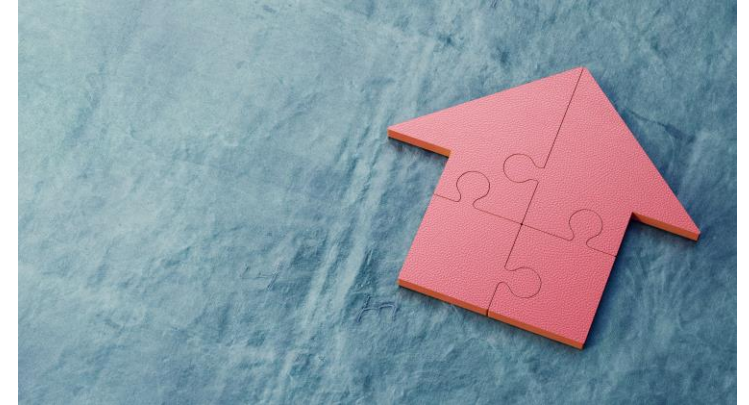


- Purpose:
 - Validate OCTA's ability to deliver M2
 - Outline near-term workplan
 - Establish common understanding among stakeholders
 - Set baseline upon which future changes are measured
 - Provide basis for preparation of OCTA's annual budgets for capital projects
- Principles:
 - Confirm promised plan can be delivered
 - Ensure financial sustainability
 - Implement projects and programs expeditiously



M2 Accomplishments to Date

- Freeways
 - ✓ 14 projects completed
 - ✓ 794,000 motorist assists/lane clearances
 - ✓ Endowment to protect mitigation properties
- Streets and Roads
 - ✓ 168 street capacity improvement projects
 - ✓ 134 signal synchronization projects
 - ✓ \$736.3 million in flexible funding distributed
- Transit
 - ✓ Station, track, and grade crossing improvements
 - ✓ Expanded Metrolink service
 - ✓ OC Streetcar underway
 - ✓ \$134.7 million for expanded mobility choices for seniors and persons with disabilities
 - ✓ 36 community-based circulators
 - ✓ 112 bus stop enhancements
- Environmental Cleanup
 - ✓ 241 water quality projects
 - ✓ 70 million gallons of trash collected



Note: Figures reflect only active or completed projects

- Revenue:
 - \$14.0 billion of M2 funds
 - \$3.9 billion of external funds
- Investment of \$5.6 billion into local transportation system over ten years
- Conservative debt service coverage ratios
- No additional bond issuances



ENVIRONMENTAL

- A total of 5% of OC Go Freeway Program funds is allocated to the Freeway Environmental Mitigation Program
- A total of 2% of the overall OC Go Program funds is allocated to the Environmental Cleanup Program

Next 10 Delivery Plan Investments

2024 Updated Next 10 Delivery Plan Measure M2 Investments



Freeways

- Deliver 13 freeway projects
- Continue annual endowment deposits

Streets and Roads

- Return 18 percent to local agencies for transportation needs
- Provide annual grants to address street bottlenecks and gaps
- Fund ongoing coordination of 2,400 traffic signals

Transit

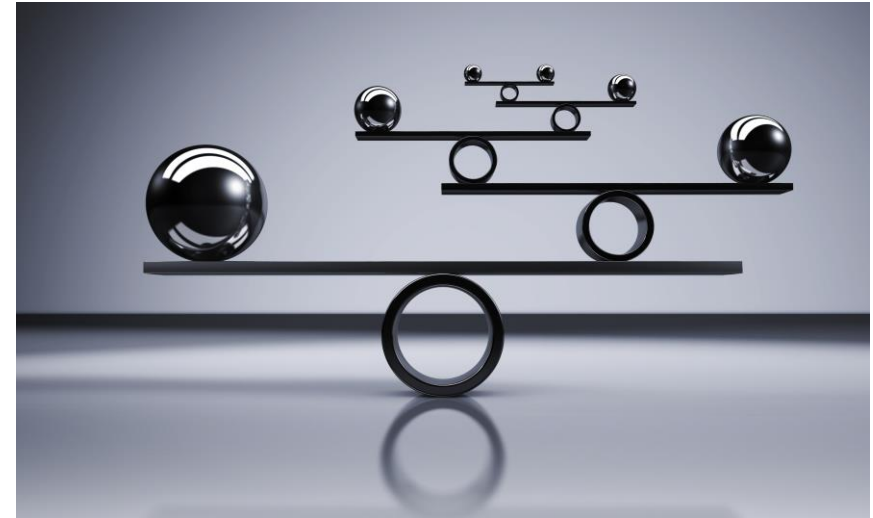
- Continue operation of Metrolink
- Complete OC Streetcar construction and begin operations
- Offer enhanced mobility options for seniors and persons with disabilities
- Continue to support local transit circulators
- Continue to improve the top 100 busiest transit stops

Environmental Cleanup

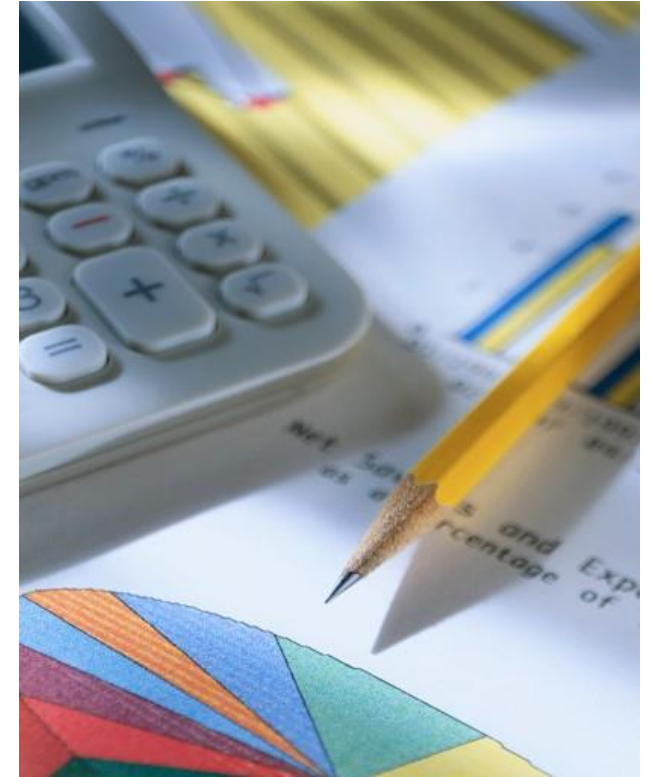
- Provide ongoing grants for water cleanup



- Funding
 - Economic fluctuations
 - Changing external funding policy priorities
 - Metrolink operations
- Regulatory
 - New environmental requirements
 - Project approvals
- Climate
 - Rail infrastructure



- M2 plan deliverable as promised
- Continued investments across all categories
- M2 revenue forecast still exceeds pre-pandemic level
- Changes to project cost estimates as design phases are completed
- Anticipated tempering of inflationary environment
- Need for a sustainable Metrolink plan




- Distribute the updated Next 10 Delivery Plan to local jurisdictions and stakeholders
- Work with transportation partners on delivery of the Next 10 Delivery Plan
- Monitor the risks and return to the Board of Directors with updates as appropriate





November 4, 2024

To: Executive Committee

From: Darrell E. Johnson, Chief Executive Officer 

Subject: Principles for 405 Express Lanes Excess Toll Revenue Policy and Expenditure Plan

Overview

Under state law, the Orange County Transportation Authority can use future 405 Express Lanes excess toll revenues for maintenance and improvements to the Interstate 405 corridor. At the October 14, 2024, Board of Directors meeting, following a review of the agreements and statutory requirements associated with the development of the future 405 Express Lanes Excess Toll Revenue Expenditure Plan, the Board of Directors directed staff to develop principles to help guide the use of excess toll revenues and the preparation of the expenditure plan. These principles are presented for Board of Directors review and approval.

Recommendations

- A. Approve the principles for developing the 405 Express Lanes Excess Toll Revenue Policy and the future 405 Express Lanes Excess Toll Revenue Expenditure Plan.
- B. Direct staff to return with a draft 405 Express Lanes Excess Toll Revenue Policy in 2025.

Background

The Orange County Transportation Authority (OCTA), in cooperation with the California Department of Transportation (Caltrans) and the cities of Costa Mesa, Fountain Valley, Huntington Beach, Seal Beach, and Westminster, implemented the Interstate 405 (I-405) Improvement Project between State Route 73 (SR-73) and Interstate 605 (I-605) (Project). The Project added one general purpose lane in each direction from Euclid Street to I-605, consistent with Measure M2 (M2) Project K, and added an additional lane in each direction that combines with the existing high-occupancy vehicle (HOV) lane to provide dual express lanes in each direction of I-405 from SR-73 to I-605, otherwise known as the 405 Express Lanes. The 405 Express Lanes commenced operations on December 1, 2023.

The OCTA Board of Directors (Board) approved the 405 Express Lanes Toll Policy in 2016 and updated the policy in July 2023, concurrent with setting opening toll rates. The 405 Express Lanes Toll Policy focuses on facility safety and performance and includes the following goals:

- Provide express lanes customers with a safe, reliable, congestion-free commute
- Optimize throughput at free-flow speeds
- Increase average vehicle occupancy
- Balance capacity and demand to serve customers who pay tolls as well as people who rideshare or use transit
- Generate sufficient revenue to sustain the financial viability of the 405 Express Lanes
- Ensure all covenants in the financing documents are met
- Ensure any potential net excess toll revenues are used for I-405 corridor improvements (after debt service, debt service coverage ratios, and reserves are met and as allowable by statute)

The 405 Express Lanes is operated and maintained by OCTA based on a toll operating and lease agreement (operating agreement) executed with Caltrans in March 2017. The operating agreement is for a 40-year lease term which began on December 1, 2023, and will end on December 1, 2063.

The operating agreement includes provisions for the future use of surplus or excess toll revenues. Based on the operating agreement, excess toll revenues are defined as revenues beyond the expenditure needs for the 405 Express Lanes operation and maintenance, debt repayment costs, enforcement, repair and rehabilitation, reserves, and administration. Access to excess toll revenues is subject to the creation of an expenditure plan, developed in partnership with Caltrans and approved by the Board. The expenditure plan must be in place for five years before the availability of excess toll revenues. Based on recent informal projections, there is the possibility that excess toll revenues could be available as early as 2029. However, following the first full year of operations and when OCTA has updated the cashflows with a new traffic and revenue study, OCTA will also update the forecast on when excess revenues are likely to be available.

Additionally, in 2017, OCTA signed a Transportation Infrastructure Finance and Innovation Act (TIFIA) loan agreement with the federal government, which stipulated that for the first five years after startup, any excess toll revenues would be held in a distribution lock-up fund at a trustee bank. After this period, assuming compliance with loan terms, 50 percent of the accumulated excess toll revenues and future revenues must go towards repaying the TIFIA loan, with the remainder available for OCTA's use. Once the loan is fully repaid, OCTA can

utilize all excess toll revenues until the end of tolling authority on December 1, 2063.

On October 14, 2024, the Board directed staff to develop principles and policies for a 405 Express Lanes Excess Toll Revenue Expenditure Plan. This report thus focuses on foundational principles for the use of excess toll revenues and the development of the future expenditure plan.

Discussion

In addition to considering the requirements noted above and presented to the Board in October, staff has reviewed excess revenue policies and framework from other regions as well as the Policy for the Use of Excess 91 Express Lanes Toll Revenue to develop a framework for the 405 Express Lanes Excess Toll Revenue Policy. The development of the guiding principles considered Orange County customer needs, congestion relief, and overall safety. The principles allow for Board flexibility in the future and align with the 405 Express Lanes Toll Policy of improving facility throughput and the positive transportation experience of all users.

The proposed framework enables OCTA to implement its vision of an integrated, balanced transportation system that supports the diverse travel needs and reflects the character of Orange County while also working toward the OCTA mission to develop and deliver transportation solutions to enhance the quality of life and keep Orange County moving. These principles are captured in the project selection, planning and equity, fiscal management, and good governance categories and are described below.

Project Selection:

1. Projects that improve customer experience, relieve congestion, and enhance the safety of the I-405 facility will be prioritized.

There has been some concern over the years that the primary purpose of a toll facility is to generate revenue. However, the goal for the 405 Express Lanes is to improve the transportation experience by improving throughput, increasing reliability and decreasing travel delays through the corridor. Establishing a principle that clearly focuses on the system's function over revenue generation is critical. This principle would apply to projects that would be considered for future 405 Express Lanes excess toll revenue. Any project being proposed for funding would need to demonstrate that it addresses customer needs, provides congestion relief, and considers the safety of the corridor.

2. Improvements that enhance customer satisfaction and lower operating costs through improved toll lane technology or other enhancements.

New technologies are under development that can improve operations and accessibility and make the use of a toll facility simpler for the user. Excess toll revenues may be used to make improvements to the toll facility to ensure the best user experience at the least cost. Toll collection is among the many industries embracing advanced technology, and the future holds promising ways to simplify toll collection for many drivers.

3. Transportation investments within the I-405 corridor in Orange County at the discretion of the Board and consistent with state and federal law.

AB 194 (Chapter 687, Statutes of 2015) mandates that excess revenues generated within a toll facility corridor must be used in the same corridor according to an approved expenditure plan. However, the term "corridor" has not been precisely defined, giving the Board the flexibility to determine beneficial projects. A prudent approach would be to ensure a relationship between the use of the excess revenues from the 405 Express Lanes tolls and the benefit to I-405 corridor travelers, using accepted transportation analysis tools. Under this approach, the Board would decide how to prioritize investments of excess toll revenue in the vicinity of the I-405 freeway with input from Caltrans.

4. Public transportation services that reduce traffic congestion within the I-405 corridor within Orange County.

Public transit investment has wide-ranging economic benefits, not only for those who ride it, but also for those who may need to drive. By giving some commuters an alternative to driving and leveraging transit, OCTA would increase the overall public benefit of the 405 Express Lanes excess toll revenues.

Planning and Equity

5. Use of OCTA-developed multimodal plans as a basis for project selection.

OCTA continually develops various transportation plans that have undergone comprehensive analyses and public outreach. These plans include various multimodal projects, many of which are unfunded. The OCTA Long-Range Transportation Plan encapsulates these projects. Using these multimodal plans as a foundation for identifying projects within the I-405 corridor is a practical starting point for developing a sound expenditure plan, alongside specific evaluation criteria for project prioritization. These plans include transit and active transportation improvements that will benefit all communities and consider sustainability.

6. Consideration of additional or focused stakeholder input and community outreach and engagement.

Good transportation policies and decision-making must recognize the value of input from essential workers, residents, and frequent facility users. Public input is important to public investment decisions because it can lead to better decisions that are more sustainable, supportable, and implementable. Also, there may be opportunities for outreach to new users through promotions and community engagement.

7. Develop policies and programs to support equity in tolling.

This principle will endeavor to reduce the implications of roadway pricing, which is inherently a demand management strategy, on low-income commuters using the 405 Express Lanes corridor in support of equity in tolling. These considerations will ensure compliance with requirements in state and federal statutes regarding toll payment options, customer service and accessibility.

Fiscal Management

8. Pay-as-you-go financing as the preferred method of funding the improvements.

Considering interest costs, using surplus toll revenues directly for projects should be the preferred approach to funding of projects.

9. Bond financing may be considered as an alternative to “pay as you go” if it supports more beneficial outcomes.

OCTA may consider bond financing if the scale and timing of planned expenditures make immediate funding unviable. Any new financing should not affect the approved toll policy, the TIFIA loan agreement, or OCTA’s financial commitments related to the 405 Express Lanes.

Good Governance

10. Use of 405 Express Lanes excess toll revenues on the state highway system shall be subject to a “maintenance of effort” commitment by the State.

A primary objective for using 405 Express Lanes excess toll revenues is to enhance funding sources and enable unfunded projects to advance, contributing positively to the transportation system. Reducing existing state and federal funds due to availability of excess toll revenues could lead to no net gain in meeting the transportation needs of Orange County residents and workers and should be

avoided. Consistent with Section 10 Excess Toll Revenue, paragraph 10.1.d in the operating agreement, the State is held to a “maintenance of effort” commitment for Orange County to ensure that the use of net excess toll revenue to fund projects does not result in reducing State Highway Operation and Protection Program (SHOPP) funds available for use in Orange County.

11. Expenditures should supplement, not supplant, state and federal revenues.

OCTA always works to maximize external state and federal funding for transportation needs in Orange County. This concept is included here in the policy framework. It is not meant to prevent OCTA from using these funds if state and federal revenues become unavailable, outside of OCTA’s control.

Staff requests approval of the ten proposed principles listed in this report as a starting place to develop the 405 Express Lanes Excess Toll Revenue Policy.

Next Steps

Moving forward, staff will use the approved principles to develop a draft policy for the use of excess toll revenues for Board consideration. The tentative schedule for the overall process would include: (1) principles for use of excess toll revenues (November 2024); (2) draft 405 Express Lanes Excess Toll Revenue Policy (summer 2025); and (3) 405 Express Lanes Excess Toll Revenue Expenditure Plan (late 2025). Consistent with the AB 194 and operating agreement requirements, the expenditure plan will be prepared in partnership with Caltrans.

Summary

Key principles are proposed for approval to help guide the use of excess toll revenues and preparation of the 405 Express Lanes Excess Toll Revenue Expenditure Plan. With Board approval, the framework developed will be used to guide the development of the Draft 405 Express Lanes Excess Toll Revenue Policy, which will be presented to the Board in summer/fall 2025, followed by the 405 Express Lanes Excess Toll Revenue Expenditure Plan, which will be brought to the Board in late 2025.

Attachment

None.

Prepared by:



Adriann Cardoso
Capital Programming Manager
(714) 560-5915

Approved by:



Kia Mortazavi
Executive Director, Planning
(714) 560-5741