



October 7, 2024

To: Executive Committee
From: Darrell E. Johnson, Chief Executive Officer
Subject: Measure M2 Ten-Year Review Framework

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Overview

Ordinance No. 3 includes a provision to conduct a comprehensive review of the project and program elements of the Renewed Measure M Transportation Investment Plan at least every ten years. The results of the first ten-year review were presented to the Board of Directors on October 12, 2015. Efforts for the next review have been initiated. A draft framework and schedule are provided for the Board of Directors' consideration.

Recommendation

Direct staff to proceed with the Measure M2 ten-year review framework as presented.

Background

On November 7, 2006, Orange County voters approved the Renewed Measure M (M2) Transportation Investment Plan (Plan). 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, Ordinance No. 3 (M2 Ordinance), that defines the requirements for implementing the Plan. The M2 Ordinance designates the Orange County Transportation Authority (OCTA) as the responsible agency for administering the Plan and ensuring that OCTA's contract with the voters is followed. The M2 Ordinance also charges OCTA to provide for a number of transparency measures and safeguards to uphold the public's trust in OCTA.

OCTA is committed to fulfilling the promises made to secure voter approval of M2. This means not only completing the projects described in the Plan, but adhering to numerous specific requirements and high standards of quality called for in the measure as identified in the M2 Ordinance. One such requirement is a provision to conduct a comprehensive review at least every ten years of all project and program elements included in the Plan. The Plan summary page is included as Attachment A.

This requirement is found within Section 11 of the M2 Ordinance:

TEN-YEAR COMPREHENSIVE PROGRAM REVIEW - At least every ten years the Authority shall conduct a comprehensive review of all projects and programs implemented under the Plan to evaluate the performance of the overall program and may revise the Plan to improve its performance. The review shall include consideration of changes to local, state and federal transportation plans and policies; changes in land use, travel and growth projections; changes in project cost estimates and revenue projections; right-of-way constraints and other project constraints; level of public support for the Plan; and the progress of the Authority and jurisdictions in implementing the Plan. The Authority may amend the Plan based on its comprehensive review, subject to the requirements of Section 12.

Although M2 sales tax revenue collection began on April 1, 2011, following the M2 approval, early mobilization efforts were initiated through the Board of Directors' (Board) adoption of the Early Action Plan in 2007. As such, the first ten-year period was assumed to have begun on November 8, 2006; the results of the first M2 ten-year review were presented to the Board on October 12, 2015.

The review highlighted substantial progress in delivering the Plan as promised to the voters and continued public support for M2 as approved. No major external changes were identified that would require changes to the Plan. However, in reviewing the financial capacity of the Plan, a need to shift funds between programs within the transit category to address shortfalls and ensure the commitments to the voters could be upheld was identified. In addition to receiving the M2 ten-year review on October 12, 2015, the Board also directed staff to initiate an amendment to address the shortfalls. On October 26, 2015, the Board determined that the intent of the Metrolink Gateways Program (Project T) had been fulfilled through the construction of the Anaheim Regional Transportation Intermodal Center and directed staff to proceed with amending the M2 Ordinance and Plan to reallocate the remaining Project T funds to High-Frequency Metrolink Service (Project R) and the Fare Stabilization Program (Project U). On December 14, 2015, the Board approved the amendment.

Discussion

Nearly ten years have passed since the initial review. The M2 Program Management Office (PMO) is leading the ten-year review, with participation from other OCTA divisions. Based on the language in the M2 Ordinance, staff developed the following five objectives to ensure all elements are analyzed as required by Section 11:

1. Research and identify external policy and/or regulatory changes at the local, state, and federal level, as well as changes in land use, travel, and growth projections that require consideration.
2. Evaluate current project and program cost estimates and the financial capacity of the sales tax revenue through 2041 to confirm Plan delivery.
3. Review M2 program and project elements to determine if there are performance issues or constraints to attain the promised delivery.
4. Assess public and stakeholder support for the Plan.
5. Identify OCTA's and local jurisdictions' progress in implementing the Plan.

Approach

Staff has initiated the second ten-year review effort and anticipates to complete the review in late 2025. The timing of this review occurs near the M2 halfway mark, although OCTA has made significant headway in delivering some of the larger-scale program elements such as a number of major freeway improvement projects. The timing of this review allows for analyses of successes as well as lessons learned from the delivery of projects and programs that have been active since 2011, with some dating back to 2006.

Since M2 was voter-approved and major changes to the Plan require voter approval, it was determined that an initial quantitative survey of Orange County likely voters would allow staff to gain insight into voter awareness of M2 and their current transportation priorities. The results, presented to the Board on July 8, 2024, shared that overall, likely voters' transportation priorities still align with the Plan. Extensive outreach will also be conducted to engage key stakeholders and audiences, including OCTA committees, government officials, community and business leaders, transportation professionals, multicultural leaders, and the general public.

The PMO will facilitate this comprehensive effort with the help of OCTA division representatives to review, conduct research, and provide input into the process to fulfill the review objectives.

Updates on the review progress will be included in the regular M2 Quarterly Reports, in addition to specific staff reports on the review at key milestone points. The overall timeline anticipates completion of the review in late 2025. An overview of the schedule is shown below:

2024	
January – June	<ul style="list-style-type: none"> • Drafted objectives, approach, and schedule • Initiated analysis of current project and program progress, issues, risks, and opportunities • Prepared scopes of work and procured necessary consultants/vendors

July	<ul style="list-style-type: none"> • Presented initial likely voters’ quantitative survey results to the Board
August - December	<ul style="list-style-type: none"> • Conducted M2 Workshop with the Board • Present ten-year review framework to the Board • Prepare ten-year review messages and materials for communication • Develop outreach plan
2025	
January – June	<ul style="list-style-type: none"> • Conduct outreach and seek public feedback <ul style="list-style-type: none"> ○ Quantitative public opinion survey ○ Online survey ○ Meetings with key stakeholders • Brief and engage the OCTA Taxpayer Oversight Committee, Citizens Advisory Committee, and Technical Advisory Committee • Conduct focus groups • Conduct an elected officials roundtable
July – August	<ul style="list-style-type: none"> • Complete analysis and draft ten-year review Report
September	<ul style="list-style-type: none"> • Present general public quantitative survey results to the Board • Prepare staff report and final ten-year review report for the Board
October	<ul style="list-style-type: none"> • Present ten-year review report and recommendations to the Board

Final Product

At the conclusion of the review, a final report will be provided. The final report will include a comprehensive review of all projects and programs implemented under the Plan, as well as identify the performance of the overall program. The final report will consider changes to local, state, and federal transportation plans and policies, changes in land use, travel and growth projections, changes in project cost estimates and revenue projections, right-of-way constraints, and other project constraints, level of public support for the Plan, and the progress of OCTA and local jurisdictions in implementing the Plan. If during the review issues are identified, recommendations for revisions to the Plan will be made to the Board as needed.

Summary

A comprehensive ten-year review will be conducted as required by the M2 Ordinance. The PMO will lead the ten-year review with participation from OCTA divisions. A final report will be brought to the Board in late 2025.

Attachment

A. Measure M Investment Summary

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