



# **Orange County Transportation Authority**

## **Executive Committee Agenda Monday, October 6, 2025 at 9:00 a.m.**

Board Room, 550 South Main Street, Orange, California

### **Committee Members**

Doug Chaffee, Chair  
Jamey M. Federico, Vice Chair  
Michael Hennessey, Finance & Administration Chair  
Fred Jung, Transit Committee Chair  
Stephanie Klopfenstein, Regional Transportation Planning Chair  
Tam T. Nguyen, Immediate Past Chair  
Donald P. Wagner, Legislative & Communications Chair

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](http://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 access live streaming of the 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

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## 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

Director Jung

## Closed Session

There are no Closed Session items scheduled.

## Special Calendar

There are no Special Calendar matters.

## Consent Calendar (Item 1)

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.

### 1. Approval of Minutes

Clerk of the Board

#### **Recommendation(s)**

Approve the minutes of the August 28, 2025, Executive Committee meeting.

#### **Attachments:**

[Minutes](#)

## Regular Calendar

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

Kelsey Imler/Rose Casey

#### **Overview**

At the direction of the Board of Directors, the Orange County Transportation Authority monitors construction market conditions. Annually, a report on Market Conditions Key Indicators Analysis and Forecast is presented to the Board of Directors to provide insight into potential project delivery cost drivers that could affect the Measure M2 Next 10 Delivery Plan. The last effort was presented to the Board of Directors on October 28, 2024. An updated forecast has been prepared and a presentation on the results of this effort is provided.

#### **Recommendation(s)**

Direct staff to continue to monitor market conditions key indicators and provide updates to the Board of Directors as appropriate.

## EXECUTIVE COMMITTEE MEETING AGENDA

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***Attachments:***

[Staff Report](#)

[Attachment A](#)

[Attachment B](#)

[Presentation](#)

**3. Fédération Internationale de Football Association World Cup 2026 and Los Angeles 2028 Olympic and Paralympic Games Transit Planning Update**

Dan Phu/Rose Casey

***Overview***

The Orange County Transportation Authority, in collaboration with the Los Angeles County Metropolitan Transportation Authority, is advancing planning efforts for the Fédération Internationale de Football Association World Cup 2026 and the Los Angeles 2028 Olympic and Paralympic Games. These world-wide events represent significant regional mobility challenges and opportunities. The planning focus is to deliver safe, seamless, high-quality transit service for spectators and workforce while minimizing impacts to existing Orange County Transportation Authority riders. This report provides an update on ongoing efforts, outlines estimated funding needs, and presents recommendations for future actions.

***Recommendation(s)***

- A. Direct staff to work with the Los Angeles County Metropolitan Transportation Authority to continue to plan and implement World Cup 2026 transit service.
- B. Authorize the Chief Executive Officer to negotiate and execute a funding agreement between the Orange County Transportation Authority and the Los Angeles County Metropolitan Transportation Authority to obtain reimbursement from the Los Angeles County Metropolitan Transportation Authority for World Cup 2026 transit service expenses.
- C. Direct staff to seek state and federal funding opportunities for Los Angeles 2028 Olympic and Paralympic Games transit service.

***Attachments:***

[Staff Report](#)

[Presentation](#)

## **EXECUTIVE COMMITTEE MEETING AGENDA**

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### **Discussion Items**

- 4. Public Comments**
- 5. Chief Executive Officer's Report**
- 6. Committee Members' Reports**
- 7. Adjournment**

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

**9:00 a.m. on Monday, November 3, 2025**

OCTA Headquarters  
Board Room  
550 South Main Street  
Orange, California



**Committee Members Present**

Doug Chaffee, Chair  
Jamey M. Federico, Vice Chair  
Michael Hennessey  
Fred Jung  
Stephanie Klopfenstein  
Tam T. Nguyen  
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, Senior  
Andrea West, Clerk of the Board  
James Donich, General Counsel  
OCTA Staff

**Committee Members Absent**

None

**Call to Order**

The August 28, 2025, Executive Committee meeting was called to order by Chair Chaffee at 9:07 a.m.

**Closed Session**

There were no Closed Session items scheduled.

**Consent Calendar (Items 1 through 3)**

**1. Approval of Minutes**

A motion was made by Vice Chair Federico, seconded by Director Jung, and declared passed by those present, to approve the minutes of the August 4, 2025, Executive Committee meeting.

**2. Proposed Response to 2024-2025 Orange County Grand Jury Report "OCTA: It Takes a Lot to Keep Us Moving"**

A motion was made by Vice Chair Federico, seconded by Director Jung, and declared passed by those present, to authorize the Chief Executive Officer to submit the proposed response to the Orange County Grand Jury report's findings and recommendations as required by California Penal Code Section 933(c).

**3. Measure M2 Quarterly Progress Report for the Period of April 2025 through June 2025**

A motion was made by Vice Chair Federico, seconded by Director Jung, and declared passed by those present, to receive and file as an information item.

**Regular Calendar**

There were no Regular Calendar matters.

## **Discussion Items**

### **4. Measure M2 Ten-Year Review Update**

Rose Casey, Executive Director of Planning, and Chris Boucly, Public Outreach, presented this item.

### **5. Public Comments**

There were no Public Comments received.

### **6. Chief Executive Officer's Report**

Darrell E. Johnson, Chief Executive Officer, reported on the following:

- Bikeways Connectivity Study
- Labor Day Operations

### **7. Committee Members' Reports**

There were no Committee Members' Reports.

### **8. Adjournment**

The meeting adjourned at 9:16 a.m.

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


**9:00 a.m. on Monday, October 6, 2025**

OCTA Headquarters  
Board Room  
550 South Main Street  
Orange, California



**October 6, 2025**

**To:** Executive Committee

**From:** Darrell E. Johnson, Chief Executive Officer 

**Subject:** Measure M2 Next 10 Delivery Plan: Market Conditions Key Indicators Analysis and Forecast

### **Overview**

At the direction of the Board of Directors, the Orange County Transportation Authority monitors construction market conditions. Annually, a report on Market Conditions Key Indicators Analysis and Forecast is presented to the Board of Directors to provide insight into potential project delivery cost drivers that could affect the Measure M2 Next 10 Delivery Plan. The last effort was presented to the Board of Directors on October 28, 2024. An updated forecast has been prepared and a presentation on the results of this effort is provided.

### **Recommendation**

Direct staff to continue to monitor market conditions key indicators and provide updates to the Board of Directors as appropriate.

### **Background**

On November 7, 2006, Orange County voters approved the Renewed Measure M (M2) Transportation Investment Plan (Plan) for a one-half-cent sales tax for transportation improvements for a period of 30 years through 2041. The Orange County Transportation Authority (OCTA) Board of Directors (Board) continues to advance the implementation of M2 commitments through the adoption of delivery plans. The delivery plans are designed to 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 annual budgets for capital projects.

In 2016, the Board directed staff to acquire better insight into the construction market outlook. The intent was to provide an analysis of trends for near-term construction market conditions in tandem with the annual sales tax revenue update to assist with prudent project delivery decisions.

OCTA retained the Orange County Business Council (OCBC), led by Dr. Wallace Walrod, Chief Economic Advisor to OCBC, and Dr. Marlon Boarnet, Professor and Director of the METRANS Transportation Consortium at the University of Southern California, to provide this analysis.

The results of the initial analysis were presented to the Board in September 2017. The report identified several near-term cost indicators that could impact the construction market and, by extension, M2 project delivery. These included the pace of transportation construction programs in the neighboring counties (resulting in the strained supply of materials and construction labor), construction wage pressures, sustained low statewide unemployment, and residential construction demand. Overall, OCBC's analysis identified a strong potential that OCTA could experience an increasing cost environment in the near term.

Following this presentation, the Board directed staff to continue to work with OCBC to monitor and track the indicators and provide the Board with updates to cost risk factors for project delivery. In response, OCBC spent early 2018 analyzing trends and creating an Infrastructure Construction Cost Pressure Index (ICCPi) model. On September 10, 2018, OCBC presented the ICCPI model, and forecasts for 2018, 2019, and 2020 cost fluctuation ranges to the Board.

### ***Discussion***

OCBC continues to monitor trends in material costs, labor costs, and general economic conditions through a contract with OCTA. Relevant data for each model component is analyzed to determine a range of potential cost impacts to update the forecast biannually. The fall 2025 update provides a three-year forecast through 2028. Attachment A summarizes the fall 2025 forecast and includes prior forecasts for reference. The full report on the ICCPI model update is included in Attachment B.

The ICCPI model is a forecasting tool, with scores indicating a forecast of fluctuations in public construction costs expressed in ranges. Index scores of two and three indicate somewhat low to normal inflationary environments in the range of one to six percent. Conversely, a score of four is a high inflation environment in the range of six to 11 percent. Extreme index values of zero and five correspond to the unusual conditions observed in Orange County immediately before and during the Great Recession and the high-cost inflation environment that occurred in the building boom years of the early 2000s and most recently in 2021 and 2022.



Using the ICCPI model, OCBC forecasts a score of three in 2026, 2027, and 2028, which represents a potential cost fluctuation range of two to six percent.

OCBC Orange County Transportation ICCPI Score, 2026-2028		
Year	Index Score	Range of Cost Fluctuation
2026	3	2% - 6%
2027	3	2% - 6%
2028	3	2% - 6%

The fall update anticipates an uptick in inflationary pressures following the moderation forecasted in spring 2025. The recent pattern for three key components of the construction cost pressure reflect a rise in building permits, California unemployment rates, and construction wages. Additionally, all infrastructure material costs saw increases. Increases in material costs and labor wages combined with rising statewide unemployment and growth in building permits indicate that the macroeconomy is under strain even as construction costs continue to rise.

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 risks include:

- Impacts from tariffs may shift Federal Reserve policy decisions,
- Domestic instability due to shifting political, social, and economic policies, including disruption from artificial intelligence adoption to the overall job market, and
- International instability resulting from ongoing global conflicts and new trade policies.

Overall, OCBC's analysis identifies an increase of inflationary pressures from 2026 through 2028. 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 timeframe, 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. Given the continued market fluctuations in recent years, staff recommends continuing this effort to monitor key indicators to inform OCTA's delivery plans.

***Summary***

OCBC has prepared an update on construction market conditions to help OCTA with M2 project delivery planning. The update considers fluctuations in material costs, labor costs, and general economic conditions and trends. The Market Conditions Key Indicators Analysis and Forecast conclude that OCTA may experience rising inflationary pressures from 2026 through 2028.

***Attachments***

- A. Orange County Business Council, Orange County Transportation ICCPI Score, Fall 2018 through Fall 2025 Forecasts
- B. Orange County Business Council, Orange County Transportation Infrastructure Construction Cost Pressure Index, Fall 2025, Prepared for the Orange County Transportation Authority

**Prepared by:**



Kelsey Imler  
Program Management Analyst,  
Measure M2 Program Management Office  
(714) 560-5397

**Approved by:**



Rose Casey  
Executive Director, Planning  
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**Orange County Business Council  
Orange County Transportation ICCPI Score  
Fall 2018 through Fall 2025 Forecasts**

Orange County Business Council Orange County Transportation ICCPI Score															
Year	Fall 2018	Spring 2019	Fall 2019	Spring 2020	Fall 2020	Spring 2021	Fall 2021	Spring 2022	Fall 2022	Spring 2023	Fall 2023	Spring 2024	Fall 2024	Spring 2025	Fall 2025
2018	4														
2019	3	4													
2020	3	3	3	3	0										
2021		3	3	2	1	1	5								
2022			3	2	1	2	4	5	5						
2023					3	4	4	4	4	4	3				
2024							4	4	4	4	3	2	2		
2025									2	3	2	3	3	2	3
2026											2	2	2	2	3
2027													2	2	3
2028															3

Range of Cost Fluctuations by Index Score			
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%

**Orange County Business Council  
Orange County Transportation Infrastructure Construction  
Cost Pressure Index  
Fall 2025  
Prepared for the Orange County Transportation Authority**

Orange County Business Council (OCBC) Research Team

Dr. Wallace Walrod – Chief Economic Advisor, OCBC

Dr. Marlon Boarnet – Professor and Director of the METRANS Transportation Consortium, University of Southern California

Background and Purpose

As a supplementary examination to the Next 10 Delivery Plan: Market Conditions Forecast and Risk Analysis study delivered by OCBC in September 2017, the Orange County Transportation Authority (OCTA) Board of Directors (Board) requested further study and exploration of potential cost fluctuations beyond existing cost analysis from the California Department of Transportation's (Caltrans) Construction Cost Index and internal OCTA analysis. The Board requested an ongoing analysis of construction cost factors, with periodic updates. In response, the OCBC team developed the Orange County Transportation Infrastructure Construction Cost Pressure Index (ICCPI), which is updated every six months.

To develop the cost pressure index, the OCBC team analyzed annual trends in material costs, labor costs, and general economic conditions to determine a range of potential cost increases with a time horizon that is typically three years into the future. The index updates begin by collecting relevant market data and indicators and then performing data analytics to assess current cost pressure and forecast future cost pressure. In doing so, and providing these findings to the Board, more accurate budgets can be determined by reducing the potential risk of cost pressure and project delivery slowdowns due to financial constraints. This September 2025 memo updates the March 2025 forecast of the Orange County Transportation ICCPI and provides annual cost pressure index forecasts for the remainder of 2025 and for 2026, 2027, and 2028.

Findings and Discussion

The most recent available input data were gathered to update the index. That includes second quarter 2025 data for the following index components: California's unemployment rate, California building permits, Caltrans index data on infrastructure construction materials costs as well as fourth quarter 2024 data on Orange County and Southern California construction industry wages. 2025 values for building permits and unemployment rates were estimated from changes from the second quarter of 2024 to the second quarter of 2025 and construction wages for 2024 from the fourth quarter of 2023 to the fourth quarter of 2024.

As of July 2025, the national inflation rate measured 2.7 percent, yet recent increases in the Producer Price Index indicate inflationary pressures may be returning. With recent remarks from the Federal Reserve, the probability for a September rate cut stands at 91.2 percent according to the Chicago Mercantile Exchange Group. At the same time, employment growth in both May and June 2025 was revised lower by a combined 258,000 jobs while the nation only added 73,000 jobs in July 2025, well below expectations. In California, the Employment Development Department reported the state's non-seasonally adjusted unemployment rate reached 6.1 percent in July 2025, 0.3 percentage points higher than its 5.8 percent reading in June 2025, higher than its July 2024 reading of 5.9 percent, and well-above the national July 2025 rate of 4.6 percent.<sup>1</sup> As of the second quarter 2025, household debt continues to increase, reaching \$18.39 trillion, with mortgage balances growing by \$131 billion to \$12.94 trillion, while auto loans rose by \$13 billion to \$1.66 trillion. At the same time, credit card debt grew by \$27 billion to now total \$1.21 trillion, an increase of 5.9 percent compared to a year ago.<sup>2</sup> In the face of rising debts and increasing costs, growth in consumer spending saw a sharp decline beginning in 2025, largely due to uncertain trade policies and market volatility resulting in waning consumer confidence and sentiment. Consumer spending growth fell to 0.5 percent in the first quarter of 2025 and 1.4 percent in the second quarter of 2025, compared to growth of 3.7 percent in the third quarter of 2024 and 4.0 percent in the fourth quarter 2024.<sup>3</sup> As consumer costs may further increase due to new tariff policies and inflationary pressures, spending is likely to remain under pressure as consumer are increasingly squeezed.

In the March 2025 update, the OCTA ICCPI reported a value of 2—indicating annualized cost changes between 1 and 2 percent—for the years 2025, 2026, and 2027. Six months earlier, in the September 2024 update, the ICCPI had forecasted a cost change index of 2 for 2024, followed by an increase to a level 3 (2 to 6 percent annualized increase) in 2025, and then a decrease back to level 2 for both 2026 and 2027.

The new estimate for September 2025 sees the index for 2025 increasing to a value of 3 for the remainder of the year and remaining steady at an index of 3 for 2026, 2027, and 2028. While the Federal Reserve has made dramatic strides in getting inflation under control, tariffs have begun to have a measurable impact on short-term costs and continued uncertainty surrounding the impacts of economic, trade, and immigration policies have resulted in slowed hiring trends as businesses struggle to forecast future needs. Adding to shifting government policies, the accelerating adoption of artificial intelligence technologies has also started to potentially slow overall job growth.

Comparisons of the five most recent Orange County Transportation ICCPI estimates are reflected in Table 1. The index values correspond to ranges of forecast annual infrastructure construction cost increases, as shown in Table 2.

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<sup>1</sup> [https://labormarketinfo.edd.ca.gov/file/lfmonth/oran\\$pds.pdf](https://labormarketinfo.edd.ca.gov/file/lfmonth/oran$pds.pdf)

<sup>2</sup> <https://www.newyorkfed.org/microeconomics/hhdc>

<sup>3</sup> <https://www.fitchratings.com/research/corporate-finance/fitch-ratings-us-consumer-spending-slows-sharply-as-labor-market-weakens-tariffs-raise-inflation-21-08-2025>

**Table 1: September 2025 Update to Three-Year Orange County Transportation ICCPI, with comparison to March 2025, September 2024, March 2024, and September 2023 Index Estimates**

Year	Index (September 2025) with Annual Cost Increase Range	Index (March 2025) with Annual Cost Increase Range	Index (September 2024) with Annual Cost Increase Range	Index (March 2024) with Annual Cost Increase Range	Index (September 2023) with Annual Cost Increase Range
2023	Not Estimated	Not Estimated	Not Estimated	Not Estimated	3 (2% to 6%)
2024	Not Estimated	Not Estimated	2 (1% to 2%)	2 (1% to 2%)	3 (2% to 6%)
2025	3 (2% to 6%)	2 (1% to 2%)	3 (2% to 6%)	3 (2% to 6%)	2 (1% to 2%)
2026	3 (2% to 6%)	2 (1% to 2%)	2 (1% to 2%)	2 (1% to 2%)	2 (1% to 2%)
2027	3 (2% to 6%)	2 (1% to 2%)	2 (1% to 2%)	Not Estimated	Not Estimated
2028	3 (2% to 6%)	Not Estimated	Not Estimated	Not Estimated	Not Estimated

#### Forecasting Method

OCBC used a series of regression analyses and forward-looking projections to create the ICCPI. The ICCPI provides a ranking from 0 to 5, with each rank corresponding to a range of percentage changes in overall construction costs. These ranges are built to be forecasting tools, with scores indicating public construction forecast cost increase. Values of 2 and 3 indicate somewhat normal inflationary environments. A value of 4 is a high inflation environment. A value of 1 is a low inflation/deflationary environment. Values of 0 and 5 correspond to the most extreme conditions observed in Orange County over the past three decades, and hence the ranges for those values are wide due to the unusual nature of the highly deflationary environment that occurred immediately prior to and during the Great Recession and the high-cost inflation environment that occurred in the building boom years of the early 2000s and most recently in 2021 and 2022.

Table 2 highlights each ICCPI ranking and the proposed range of cost fluctuations which have been provided on a low, midpoint, and high scale.

**Table 2: OCBC Orange County ICCPI Index Values and Corresponding Forecast Annual Cost Increase Range**

Index Value	Projected Annual Cost Increase, Low	Projected Annual Cost Increase, Midpoint	Projected Annual Cost Increase, 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%

### Methodology

To determine the Transportation ICCPI, the OCBC team started by aggregating several datasets, measures, and indicators on an annual basis as far back as 1972.

The index was built with the following key data inputs:

- California's unemployment rate
- Building permits in California
- Selected construction materials costs for California, from Caltrans
- Orange County Construction Labor Costs

The OCBC team examined how the various measures and indicators of construction costs varied with changes and recent past trends in construction inflation. Using statistical analyses, the research team has built a forecasting model that projects forward cost increases and predicted cost increases are grouped into the categorical ranges shown in Table 2.

## Recent Data Trends

Table 3 shows the recent pattern for three key components of the construction cost pressure index. While building permits in California declined from 2018 to 2020, they jumped by 12.6 percent in 2021, by 0.2 percent in 2022 before falling 7.1 percent to 111,221 in 2023, and further by 10.1 percent in 2024 to 99,959. Using estimates based on the change in permits from the second quarter of 2024 to the second quarter of 2025, building permits are expected to increase by 2.5 percent to 102,478 in 2025. Despite high home prices and interest rates keeping housing demand low across the nation, this forecasted increase in building permits may help highlight recent statewide efforts to reinforce housing supply. Yet, home prices, especially for new construction, are likely to be exacerbated due to tariffs impacting the cost of building materials. Based on the change in average unemployment rates from the second quarter of 2024 to the second quarter of 2025, California's unemployment rate is expected to total 5.8 percent in 2025, 0.4 percentage points higher than in 2024. Construction salaries in Orange County, estimated from the fourth quarter of 2023 to the fourth quarter of 2024, are expected to register a 3.4 percent increase, totaling \$94,397 in 2024.

**Table 3: Infrastructure Cost Correlates, Annual Percentage Changes, 2016-2025**

Year	California Building Permits	% Change Year-on-Year	California Unemployment Rate	% Change Year-on-Year	OC Construction Labor Costs (Average Annual Wage)	% Change Year-on-Year
2016	102,350	4.2%	5.5%	-11.6%	\$67,179	3.8%
2017	114,780	12.1%	4.8%	-12.9%	\$71,474	6.4%
2018	113,502	-1.1%	4.2%	-12.0%	\$74,669	4.5%
2019	110,197	-2.9%	4.1%	-3.4%	\$77,288	3.5%
2020	106,075	-3.7%	10.3%	153%	\$81,460	5.4%
2021	119,436	12.6%	7.3%	-28.9%	\$84,170	3.3%
2022	119,667	0.2%	4.2%	-42.4%	\$88,265	4.9%
2023	111,221	-7.1%	4.8%	13.4%	\$94,003**	6.5%
2024	99,959	-10.1%	5.4%	12.4%	\$94,397**	3.4%
2025*	102,478	2.5%	5.8%	7.4%		

\*Estimated from second quarter change, 2024 to 2025, converted to annualized estimate

\*\*Estimated from fourth quarter change, 2023 to 2024, converted to annualized estimate



The appendix shows annual changes in materials costs in recent years. The 2025 values are estimated using the percent change from second quarter 2024 to second quarter 2025 and hence represent an estimate that will be revised in the next six-month update, when later data for 2025 becomes available. In 2025, costs of Portland Cement Concrete (PCC) Structure are expected to see the largest increase, growing by 112.7 percent followed by Structural Steel by 50.1 percent and Aggregate at 49.5 percent, Steel Bar at 5.3 percent, and PCC Pavement at 2.4 percent. Alongside a weakening labor market and declining consumer confidence and sentiment, building costs are likely to continue to increase due to new tariff policies. As more potential headwinds stack up against the national economy, continued close monitoring of tariff policies and their potential impact on costs will be crucial.

**Appendix: Changes in Infrastructure Materials Costs 2016-2025 (all values are percentage year-on-year changes, 2025 values forecast from second quarter changes, 2024 to 2025)**

Year	Aggregate	PCC Pavement	PCC Structure	Steel Structure	Steel Bar
2016	9.4%	8.6%	7.7%	26.3%	35.0%
2017	24.2%	106.8%	26.8%	-50.1%	-20.1%
2018	18.9%	25.9%	17.2%	-58.8%	9.4%
2019	4.6%	-11.1%	-4.2%	0.8%	53.4%
2020	14.9%	-20.5%	10.0%	-9.3%	-36.2%
2021	-27.5%	-19.8%	23.5%	5.0%	6.6%
2022	47.6%	60.5%	-3.1%	37.9%	28.8%
2023	8.4%	7.4%	52.3%	22.9%	-5.9%
2024	51.5%	43.2%	-0.01%	11.0%	4.0%
2025*	49.5%	2.4%	112.7%	50.1%	5.3%

\*The annual 2025 change in value represents the change between the second quarter of 2024 and the second quarter of 2025.

# Orange County Transportation Infrastructure Construction Cost Pressure Index, Fall 2025

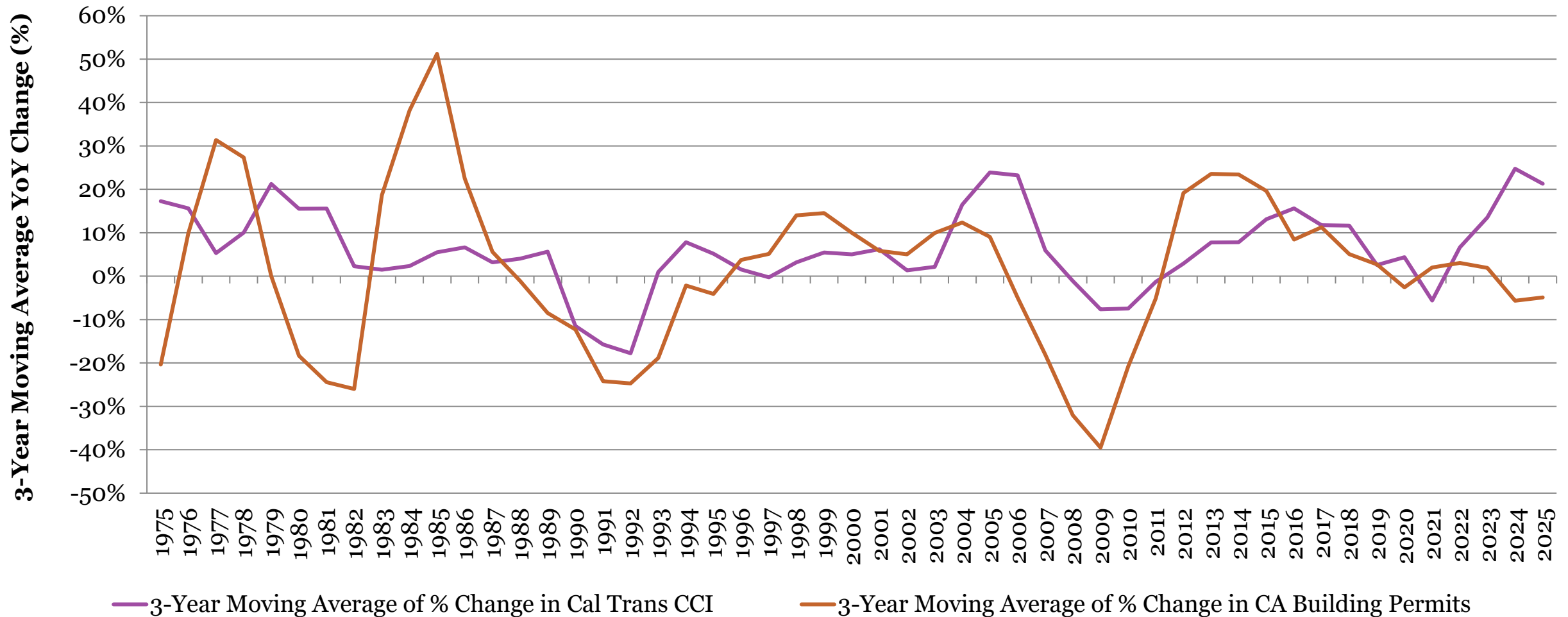
Orange County Business Council

September 2025

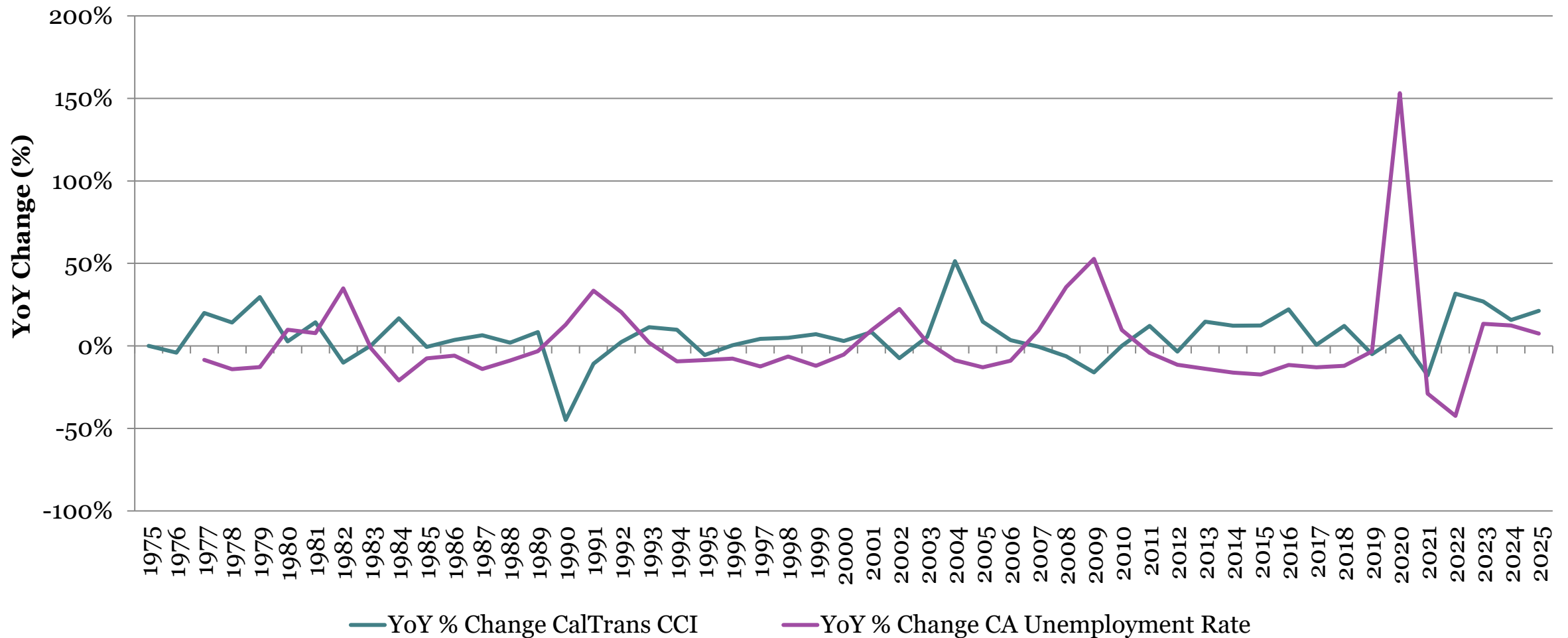
# Orange County Transportation Infrastructure Construction Cost Pressure Index Model Components

- Economic Trends - State-level building permits and unemployment rate (Census and California Employment Development Department (EDD)).
- Material Costs - Construction Aggregate, PCC Pavement, PCC Structural Concrete, Structural Steel and Bar Steel (Caltrans).
- Labor Costs - Localized construction wages of NAICS defined sectors provided by Bureau of Labor Statistics (BLS).
- Economic Conditions - Periods of tight and slack economies affecting cost pressures.

# 3-Year Moving Average of Year-Over-Year Percent Change in Caltrans CCI and Building Permits



# Year-Over-Year Percent Change in Caltrans CCI and CA Unemployment Rates



# Forecast and Range of Orange County Transportation Infrastructure Cost Increases by Index Value

- 2025 - Forecasted Index Value: 3
- 2026 - Forecasted Index Value: 3
- 2027 - Forecasted Index Value: 3
- 2028 - Forecasted Index Value: 3

Range of Cost Fluctuations by Index Score			
Index	Low	Medium	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%

# Inflation and Interest Rates Concerns Remain

- Inflationary impacts from new tariff trade policies start to impact businesses and consumers;
- Following large revisions to employment data, hiring has slowed in 2025 while layoffs are accelerating;
- Rising uncertainty surrounding interest rate cuts, yet probability of a September rate cut remains high;
- CCI declines 3.1% from Q1 2025 to Q2 2025; yet increases 2.8% over the past 12 months;
- CCI indicates that 4 material inputs increased in Q2 2025, 3 inputs decreased;
- For full-year 2025, our model projects all core material inputs to experience cost increases.

## Year-over-Year Changes in California Building Permits, California Unemployment Rate and Orange County Construction Labor Costs, 2018-2025

Year	California Building Permits	% change year-on-year	California Unemployment Rate	% change year-on-year	OC Construction Labor Costs (avg. annual wage)	% change year-on-year
2018	113,502	-1.1%	4.2%	-12.0%	\$74,669	4.5%
2019	110,197	-2.9%	4.1%	-3.4%	\$77,289	3.5%
2020	106,075	-3.7%	10.3%	153%	\$81,460	5.4%
2021	119,436	12.6%	7.3%	-28.9%	\$84,170	3.3%
2022	119,667	0.2%	4.2%	-42.4%	\$88,265	4.9%
2023	111,221	-7.1%	4.8%	13.3%	\$91,280	3.4%
2024	99,959	-10.1%	5.4%	12.4%	\$94,397**	3.4%
2025*	102,478	2.5%	5.8%	7.4%		

\*2025 values projected from year-on-year changes in quarterly data, 2<sup>nd</sup> quarter 2024 to 2<sup>nd</sup> quarter 2025.

\*\* 2024 values projected from year-on-year changes in quarterly data, 4<sup>th</sup> quarter 2023 to 4<sup>th</sup> quarter 2024.

# OCBC Infrastructure Construction Cost Forecast

- Systematic Risks - Russia-Ukraine War, Israel-Gaza Conflict, Inflation, Interest Rates
  - Russia-Ukraine and Israel-Gaza conflicts continue to contribute to regional and global instability.
  - Inflation begins to creep up again as tariffs bite; AI adoption adds to labor market concerns.

## OCBC OC Transportation Infrastructure Construction Cost Index Score, 2025-2028

Year	Index Score	Range of Cost Fluctuation
2025	3	2% to 6%
2026	3	2% to 6%
2027	3	2% to 6%
2028	3	2% to 6%

- Idiosyncratic Risks - not predictable and therefore not in model
  - Inflationary/recessionary impacts from tariffs may shift Federal Reserve rate decisions.
  - Domestic instability due to shifting political, social, and economic policies; disruption from AI.
  - International instability due to new trade policies and reduced U.S.-related financial support.



# Questions



**October 6, 2025**

**To:** Executive Committee

**From:** Darrell E. Johnson, Chief Executive Officer 

**Subject:** Fédération Internationale de Football Association World Cup 2026 and Los Angeles 2028 Olympic and Paralympic Games Transit Planning Update

### **Overview**

The Orange County Transportation Authority, in collaboration with the Los Angeles County Metropolitan Transportation Authority, is advancing planning efforts for the Fédération Internationale de Football Association World Cup 2026 and the Los Angeles 2028 Olympic and Paralympic Games. These world-wide events represent significant regional mobility challenges and opportunities. The planning focus is to deliver safe, seamless, high-quality transit service for spectators and workforce while minimizing impacts to existing Orange County Transportation Authority riders. This report provides an update on ongoing efforts, outlines estimated funding needs, and presents recommendations for future actions.

### **Recommendations**

- A. Direct staff to work with the Los Angeles County Metropolitan Transportation Authority to continue to plan and implement World Cup 2026 transit service.
- B. Authorize the Chief Executive Officer to negotiate and execute a funding agreement between the Orange County Transportation Authority and the Los Angeles County Metropolitan Transportation Authority to obtain reimbursement from the Los Angeles County Metropolitan Transportation Authority for World Cup 2026 transit service expenses.
- C. Direct staff to seek state and federal funding opportunities for Los Angeles 2028 Olympic and Paralympic Games transit service.

## ***Background***

The Fédération Internationale de Football Association (FIFA) World Cup 2026 (WC26) will include eight matches at SoFi Stadium (Stadium) between June 12 and July 10, 2026. A transit-first approach is planned, with Los Angeles County Metropolitan Transportation Authority (LA Metro) estimating that over 80 percent of spectators and workforce will use transit. More than 300 buses are expected to be required to operate bus service between parking facilities, mobility hubs, and Union Station. Orange County Transportation Authority (OCTA) and LA Metro staff are in discussions on potential support options, including bus service from the Anaheim Regional Transportation Intermodal Center (ARTIC) to the Stadium.

The Los Angeles 2028 (LA28) Olympic and Paralympic Games (Games) will include more than 800 events at over 80 venues across the region over a six-week period, with an anticipated 12 to 15 million ticketed spectators. Two confirmed venues in or adjacent to Orange County are the Honda Center (volleyball) and Trestles Beach (surfing). OCTA is expected to play a key role in connecting spectators via OC Bus, Southern California Regional Rail Authority (Metrolink), and Amtrak to these venues. LA Metro has estimated a need for an additional 2,700 buses to provide LA28 Games-related services, with Orange County serving as both a venue and a hospitality hub. Currently, LA Metro has secured approximately 900 buses from various transit operators throughout the nation, including - approximately five buses from OCTA.

## ***Discussion***

OCTA and LA Metro have coordinated planning over the past 18 months to prepare for WC26 and LA28. This includes exploring Games Enhanced Transit Service (GETS), Mobility Hubs, Games Route Network, First/Last Mile, Transportation Demand Management, and Park-and-Ride as options to complete the Games transportation component. OCTA staff attended the September 4, 2025, LA28 Games Summit hosted by LA Metro which highlighted how WC26 will serve as a beta test for the LA28 transit-first strategy.

### **World Cup 2026**

LA Metro officials confirmed that spectator and workforce parking at the Stadium will be highly limited, and nearly all spectator and workforce transportation demand must be met by additional public transportation services. LA Metro anticipates carrying roughly 30,000 people by public transportation to and from the Stadium for each match, roughly six times the magnitude of a regular national

football league game. For WC26, this includes bus service to the Stadium from remote park-and-ride locations and mobility hubs, with advanced reservations, QR code ticketing, and no on-site cash handling. These sites will be located across Los Angeles and Orange counties, providing direct transportation options to the Stadium from across the region. Sites include college campuses (under-utilized during the summer months), major bus and rail transfer centers such as the new Los Angeles International Airport/Metro Transit Center and Downtown Union Station, and nearby LA Metro rail stations. These systems will also be used for LA28, demonstrating the role of WC26 acting as a test case for the LA28 Games.

The match times and information about which teams will be playing in the initial matches will not be known until December 2025. Event start times could range from 12:00 PM to 10:00 PM.

LA Metro has been working with regional transit operators to ascertain vehicle and operator availability for supporting the park-and-ride operations. Given the high concentration of hotels in the Anaheim Resort area, accessibility to Metrolink and Amtrak trains at ARTIC, and ample parking spaces available at the Honda Center/OC Vibe, OCTA and LA Metro agree there is likely a need for a bus service between ARTIC and the Stadium during WC26 matches.

High-level cost estimates have been developed for OCTA to operate bus service between ARTIC and the Stadium with the following key assumptions:

- 18 vehicles
- 900 daily passengers (50 passengers per vehicle)
- Eight matches over eight days of operations
- Eight hours of service per match day (includes three hours prior to match start, two hours for gameplay, and three hours for return operations)
- Cost per hour of operation: \$225.67

Based on these assumptions, the total cost estimate (including contingency) is approximately \$300,000 for the WC26 bus service from ARTIC. OCTA and LA Metro have engaged in discussions regarding reimbursement by LA Metro for OCTA providing transportation for WC26 matches.

## **LA28 Games**

OCTA staff has continued to advance venue-specific planning for the LA28 Games. This includes participation in an LA28 Event Operational Planning

session for the Honda Center and a site visit to Trestles Beach during the Surfers Pro tournament. Discussions have ensued amongst OCTA and other regional stakeholders regarding the possibility of a temporary rail station platform to support events at Trestles Beach. These engagements have helped refine operational assumptions and identify key planning challenges. Key challenges remain for planning and cost estimation efforts, especially for the GETS, security perimeters, and clarification of roles and responsibilities. Engagement with LA28 (the organizing committee) has been initiated to address these challenges, though feedback has been limited to date. The response from LA28 regarding OCTA membership in the Games Mobility Executive (GME) Group is pending. Participation in this group is expected to significantly enhance coordination and planning efforts.

The competition schedule, released in July 2025, confirms up to four volleyball sessions per day at the Honda Center, with peak days accommodating approximately 72,000 attendees (18,000 per session). The Honda Center is active for all 16 days of the LA28 Games. At Trestles Beach, there will be one surfing session per day over four days, with contingency days as needed.

In late June, staff attended the LA28 Event Operational Planning meeting related to the Honda Center. Below is a synopsis of this meeting.

- Organizers anticipate significant transportation impacts and are promoting transit use, along with remote work policies, to ease system pressures.
- Key planning factors remain unresolved, including the definition of the security perimeter in coordination with the United States Secret Service, parking, access arrangements at Angel Stadium of Anaheim, and the potential impact of major league baseball scheduling.
- Athlete housing is tentatively planned at the University of California, Irvine, with LA28 managing athlete transportation between venues.
- Planning is advancing under the GME through approximately 13 specialized subcommittees, though coordination remains a concern. Major operational milestones include 60 percent completion by the end of 2025, 80 percent by 2026, 90 percent by 2027, and full readiness by mid-2028, with operational testing anticipated prior to live events.

In September, staff attended the LA Metro LA28 Summit, which convened a broad stakeholder group to discuss current planning assumptions. Topics included accessibility and equity, dedicated transit lanes and traffic management, expanded bus fleet and services, active transportation solutions,

fan zones and open streets, security and law enforcement coordination, and infrastructure requirements.

In October, OCTA will convene two meetings with local agency/partners to address transportation planning needs and explore opportunities for regional support related to the use of the Honda Center and Trestles Beach as LA28 Games event venues. In addition, LA28 has scheduled a Trestles Security and Transportation Working Group - Event Operational Planning meeting to discuss the specific venue logistics for this location in early October. Future activities will focus on advancing discussions on roles and responsibilities with partner agencies and identifying the funding needs for games-related services.

### ***Summary***

OCTA's continued collaboration with LA Metro, LA28, and other key stakeholders is critical to ensure successful planning and delivery of transit services for WC26 and LA28 Games. The proposed actions will position OCTA to secure reimbursement, identify funding, and minimize impacts to current riders while supporting two of the largest sporting events in United States history.

### ***Attachment***

None.

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# Fédération Internationale de Football Association World Cup 2026 and Los Angeles 2028 Olympic and Paralympic Games Transit Planning Update

# Background

- Initial planning efforts presented to OCTA Board on June 9, 2025
- OCTA and LA Metro have had regular meetings to advance planning efforts for both events
- The planning focus is to deliver safe, seamless, high-quality transit service for spectators and workforce while minimizing impacts to existing riders
- The FIFA World Cup will include eight matches at SoFi between June 12 and July 10, 2026
- The LA28 Olympic and Paralympic Games will include more than 800 events at over 80 venues across the region over a six-week period. Two venues have been confirmed in or adjacent to Orange County (Honda Center and Trestles Beach)

Board – Board of Directors

FIFA - Fédération Internationale de Football Association

Games - Olympic and Paralympic Games

LA28 - Los Angeles 2028

LA Metro - Los Angeles County Metropolitan Transportation Authority

OCTA - Orange County Transportation Authority

SoFi – SoFi Stadium



# FIFA – Transportation Requirements

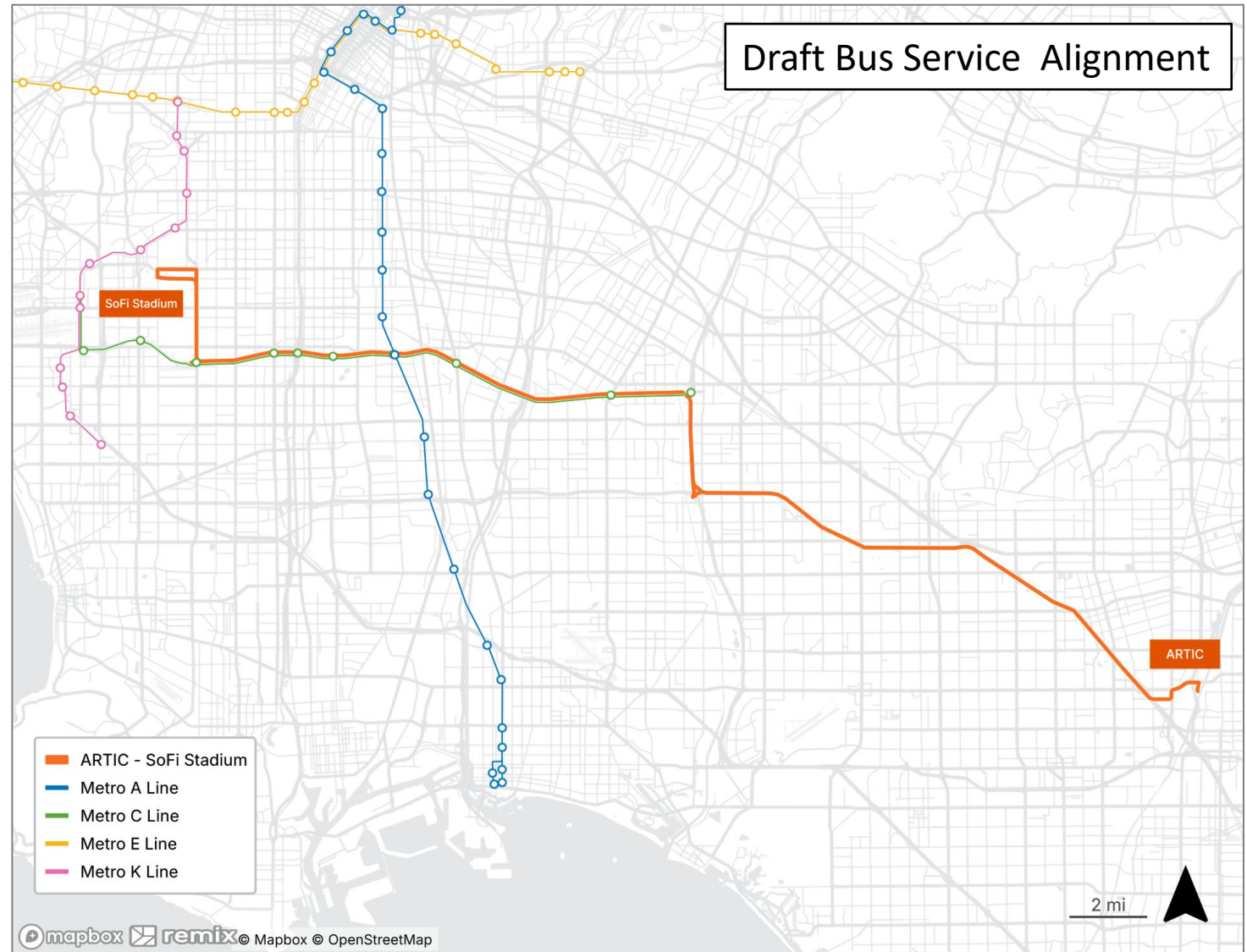
- All Los Angeles World Cup matches will be held at SoFi
- Eight matches, which include two matches featuring Team USA
- No public spectator parking available on-site, assuming over 80 percent of spectators and workforce will use public transit
- LA Metro is creating a park-and-ride and direct bus service expected to carry over 30,000 people to and from each match, requiring over 300 buses
  - Order of magnitude is five to six times ridership for a typical National Football League game
  - Over one dozen routes connecting with off-site parking lots and rail stations



USA – United States of America

# FIFA – Dedicated Bus Service

- OCTA and LA Metro are coordinating on a possible bus service from ARTIC to SoFi
- Benefits of ARTIC connection
  - Access to hotels in the Anaheim Resort area
  - Direct connection to Amtrak and Metrolink
  - Abundant parking at OC Vibe



# FIFA – Anticipated Costs

- Anticipated costs for OCTA to operate a FIFA World Cup 2026 bus service from ARTIC to SoFi Stadium are based on the following assumptions:
  - 18 vehicles
  - 900 daily passengers
  - Eight hours of service per vehicle per day over eight days
- Total estimated cost (including contingency) is approximately \$300,000
- OCTA seeking reimbursement from LA Metro for the bus service

# LA28 – Updated Competition Schedule

- Honda Center:
  - Confirmed up to four volleyball sessions per day
  - Venue active for 16 days
  - Peak days will attract 72,000 people (18,000 per session)
- Trestles Beach:
  - Confirmed one surfing session per day
  - Venue active for the first four days with contingency days as needed

Number of sessions per venue per day

	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6	Day 7	Day 8	Day 9	Day 10	Day 11	Day 12	Day 13	Day 14	Day 15	Day 16
	Sat, Jul 15	Sun, Jul 16	Mon, Jul 17	Tue, Jul 18	Wed, Jul 19	Thu, Jul 20	Fri, Jul 21	Sat, Jul 22	Sun, Jul 23	Mon, Jul 24	Tue, Jul 25	Wed, Jul 26	Thu, Jul 27	Fri, Jul 28	Sat, Jul 29	Sun, Jul 30
Honda Center	4	4	4	4	4	4	4	4	4	4	4	2	2	1	2	1
Trestles Beach	1	1	1	1	Contingency	Contingency	Contingency	Contingency	Contingency							

# LA28 – Key Updates

- Venue-specific planning has continued with stakeholders:
  - The first Event Operations Plan (EOP) session for the Honda Center took place in June 2025 with OCTA staff participating
  - EOP session for Trestles Beach scheduled on October 3, 2025
- Staff attended the LA Metro LA28 Games Summit, which convened a broad stakeholder group to discuss current planning efforts
- The Games Mobility Executive (GME) has established 13 specialized committees and OCTA membership on the GME is pending



# LA28 – Challenges and Next Steps

- Key challenges remain for planning and cost estimation efforts, particularly due to:
  - Definition of the security perimeters at the venues
  - Clarity over roles and responsibilities
  - Uncertainty regarding parking availability and access arrangements
  - Scheduling of other events such as Major League Baseball games
- Future activities will focus on advancing discussions on roles and responsibilities and identifying funding needs for Games-related services
- Identification of funding sources to accommodate transit services

# Recommendations

- Direct staff to work with LA Metro to continue to plan and implement WC26 transit service
- Authorize CEO to negotiate and execute a funding agreement between OCTA and LA Metro to obtain reimbursement from LA Metro on WC26 transit service expenses
- Direct staff to seek state and federal funding opportunities for LA28 transit service