



AGENDA

Executive Committee Meeting

Committee Members

Michael Hennessey, Chairman
Lisa A. Bartlett, Vice Chair
Andrew Do
Lori Donchak
Al Murray
Shawn Nelson
Tim Shaw

Orange County Transportation Authority
Headquarters
550 South Main Street
Board Room – Conf. Room 07
Orange, California
Monday, November 6, 2017 at 9:00 a.m.

Any person with a disability who requires a modification or accommodation in order to participate in this meeting should contact the OCTA Clerk of the Board, telephone (714) 560-5676, no less than two (2) business days prior to this meeting to enable OCTA to make reasonable arrangements to assure accessibility to this meeting.

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.

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.

Call to Order

Pledge of Allegiance

Director Shaw

1. Public Comments

Special Calendar

There are no Special Calendar matters.



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

Approval of the minutes of the Executive Committee meeting of September 7, 2017.

3. Administrative Support Agreement with the Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency Darrell Johnson

Overview

In August 2013, the Orange County Transportation Authority was selected through a competitive process to serve as the managing agency for the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency. An administrative support agreement was negotiated and executed in November 2013 to allow the Orange County Transportation Agency to assume that role formally. The existing administrative support agreement will expire on June 30, 2018. A new administrative support agreement is necessary to allow the Orange County Transportation Authority to continue in its role as the managing agency for the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency.

Recommendation

Authorize the Chief Executive Officer to negotiate and execute an updated administrative support agreement with the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency for a three-year initial term with two three-year option terms.



Regular Calendar

4. **Capital Programs Division - First Quarter Fiscal Year 2017-18 Capital Action Plan Performance Metrics**
James G. Beil

Overview

The Orange County Transportation Authority's Strategic Plan key strategies and objectives to achieve the goals for Mobility and Stewardship include delivery of all Capital Action Plan projects on time and within budget. The Capital Action Plan is used to create a performance metric to assess capital project delivery progress on highway, grade separation, rail, and facility projects. This report provides an update on the Capital Action Plan delivery and performance metrics.

Recommendation

Receive and file as an information item.

5. **Measure M2 Updated Next 10 Delivery Plan**
Tamara Warren/Kia Mortazavi

Overview

The Measure M2 Next 10 Delivery Plan was approved on November 14, 2016, incorporating the 2016 revenue forecast with a plan for continued acceleration of the delivery of Measure M2 freeway, streets and roads, transit, and environmental projects through the year 2026. In response to the lower 2017 revenue forecast, staff reviewed the Next 10 Delivery Plan and updated the revenue, bonding assumptions, project costs and schedules, and identified adjustments needed to ensure continued delivery of the Measure M2 projects and programs as outlined. The status of this effort is presented to the Board of Directors.

Recommendations

- A. Adopt the Measure M2 updated Next 10 Delivery Plan with revised financial assumptions.
- B. Direct staff to identify cost-effective alternatives that meet the intent of the Measure M2 scope as projects advance through project development for Board of Directors consideration.



Discussion Items

- 6. **Chief Executive Officer's Report**
- 7. **Committee Members' Reports**
- 8. **Closed Session**

There are no Closed Session items scheduled.

9. **Adjournment**

The next regularly scheduled meeting of this Committee will be held at **9:00 a.m. on Monday, December 4, 2017**, at the Orange County Transportation Authority Headquarters, 550 South Main Street, Board Room - Conference Room 07, Orange, California.



MINUTES

Executive Committee Meeting

Committee Members Present

*Michael Hennessey, Chairman
Lisa A. Bartlett, Vice Chair
Andrew Do
Lori Donchak
Tim Shaw*

Staff Present

*Darrell Johnson, Chief Executive Officer
Ken Phipps, Deputy Chief Executive Officer
Laurena Weinert, Clerk of the Board
Olga Prado, Assistant Clerk of the Board
James Donich, General Counsel
OCTA Staff and Members of the General Public*

Committee Members Absent

*Al Murray
Shawn Nelson*

Call to Order

The September 7, 2017 regular meeting of the Executive Committee was called to order by Chairman Hennessey at 9:03 a.m.

Pledge of Allegiance

Director Donchak led in the Pledge of Allegiance.

1. Public Comments

No public comments were received.

Special Calendar

There were no Special Calendar matters.

Consent Calendar (Items 2 through 4)

2. Approval of Minutes

A motion was made by Vice Chair Bartlett, seconded by Director Do, and declared passed by those present, to approve the minutes of the Executive Committee meeting of August 7, 2017.

3. Measure M2 Quarterly Progress Report for the Period of April 2017 Through June 2017

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

4. Measure M2 Performance Assessment Report Update

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



Regular Calendar

5. Next 10: Market Conditions Forecast and Risk Analysis

Tami Warren, Manager, Program Management Office, provided opening comments and introduced the presenters as follows:

- Dr. Wallace Walrod, Chief Economic Advisor, Orange County Business Council
- Dr. Marlon Boarnet, Professor and Chair of the Department of Urban Planning and Spatial Analysis, Sol Price School of Public Policy, University of Southern California.

Doctors Walrod and Boarnet provided a PowerPoint presentation as follows:

- Objectives;
- Timeline;
- Seven Risk Factors;
- Near Term Cost Risks; and
- Looking Forward Cost Mitigation Recommendations.

A lengthy discussion ensued regarding:

- Seven risk factors;
- Senate Bill (SB) 1;
- Project cost changes due to competition for resources, inflation, and wage pressures;
- Effects of proposed legislative activities for Assembly Bill (AB) 1250, SB 2, and SB 3;
- Lack of housing supply is becoming an issue and the impacts moving forward;
- Southern California Association of Governments will hold an economic summit in November 2017 to discuss housing issues;
- Measure M2 (M2) sales tax revenues, forecasting, and recommendation to not move the M2 funding between modes;
- Growing economy is not resulting in Orange County seeing the “wealth effect” of higher sales tax revenues;
- Online spending trends versus “brick and mortar” purchasing, shift in spending to more nontaxable “experiences” and “services”; and
- Provide a dashboard report of the cost pressures and risk factors in the report more frequently.



5. (Continued)

Director Donchak requested a summary between the Next 10 Delivery Plan and Measure M2020 cost savings achieved for accelerating the delivery of the M2 projects. In addition, she would like SB 1 built into the Next 10 before going to the Board of Directors (Board).

A consensus was reached by the Executive Committee for staff to develop a plan (and appropriate interval) to report to the Board, the results of monitoring efforts, identifying trends, and risks associated with project delivery.

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

- A. Receive and file the Next 10 Market Conditions Forecast and Risk Analysis.
- B. Continue to monitor the changing environment and its effects on the advancement of the Next 10 Delivery Plan.
- C. Continue to prioritize Measure M2 projects for external funding consistent with the Orange County Transportation Authority's adopted programming policies.

Discussion Items

6. Chief Executive Officer's Report

Darrell Johnson, Chief Executive Officer (CEO), reported that:

- OCTA is working towards the February 2018 bus service change as part of the OC 360° Bus Program. He stated that several community meetings through the month of August were conducted, and this evening, OCTA will host a roundtable discussion at the OCTA Headquarters to solicit feedback about the bus system.
- At the September 25th Board of Directors meeting, a public hearing will be conducted for the proposed February 2018 bus service changes.
- On September 9th, OCTA will participate at the Leisure World Community Expo in Seal Beach and provide outreach for the Interstate 405 Improvement Project.



6. (Continued)

- On September 16th and 17th, OCTA will attend the Fiestas Patrias event in the City of Santa Ana to provide information on the OC Streetcar Project.
- On September 15th at 11:30 a.m., OCTA will host an event at Santa Ana College to celebrate the Santa Ana College Pass Program. Chairman Hennessey and Directors Do and Shaw will be attending the event.
- During the first week of the Santa Ana College Pass Program, OCTA has seen strong usage by the students, and going forward, will report additional data.

7. Committee Members' Reports

Vice Chair Bartlett inquired if OCTA has analyzed the potential impacts of AB 1250. Mr. Johnson, CEO, responded that OCTA is monitoring and will review AB 1250. Vice Chair Bartlett requested that OCTA review AB 1250's proposed list categories and who it will impact.

Chairman Hennessey reported that Director Nelson's father recently passed away, and offered his condolences to Director Nelson and his family.

8. Closed Session

There were no Closed Session items scheduled.

9. Adjournment

The Executive Committee meeting adjourned at 9:56 a.m.

The next regularly scheduled meeting of this Committee will be held at **9:00 a.m. on Monday, October 2, 2017**, at the Orange County Transportation Authority Headquarters, 550 South Main Street, Board Room – Conference Room 07, Orange, California.

ATTEST


Laurena Weinert
Clerk of the Board

Michael Hennessey
Chairman



November 6, 2017

To: Executive Committee

From: Darrell Johnson, Chief Executive Officer 

Subject: Administrative Support Agreement with the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency

Overview

In August 2013, the Orange County Transportation Authority was selected through a competitive process to serve as the managing agency for the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency. An administrative support agreement was negotiated and executed in November 2013 to allow the Orange County Transportation Agency to assume that role formally. The existing administrative support agreement will expire on June 30, 2018. A new administrative support agreement is necessary to allow the Orange County Transportation Authority to continue in its role as the managing agency for the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency.

Recommendation

Authorize the Chief Executive Officer to negotiate and execute an updated administrative support agreement with the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency for a three-year initial term with two three-year option terms.

Background

The 351-mile Los Angeles – San Diego – San Luis Obispo (LOSSAN) rail corridor runs through a six-county coastal region from San Diego to San Luis Obispo. The LOSSAN rail corridor includes 41 stations and more than 150 passenger trains operating along the rail corridor daily. Annual ridership on the rail corridor exceeds 8.5 million riders with nearly three million on Amtrak Pacific Surfliner intercity trains and 5.5 million on Metrolink and COASTER commuter trains, making the LOSSAN rail corridor the busiest state-supported intercity corridor in the United States.

The LOSSAN Rail Corridor Agency (Agency) was formed in 1989 as a multi-county joint powers authority responsible for the coordination and planning for passenger rail service between Los Angeles and San Diego. The Orange County Transportation Authority (OCTA) is one of nine voting members that also include rail agencies and operators north of Los Angeles in Ventura, Santa Barbara, and San Luis Obispo counties.

The goal of the LOSSAN Agency is to increase the ridership, revenue, reliability, and safety for the 24 daily state-supported Amtrak Pacific Surfliner intercity trains. The trains are operated by Amtrak and supported using Public Transportation Account dollars provided by the California Department of Transportation (Caltrans) Division of Rail and Mass Transportation.

In September 2012, Senate Bill 1225 (Chapter 802, Statutes of 2012) authorized the transfer of the day-to-day management of the Pacific Surfliner service from Caltrans to the LOSSAN Agency. On August 23, 2013, a competitive process undertaken by the LOSSAN Agency Board of Directors selected OCTA to serve as the managing agency. In September 2013, the OCTA Board of Directors directed staff to negotiate and execute an administrative support agreement (ASA) with the LOSSAN Agency. The initial ASA, detailing the terms under which OCTA provides administrative support services as the managing agency, is set to expire on June 30, 2018.

Discussion

As managing agency, OCTA provides all necessary administrative support services to the LOSSAN Agency. In addition to housing eight full-time LOSSAN Agency employees, OCTA utilizes internal staff to provide support in a number of key areas, including contracts, human resources, risk management, information systems, reprographics, marketing, audits, treasury, and clerk of the board. The managing agency role is cost neutral for OCTA, with the LOSSAN agency providing reimbursements for all OCTA staff hours and resources on a monthly basis. All LOSSAN Agency administrative and staffing costs, including these managing agency fees, are fully reimbursed by the State of California.

Utilizing OCTA's broader resources under this structure has allowed the LOSSAN Agency to operate with greater efficiency. This is a result of it being much more cost effective to reimburse OCTA for services used rather than creating each of those resources independently. Over the past four years, the LOSSAN Agency and OCTA have experienced a mutually beneficial relationship using this model.

Since January 2014, the LOSSAN Agency has been responsible for a number of service improvements and notable accomplishments, including:

- Increased Pacific Surfliner annual ridership by 11.5 percent, and total revenue by 17.2 percent
- Implemented a 12th Pacific Surfliner roundtrip, the first service increase in 14 years
- Introduced an expanded and enhanced business class service, leading to a 20 percent increase in business class revenue in fiscal year (FY) 2016-17
- Increased Pacific Surfliner farebox recovery to 80 percent for FY 2016-17, far exceeding the state mandated 55 percent
- Revamped Café car menu to feature local products, leading to a 15 percent increase in food and beverage revenue
- Successfully applied for and received two Transit and Intercity Rail Capital Program grants, totaling more than \$83 million, for improvements on the LOSSAN rail corridor
- Utilized \$3.8 million in California Office of Emergency Services grant funds for safety and security improvements at Pacific Surfliner stations
- Initiated a transit transfer program offering seamless transfers to 12 local transit agencies, including OCTA and the Anaheim Resort Transit
- Initiated an extensive marketing program for the Pacific Surfliner service, including launching a new website and social media channels
- Established the Southern California Leadership Group which includes executive leadership from the various host railroads and operators along the LOSSAN rail corridor in an effort to improve service coordination and planning
- Received a clean external audit with an “unmodified” audit opinion on the FY 2014-15 and FY 2015-16 LOSSAN Agency financial statements

On April 18, 2017, the chairman of the LOSSAN Board transmitted a letter to all member agency chief executive officers indicating the intention to retain OCTA as the LOSSAN Managing Agency following the expiration of the existing ASA. All responses received from LOSSAN member agencies have been favorable toward OCTA continuing to serve as the managing agency. In this capacity, OCTA is able to directly improve passenger rail services, not just in Orange County, but along the entirety of the LOSSAN rail corridor. These efforts serve to make rail transit a more viable regional travel option. OCTA is highly regarded in the rail industry and has been commended for its work as the managing agency.

Staff recommends that OCTA continue to serve as the managing agency for the LOSSAN Agency. In order to facilitate this continuance, a new ASA must be negotiated and executed. The updated ASA would be for a three-year term with two three-year options. All costs associated with the ASA will continue to be fully

reimbursed through the State of California. The LOSSAN Agency will secure special legal counsel to review the updated ASA, as OCTA and the LOSSAN Agency share general counsel.

Summary

The administrative support agreement between the Orange County Transportation Authority and the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency expires on June 30, 2018. Staff is seeking Board of Directors approval to negotiate and execute an updated administrative support agreement in order to allow the Orange County Transportation Authority to continue to serve as the managing agency for the multi-county joint powers authority.

Attachment

None.


Prepared by:

A handwritten signature in black ink, appearing to read "Kenneth Phipps". The signature is fluid and cursive, written over a white background.

Kenneth Phipps
Deputy Chief Executive Officer
(714) 560-5637



November 6, 2017

To: Executive Committee 
From: Darrell Johnson, Chief Executive Officer
Subject: Capital Programs Division - First Quarter Fiscal Year 2017-18
Capital Action Plan Performance Metrics

Overview

The Orange County Transportation Authority's Strategic Plan key strategies and objectives to achieve the goals for Mobility and Stewardship include delivery of all Capital Action Plan projects on time and within budget. The Capital Action Plan is used to create a performance metric to assess capital project delivery progress on highway, grade separation, rail, and facility projects. This report provides an update on the Capital Action Plan delivery and performance metrics.

Recommendation

Receive and file as an information item.

Background

The Orange County Transportation Authority (OCTA) Capital Programs Division is responsible for project development and delivery of highway, grade separation, rail, and facility projects from the beginning of the environmental approval phase through construction completion. Project delivery commitments reflect defined project scope, costs, and schedules. Project delivery commitments shown in the Capital Action Plan (CAP) are key strategies and objectives to achieve the Strategic Plan goals for Mobility and Stewardship.

This report provides an update on the CAP performance metrics, which are the fiscal year (FY) snapshot of the planned CAP project delivery milestones in the budgeted FY. The Capital Programs Division also provides Metrolink commuter rail ridership, revenue, and on-time performance reports and metrics as part of rail program updates.

Discussion

The Capital Programs Division 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 new projects and project status (Attachment A). The CAP is categorized into four key groupings of projects; freeway projects, grade separation projects, rail and station projects, and key facility projects. Simple milestones are used as performance indicators of progress in project delivery. The CAP performance metrics provides a FY snapshot of the milestones targeted for delivery in the budgeted FY, and provides both transparency and measurement of annual capital project delivery performance.

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

CAP milestones achieved in the first quarter FY 2017-18 include:

Freeway and OC Bridges Railroad Grade Separation Projects

- The State Route 55 (SR-55) widening between Interstate 405 (I-405) and Interstate 5 (I-5) environmental approval was completed. The California Department of Transportation (Caltrans) approved the Initial Study with Mitigated Negative Declaration/Environmental Assessment with Finding of No Significant Impact on August 31, 2017. In addition, Caltrans began design on the 35 percent design package, documentation of exceptions to design standards, and mapping for ROW acquisition.

- Final design was completed on the State Route 57 (SR-57) landscape replacement planting from Orangethorpe Avenue to Lambert Avenue.
- The SR-57 landscape replacement planting project from Katella Avenue to Lincoln Avenue was advertised for construction, and the award contract milestone planned in the second quarter of the current FY was achieved early.
- Construction of the I-5 high-occupancy vehicle (HOV) lane addition from Avenida Vista Hermosa to Pacific Coast Highway (PCH) was completed on July 31, 2017. Landscape establishment work will continue into May 2018. Opening of the new HOV lane to traffic will be coordinated with completion of the two remaining adjacent northerly and southerly segments in early 2018.

Rail and Station Projects

- Construction of the Laguna Niguel/Mission Viejo Metrolink station pedestrian access ramp was completed on September 20, 2017.

The following CAP milestones missed the planned delivery in the first quarter of FY 2017-18.

Rail and Station Projects

- The OC Streetcar complete design milestone was missed. Quality assurance audits are being performed on the near final plans, specifications, and estimate (PS&E) in preparation for the proposed advertisement for construction in November 2017.
- The Placentia Metrolink station construction ready milestone was missed. However, the PS&E has been revised to account for the reduction of surface parking and inclusion of a shared-use parking structure. Constructability and plan check reviews are being performed, and discussions are ongoing with BNSF Railway for the station approval, required ROW, and construction and maintenance agreement. The project is currently planned to be advertised for construction in April 2018.

Recap of FY 2017-18 Performance Metrics

The CAP and performance metrics snapshot provided at the beginning of FY 2017-18 includes seven planned major project delivery milestones to be accomplished in the first quarter. The CAP and performance metrics have

been updated to reflect milestones achieved and missed in the first quarter (Attachments A and B). Seven milestones were achieved in the first quarter of FY 2017-18, of which five were planned and two second quarter milestones were completed early (100 percent).

FY 2017-18 Cost and Performance Metric Look Ahead and Risks

The contractor constructing the I-5 HOV lane addition from PCH to San Juan Creek Road has submitted notices of potential claims (NOPC) for costs which may exceed the construction budget. Caltrans and OCTA staff will continue evaluating the information provided by the contractor to determine if the NOPCs have merit. Construction of this segment should be completed in early 2018.

The forecast at completion cost estimates for the three I-5 widening segments from State Route 73 to El Toro Road indicate cost may exceed the combined \$482 million baseline cost estimate by approximately \$66 million. Increases are primarily attributed to increased construction costs and quantities. Staff will continue to work with Caltrans and consultant designers to assess costs and value engineer the design where possible as final design on the three segments progresses toward completion this FY.

The SR-55 widening between I-405 and I-5 has significant risk for higher than planned construction, ROW, and utility costs as Caltrans prepares 35 percent design and the required design exception studies/approvals needed to accommodate the addition of a second HOV lane, generally within the same ROW limits as the M2 widening scope.

Summary

Significant capital project delivery progress continues to be made and reflected in the CAP. 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 2017
- B. Capital Programs Division, Fiscal Year 2017-18 Performance Metrics Status Through September 2017

Prepared by:

A handwritten signature in blue ink, appearing to read "James G. Beil".

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

Capital Action Plan
 Status Through September 2017
 Updated: October 19, 2017

Capital Projects	Cost		Schedule											
	Baseline/Forecast		Plan/Forecast											
	Environmental	(millions)	Begin Environmental	Complete Environmental	Begin Design	Complete Design	Construction Ready	Advertise Construction	Award Contract	Complete Construction				
Freeway Projects:														
I-5, Pico to Vista Hermosa		\$113.0	Jun-09	Dec-11	Jun-11	Oct-13	Feb-14	Oct-14	Dec-14	Aug-18				
Project C		\$89.5	Jun-09	Oct-11	Jun-11	Oct-13	May-14	Sep-14	Dec-14	May-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		\$71.4	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		\$71.3	Jun-09	Oct-11	Jun-11	Jan-13	Apr-13	Aug-13	Dec-13	Apr-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		\$75.1	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	N/A	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	Jan-24				
Project C & D		\$190.5	Oct-11	May-14	Mar-15	Mar-18	Feb-19	Jun-19	Oct-19	Oct-24				
I-5, Oso Parkway to Alicia Parkway		\$196.2	Sep-11	Jun-14	Nov-14	Jun-17	Dec-17	Feb-18	Jun-18	Feb-23				
Project C & D		\$191.0	Oct-11	May-14	Nov-14	Dec-17	Jun-18	Aug-18	Dec-18	Aug-23				
I-5, Alicia Parkway to El Toro Road		\$133.6	Sep-11	Jun-14	Mar-15	Jun-18	Dec-18	Jan-19	May-19	Jun-23				
Project C		\$166.5	Oct-11	May-14	Mar-15	Jul-18	Jun-19	Oct-19	Feb-20	Mar-24				
I-5, I-5/El Toro Road Interchange		TBD	Apr-17	Nov-19	TBD	TBD	TBD	TBD	TBD	TBD				
Project D		TBD	Apr-17	Nov-19	TBD	TBD	TBD	TBD	TBD	TBD				
I-5, I-405 to SR-55		TBD	May-14	Aug-18	TBD	TBD	TBD	TBD	TBD	TBD				
Project B		TBD	May-14	Oct-18	TBD	TBD	TBD	TBD	TBD	TBD				
I-5, SR-55 to SR-57		\$38.1	Jul-11	Jun-13	Jun-15	Mar-17	Jul-17	Sep-17	Dec-17	Feb-20				
Project A		\$39.9	Jun-11	Apr-15	Jun-15	Jun-17	Nov-17	Jan-18	Apr-18	Jun-20				
SR-55, I-405 to I-5		TBD	Feb-11	Nov-13	TBD	TBD	TBD	TBD	TBD	TBD				
Project F		\$410.9	May-11	Aug-17	Sep-17	Apr-20	Nov-20	Feb-21	May-21	Jun-25				
SR-55, I-5 to SR-91		TBD	Dec-16	Jan-20	TBD	TBD	TBD	TBD	TBD	TBD				
Project F		TBD	Dec-16	Jan-20	TBD	TBD	TBD	TBD	TBD	TBD				
SR-57 Northbound (NB), Orangewood Avenue to Katella Avenue		TBD	Apr-16	Dec-18	TBD	TBD	TBD	TBD	TBD	TBD				
Project G		TBD	Apr-16	Dec-18	TBD	TBD	TBD	TBD	TBD	TBD				
SR-57 (NB), Katella Avenue to Lincoln Avenue		\$78.7	Apr-08	Jul-09	Jul-08	Nov-10	Mar-11	May-11	Aug-11	Sep-14				
Project G		\$38.5	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)		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A				
Project G		N/A	N/A	N/A	N/A	Jul-10	Jun-17	Jul-17	Sep-17	Nov-18				

Capital Action Plan
 Status Through September 2017
 Updated: October 19, 2017

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 (NB), Orangethorpe Avenue to Yorba Linda Boulevard	\$80.2		Aug-05	Dec-07	Feb-08	Dec-09	Apr-10	Jun-10	Oct-10	May-14		
Project G	\$52.6		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	\$79.3		Aug-05	Dec-07	Feb-08	Dec-09	Apr-10	Jun-10	Oct-10	Sep-14		
Project G	\$55.5		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)	N/A		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
Project G	N/A		N/A	N/A	Oct-14	Aug-17	Dec-17	Jan-18	Mar-18	May-19		
SR-57 (NB), Lambert Road to Tonner Canyon	TBD		TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD		
SR-91 Westbound (WB), I-5 to SR-57	\$78.1		Jul-07	Apr-10	Oct-09	Feb-12	Jul-12	Aug-12	Nov-12	Apr-16		
Project H	\$59.6		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)	N/A		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
Project H	N/A		N/A	N/A	Nov-14	Aug-16	Dec-16	Feb-17	Mar-17	Dec-17		
SR-91, SR-57 to SR-55	TBD		Jan-15	Oct-18	TBD	TBD	TBD	TBD	TBD	TBD		
Project I	TBD		Jan-15	May-19	TBD	TBD	TBD	TBD	TBD	TBD		
SR-91 (WB), Tustin Interchange to SR-55	\$49.9		Jul-08	Jul-11	Jul-11	Mar-13	Jul-13	Aug-13	Oct-13	Jul-16		
Project I	\$42.8		Jul-08	May-11	Jun-11	Feb-13	Apr-13	Jun-13	Oct-13	Jul-16		
SR-91, SR-55 to SR-241	\$128.4		Jul-07	Jul-09	Jun-09	Jan-11	Apr-11	Jun-11	Sep-11	Dec-12		
Project J	\$79.6		Jul-07	Apr-09	Apr-09	Aug-10	Dec-10	Feb-11	May-11	Mar-13		
SR-91, SR-55 to SR-241 (Landscape)	N/A		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
Project J	N/A		N/A	N/A	May-12	Feb-13	Apr-13	Jul-13	Oct-13	Feb-15		
SR-91 Eastbound, SR-241 to SR-71	\$104.5		Mar-05	Dec-07	Jul-07	Dec-08	Mar-09	May-09	Jul-09	Nov-10		
Project J	\$57.8		Mar-05	Dec-07	Jul-07	Dec-08	May-09	Jun-09	Aug-09	Jan-11		
91 Express Lanes to SR-241 Toll Connector	TBD		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
Project L	TBD		Nov-13	Jan-18	Dec-16	Jul-18	Oct-18	Aug-18	Dec-18	Feb-21		
I-405, I-5 to SR-55	TBD		Dec-14	Jul-18	TBD	TBD	TBD	TBD	TBD	TBD		
Project L	TBD		Dec-14	Jul-18	TBD	TBD	TBD	TBD	TBD	TBD		
I-405, SR-55 to I-605 (Design-Build)	\$1,900.0		Mar-09	Mar-13	Mar-14	Nov-15	Feb-16	Mar-16	Nov-16	May-23		
Project K	\$1,900.0		Mar-09	May-15	Mar-14	Nov-15	Feb-16	Mar-16	Nov-16	May-23		
I-405/SR-22 HOV Connector	\$195.9		N/A	N/A	Sep-07	Sep-09	Mar-10	May-10	Aug-10	Aug-14		
Project K	\$120.4		N/A	N/A	Sep-07	Jun-09	Sep-09	Feb-10	Jun-10	Mar-15		
I-405/I-605 HOV Connector	\$260.4		N/A	N/A	Sep-07	Sep-09	Mar-10	May-10	Oct-10	Jan-15		
Project K	\$172.6		N/A	N/A	Sep-07	Sep-09	Feb-10	May-10	Oct-10	Mar-15		
I-405/SR-22/I-605 HOV Connector (Landscape)	N/A		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
Project K	N/A		N/A	N/A	Jun-08	May-09	Feb-16	May-16	Jul-16	Feb-18		



Capital Action Plan
 Status Through September 2017
 Updated: October 19, 2017

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				
I-605 I-605/Katella Interchange Project M	TBD	TBD	Aug-16	Nov-18	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
Grade Separation Projects:														
Sand Canyon Avenue Railroad Grade Separation Project R	\$65.6	\$61.8	N/A	Sep-03	Jan-04	Jul-10	Jul-10	Jul-10	Oct-10	Feb-11	May-14	May-14	TBD	TBD
Raymond Avenue Railroad Grade Separation Project O Cost/Schedule Risk	\$77.2	\$124.8	Feb-09	Nov-09	Mar-10	Aug-12	Aug-12	Nov-12	Feb-13	May-13	Aug-18	Aug-18	Aug-18	Aug-18
State College Boulevard Railroad Grade Separation (Fullerton) Project O	\$73.6	\$97.0	Dec-08	Jan-11	Jul-06	Aug-12	Aug-12	Nov-12	Feb-13	May-13	May-18	May-18	May-18	May-18
Placentia Avenue Railroad Grade Separation Project O	\$78.2	\$64.6	Jan-01	May-01	Jan-09	Mar-10	Mar-10	May-10	Mar-11	Jun-11	Nov-14	Nov-14	Nov-14	Nov-14
Kraemer Boulevard Railroad Grade Separation Project O	\$70.4	\$63.5	Jan-01	Sep-09	Jan-09	Jul-10	Jul-10	Jul-10	Apr-11	Aug-11	Oct-14	Oct-14	Oct-14	Oct-14
Orangethorpe Avenue Railroad Grade Separation Project O	\$117.4	\$108.6	Jan-01	Sep-09	Feb-09	Dec-11	Dec-11	Dec-11	Feb-12	May-12	Sep-16	Sep-16	Sep-16	Sep-16
Tustin Avenue/Rose Drive Railroad Grade Separation Project O	\$103.0	\$98.3	Jan-01	Sep-09	Feb-09	Dec-11	Dec-11	Mar-12	May-12	Aug-12	May-16	May-16	May-16	May-16
Lakeview Avenue Railroad Grade Separation Project O	\$70.2	\$107.4	Jan-01	Sep-09	Feb-09	Oct-11	Oct-11	Oct-12	Feb-13	May-13	Mar-17	Mar-17	Mar-17	Mar-17
17th Street Railroad Grade Separation Project R	TBD	TBD	Oct-14	Jun-16	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
Rail and Station Projects:														
Rail-Highway Grade Crossing Safety Enhancement Project R	\$94.4	\$90.4	Jan-08	Oct-08	Jan-08	Sep-08	Sep-08	Sep-08	Sep-08	Aug-09	Dec-11	Dec-11	Dec-11	Dec-11
San Clemente Beach Trail Safety Enhancements Project R	\$6.0	\$5.0	Sep-10	Jul-11	Feb-12	Apr-12	Apr-12	Apr-12	Jul-12	Oct-12	Jan-14	Jan-14	Jan-14	Jan-14
San Juan Capistrano Passing Siding	\$25.3	\$30.8	Aug-11	Mar-14	Mar-15	Dec-17	Dec-17	Dec-17	Mar-18	Jul-18	Aug-20	Aug-20	Aug-20	Aug-20
OC Streetcar Project S	\$310.4	\$310.4	Aug-09	Mar-15	Feb-16	Sep-17	Sep-17	Nov-17	Nov-17	May-18	Jul-20	Jul-20	Jul-20	Jul-20
Placentia Metrolink Station and Parking Structure Project R Cost/Schedule Risk	\$34.8	\$34.8	Jan-03	May-07	Oct-08	Feb-11	Feb-11	Dec-17	Apr-18	Aug-18	Mar-20	Mar-20	Mar-20	Mar-20
Anaheim Canyon Station	\$27.9	\$27.9	Jan-16	Dec-16	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD

Capital Action Plan

Status Through September 2017

Updated: October 19, 2017

Capital Projects	Cost		Schedule							
	Baseline/Forecast (millions)		Begin Environmental	Complete Environmental	Begin Design	Complete Design	Construction Ready	Advertise Construction	Award Contract	Complete Construction
Orange Station Parking Expansion	\$33.2		Dec-09	Dec-12	Nov-10	Apr-13	Jul-16	Jul-16	Nov-16	Jan-19
Fullerton Transportation Center - Elevator Upgrades	\$32.3		Dec-09	May-16	Nov-10	Apr-16	Jul-16	Jul-16	Jun-17	Jan-19
	\$3.5		N/A	N/A	Jan-12	Dec-13	Dec-13	Dec-13	Sep-14	Mar-17
	\$4.6		N/A	N/A	Jan-12	Dec-13	Dec-13	Aug-14	Apr-15	Sep-18
Laguna Niguel/Mission Viejo Station ADA Ramps	\$3.5		Jul-13	Jan-14	Jul-13	Aug-14	Aug-14	Sep-14	Jan-15	Apr-17
Anaheim Regional Transportation Intermodal Center	\$5.2		Jul-13	Feb-14	Jul-13	Jul-15	Jul-15	Jul-15	Oct-15	Sep-17
Project R & T	\$227.4		Apr-09	Feb-11	Jun-09	Feb-12	Feb-12	May-12	Jul-12	Nov-14
	\$230.4		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)
- SR-55 - Costa Mesa Freeway (State Route 55)
- SR-57 - Orange Freeway (State Route 57)
- SR-91 - Riverside Freeway (State Route 91)
- SR-133 - Laguna Freeway (State Route 133)
- SR-22 - Garden Grove Freeway (State Route 22)
- I-405 - San Diego Freeway (Interstate 405)
- SR-241 - Foothill/Eastern Transportation Corridor (State Route 241)
- I-605 - San Gabriel River Freeway (Interstate 605)
- ADA - Americans with Disabilities Act

Capital Programs Division
Fiscal Year 2017-18 Performance Metrics Through September 2017

Begin Environmental

Project Description	FY 18 Qtr 1		FY 18 Qtr 2		FY 18 Qtr 3		FY 18 Qtr 4		FY 18 Fcst
	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst	Actual	
No "Begin Environmental" milestones scheduled for FY 2017-18									
Total Forecast/Actual	0	0	0	0	0	0	0	0	0

Complete Environmental

Project Description	FY 18 Qtr 1		FY 18 Qtr 2		FY 18 Qtr 3		FY 18 Qtr 4		FY 18 Fcst
	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst	Actual	
SR-55, I-405 to I-5	X	✔							
17th Street Railroad Grade Separation			X						
91 Express Lanes to SR-241 Toll Connector					X				
Total Forecast/Actual	1	1	1	0	1	0	0	0	3

Begin Design

Project Description	FY 18 Qtr 1		FY 18 Qtr 2		FY 18 Qtr 3		FY 18 Qtr 4		FY 18 Fcst
	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst	Actual	
SR-55, I-405 to I-5	X	✔							
Anaheim Canyon Metrolink Station					X				
Total Forecast/Actual	1	1	0	0	1	0	0	0	2

Complete Design

Project Description	FY 18 Qtr 1		FY 18 Qtr 2		FY 18 Qtr 3		FY 18 Qtr 4		FY 18 Fcst
	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst	Actual	
SR-57 (Northbound), Orangethorpe to Lambert Landscape	X	✔							
OC Streetcar	X								
I-5, Oso Parkway to Alicia Parkway			X						
San Juan Capistrano Passing Siding			X						
I-5, SR-73 to Oso Parkway					X				
Total Forecast/Actual	2	1	2	0	1	0	0	0	5

Construction Ready

Project Description	FY 18 Qtr 1		FY 18 Qtr 2		FY 18 Qtr 3		FY 18 Qtr 4		FY 18 Fcst
	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst	Actual	
Placentia Metrolink Station and Parking Structure	X								
I-5, SR-55 to SR-57			X						
SR-57 (Northbound), Orangethorpe to Lambert Landscape			X						
San Juan Capistrano Passing Siding			X						
OC Streetcar			X						
I-5, Oso Parkway to Alicia Parkway							X		
Total Forecast/Actual	1	0	4	0	0	0	1	0	6

Advertise Construction

Project Description	FY 18 Qtr 1		FY 18 Qtr 2		FY 18 Qtr 3		FY 18 Qtr 4		FY 18 Fcst
	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst	Actual	
SR-57 (Northbound), Katella to Lincoln Landscape	X	✔							
OC Streetcar			X						
Placentia Metrolink Station and Parking Structure			X						
I-5, SR-55 to SR-57					X				
SR-57 (Northbound), Orangethorpe to Lambert Landscape					X				
San Juan Capistrano Passing Siding					X				
Total Forecast/Actual	1	1	2	0	3	0	0	0	6

Capital Programs Division Fiscal Year 2017-18 Performance Metrics Through September 2017

Award Contract

Project Description	FY 18 Qtr 1		FY 18 Qtr 2		FY 18 Qtr 3		FY 18 Qtr 4		FY 18 Fcst
	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst	Actual	
SR-57 (Northbound), Katella to Lincoln Landscape		✔		X					
SR-57 (Northbound), Orangethorpe to Lambert Landscape					X				
Placentia Metrolink Station and Parking Structure					X				
I-5, SR-55 to SR-57							X		
OC Streetcar							X		
Total Forecast/Actual	0	1	1	0	2	0	2	0	5

Complete Construction

Project Description	FY 18 Qtr 1		FY 18 Qtr 2		FY 18 Qtr 3		FY 18 Qtr 4		FY 18 Fcst
	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst	Actual	
I-5, Vista Hermosa to Pacific Coast Highway	X	✔							
Laguna Niguel/Mission Viejo Station ADA Ramps		✔	X						
I-405/SR-22/I-605 HOV Connector Landscape					X				
State College Boulevard Railroad Grade Separation (Fullerton)					X				
I-5, Pico to Vista Hermosa							X		
I-5, Pacific Coast Highway to San Juan Creek Road							X		
SR-91 (Westbound), I-5 to SR-57 Landscape							X		
Total Forecast/Actual	1	2	1	0	2	0	3	0	7

Totals	7	7	11	0	10	0	6	0	34
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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.

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

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

I-405 - San Diego Freeway (Interstate 405)

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

ADA - Americans with Disability Act

HOV - high-occupancy vehicle

X = milestone forecast in quarter

✔ = milestone accomplished in quarter



November 6, 2017

To: Executive Committee
From: Darrell Johnson, Chief Executive Officer
Subject: Measure M2 Updated Next 10 Delivery Plan

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

Overview

The Measure M2 Next 10 Delivery Plan was approved on November 14, 2016, incorporating the 2016 revenue forecast with a plan for continued acceleration of the delivery of Measure M2 freeway, streets and roads, transit, and environmental projects through the year 2026. In response to the lower 2017 revenue forecast, staff reviewed the Next 10 Delivery Plan and updated the revenue, bonding assumptions, project costs and schedules, and identified adjustments needed to ensure continued delivery of the Measure M2 projects and programs as outlined. The status of this effort is presented to the Board of Directors.

Recommendations

- A. Adopt the Measure M2 updated Next 10 Delivery Plan with revised financial assumptions.
- B. Direct staff to identify cost-effective alternatives that meet the intent of the Measure M2 scope as projects advance through project development for Board of Directors consideration.

Background

Expedited delivery of Measure M2 (M2) began in 2007 and has continued to date in an effort to bring transportation improvements to the public as early as possible. The 2008 Great Recession, as well as continued changes in the amount of actual sales tax revenues collected, have resulted in a reduction of the M2 sales tax revenue forecast. In response, the Orange County Transportation Authority (OCTA) Board of Directors (Board) proactively revised the forecasting methodology and adjusted delivery plans to ensure the M2 Plan of projects and programs are implemented as promised to the voters.

The initial strategy to overcome the drop in M2 revenues for the freeway program included reliance on external revenues rather than a self-sustaining approach, as originally designed. This strategy, combined with availability of one-time state and federal grants, and effective use of bonding, allowed OCTA to capitalize on competitive construction market forces to continue expedited delivery of all M2 Program elements.

On November 14, 2016, with the adoption of the Next 10 Delivery Plan (Next 10 Plan), the Board directed staff to bring in local revenues through the allocation of net excess 91 Express Lanes revenue, in an amount not to exceed the project costs for eligible projects. The two eligible projects are on State Route 91: Project I, between State Route 55 (SR-55) and State Route 57, and Project J, between SR-55 and the Riverside County line. Project I was designated as a priority project for advancement into the next phase with the adoption of the Next 10 Plan.

Discussion

On September 11, 2017, the Board received a presentation on the 2017 sales tax revenue forecast of \$13.5 billion. The 2017 forecast is \$700 million lower than the 2016 forecast of \$14.2 billion. Staff incorporated the new revenue forecast as well as information available to date on project cost and schedules, into the M2 cash flow for each of the M2 Program elements. While a reduction in revenues affects the M2 Program as a whole, in most areas within the M2 Plan, programs can be scaled based on available revenues. The area where this is not possible is in the freeway program, due to set scopes for project delivery. The net forecasted freeway program revenues in the 2016 revenue forecast was \$5.67 billion. The updated 2017 revenue forecast is \$5.40 billion. This results in a net freeway program loss in forecasted revenues of \$272 million.

Next 10 Cash Flow Update

The Next 10 cash flow incorporates the revised revenue forecast of \$13.5 billion, as well as the confirmed contribution from the Transportation Infrastructure Finance and Innovation Act (TIFIA), in the amount of \$153.9 million, which is the M2 share of the \$629 million TIFIA loan. This amount is a direct benefit to the M2 portion of the Interstate 405 Improvement Project, as the loan will be repaid with toll revenues and not with M2. Project cost estimates and assumptions for future competitive and formula programs were also updated and incorporated.

The cash flow also assumes the availability of a viable amount of discretionary federal and/or state funds from 2017 to 2041, and makes specific assumptions about near term grants such as New Starts and Cap-and-Trade. Additionally, per the Board's direction, the cash flow also includes net excess 91 Express Lanes revenue within the freeway program for projects on the 91 corridor (as defined by the 91 Express Lanes governing legislation), in an amount not to exceed the total cost of Project I and Project J.

While the adopted Next 10 cash flow assumed \$463 million, which was less than the total of the two projects and only the amount needed at the time, with the additional revenue reduction in the freeway program, the revised cash flow now assumes the full cost of the two projects, which is estimated at \$748 million. These changes, along with revised bonding assumptions, result in a delivery plan that remains tight but is solvent. Attachment A shows the Next 10 Plan updated M2 Program cash balance by year, between now and 2041. The chart reflects a positive ending balance in all years and indicates that the full program (through 2041) is deliverable. A balanced plan not only allows OCTA to secure favorable bond ratings when financing but also allows OCTA to weather reasonable changes to cost or revenues. With a solvent cash flow, the Next 10 Plan deliverables have been adjusted based on updated project information and available revenue, and are included as Attachment B. The complete updated Next 10 Plan is included as Attachment C.

Future Outlook

On September 11, 2017, the Board was presented with a Next 10 Market Conditions Forecast and Risk Analysis Report conducted by Dr. Wallace Walrod and Dr. Marlon Boarnet, who are both respected local economists. As presented, the consultant's analysis identifies a strong potential for OCTA to experience an increasing cost environment during the Next 10 Plan delivery years. This will likely be one of the major challenges affecting the delivery of M2 and the Next 10 Plan.

The consultant's recommendations include a consistent message that OCTA should continue to accelerate projects to the fullest extent possible. Additionally, it was recommended that OCTA keep a close watch on identified economic triggers to respond to changes as needed. With acceleration already built into

the Next 10 Plan, the risk of an increasing cost environment puts additional pressure on OCTA to identify and capture external funds to augment the plan where possible.

The Board directed staff to develop a plan to monitor and track key early warning indicators and provide OCTA information on changes to the risk factors. Staff is working with the consultant to determine the indicators to track. These may include building permits, construction employment and wages, the number of project bidders and trends in bid amounts, construction commodity costs, executive opinion, and consumer sentiment. A summary of the monitoring effort will be presented to the Board at a minimum annually and, if noteworthy, more frequent updates will be provided through the M2 quarterly progress reports.

Actions to Protect M2 Delivery

In order to mitigate cost pressures, OCTA's Project Controls Department monitors and adjusts project cost escalation assumptions according to market trends. Project Controls makes use of schedule control, cost control, progress reporting, and change management to effectively monitor and control project escalation and execution. Imbedded in the Next 10 Plan are cost assumptions based on trends in the California Department of Transportations' (Caltrans) Construction Cost Index. Higher cost assumptions are included on some elements of projects based on assessed potential risk.

In the event of continued lower sales tax revenue projections or increasing costs, staff is taking the following steps to protect delivery of M2 projects moving forward.

- Analyze freeway commitments listed in the M2 Plan, and work with Caltrans and District 12 staff to identify cost-effective alternatives that meet the intent of the M2 scope as projects advance through project development,
- Work diligently to seek Caltrans' cooperation and support to contain projects costs by minimizing right-of-way impacts, scope changes (beyond Measure M commitments), and schedule delays,
- Seek Caltrans' support to enter into a joint agency master agreement for greater transparency, accountability, and containment to agreed-upon scope, schedule and budget,
- Aggressively seek external funding (i.e., SB 1 {Chapter 5, Statutes of 2017}, etc.) to augment the Next 10 Plan and mitigate risk,

- Monitor the risks associated with the changing environment using key triggers identified in the Next 10 Market Conditions Forecast and Risk Analysis, and report to the Board annually,
- Incorporate conservative project escalation factors into project cost estimates to ensure accuracy in project cash flows, given the potential for a cost-increasing environment.

Summary

In response to the latest revenue forecast, staff reviewed the Next 10 Plan and updated the revenues, bonding assumptions, project costs and schedules into the M2 cash flow. The update identified some adjustments required to ensure continued delivery of the M2 projects and programs as outlined. The updated Next 10 Plan is presented for Board review and approval.

Attachments

- A. 2017 Updated Next 10 Plan, M2 Program Cash Balance
- B. Next 10, Updated November 2017 Plan Deliverables
- C. Draft Updated, Next 10 Delivery Plan, 2017-2026

Prepared by:



Tamara Warren
Manager, Program Management Office
(714) 560-5590

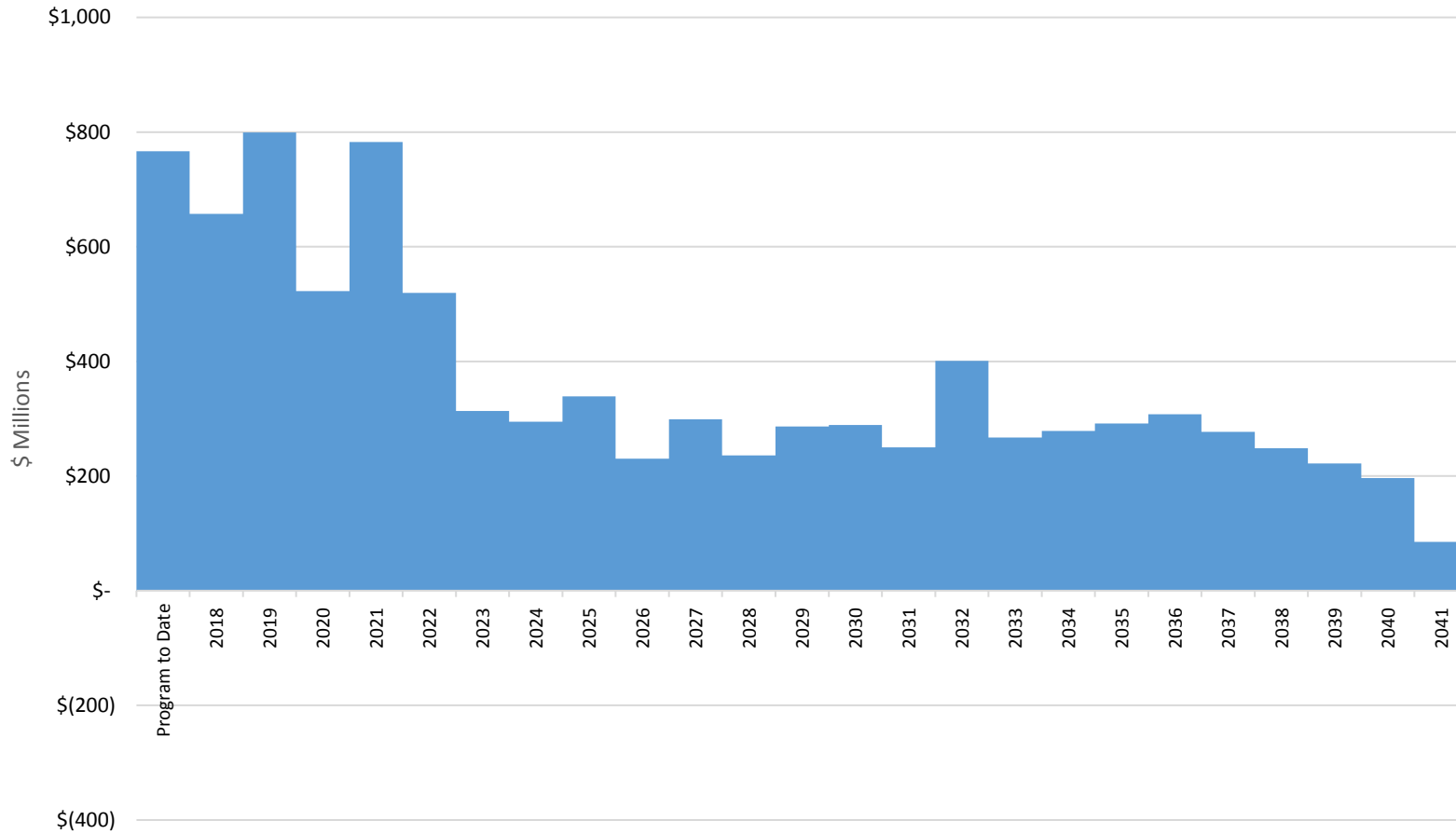
Approved by:



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

2017 Updated Next 10 Plan M2 Program Cash Balance

M2 Sales Tax Revenue Forecast of \$13.5 Billion



ATTACHMENT A



Updated November 2017 Plan Deliverables

The Updated Next 10 Plan is based on ten deliverables intended to provide guidance on program and project delivery during the ten year period 2017 through 2026.

Freeways

1. Deliver \$3.1 billion of freeway improvements approved through construction.
2. Invest approximately \$1.2 billion more in revenues bringing the completed freeway program improvements to \$4.3 billion. Project I is a priority project.

Streets and Roads

3. Allocate nearly \$1 billion with \$400 million in competitive funding to local jurisdictions to expand roadway capacity and synchronize signals (Project O and P) and nearly \$600 million in flexible funding to local jurisdictions to help maintain aging streets or for use on other transportation needs as appropriate (Project Q).
 - a. Complete the remaining three grade separation projects.¹

Transit

4. Extend Metrolink service from Orange County into Los Angeles County, contingent upon cooperation and funding participation from route partners, complete six rail station improvements² (Project R).
5. Complete design, construction, secure vehicles and begin operating the OC Streetcar (Project S) and work with local agencies to consider recommendations from planning studies to guide development of future transit connections.
6. Provide up to \$115 million in funding to expand mobility choices for seniors and persons with disabilities (Project U).
7. Work with local agencies to develop a plan for the next community circulator projects to provide grant opportunities for local agencies to implement efficient local transit services (Project V).
8. Allocate up to \$7 million in funding to improve the top 100 busiest bus stops and support the modernization of the bus system to enhance the customer experience (Project W).

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.
10. Work with the Environmental Cleanup Allocation Committee to develop the next tiers of water quality programs with a goal of providing up to \$40 million in grants 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).

¹ Since the adoption of the Next 10 Delivery Plan, one of the three grade separations projects, Lakeview Avenue, has been completed and the remaining two (Raymond Avenue and State College Boulevard) are open to traffic.

² Since the adoption of the Next 10 Delivery Plan, one of the six rail station improvements, San Clemente Pier Station Lighting, has been completed.

DRAFT
UPDATED

NEXT 1



DELIVERY PLAN

2017-2026



UPDATED ON NOVEMBER 13, 2017



Following adoption of the Next 10 Delivery Plan on November 14, 2016, the 2017 sales tax revenue projections were lower than forecasted. The Board directed staff to review and update the plan as needed to ensure it was still deliverable with the revised revenue forecast. On November 13, 2017, an Updated Next 10 Plan, is presented to the Board for review and consideration of approval. Original commitments remain unchanged in the Updated Next 10 Plan with the exception of some required refinements, which account for updated project information including cost estimates, schedules and available external funding.

Printed November 2017

For the latest version of the Updated 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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UPDATED

NEXT 1



DELIVERY PLAN

Introduction

NEXT 10 DELIVERY PLAN



Introduction

On November 7, 2006, Orange County voters, by a margin of 69.7 percent, approved the renewal of the Measure M one-half cent sales tax for transportation improvements. Voters originally endorsed Measure M in 1990 (M1) with a sunset in 2011. With the approval of Renewed Measure M (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 approval, the Orange County Transportation Authority (OCTA) Board of Directors (Board) have continued to advance implementation of M2 through the adoption of a series of early delivery plans. These early delivery plans are designed to ensure the delivery of projects and programs through 2041 as promised to the voters, bring transportation improvements earlier to residents and commuters of Orange County, and as appropriate, address slower growth in sales tax revenue projections through strategic financing and successfully capturing and augmenting the program with external revenue. Early delivery plans to date include a five year Early Action Plan adopted in 2007 (completed in 2012), an M2020 Plan adopted in 2012 (intended to go through 2020) but cut short due to a decrease in the sales tax revenue and replaced with the adoption of a Next 10 Delivery Plan. See timeline below.

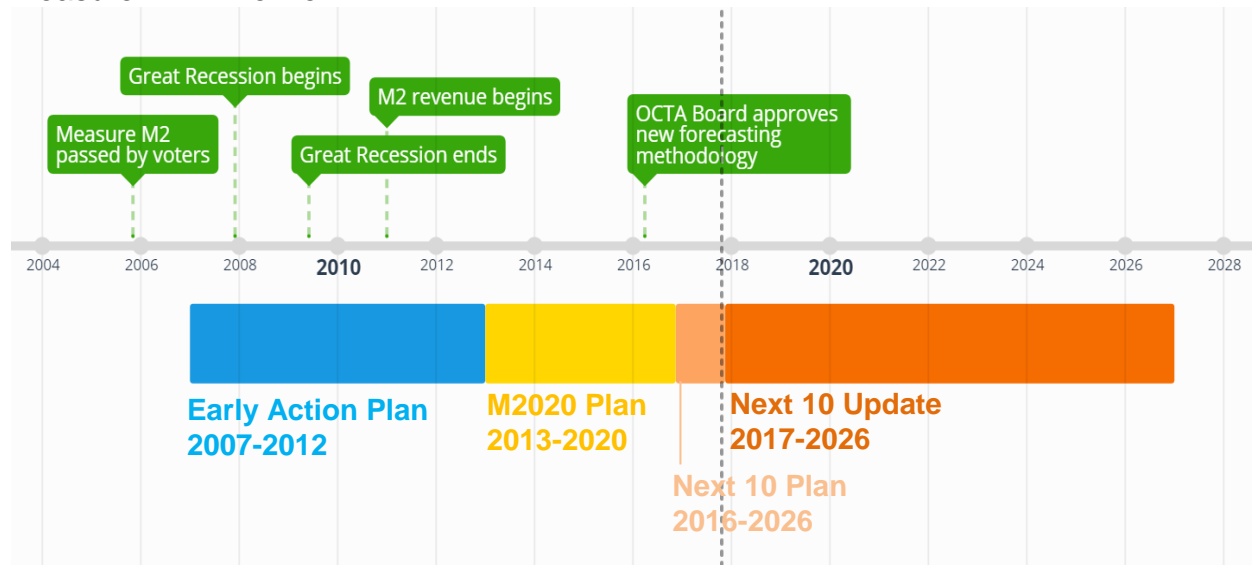
On November 14, 2016 the Next 10 Plan was approved by the Board to reflect new cash flows, schedule, and project information. The Next 10 Plan provides a blueprint for continued advancement of M2 projects and programs for the next 10 years (FY 2016-17 through 2025-26). The Next 10 Plan set M2 project and program priorities over a ten year period from 2017 through 2026 and was based on a revenue forecast of \$14.2 billion through 2041. On September 11, 2017, the Board received a revised sales tax revenue projection which reduced the forecast by \$700 million to \$13.5 through 2041. Once again, the Board directed staff to review and update the plan as needed to ensure it was still deliverable.

Included with the adoption of the Next 10 Plan in 2016, was Board action to bring in local revenues through the allocation of net excess 91 Express Lanes revenue, in an amount not to exceed the project costs for two eligible projects. The two eligible projects are on State Route 91, Project I, between State Route 55 (SR-55) and State Route 57 (SR-57), and Project J between SR-55 and the Riverside County line. While

the adopted Next 10 cash flow assumed \$463 million, which was less than the total of the two projects and only the amount needed at the time, with the additional revenue reduction in the freeway program, the revised cash flow now assumes the full cost of the two projects, which is \$748 million. These changes, along with revised bonding assumptions, results in a delivery plan that remains tight but is solvent. Original commitments remain unchanged in the Updated Next 10 Plan with the exception of some required refinements, which account for revised project information including cost estimates, schedules and available external funding.

The 2017 sales tax revenue forecast of \$13.5 billion represents a \$700 million reduction from what was assumed in the adopted Next 10 Plan. While a reduction in revenues affects the M2 Program as a whole, in most areas within the M2 Plan, programs can be scaled based on available revenue. Using the new revenue forecast, as well as information available to date on project costs and schedules, staff incorporated the information into this updated Next 10 Delivery Plan.

Measure M2 Timeline



Guiding Principles

During the development of the EAP, guiding principles were established that set the direction for staff on establishing priorities for freeway project acceleration. These guiding principles continue to guide us today.

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

Updated Next 10 Deliverables

The Updated Next 10 Plan is based on ten deliverables intended to provide guidance on program and project delivery during the ten year period 2017 through 2026.

Freeways

1. Deliver \$3.1 billion of freeway improvements approved through construction.
2. Invest approximately \$1.2 billion more in revenues bringing the completed freeway program improvements to \$4.3 billion. Project I is a priority project.

Streets and Roads

3. Allocate nearly \$1 billion with \$400 million in competitive funding to local jurisdictions to expand roadway capacity and synchronize signals (Project O and P) and nearly \$600 million in flexible funding to local jurisdictions to help maintain aging streets or for use on other transportation needs as appropriate (Project Q).
 - a. Complete the remaining three grade separation projects.¹

Transit

4. Extend Metrolink service from Orange County into Los Angeles County, contingent upon cooperation and funding participation from route partners, complete six rail station improvements² (Project R).
5. Complete design, construction, secure vehicles and begin operating the OC Streetcar (Project S) and work with local agencies to consider recommendations from planning studies to guide development of future transit connections.
6. Provide up to \$115 million in funding to expand mobility choices for seniors and persons with disabilities (Project U).
7. Work with local agencies to develop a plan for the next community circulator projects to provide grant opportunities for local agencies to implement efficient local transit services (Project V).
8. Allocate up to \$7 million in funding to improve the top 100 busiest bus stops and support the modernization of the bus system to enhance the customer experience (Project W).

¹ Since the adoption of the Next 10 Delivery Plan, one of the three grade separations projects, Lakeview Avenue, has been completed and the remaining two (Raymond Avenue and State College Boulevard) are open to traffic.

² Since the adoption of the Next 10 Delivery Plan, one of the six rail station improvements, San Clemente Pier Station Lighting, has been completed.

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.
10. Work with the Environmental Cleanup Allocation Committee to develop the next tiers of water quality programs with a goal of providing up to \$40 million in grants 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).

In all, during the Updated Next 10 time period, approximately \$6 billion in transportation improvements promised to the voters in M2 are planned to be completed or underway by 2026.

Oversight and Safeguards

The updated Next 10 Plan is taking place with the full oversight and regular reporting promised to the voters. Regular progress reports on implementing the updated Next 10 Plan will continue to be included in the M2 Quarterly Reports that are prepared for the Board and included on the OCTA website as well as other means, to ensure accessibility and transparency of the information. Contact information for the OCTA staff member responsible for each program or project is included.

Additionally, as specified in the M2 Ordinance No. 3, Section 10, there will be three performance assessments conducted during the updated Next 10 time period. Performance assessments are to be conducted at least once every three years to evaluate the efficiency, effectiveness, economy, and program results of the Authority in satisfying the provisions and requirements of the M2 Plan and Ordinance No. 3. These assessments will take place during years 2018, 2021, and 2024.

Also included in Ordinance No. 3, Section 11, the second ten-year comprehensive review of M2 Programs and projects will be initiated at the end of the updated Next 10 time period. 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 fiscal year 2015. The second review is planned to take place in fiscal year 2025, and will determine the basis for setting the direction of future refinements to the M2 Plan. 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.

Sustainable Community Strategy

It is important to note that M2 also supports and enhances the ability of OCTA to support the regional Sustainable Communities Strategy (SCS) in Orange County. M2 projects and programs are part of a larger suite of transportation improvements included in the 30-year M2 Plan. More than 50 percent of M2 funds are intended to fulfill transit, system optimization, enhanced environmental elements and infrastructure preservation goals.

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

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 Freeway Environmental Mitigation Program has preserved 1,300 acres of wild lands that will be converted to conservation properties (Preserves) to enhance connectivity and wildlife movement between existing conservation areas such as the Cleveland National Forest, the Chino Hills State Park, the Irvine Ranch Conservancy lands, and to coastal areas. Furthermore, the program also provides critical habitat for endangered or listed species. Additionally, the Environmental Cleanup Program has funded over 176 projects totaling over \$48 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 to provide emission reductions through congestion relief

- ✓ Projects O and P – Signal synchronization and street improvements that provide emission reductions through congestion relief and allow for bike and pedestrian project elements
- ✓ Project Q – Local funding for city-selected transportation projects that provides for preservation of the streets and roads system and includes bike, 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

Risks

The updated Next 10 deliverables for projects and programs are not without risks. In order to be successful, OCTA needs to be aware and prepared to manage risks in several areas. A table of the risks, explanations, and suggested management actions are identified on the following pages and are tracked and reported on in the M2 Quarterly Reports presented to the Board, following each fiscal year quarter.

Delivery Risk	Explanation	Proposed Action	
Financial			
1.	<p>The inability to scale the Freeway Program to available revenue and still deliver the promise results in added pressure to contain project scopes. Additionally, there are large freeway capital projects moving forward in the updated Next 10 timeframe with cost escalation risks.</p>	<p>Management of project scopes and schedules is key to the successful delivery of the overall Freeway Program.</p> <p>Given the magnitude of upcoming projects (e.g. Project K), any length of delay with associated cost escalation can be impactful and will need to be managed.</p>	<p>OCTA will work closely with Caltrans and involved parties to seek cost-saving measures on freeway projects through changes in design parameters where possible.</p> <p>Tight monitoring of project schedules and scopes will be required to ensure delivery of the entire Freeway Program.</p>
2.	<p>The long-term impact of the Great Recession resulted in a \$10.8 billion decrease (or 44% reduction) in forecasted sales tax revenues, now totaling \$13.5 billion. If sales tax revenue continues to come in lower than projections, this will further impact delivery.</p>	<p>The original projection in 2005 was \$24.3 billion. With the revised Board-adopted forecast methodology in place to ensure more accurate assumptions, the new lower forecast results in a greater reliance on external funding in order to deliver the Freeway Program.</p>	<p>Incorporate net excess 91 Express Lanes revenue for eligible projects not to exceed the total costs of projects. Continue to actively pursue all available state and federal revenue. Identify lower cost freeway alternative options for Board of Director consideration as appropriate.</p>
3.	<p>Sustain Metrolink train service, as an attractive alternative to driving in Orange County.</p>	<p>Operational cost of Metrolink service continues to grow as the system ages, track-sharing arrangements with Burlington Northern Santa Fe are revised, and new air quality requirements are enacted. These changes increase cost which could impact the level of service in the long term.</p>	<p>Staff will continue to work closely with Metrolink and our partners to ensure costs increases are minimized while service is optimized.</p>
Organizational			
4.	<p>Availability of specialized staff, given the scope of Right-of-Way (ROW) activities for various freeway construction activities.</p>	<p>Timely ROW acquisition and utility clearance has proven to be a key factor in reducing risk on construction projects. Early acquisition is challenged by the heavy demand on Caltrans' ROW resources. This is further challenged by a change in meeting frequency by the California Transportation Commission, a necessary step in ROW settlement.</p>	<p>Expert and timely coordination between OCTA and Caltrans is imperative to manage this risk. Staff is currently working with Caltrans to ensure ROW resource needs are met through determining project lead responsibility for projects as they move forward. If resource issues become a problem, OCTA could consider taking full responsibility for ROW activities.</p>

5.	New operational responsibilities with the OC Streetcar	With the implementation of the OC Streetcar service, OCTA will be increasing its overall role in operations.	OCTA holds a strong track record in operating various transportation systems including both a fixed and demand-based bus network. Additionally, OCTA will look to augment staff's capabilities to operate the OC Streetcar through procuring a turnkey operator/maintainer and a manager to oversee the daily operations.
Policy			
6.	New statewide directives create additional hurdles for the Freeway Program in particular.	<p>With new statewide directives focused on greenhouse gas reductions, it is becoming more difficult to environmentally clear the remaining nine freeway projects that add general purpose lanes.</p> <p>Additionally, within the recently completed Caltrans managed lanes study, inclusion of managed lanes is suggested for M2 project corridors where the promise to the voters is the addition of a general purpose lane. Projects currently in the environmental phase are at possible risk.</p>	<p>OCTA will need to ensure that when freeway improvement projects are being reviewed for environmental clearance, they are viewed as part of a larger suite of transportation improvements.</p> <p>OCTA staff will work closely with Caltrans to emphasize the importance of keeping the promise to the voters.</p>
Market			
7.	The Next 10 Market Conditions Forecast and Risk Analysis identified strong potential for an increased cost environment during the Next 10 delivery years.	Four near-term cost risks were identified: neighboring county transportation construction programs, construction wage pressures, sustained low statewide unemployment, and residential construction demand and the effect on the public works construction market.	OCTA staff will monitor and track key early warning indicators as recommended through the completed Market Analysis and will provide the Board annual updates on changes to risk factors.

Updated Next 10 Plan Funding Assumptions

Funding assumptions are included in the Next 10 Plan Update. The revenue assumptions of \$13.5 billion are based on the latest 2017 M2 revenue forecast. The 2017 revenue forecast results in a 44 percent reduction from the original 2005 sales tax projection of \$24.3 billion. The updated Next 10 cash flow incorporates the revised revenue forecast of \$13.5 billion, updated project cost estimates and schedules, as

well as the confirmed contribution from the Transportation Infrastructure Finance and Innovation Act programed into the M2 Freeway Program cash flow, in the amount of \$153.4 million. Additionally, the M2 Plan assumes availability of a viable amount of discretionary federal and/or state funds from 2017 to 2041, and makes specific assumptions about near-term grants such as New Starts, Cap-and-Trade, and net excess 91 Express Lanes revenues for eligible projects. Revenues and expenses are merged into a high-level cash flow model. Bond assumptions are also included to address projected negative ending balances by year (compared to a pay-as-you-go scenario) in the Freeway Program. Bond assumptions are constrained to minimum debt coverage ratios, and the Appendix on page 84 of the updated Next 10 Plan includes a more detailed discussion on assumed revenues, costs, and debt service.

For the updated Next 10 Plan development, forecasted revenues and costs through 2041 were tested. 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. While a reduction in revenues affects the M2 Program as a whole, in many areas within the M2 Plan, programs can be scaled based on available revenues. The areas where this is not possible is in the Freeway Program, due to set scopes for project delivery, and the Fare Stabilization Program portion of Project U within the Transit Program.

The funding assumptions in the freeway mode assume \$9.535 billion in total revenue, with costs for the same period totaling \$9.460 billion. The net freeway program loss in forecasted revenues from last year when the Next 10 was adopted is \$271.65 million. While the adopted Next 10 cash flow assumed \$463 million which was less than the total of the two eligible projects (I and J) and only the amount needed at the time, with the additional revenue reduction in the freeway program, the revised cash flow now assumes the full cost of the two projects which is \$748 million. These changes along with revised bonding assumptions, results in a delivery plan (through 2041) that remains tight but is solvent.

The 2041 M2 freeway plan relies on the total receipt of \$1.155 billion in state and federal revenues. This assumes \$1.005 billion in prior programming commitments (this number is inclusive of \$46 million from Caltrans for the SR-55 Project F), \$153.9 million in TIFIA proceeds, and \$10 million a year beginning in 2022 through 2036 in federal and/or state funds. Additionally, the program assumes \$1.967 billion in bond proceeds, and \$748.7 million in net excess 91 Express Lanes revenue.

The funding assumptions in the streets and roads mode assume \$4.732 billion in total revenue, with costs for the same period totaling \$4.732 billion. The projects within the Streets and Roads Program are scaled to available revenue and are cash flowed on a pay-as-you-go basis. The Streets and Roads Program relies on the total receipt of \$600.7 million in state and federal revenues primarily for the OC Bridges grade separation projects. More detailed program assumptions for the Streets and Roads Program can be found in the Appendix on page 86.

For the transit mode, \$3.793 billion in total revenue is assumed, with costs for the same period totaling \$3.783 billion. The projects within the Transit Program are scaled to available revenue with the exception of one, Project U's Fare Stabilization Program. Ordinance No. 3 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 2041. The remaining transit mode programs are assumed on a pay-as-you-go basis. Transit assumes the total receipt of \$506.8 million in state and federal revenues. This number is inclusive of \$148.96 million in Federal New Starts and \$25.52 million in State Cap-and-Trade revenues to partially fund the OC Streetcar project. More detailed program assumptions for the Transit Program can be found in the Appendix on page 86.

The Environmental Cleanup Program assumes \$270 million in total revenue, with costs for the same period totaling \$270 million. The projects within the Environmental Cleanup Program are scaled to available revenue and are cash flowed on a pay-as-you-go basis. More detailed program assumptions for the Environmental Cleanup Program can be found in the Appendix on page 87.

With careful management of the projects and use of financial resources, the full scope of the M2 Program can be delivered as promised.

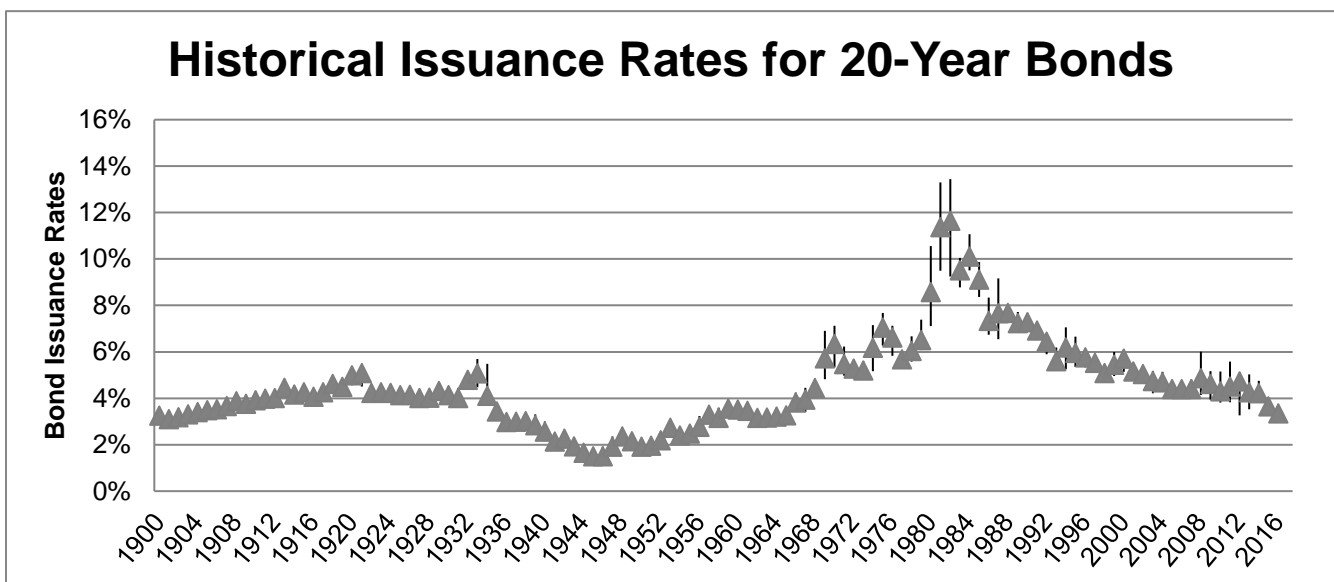
Funding and Financing

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 funds and American Recovery & Reinvestment Act funds. With the revised methodology implemented in March 2016, the 2017 blended M2 sales tax revenue forecast is \$13.5 billion. When the Next 10 Plan was adopted on November 14, 2016, the plan was based on a revenue forecast of \$14.2 billion, the revised forecast of \$13.5 represents a \$700 million reduction.

When it comes to the competitive bidding environment, OCTA has significantly benefited 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 10 and 20 percent below engineers' estimates. Since that time, construction bids have been coming in closer to the engineers' estimates. This is a result of several factors. First, with the economy picking up, the demand for contractors has increased which results in less competition and higher bids. At the same time, engineers' estimates have caught up and have adjusted to better reflect the current environment. Most recently, post-2014 freeway construction bids came in at an average approximately nine percent below engineers' estimates. This is still positive, though not quite the environment that was

seen in 2012; however, this is certainly better than early and mid-2000 when bids were coming in higher.

Pay-as-you-go project funding is identified in Ordinance No. 3 as the preferred method of financing, while bond financing is an option that is within the purview of the Board. The current cost of debt is at a historic low. In fact, current 20-year bond issuance rates have not been this low since 1966. Staff identified this trend during the development of the M2020 Plan, and this trend continues into the updated Next 10 Plan. See the graph below showing historical issuance rates of 20-year bonds. OCTA has a strong track record of successfully delivering projects early by utilizing bond financing, as seen in M1, as well as M2, under the EAP and M2020 Plan. The updated Next 10 Plan anticipates bond financing for the Freeway Program as a means to deliver the freeway projects.



Future Outlook

As noted in the Risks table on page 6, 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 experts, skilled labor, and materials will be in higher demand.

On September 11, 2017, the Board was presented with a Next 10 Market Conditions Forecast and Risk Analysis report conducted by economists Dr. Wallace Walrod and Dr. Marlon Boarnet. The consultant's analysis identified strong potential for OCTA to experience an increasing-cost environment during the Next 10 delivery years. Four near-term cost risks were identified: neighboring county transportation construction programs, construction wage pressures, sustained low statewide unemployment, and

residential construction demand and the effect on the public works construction market. These risks will likely be the major challenges affecting the delivery of M2 and the updated Next 10 deliverables.

The consultant's recommendations include a consistent message that OCTA should continue to accelerate projects to the extent possible. Additionally, it was recommended that OCTA keep a close watch on identified economic triggers to respond to changes as needed. With acceleration already built into the updated Next 10, the risk of an increasing cost environment puts additional pressure on OCTA to identify and capture external funds to augment the plan where possible.

The Board directed staff to continue to work with the consultant team to monitor and track key early warning indicators and provide OCTA information on changes to the risk factors. A summary of the monitoring effort will be presented to the Board at a minimum annually and if noteworthy, more frequent updates will be provided through the M2 quarterly progress reports.

UPDATED

NEXT 1



DELIVERY PLAN

Freeway Program



M2 Freeway Projects

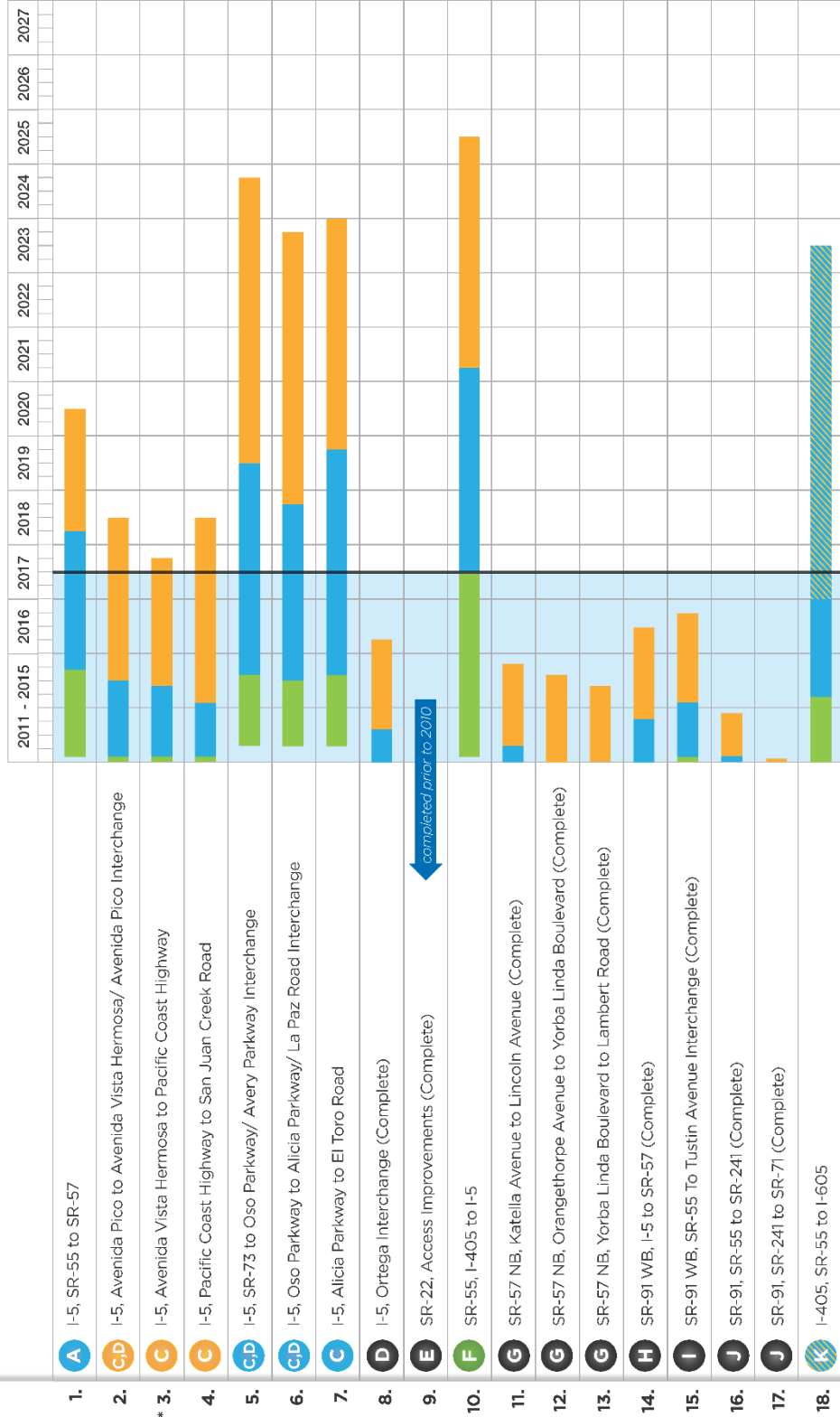


Environmental Mitigation Properties
(1,300 acres of permanent open space)

- A I-5 Widening (SR-55 to SR-57)
- B I-5 Widening (SR-55 to I-405)
- C, D I-5 Widening (PCH to Avenida Pico)
- C, D I-5 Widening (El Toro Road to SR-73)
- D I-5/SR-74 (Ortega Hwy) Interchange Improvements
- D I-5 at El Toro Road Interchange Improvements
- E SR-22 Access Improvements
- F SR-55 Widening (I-405 to I-5)
- F SR-55 Widening (I-5 to SR-22)
- G SR-57 Widening (Orangethorpe Ave. to Lambert Road)
- G SR-57 Widening (Katella Ave. to Lincoln Ave.)
- G SR-57 NB Widening (Orangethorpe Avenue to Katella Avenue)
- G SR-57 NB Widening (Lambert Road to County Line)
- H SR-91 Widening (I-5 to SR-57)
- I SR-91 Widening (SR-55 to Tustin Ave.)
- I SR-91 Widening (SR-57 to SR-55)
- J SR-91 Widening (SR-55 to SR-71)
- J SR-91 Widening (SR-241 to I-15)*
- K I-405 Widening (I-605 to SR-73)
- L I-405 Widening (SR-55 to I-5)
- M I-605/Katella Ave. Interchange Improvements

* Project environmentally cleared as part of the Riverside County Transportation Commission's Corridor Improvement Project.

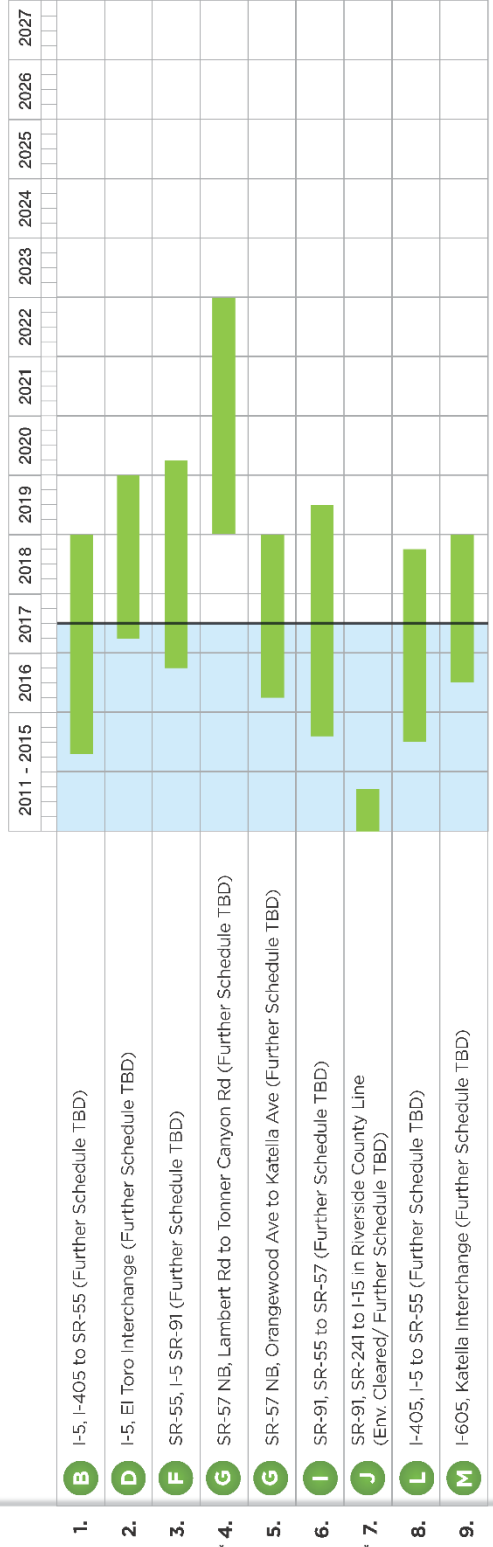
M2 Freeway Projects Through Construction



Please note that schedules are updated as of June 30, 2017. Shown schedules are subject to change.

* Project completed as of July 2017

M2 Freeway Projects Through Environmental Phase



Please note that schedules are updated as of June 30, 2017. Shown schedules are subject to change.

* Project environmentally cleared in 2012 as part of the Riverside County Transportation Commission's Corridor Improvement Project

Freeway Program



Overview:

The Freeway Program accounts for 43 percent of the M2 Program. Over the life of M2, approximately \$5.1 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 Environmental Mitigation Program). Improving Orange County freeways is the greatest investment of the M2 Program.

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

- Bring congestion relief.
- Deliver projects using the guiding principles of congestion relief, cost escalation risk, and readiness.
- Continue to make M2 projects the priority for external funding.
- Work with Caltrans to seek cost saving 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 Deliverables:

When originally passed, 13 freeway projects were highlighted in the M2 Transportation Investment Plan. Since then, these projects have been segmented into 27 projects. Of this amount, ten freeway projects have been completed to date. To adhere to the promise of M2, the updated Next 10 Plan includes the following deliverable goals for the Freeway Program through 2026, as they relate to the remaining 17 projects:

1. Deliver construction of eight freeway project segments; six along Interstate 5 (I-5), one along Interstate 405 (I-405), and one along State Route 55 (SR-55) (Projects A, C/D, F, and K).
2. Complete the environmental phase for the remaining nine project segments to be shelf ready. This includes one on I-5, I-405, SR-55, and two along State Route 57 and State Route 91, and two interchange projects, one at El Toro Road/I-5 and one at Katella Avenue/Interstate 605 (Projects B, D, F, G, I, J, L, and M).
3. Invest approximately \$1.2 billion in revenues (bringing the completed Freeway Program total to 78 percent) in revenues to move “shelf ready” projects forward using the guiding principles.

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

Description:

Project A will reduce freeway congestion by adding a second High-Occupancy Vehicle (HOV) lane, northbound and southbound, on I-5 between State Route 55 (SR-55), and SR-57. The project will generally be constructed within the existing ROW.

Cost:

\$39.64 million (YOE).

Status:

Design was completed in mid-2017. Construction is expected to begin in mid-2018 and the project is expected to be open to traffic in mid-2020.



Present Day:

The current daily traffic volume on this segment of I-5 is about 380,000 vehicles and is severely congested. Traffic volumes are expected to increase nearly seven percent by 2035, bringing it up to 406,000 vehicles per day. The HOV lanes experience more congestion in the peak period than the adjacent general purpose lanes,

underscoring the need to add HOV capacity on this freeway segment.

Benefits:

This project will increase the capacity of the HOV facility on I-5 in Santa Ana to meet traffic demands and eliminate bottlenecks. Improvements are 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, is now part of the SR-55 Project F.

External Funding:

The Board has approved \$31.75 million in federal funds to support this project.

Risks:

Overall time, scope, costs, and quality risks are low with this project due to construction within the existing ROW and relatively straightforward design issues.

Related Projects:

Projects B and F.

Involved Agencies:

OCTA, City of Santa Ana, Caltrans, California Transportation Commission (CTC), Federal Highways Administration (FHWA), and Southern California Regional Rail Authority (SCRRA).

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

Assumptions:

Costs based on June 2017 M2
Program Cash Flow.

References:

- OCTA 2014 Long Range Transportation Plan
- June 2017 Project Status Report
- Capital Funding Program Report – State Highway Project (September 2017)

B. I-5 (SR-55 to the El Toro “Y” Area)

Description:

Project B will increase I-5 freeway capacity and reduce congestion by constructing new northbound and southbound general purpose lanes and improving key interchanges in the area between SR-55 and State Route 133 (SR-133) (near the El Toro “Y”). This segment of I-5 is the major route serving activity areas in the Cities of Irvine, Tustin, Santa Ana, and north Orange County. The project will generally be constructed within the existing ROW.

Cost:

\$715.6 million (YOE), including advancement to environmental phase.

Status:

This project is currently in the environmental phase. Continued from the M2020 Plan, the updated Next 10 Plan includes funding this project through the environmental phase. Environmental clearance is scheduled for late 2018.

Present Day:

The current traffic volume on this segment of I-5 is about 358,000 vehicles per day and is expected to increase by nearly 16 percent by 2035, bringing it up to 416,000 vehicles per day.

Benefits:

Project improvements would alleviate congestion and reduce delay.

External Funding:

The Board has approved providing \$8 million in federal funds and \$20 million in state funds for preliminary engineering. 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, costs, and quality risks are medium with this project due to tight ROW and need for design variations.



B. I-5 (SR-55 to the El Toro “Y” Area)

Related Projects:

Projects A and F.

Involved Agencies:

OCTA, Cities of Tustin and Irvine, Caltrans, and FHWA.

Assumptions:

Cost based on June 2017 M2 Program Cash Flow.

References:

- OCTA 2014 Long Range Transportation Plan
- 2015 Freeway Plan
- June 2017 Project Status Report
- Capital Funding Program Report – State Highway Project (September 2017)

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

Description:

Project C will add new lanes to I-5 from El Toro Road in the City of Lake Forest to the vicinity of State Route 73 (SR-73) in the Cities of Mission Viejo, Laguna Niguel, Laguna Hills, Laguna Woods, and Lake Forest. 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. This project is divided into three segments as described below.

Segment 1:

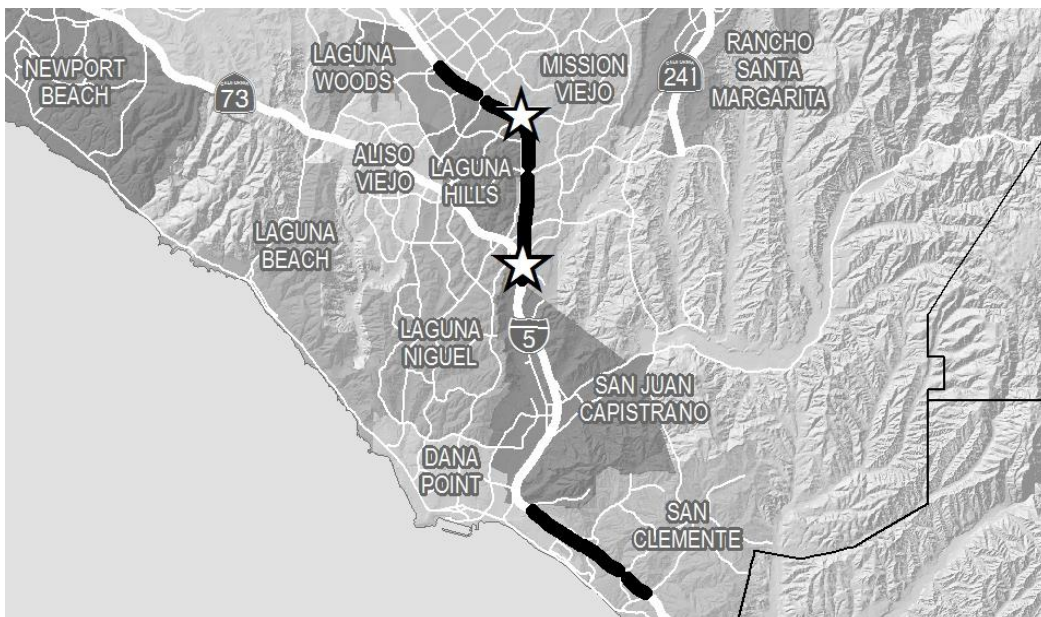
This portion consists of the SR-73 to Oso Parkway segment, which will add one general purpose lane in each direction between SR-73 and Oso Creek (approximately 2.2 miles), reconstruct Avery Parkway interchange, and add auxiliary lanes where needed to increase freeway capacity and reduce congestion in Laguna Niguel, Mission Viejo, and Laguna Hills areas.

Segment 2:

This portion consists of the Oso Parkway to Alicia Parkway segment, which will add one general purpose lane in each direction between Oso Creek and Alicia Parkway (approximately 2.6 miles), reconstruct La Paz Road interchange, and add auxiliary lanes where needed to increase freeway capacity and reduce congestion in Mission Viejo, and Laguna Hills areas.

Segment 3:

This portion consists of the Alicia Parkway to El Toro Road segment, which will add one general purpose lane in the southbound direction between Alicia Parkway and El Toro Road (approximately 1.7 miles), continue the additional general purpose lane in the northbound direction from Segment 2 through Alicia Parkway, extend the second HOV lane in both directions from El Toro Road to Alicia Parkway, and add auxiliary lanes where needed to increase freeway



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

capacity and reduce congestion in Laguna Hills and Lake Forest areas.

Cost:

Segment 1: \$190.5 million (YOE)

Segment 2: \$191.0 million (YOE)

Segment 3: \$166.5 million (YOE)

Status:

All segments of this project are currently in the design phase. Segment 2 is scheduled to complete design in late 2017. Segments 1 and 3 are scheduled to complete design in 2018. Construction is expected to start in late 2018 for Segment 2, and in 2019/20 for Segments 1 and 3, with all segments open to traffic by 2023/24.

Present Day:

The current traffic volume on I-5 near the El Toro “Y” is about 343,000 vehicles per day. This volume will increase in the future by 22 percent by 2035, bringing it up to 420,000 vehicles per day.

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 and increase capacity for future projected traffic volumes. Adding an additional general purpose lane in Segment 1 and 2 will increase capacity of the freeway to 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: \$107.90 million in state funds and \$28.17 in federal funds.

Segment 2: \$47.63 million in federal funds.

Segment 3: \$49,897 million in federal funds and \$58.91 in state funds

Risks:

Overall time, scope, costs, and quality risks are high with this project due to potential ROW impacts and delay from STIP funding shortfall.

Related Projects:

Project C (Avenida Pico to San Juan Creek Road) and Project D (El Toro Road interchange).

Involved Agencies:

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

Assumptions:

Costs based on June 2017 M2 Program Cash Flow.

References:

- OCTA 2014 Long Range Transportation Plan
- June 2017 Project Status Report
- Capital Funding Program Report - State Highway Project (September 2017)

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

Description:

Project C will reduce freeway congestion on I-5 by extending the HOV lanes from Avenida Pico to San Juan Creek Road in the Cities of San Juan Capistrano, Dana Point, and San Clemente. Major interchange improvements are also included at Avenida Pico, as part of Project D. The project will generally be constructed within the existing right of way. This project is divided into three segments as described below.

Segment 1:

This portion consists of the Avenida Pico to Avenida Vista Hermosa segment, which will add new continuous-access HOV lanes in each direction between Avenida Vista Hermosa Overcrossing and Avenida Pico Undercrossing. The Avenida Pico Interchange will be reconstructed to optimize the traffic movements within the interchange and provide bicycle

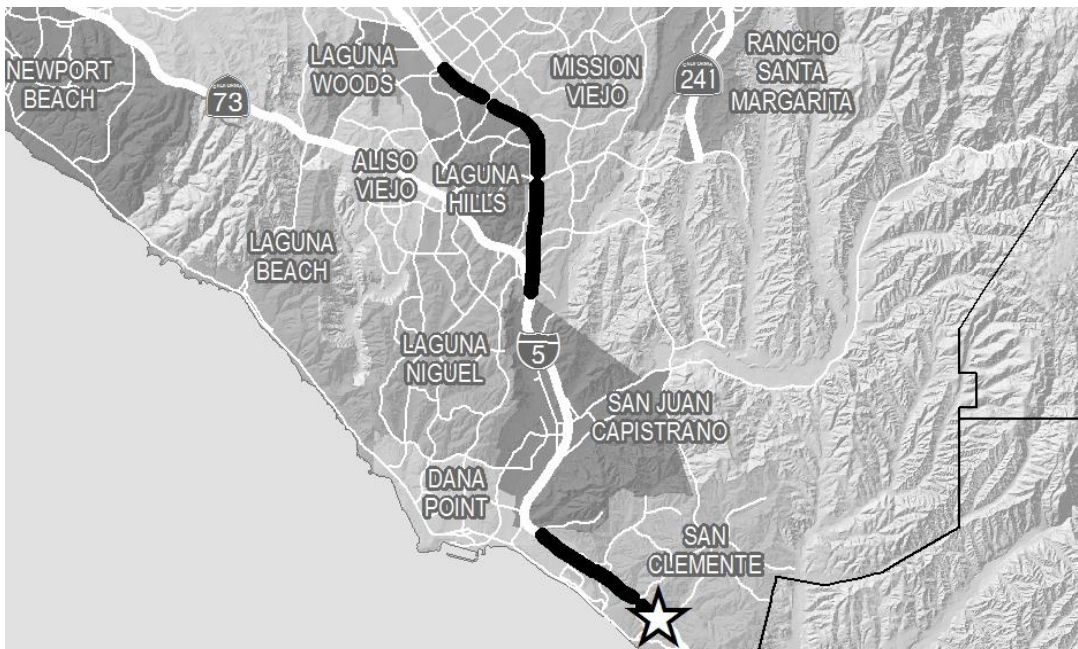
lanes in both directions of Avenida Pico.

Segment 2:

This portion consists of the Avenida Vista Hermosa to Pacific Coast Highway (PCH) segment, which will add new continuous-access HOV lanes in each direction between Avenida Vista Hermosa Overcrossing and PCH Undercrossing. The project will also reconstruct on- and off-ramps at Avenida Vista Hermosa and Camino de Estrella, and re-establish existing auxiliary lanes. Avenida Vaquero Undercrossing will be widened in both directions to accommodate the new HOV lanes.

Segment 3:

This portion consists of the PCH to San Juan Creek Road segment, which will add new continuous-access HOV lanes in each direction between Camino Estrella Overcrossing to San Juan



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

Creek Road Undercrossing. On- and off-ramps at Camino Las Ramblas/PCH will be reconstructed. Additionally, the I-5/PCH northbound connector and I-5/Camino Las Ramblas Undercrossing will also be widened in both directions.

Cost:

Segment 1: \$89.46 million
Segment 2: \$71.36 million
Segment 3: \$71.19 million

Status:

All segments of Project C are currently under construction and will be opened to traffic at the same time in early 2018. Segment 2 was completed in July 2017. Segments 1 and 3 are scheduled to be completed in mid-2018.

Present Day:

This portion of I-5 has high levels of traffic during the weekdays and weekends, as well as holidays, throughout the proposed project limits. The current traffic volume on this segment of I-5 is about 250,000 vehicles per day and is expected to increase by nearly six percent by 2035, bringing it up to 266,000 vehicles per day.

Benefits:

This project will eliminate 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 will enable more efficient operation of general purpose lanes and

will also serve projected traffic volumes for the year 2040.

External Funding:

The Board has approved funding that supports these projects including:

Segment 1: \$43.74 million in state funds and \$33.34 in federal funds.

Segment 2: \$46.78 million in state funds and \$13.47 million in federal funds.

Segment 3: \$20.79 million in state funds and \$11.80 million in federal funds.

Risks:

Overall time, scope, costs, and quality risks are moderate with this project due to a soil issue that was identified in Segment 3, resulting in significantly increased project cost and delayed completion time. There is potential for further issues on this project or adjoining segments should additional soil issues surface.

Related Projects:

Project D.

Involved Agencies:

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

Assumptions:

Costs based on June 2017 M2 Program Cash Flow.

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

References:

- OCTA 2014 Long Range Transportation Plan
- June 2017 Project Status Report
- Capital Funding Program Report - State Highway Project (September 2017)

D. I-5 (El Toro Interchange)

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.

Cost:

\$112.32 million (YOE), including advancement of the environmental phase.

Status:

The environmental phase for this project began in April 2017. Continued from the M2020 Plan, the updated Next 10 Plan includes funding this project through environmental, with environmental clearance expected in late 2019.

Present Day:

This portion of I-5 has high levels of traffic during the weekdays and weekends, as well as holidays, throughout the proposed project limits. The current traffic volume on this

segment of I-5 is about 355,000 vehicles per day and is expected to increase nearly nine percent by 2035, bringing it up to 388,000 vehicles per day.

Benefits:

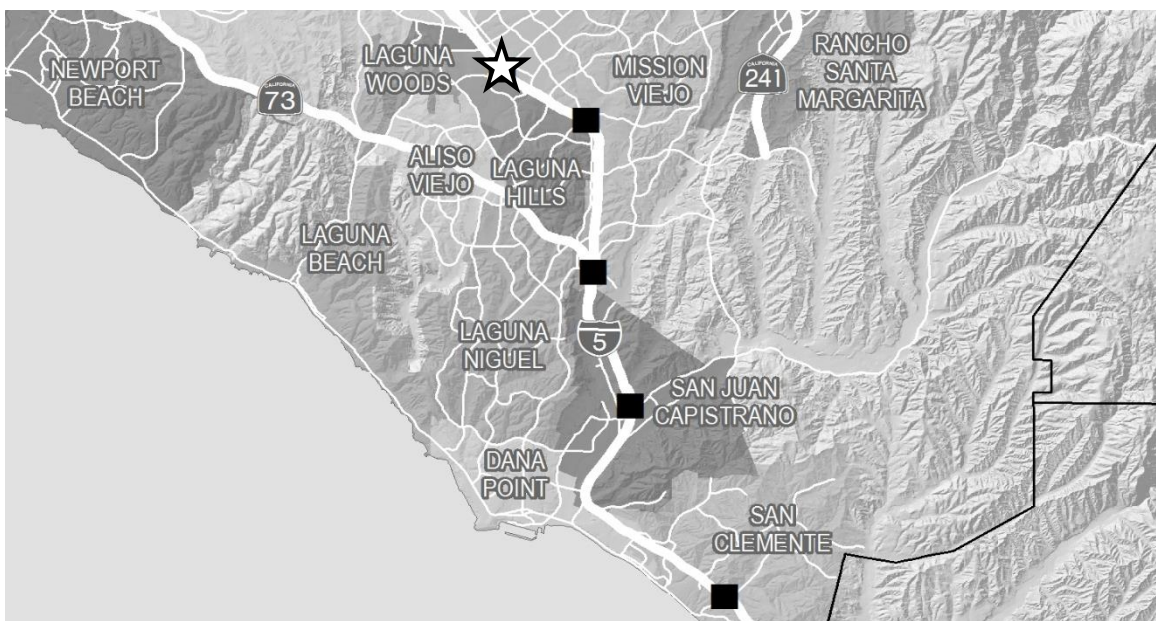
This project would reduce chokepoints and accommodate forecast traffic demands on the local roads. Modification of the entrance and exit ramps would alleviate congestion at adjacent intersections.

External Funding:

The Board has approved providing \$4.4 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, costs, and quality risks are high with this project due to



D. I-5 (El Toro Interchange)

community issues and high ROW impacts with most of the alternatives.

Related Projects:

Project C.

Involved Agencies:

OCTA, Cities of Laguna Hills and Lake Forest, Caltrans, and FHWA.

Assumptions:

Cost based on June 2017 M2 Program Cash Flow.

References:

- OCTA 2014 Long Range Transportation Plan
- 2015 Freeway Plan
- June 2017 Project Status Report
- Capital Funding Program Report - State Highway Project (September 2017)

D. I-5 (Ortega Highway Interchange)

Description:

Reconstruct the I-5 interchange at State Route 74 (SR-74) in south Orange County, including widening SR-74, modifying entrance and exit ramps, and replacing the existing bridge structure.

Cost:

The cost for this project was \$75.08 million.

Status:

The project was opened to traffic on September 4, 2015, and was officially completed on January 15, 2016.

Present Day:

Prior to completion of the project, the existing freeway overcrossing and on- and off-ramps did not accommodate existing and projected to-and-from street/freeway traffic.

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:

\$72.79 million in state funds, \$2.5 million in M1 funds from the regional interchange program, and \$5.01 million in other local funds were used for the project.

Risks:

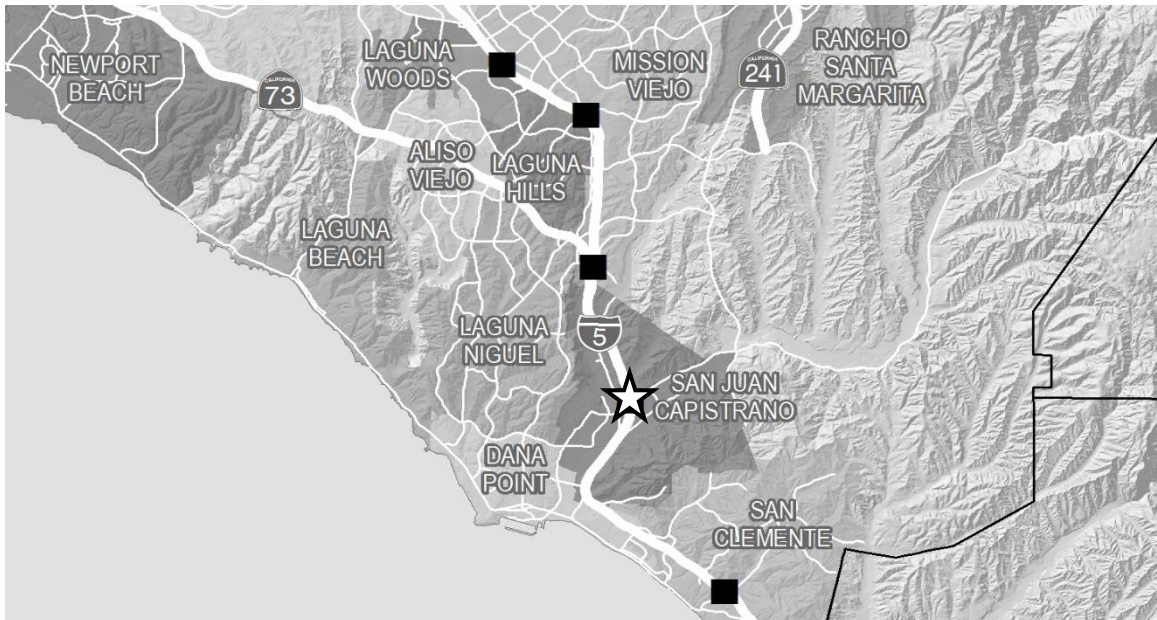
None – project completed

Related Projects:

Project C.

Involved Agencies:

OCTA, City of San Juan Capistrano, Caltrans, and CTC.



D. I-5 (Ortega Highway Interchange)

Assumptions:

Cost based on June 2017 M2 Program
Cash Flow.

References:

- OCTA 2014 Long Range Transportation Plan
- June 2017 Project Status Report
- Capital Funding Program Report - State Highway Project (September 2017)

E. SR-22 Access Improvements

Description:

Construct interchange improvements at Euclid Street, Brookhurst Street, and Harbor Boulevard to reduce freeway and street congestion near these interchanges.

Cost:

The cost for this project was \$25.8 million.

Status:

These projects were completed in 2006 as part of the SR-22 widening project completed in late 2007 using M1 funds.

Present Day:

Prior to completion of the project, the existing freeway overcrossings did not allow clearance for the widening of these three streets to accommodate existing and projected traffic.

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.

Additional improvements also include new freeway-to-freeway carpool ramps to the SR-22/I-405 and I-405/I-605 interchanges, which were completed in 2015 as part of a separate project.

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:

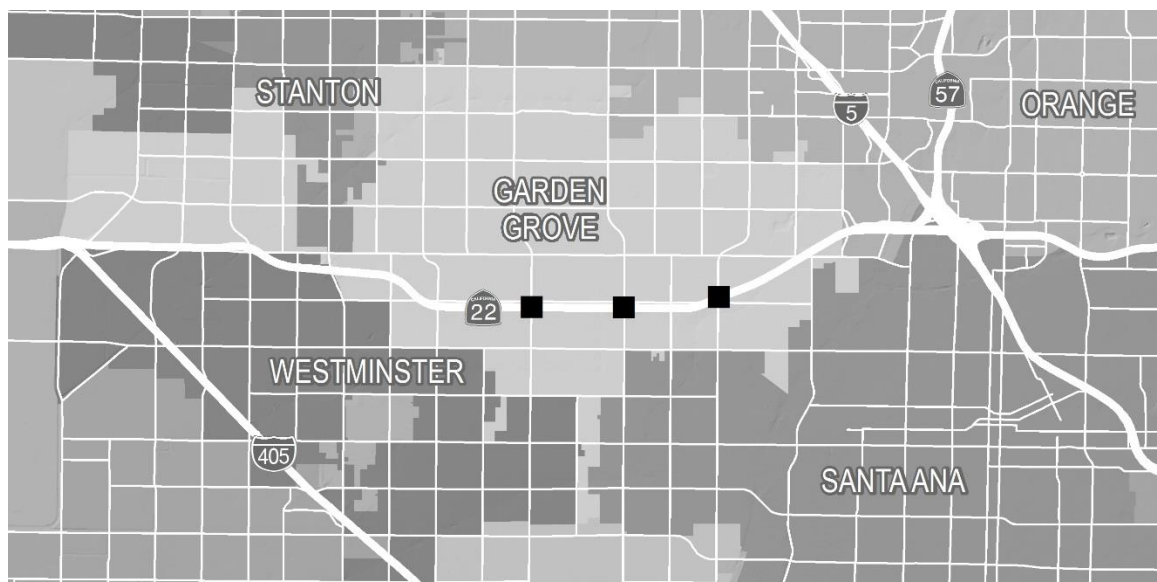
None – project completed

Related Projects:

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

Involved Agencies:

OCTA, City of Garden Grove, and Caltrans.



E. SR-22 Access Improvements

Assumptions:

Cost based on June 2017 M2 Program
Cash Flow.

References:

- OCTA 2014 Long Range
Transportation Plan

F. SR-55 (I-405 to SR-91)

Description:

Project F will increase freeway capacity and reduce congestion by adding lanes and operational improvements to SR-55 between I-405 and SR-91. This project is divided into two segments as described below.

Segment 1:

This portion will add one general purpose lane (approximately six miles) between I-5 and I-405, including merging lanes between interchanges to smooth traffic flow. The South Segment will generally be constructed within the existing ROW. The general purpose lane will be funded with M2, state, and federal funds. Concurrent with these efforts, an additional, second HOV lane will also be constructed between I-5 and I-405. The HOV lane will only be funded with state and federal funds. \$46.8 million is being contributed by the state for construction of the second HOV lane.

Segment 2:

This future portion would add new lanes between SR-22 and I-5, including merging lanes between interchanges to smooth traffic flow. Operational improvements between SR-22 and SR-91 would also be incorporated. Continued from the M2020 Plan, the updated Next 10 Plan includes advancing the North Segment through the environmental phase. The North Segment will generally be constructed within the existing ROW.

Cost:

Segment 1: \$410.93 million (YOE) including cost for potential ROW risk.

Segment 2: \$227.92 (YOE) including advancement of environmental phase.

Status:

Segment 1 is currently in the environmental phase. This project was accelerated by two years and construction is now expected to begin in 2021. Segment 2 began the environmental phase in late 2016, with the environmental document expected to be complete by early 2020.

Present Day:



F. SR-55 (I-405 to SR-91)

This freeway carries about 316,000 vehicles on a daily basis. This volume is expected to increase by nearly eight percent by 2035, bringing it up to 340,000 vehicles per day in the future.

Benefits:

This project will increase freeway capacity, improving mobility and reducing congestion in central Orange County areas, by adding new lanes and operational improvements that provide an improved level of operation for existing and forecasted traffic volumes (especially for weaving and lane efficiency at ramp junctions).

External Funding:

Segment 1: The Board has approved providing \$103.81 million in federal funds and \$80 million in State funds. As previously mentioned, Caltrans has also committed \$46.8 million in state (SHOPP) funds for this project. This project is eligible for future state and federal funds.

Segment 2: The Board has approved providing \$5 million in federal funds for this project to support the environmental phase. This project is eligible for future state and federal funds.

Risks:

Overall time, scope, costs, and risks remain high with this project due to South Segment ROW impacts which rely on design exceptions and increased project cost.

Related Projects:

Projects A and B.

Involved Agencies:

OCTA, Cities of Orange and Santa Ana, Caltrans, and FHWA.

Assumptions:

Costs based on June 2017 M2 Program Cash Flow.

References:

- OCTA 2014 Long Range Transportation Plan
- 2015 Freeway Plan
- June 2017 Project Status Report
- Capital Funding Program Report - State Highway Project (September 2017)

G. SR-57 Improvements

Description:

Project G will increase capacity and reduce congestion by adding one general purpose lane in the northbound direction from Orangewood Avenue in the City of Orange to approximately Tonner Canyon in the City of Brea. Select northbound undercrossings will also be widening and seismically retrofitted, as required. The project may add new auxiliary lanes in select locations. The project is divided into three segments as described below.

Segment 1:

This portion consists of three northbound sections including Katella Avenue to Lincoln Avenue, Orangethorpe to Yorba Linda Avenue, and Yorba Linda Boulevard to Lambert Road in the Cities of Anaheim, Placentia, Fullerton, and Brea. Projects in this segment are complete.

Segment 2:

This portion would include the addition of a northbound truck-climbing lane from Lambert Road in the City of Brea to one-half mile north of the Los Angeles County line (approximately Tonner Canyon Road).

Segment 3:

This portion would include adding one northbound general purpose lane from approximately Orangewood Avenue in the City of Orange to Katella Avenue in the City of Anaheim. Segment improvements would maintain the existing auxiliary lane between Orangewood Avenue and Katella Avenue.



Cost:

Segment 1: \$148.52 million.

Segment 2: \$167.55 million (YOE), including advancement of environmental phase.

Segment 3: \$47.69 million (YOE), including advancement of environmental phase.

Status:

Segment 1 was completed and opened to traffic in 2014. Continued from the M2020 Plan, the updated Next 10 Plan includes funding Segments 2 and 3 through the environmental phase. Segment 2 is scheduled to begin the environmental phase by 2019. Segment 3 is currently in the environmental phase and

G. SR-57 Improvements

environmental clearance is scheduled for late 2018.

Present Day:

This freeway carries about 302,000 vehicles on a daily basis. This volume is expected to increase by nearly 13 percent by 2035, bringing it up to 342,000 vehicles per day in the future.

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: \$110.95 million in state funds were used for the project.

Segment 2: . The Board has approved the use \$4.050 million in state funds for the project.

Segment 3: The Board has approved funding that supports the environmental phase of this project including \$2.5 million in federal funds.

Segments 2 and 3 are eligible for future state and federal funds.

Risks:

Overall time, scope, costs, and quality risks are low with this project due to construction within the existing ROW and relatively straightforward design issues.

Related Projects:

Project H.

Involved Agencies:

OCTA, CTC, FHWA, Caltrans, and the Cities of Orange, Anaheim, Placentia, Fullerton, and Brea.

Assumptions:

Costs based on June 2017 M2 Program Cash Flow.

References:

- OCTA 2014 Long Range Transportation Plan
- 2015 Freeway Plan
- June 2017 Project Status Reports
- Capital Funding Program Report - State Highway Project (September 2017)

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

Description:

Widen westbound SR-91 by connecting existing auxiliary lanes through interchanges, thus forming a fourth continuous general purpose lane between SR-57 and I-5. Replace the existing auxiliary lanes on westbound SR-91 between State College Boulevard and Raymond Avenue, and between Euclid Street and Brookhurst Street, and add a new auxiliary lane between Raymond Avenue and Lemon Street.

Cost:

The cost for this project was \$59.64 million.

Status:

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

Present Day:

SR-91 serves as a major commuting route connecting Orange County with Riverside and Los Angeles counties. SR-91 is also one of the most

congested freeways in Southern California. This freeway carries about 290,000 vehicles on a daily basis. This volume is expected to increase by nearly 5 percent by 2035, bringing it up to 304,000 vehicles per day in the future.

Benefits:

This project alleviated congestion and increased mainline capacity by adding a continuous general purpose lane and replacing 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)

Involved Agencies:

OCTA, Cities of Fullerton and Anaheim, Caltrans, and CTC.

Assumptions:

Cost based on June 2017 M2 Program Cash Flow.

References:

- OCTA 2014 Long Range Transportation Plan
- June 2017 Project Status Report
- Capital Funding Program Report – State Highway Project (September 2017)

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

Description:

Project I will add an auxiliary lane in the westbound direction from the SR-55/SR-91 connector to Tustin Avenue, one westbound general purpose lane from Glassell Street to State College Boulevard, and one eastbound general purpose lane between SR-57 and SR-55. The project is divided into two segments as described below.

Segment 1:

This completed segment 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.

Segment 2:

This future segment would include adding an eastbound general purpose

lane on SR-91 between SR-57 and SR-55 and a westbound general purpose lane from Glassell Street to State College Boulevard. Additional features would include improvements to the Glassell, Tustin, and Lakeview interchanges, and freeway-to-freeway connectors from northbound SR-57 to SR-91 and southbound SR-57 to westbound SR-91. Select auxiliary lanes would be added or re-established. Segment 2 would generally be constructed within the existing ROW. Continued from the M2020 Plan, the updated Next 10 Plan includes advancing this project through the environmental phase.

Cost:

Segment 1: The cost for this segment was \$43.26 million.

Segment 2: \$456.19 million (YOE), including advancement of the environmental phase of the project.



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

Status:

Segment 1 was completed in July 2016.

Segment 2 is currently in the environmental phase. Environmental clearance is expected by mid- 2019.

Present Day:

Current freeway volume on this segment of the SR-91 is about 250,000 vehicles per day. This vehicular demand is expected to increase by 12 percent by 2035, bringing it up to 280,000 vehicles per day in the future.

Benefits:

Segment 1 addressed choke-point 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.

Segment 2 improvements are expected to alleviate congestion and reduce delay by improving the connection from SR-57 to southbound SR-55.

External Funding:

Segment 1: \$32.27 million in state funds were used for the project.

Segment 2: The Board has approved providing \$7 million in federal funds to support the environmental phase of this project. Segment 2 is eligible for future state and federal funds.

Risks:

Overall time, scope and costs risks are medium with Segment 2.

Related Projects:

Projects H and J.

Involved Agencies:

OCTA, Cities of Orange and Anaheim, Caltrans, CTC, and FHWA.

Assumptions:

Costs based June 2017 M2 Program Cash Flow.

References:

- OCTA 2014 Long Range Transportation Plan
- 2015 Freeway Plan
- June 2017 Project Status Report
- Capital Funding Program Report – State Highway Project (September 2017)

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

Description:

Project J adds capacity on the SR-91 beginning at SR-55 and extending to State Route 71 (SR-71) in Riverside County. The project is divided into three segments as described below.

Segment 1, which has been completed, improved the portion of SR-91 east of SR-241 by adding one eastbound lane from one mile east of SR-241 to SR-71 in Riverside County.

Segment 2, which has also been completed, improved the approximate 6-mile portion of SR-91 between SR-55 and SR-241 by adding one new lane in each direction and improving key interchanges. Additional improvements included the widening and seismic retrofitting for the Imperial Highway Undercrossing and Weir Canyon Road Undercrossing bridges.

Segment 3 would add additional capacity on SR-91 beginning at SR-241 and extending to I-15 in Riverside

County. The Riverside County Transportation Commission (RCTC) is leading the two-phase delivery of this project. Improvements include adding an express lane and one general purpose lane in both directions east of SR-71 (Phase 1), and one general purpose lane in both directions between I-15 and SR-71 (Phase 2). The Orange County improvements (the lane addition between SR-241 to SR-71 portion of Phase 2) are contingent upon RCTC's delivery of the complementary improvements within Riverside County.

Cost:

Segment 1: The cost for this segment was \$57.77 million.

Segment 2: The cost for this segment was \$79.56 million.

Segment 3: \$292.53 million (YOE).

Status:

Segment 1 was completed in January 2011, and Segment 2 was completed in March 2013.



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

Segment 3 is contingent on the future widening in Riverside County to match the planned lanes in Orange County. The environmental phase for the Orange County portion of Phase 2 has been completed. Phase 1 of RCTC's project was completed in March 2017. A schedule for delivery of the Phase 2 improvements has not yet been established, and specific improvements will be subject to approved plans developed in cooperation with local jurisdictions and affected communities. Construction for Phase 2 is expected to take place post-2035.

Present Day:

Today, this freeway carries about 328,000 vehicles every day. This volume is expected to increase by 15 percent, bringing it up to 378,000 vehicles by 2035.

Benefits:

Segment 1 improvements 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 improvements helped to alleviate congestion and reduce delay.

Segment 3 proposed improvements are expected to reduce congestion and improve safety and operational efficiency by increasing capacity and by reducing the existing chokepoints within the project limits.

External Funding:

\$80.41 million in state funds and \$47.89 million in federal funds were used for Segment 1 and 2.

There are currently no funds programmed for Segment 3, as this project requires coordination with the planned RCTC project.

Risks:

No risks for Segments 1 and 2, as they are complete. Overall time, scope, costs, and quality risks are high for Segment 3, due to required coordination with RCTC, local jurisdictions and affected communities.

Related Projects:

Project I and the Riverside County Corridor Improvement Project.

Involved Agencies:

OCTA, Cities of Anaheim and Yorba Linda, County of Orange, Caltrans, CTC, and FHWA.

Assumptions:

Costs based on June 2017 M2 Program Cash Flow.

References:

- OCTA 2014 Long Range Transportation Plan
- 2015 Freeway Plan
- June 2017 Project Status Report
- Capital Funding Program Report – State Highway Project (September 2017)

K. I-405 Widening (SR-55 to I-605)

Description:

Project K will add new lanes to I-405 between SR-73 and I-605. The project will make the best use of available freeway property by staying generally within the freeway ROW and updating key local interchanges to current standards. The project will add one general purpose lane in each direction of I-405 from Euclid Street to I-605.

Concurrently with Project K, an additional lane will be added in each direction that would combine 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 will be funded with M2, state, and federal funds; the express lanes will be funded primarily with toll revenues.

Cost:

M2 Portion: \$1.425 billion (YOE).

Express Lanes Portion: \$475 million (YOE).

Status:

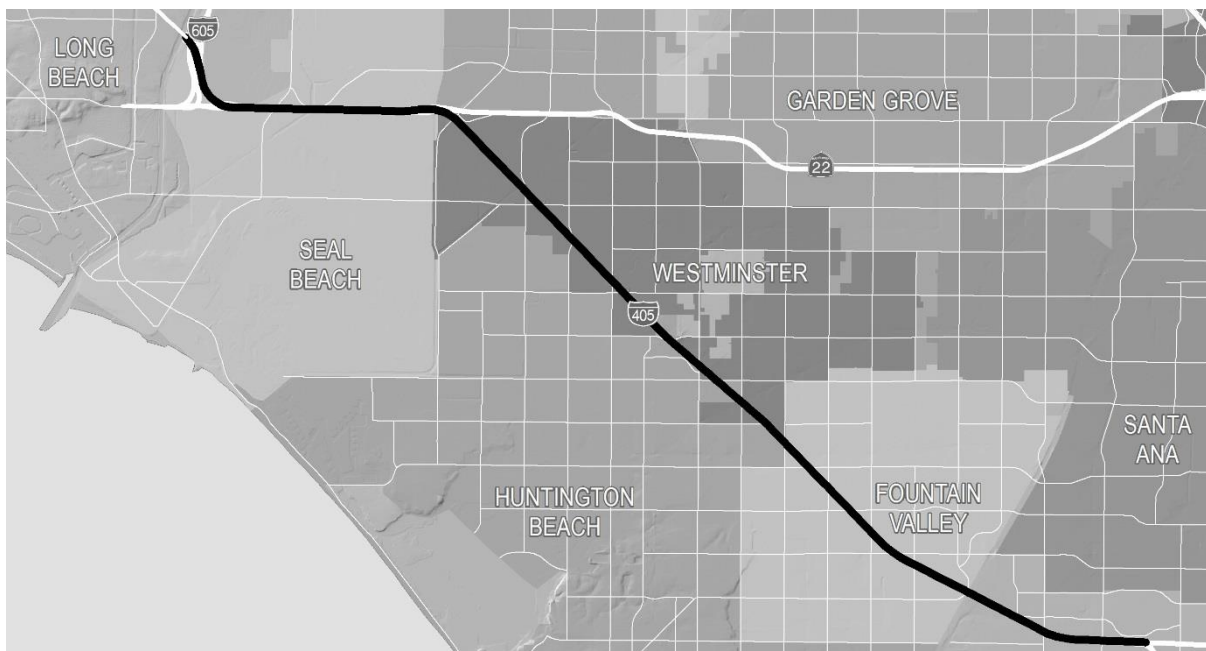
Project K is currently in the preliminary design phase. This schedule is based on the design/build (D/B) project delivery method in which one team is hired to perform both the design and construction of the project. The project is expected to be open to traffic in 2023.

Present Day:

On average, I-405 carries between 392,000 vehicles daily. The volume is expected to increase by 20 percent by 2035, bringing it up to 472,000 vehicles daily. The project will increase freeway capacity, reduce congestion, enhance operations, increase mobility, improve trip reliability, and maximize throughput on I-405.

Benefits:

Project K includes the addition of auxiliary and general purpose lanes. These improvements would help reduce congestion and improve travel times. Additional improvements include interchange and local street



K. I-405 Widening (SR-55 to I-605)

improvements, and a direct Express Lanes connector at the I-405/SR-73 Interchange.

The express lanes will 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, will provide the most throughput in the corridor. These improvements will add approximately 40 percent more freeway lanes to I-405 in both directions between Euclid Street to the I-605 interchange.

External Funding:

The Board has approved funding supporting this project, including \$89.77 million in a contribution of state funds, and \$45.65 million in federal funds. Recently, a \$629 million TIFIA loan was successfully secured. The M2 cash flow will benefit from \$153 million in TIFIA revenues for this project. The entire TIFIA loan will be paid back solely with toll revenues.

Risks:

Overall time, scope, costs, and quality risks are high with this project due to the relatively high costs and extensive project scope.

Related Projects:

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

Involved Agencies:

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

Assumptions:

Costs based on June 2017 M2 Program Cash Flow. Toll revenues will primarily pay for the 405 Express Lanes, and M2 will only pay for the addition of the general purpose lanes.

References:

- OCTA 2014 Long Range Transportation Plan
- June 2017 Project Status Report
- Capital Funding Program Report – State Highway Project (September 2017)

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

Description:

Project L will add new lanes to I-405 from SR-55 to the vicinity of I-5 to alleviate congestion and reduce delay. The project could also improve chokepoints at interchanges and add merging lanes near on/off ramps (such as Lake Forest Drive, Irvine Center Drive, and SR-133) to improve the overall freeway operations in the I-405/I-5 El Toro “Y” area. The project will generally be constructed within the existing ROW.

Cost:

\$323.60 million (YOE), including advancement to the environmental phase.

Status:

The project is currently in the environmental phase. Continued from the M2020 Plan, the updated Next 10 Plan includes funding this project through environmental. Environmental clearance is expected in late 2018.

Present Day:

This segment of the freeway carries 296,000 vehicles a day. This number will increase by nearly 22 percent, bringing it up to 362,000 vehicles per day by 2035.

Benefits:

Improvements between SR-55 and the El Toro ‘Y’ would help alleviate congestion and reduce delay.

External Funding:

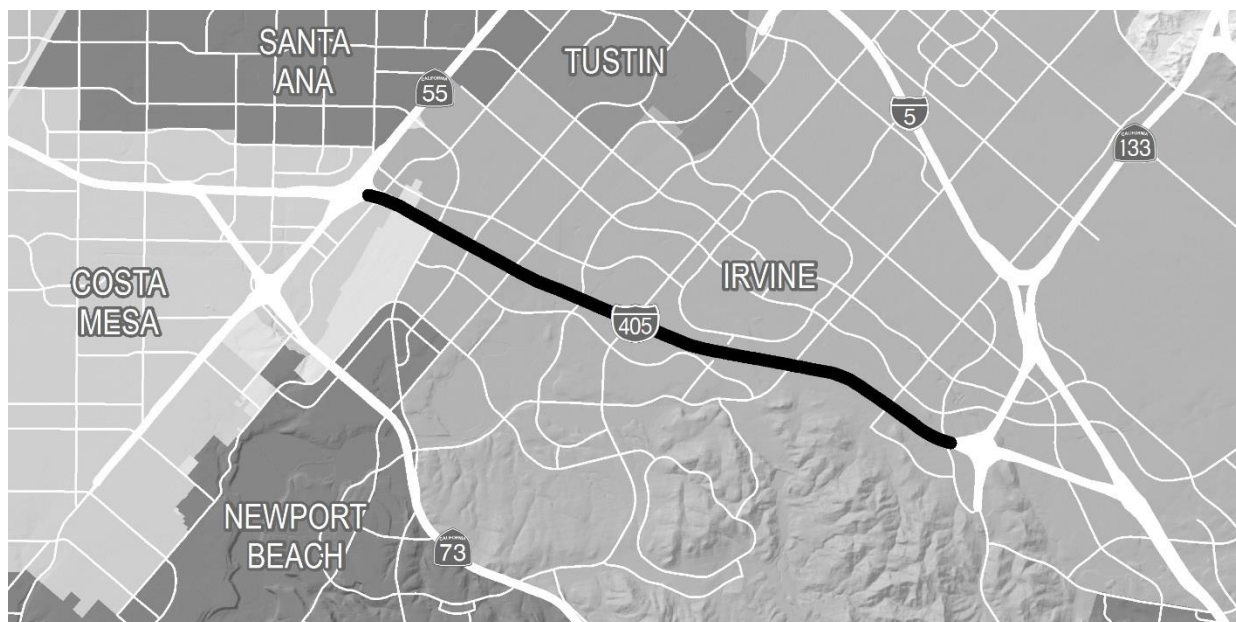
The Board approved providing \$8 million in federal funds to support the environmental phase of the project. This project is eligible for future state and federal funds.

Risks:

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

Related Projects:

Project K.



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

Involved Agencies:

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

Assumptions:

Costs based on June 2017 M2 Program Cash Flow.

References:

- OCTA 2014 Long Range Transportation Plan
- 2015 Freeway Plan
- June 2017 Project Status Report
- Capital Funding Program Report – State Highway Project (September 2017)

M. I-605 Interchange Improvements

Description:

Project M will improve freeway access and arterial connection to I-605 at Katella Avenue, which serves the communities of Los Alamitos and Cypress. The project will be coordinated with other planned improvements along the SR-22 and the I-405. Specific improvements will be subject to approved plans developed in cooperation with local jurisdictions and affected communities. Operational improvements have been identified on I-605 and Katella in order to increase the efficiency and safety of the interchange.

Cost:

The cost for this project is estimated to be \$29.59 million (YOE).

Status:

The planning phase for this project is complete and was done in cooperation with the City of Los Alamitos. The environmental phase began in 2016. Continued from the M2020 Plan, the updated Next 10 Plan includes funding

this project through the environmental phase, which is expected to be completed in late 2018.

Present Day:

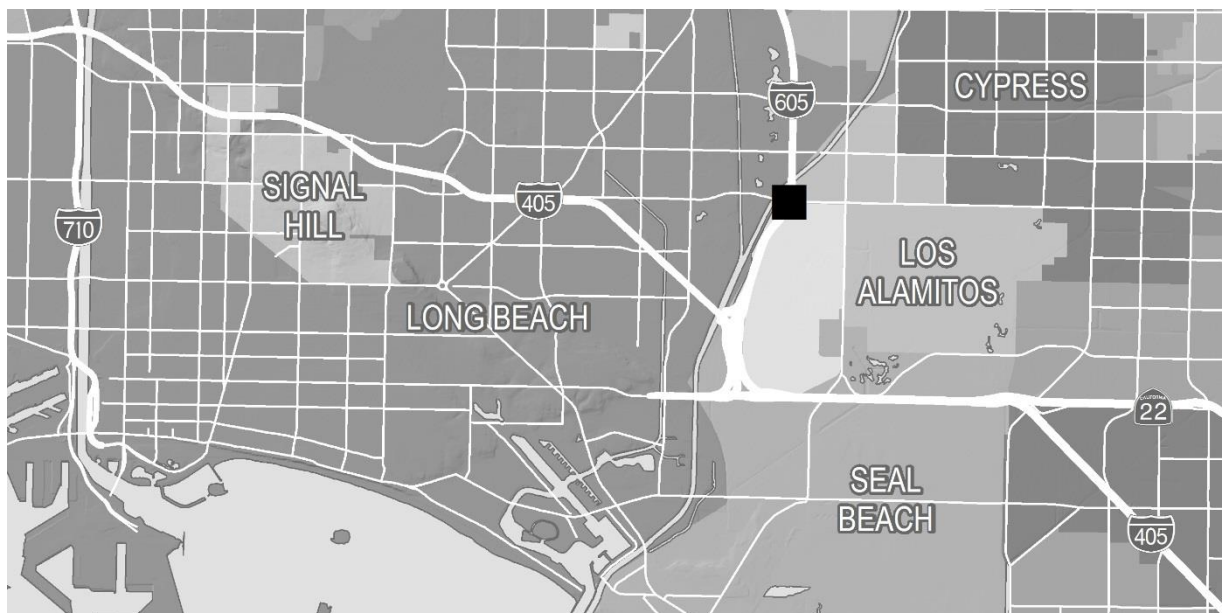
The existing interchange design is outdated and results in both arterial congestion and freeway queuing in the interchange area.

Benefits:

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

External Funding:

No external funding is currently programmed for this project. However, this project is eligible for future state and federal funds.



M. I-605 Interchange Improvements

Risks:

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

Related Projects:

I-405/I-605/SR-22 HOV connector project (West County Connector).

Involved Agencies:

OCTA, City of Los Alamitos, and Caltrans.

Assumptions:

Costs based on June 2017 M2 Program Cash Flow.

References:

- 2015 Freeway Plan
- June 2017 Project Status Report
- Capital Funding Program Report - State Highway Project (September 2017)

N. Freeway Service Patrol

Description:

The Freeway Service Patrol (FSP) provides competitively-bid, privately-contracted tow truck service. This service helps stranded motorists, quickly clearing disabled vehicles and large debris from freeway lanes to minimize congestion caused by blocked traffic lanes and passing motorists rubbernecking. Currently FSP is available on various Orange County freeways, seven days a week. This project assures that this basic level of service will be continued through 2041.

Program Funding:

\$48.7 million in M2 revenue between 2017 and 2026.

Status:

FSP is largely funded by State Highway Account (SHA) funds. OCTA meets matching fund requirements by utilizing its share of Service Authority for Freeway Emergencies (SAFE) funds, which are collected by the Department of Motor Vehicles (DMV) each year.

As demand and congestion levels increase, this project will permit service hours to be extended throughout the day and on weekends on additional freeway segments.

Measure M2 also helps support CHP as the partner responsible for field supervision. Currently, M2 funds a full time dispatcher to ensure coverage seven days a week.

Present Day:

As of June 2017, M2 and construction-funded Freeway Service Patrol has provided a total of 59,512 assists to

motorists on the Orange County Freeway system.

Benefits:

To keep Orange County moving, FSP provides a range of free services from a jump start or a gallon of gas, to changing a flat tire or towing a disabled vehicle off the freeway.

For every dollar invested in this program, approximately \$18 of congestion relief benefit is received. In FY 2014-15, this program eliminated 4 million vehicle hours of delay, saved 6.9 million gallons of gasoline, and reduced pollution emissions equivalent to 10,750 vehicles.

External Funding:

SHA allocation provided by Caltrans – approximately \$2.6 million annually.
SAFE (\$1 per vehicle registration fee) – approximately \$2.8 million annually.

Risks:

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

Related Projects:

M2 Project N funds are designated to support FSP service for construction of Projects A-M.

Involved Agencies:

OCTA, Caltrans, and the California Highway Patrol

Assumptions:

Project N is assumed to be funded on a pay-as-you-go basis. Funding provided through the SHA and the SAFE

N. Freeway Service Patrol

program are allocated first and then M2 funding is applied as needed.

References:

- Measure M2 Project N Guidelines Freeway Service Patrol Project, Approved on February 13, 2012
- 2015 Freeway Plan

Environmental Mitigation Program



Overview:

The Environmental Mitigation Program (EMP) provides for allocation of five percent of the total M2 freeway budget for comprehensive environmental mitigation related to impacts from freeway improvements. 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 27) M2 freeway projects.

To adhere to the promise of M2, the updated 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 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 updated Next 10 Plan recommends four major initiatives through 2026 consistent with the above framework:

1. Oversee and manage the Preserves while the endowment is being established and determine long term land manager(s) and endowment holder(s).
2. Focus environmental mitigation program resources funding as a first priority toward the establishment of the endowment for the Preserves.
3. Finalize the resource management plans on M2 Preserves including provisions for public access as appropriate (projects A-M).
4. Complete approximately 350 acres of restoration projects funded through M2 to fulfill the Natural Community Conservation Plan/Habitat Conservation Plan (NCCP/HCP) commitments.

Environmental Mitigation Program

Description:

In July 2010, OCTA began preparing a conservation plan called the NCCP/HCP, which examines habitat resources within broad geographic areas and identifies conservation and mitigation measures to protect habitat and species. This analysis was completed in late 2016; in accordance with the master agreement “advance credit” provision, funds were allocated prior to completion of the NCCP/HCP.

Concurrent with efforts made toward completing the NCCP/HCP and EIR/EIS, OCTA has been working 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 conjunction with the preparation of the final NCCP/HCP and EIR/EIS, Resource Management Plans (RMPs) are being developed to address biological monitoring requirements and management activities, including access provisions, for each of the seven acquired properties (Preserves).

Cost:

In summer 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 NCCP/HCP development and program support, including appraisals and biological surveys.

Status:

Since September 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, and the first endowment deposit was made in early 2017.

The United States Fish and Wildlife Service (USFWS), and the California Department of Fish and Wildlife (CDFW) – collectively referred to as resource agencies – finalized the issuance of their respective permits, as well as executing the Implementing Agreement in June 2017. Five of the seven Preserve RMPs have been finalized and approved by the resources agencies in September 2017. The remaining two RMPs (Hayashi and Aliso Canyon) are available for review and comment until December 1, 2017, and will be finalized thereafter.

Present Day:

Approximately \$2 million remains from the 2007 Board allocation.

As of June 2017, five of the seven Preserve RMPs have been completed. OCTA anticipates the release of the remaining two RMPs to the public by the end of summer 2017. The five previously released RMPs are being finalized and expected to be completed on a similar timeline.

Environmental Mitigation Program

Benefits:

The completed NCCP/HCP and regulatory permitting process are tools by which OCTA obtains biological and regulatory permits/assurances for the 13 (27 segmented) 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 NCCP / HCP.
- Restoration project sponsors utilize external funds and resources to implement their projects.

Risks:

Successful implementation of the restoration projects will support OCTA's NCCP/HCP and regulatory permitting process. OCTA will need to establish the endowment over a ten to twelve-year period.

Related Projects:

Projects A-M.

Involved Agencies:

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

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 NCCP / HCP and EIR/EIS
- Additional resources can be found online: www.octa.net/environmental

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NEXT 1



DELIVERY PLAN

Streets & Roads Program



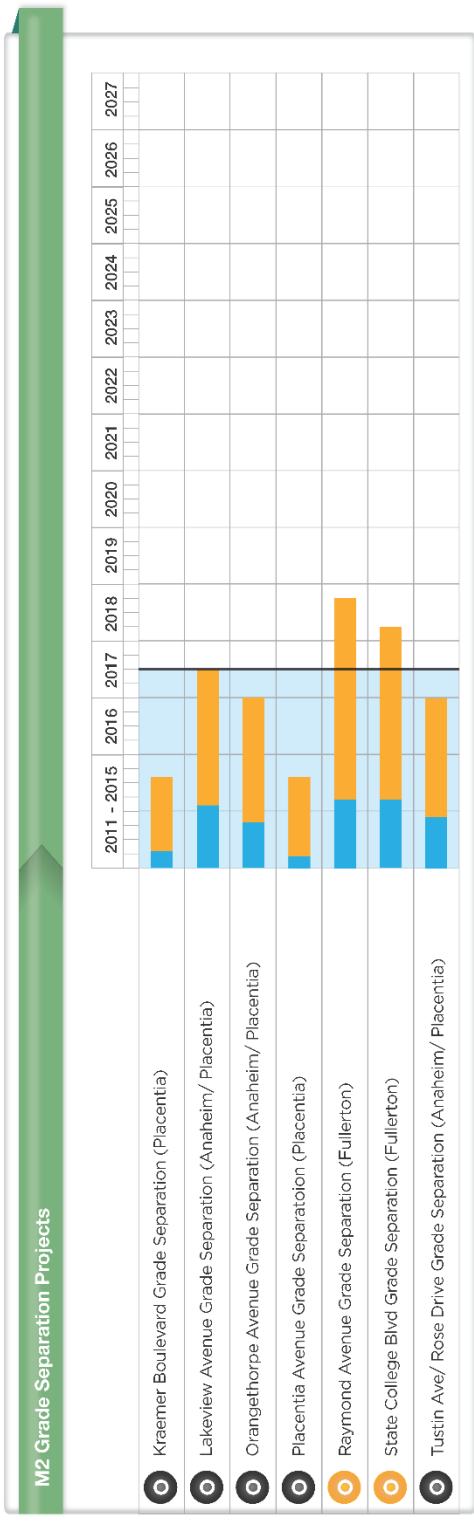
M2 Streets & Roads Program



- Ⓞ Regional Capacity Program** (not mapped)
 - Up to 300 miles of roadway improvements
 - Competitive Program with annual call for projects
 - OC Bridges Grade Separation Projects (●)

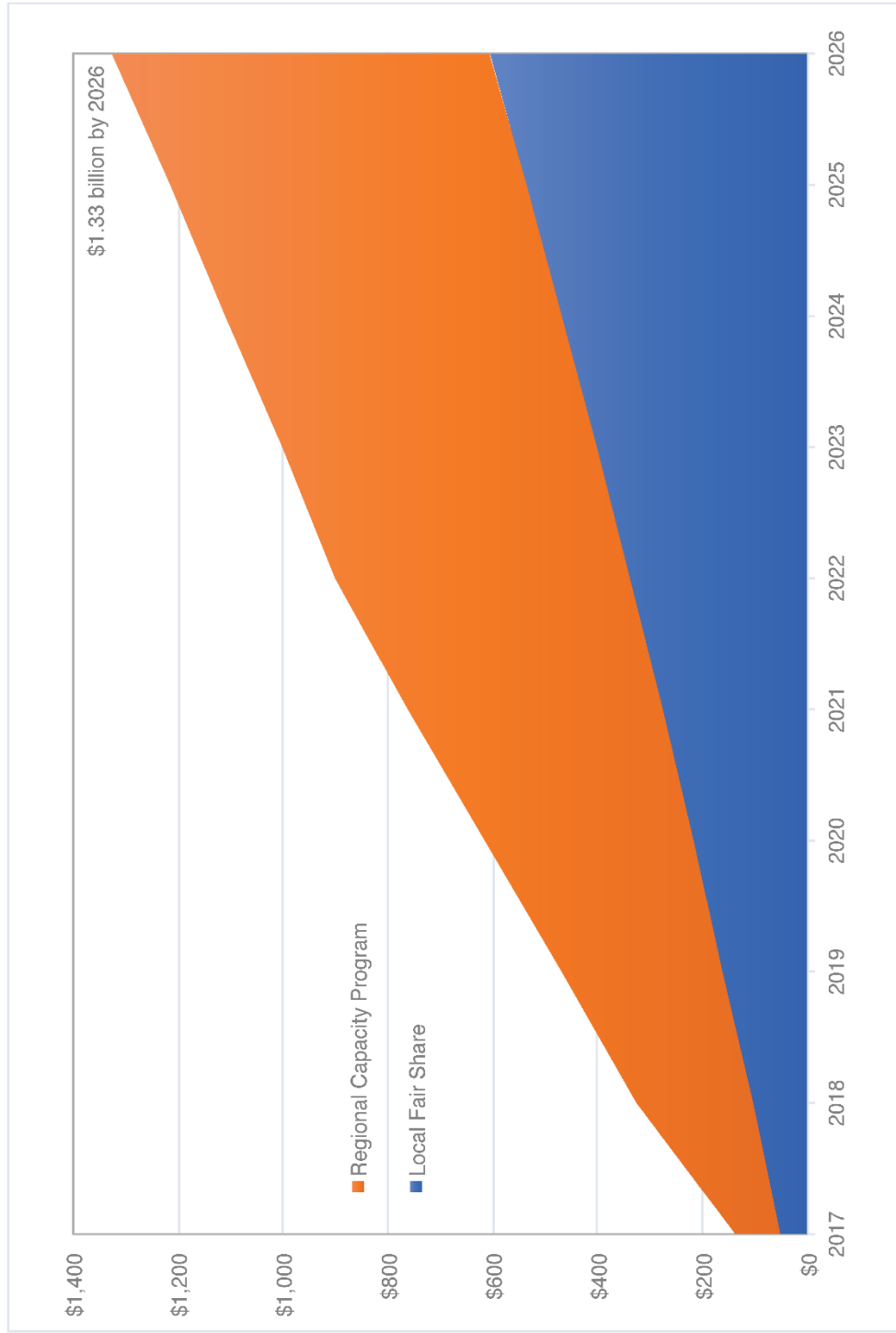
- Ⓞ Local Fair Share Program** (not mapped)
 - Street maintenance and improvements

- Ⓟ Regional traffic Signal Synchronization Program**
(see grid above)
 - Over 2,000 coordinated signals



Please note that schedules are updated as of June 30, 2017. Shown schedules are subject to change.

M2 Streets and Roads Cumulative Expenditures



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 updated 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.
- Keep traffic moving on Orange County streets by completing key grade separations along the Burlington Northern Santa Fe Railway (BNSF) corridor in north Orange County.
- Consider all modes of travel when planning for added street capacity.

Next 10 Deliverables:

Allocate nearly \$1 billion in funding to improve the countywide network of streets and roads making them safer and more efficient. The updated Next 10 Plan for streets and roads recommends three major initiatives through 2026, consistent with the above framework:

1. Provide \$400 million in competitive funding to local jurisdictions to expand roadway capacity and synchronize signals (Project O and P).
2. Complete remaining OC Bridges grade separation projects by late 2018/early 2019.
3. Provide approximately \$600 million in flexible funding to local jurisdictions to help maintain aging 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 Master Plan of Arterial Highways (MPAH), relieve congestion, are cost effective, and can proceed to construction quickly. These projects fall into one of two categories as described below.

Regional Capacity Program

This portion of Project O provides a funding source to complete the Orange County MPAH, a plan for future roadway improvements throughout Orange County, that includes considerations for bicycle and pedestrian components as part of each project as applicable to local conditions. 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 includes funding for completion of seven over- or underpass grade separations that will eliminate car and train conflicts along the BNSF Railway (Orangethorpe corridor) in northern Orange County. These grade separations increase safety for everyone traveling through the intersections and eliminate the delays caused by trains.

Program Funding:

Project O and P: \$400 million for new competitive RCP and Regional Traffic

Signal Synchronization Program (RTSSP) calls for projects between 2017 and 2026.

OC Bridges: The current program funding is \$663.96 million as approved by the Board on November 14, 2016. M2 is contributing a total of \$144.53 million.

Status:

To date, OCTA has awarded Project O funds to 135 projects through seven competitive RCP calls for projects, amounting to approximately \$263 million. It is anticipated that there will be an additional 10 calls for projects between 2018 and 2026.

To date, five of the seven planned grade separation projects are complete (Placentia, Kraemer, Orangethorpe, Tustin/Rose, and Lakeview). The remaining two, Raymond and State College, are under construction, and are expected to be complete in early 2018.

Present Day:

Approximately 820 miles of new lanes remain to be completed, mostly in the form of widening existing streets to ultimate planned widths.

Benefits:

Improvements funded through this program are projected to improve peak period arterial speeds by nearly 25 percent by 2035 compared to not constructing those projects. Completion of the MPAH system, including grade separations and traffic signal synchronization, will result in

O. Regional Capacity Program

better traffic flow and a more efficient transportation system.

External Funding:

Local agencies are required to provide a 50 percent minimum 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 received SLPP state funds, amounting to approximately \$22 million. OC Bridges funding includes 72 percent in external state and federal funds.

Risks:

Local agencies must meet eligibility requirements to receive funding. Local

agencies must meet timely use of funds provisions included in M2.

Related Projects:

Project P and Project Q.

Involved Agencies:

All local agencies (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:

- Orange County Master Plan of Arterial Highways Guidelines
- Commuter Bikeways Strategic Plan
- Capital Funding Program Report – Local Road Project (June 2016)

P. Regional Traffic Signal Synchronization Program

Description:

Project P will provide funds to local agencies 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, and pollution, and saves commuters gas and money.

Program Funding:

Project O and P: \$400 million for new competitive RCP and RTSSP calls for projects between 2017 and 2026.

Status:

Including early efforts, OCTA and local agencies have implemented 59 corridor-based signal synchronization projects since 2008 for a cost of approximately \$36 million (including non-M2 funds). Another 29 projects are planned or underway. From 2017-2026, 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 10-year period (2017 to 2026).

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 38 corridors with 2,068 intersections covering 540 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 agencies are required to provide a 20 percent minimum local match. Matching funds may be in-kind services. There may be future needs for more capital intensive investments as systems age. Projects started prior to the 2011 call for projects were funded with M1, CMAQ, and Prop 1B funds. The 2013 call for projects was partially funded with MSRC grant money. In all, external funding (not including funds provided by local agencies) contributed is approximately \$11.8 million.

Risks:

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

Related Projects:

Project O (RCP) and Project Q.

Involved Agencies:

All local agencies (cities and County of Orange) and Caltrans.

Assumptions:

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

P. Regional Traffic Signal Synchronization Program

References:

- M2 Eligibility Guidelines
- OCTA's Comprehensive Business Plan
- Capital Funding Program Report – Local Road Project (June 2016)

Q. Local Fair Share Program

Description:

Project Q provides formula “Local Fair Share” funds that local agencies may use for a variety of purposes and needs, including repairing aging streets, residential street projects, bicycle lanes, and pedestrian safety (plus other transportation uses).

Key among these needs includes 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:

Approximately \$600 million between 2017 and 2026.

Status:

Orange County streets are in generally good condition on average (with a pavement condition index of 78 based on the 2016 statewide report). As roadway pavement conditions deteriorate, however, the cost for repairs increases exponentially. For example, it costs as much as 14 times more to reconstruct a 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 with these increases which has a direct impact on the ability to fund street maintenance and rehabilitation. As of June 2017, approximately \$288.5 million in Local Fair Share payments have been provided to local agencies.

Benefits:

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

Local Fair Share funds are also flexible and can be used as matching funds for bike and pedestrian facilities, as well as local transit services.

External Funding:

This program is not externally funded.

Risks:

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

Related Projects:

Project O (RCP) and Project P.

Involved Agencies:

All local agencies (cities and County of Orange).

Assumptions:

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

References:

- M2 Eligibility Guidelines
- 2016 California Statewide Local Streets and Roads Needs Assessment
- OCTA’s Comprehensive Business Plan
- Capital Funding Program Report – Local Road Project (June 2016)

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NEXT 1



DELIVERY PLAN

Transit Program



M2 Transit Projects



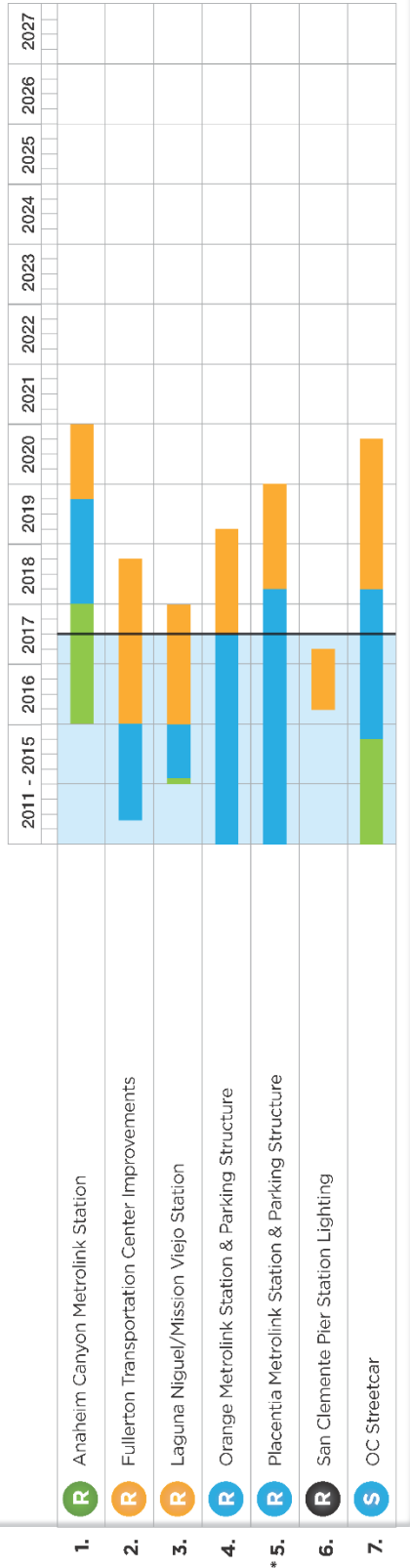
- R** **Metrolink Service Expansion Program**
 - Metrolink Grade Crossing Improvements (●)
 - High Frequency Metrolink Service
 - existing rail line/station
 - proposed station

- S** **Transit Extensions to Metrolink**
 - OC Streetcar (—)

- T** **Metrolink Gateways** (🌊)

- U** **Expand Mobility Choices for Seniors and Persons with Disabilities** (countywide, not mapped)
- V** **Community Based Transit/Circulators** (countywide, not mapped)
- W** **Safe Transit Stops** (countywide, not mapped)

M2 Transit Projects Through Construction



Please note that schedules are updated as of June 30, 2017. Shown schedules are subject to change.

* The Placentia Metrolink Station's ability to move into construction is subject to a track sharing agreement with Burlington Northern Santa Fe Railway

Transit Program

Overview:

The goal of the Transit Program is to build a visionary transit system that is safe, clean, and convenient, and one that focuses on Orange County's transportation future. Providing mobility choices and connectivity for Orange County residents and workers is a key component 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 commuters 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 Deliverables:

The updated Next 10 Plan for transit recommends nine major initiatives

through 2026, consistent with the above framework.

1. Complete six rail station improvements.
2. Maintain existing Metrolink service levels.
3. Expand Metrolink service from Orange County into Los Angeles County, contingent upon cooperation and funding participation from route partners.
4. Complete design, construction and begin operating the OC Streetcar.
5. Incorporate recommendations from planning studies to guide development of future transit connections.
6. Provide \$49 million to stabilize OCTA's bus fares for seniors and persons with disabilities, provide \$33 million for senior community transportation programs and \$33 million for senior non-emergency medical transportation services.
7. Support and provide grant opportunities for local agencies to implement effective local transit services.
8. Allocate \$7 million in funding to improve the top 100 busiest bus stops in Orange County.
9. Support the modernization of the OC Bus system to enhance the customer experience.

R. High Frequency Metrolink Service

Description:

Project R provides for sustained and expanded rail service into Los Angeles and Orange Counties along the three along the three Metrolink lines serving Orange County (OC, IEOC, and 91 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 \$335 million between 2017 and 2026 in sales tax revenue.

Status:

Metrolink is currently operating 54 weekday trains in Orange County. To date, rail safety enhancements at 52 at-grade rail-highway crossings have been completed, and as a result, quiet zones have been established in Anaheim, Dana Point, Irvine, Orange, San Clemente, Santa Ana, San Juan Capistrano, and Tustin (as part of the OCX improvements completed during the EAP).

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

Station lighting was completed in March 2017 and five other rail station improvements are currently underway: Laguna Niguel/Mission Viejo Metrolink Station Americans with Disabilities Act (ADA) ramps, Orange Transportation Center Parking Structure, Placentia Metrolink Station, Anaheim Canyon Metrolink Station improvement project, and Fullerton Transportation Center elevators. All projects are expected to be complete by 2020.

Completed rail corridor improvements include Control Point Stadium, the San Clemente Beach Trail Audible Warning System, and six Project Study Reports (PSRs) for potential grade separations along the LOSSAN corridor, including: Santa Ana Boulevard, Ball Road, Orangethorpe Avenue, Main Street, Grand Avenue, and 17th Street. Rail corridor improvements underway include: the Laguna Niguel to San Juan Capistrano Passing Siding project, San Juan Creek Railroad Bridge Replacement, Control Point at 4th Street, Railroad ROW Slope Stabilization Project, Metrolink Preventive Maintenance Capitalized Operation, Metrolink Rehabilitation/ Renovation, and continued implementation of Positive Train Control.

Present Day:

Most capital improvements required for expansion of Metrolink service during mid-day are complete. OCTA and partner agencies are working together with Metrolink and BNSF to implement improvements allowing expansion of service to Los Angeles. OCTA is

R. High Frequency Metrolink Service

coordinating with the Los Angeles-San Diego-San Luis Obispo Rail (LOSSAN) Corridor Agency and its member agencies to continue to support improved service integration and coordination within the corridor.

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. During the peak hour, Metrolink carries the equivalent number of passengers that would fill one freeway lane on I-5.

External Funding:

State: STIP, Propositions 1A, 1B, and 116, and Transit and Intercity Rail Capital Program (TIRCP) totaling \$287.1 million.

Federal: Congestion Mitigation and Air Quality Improvement (CMAQ) Program, the Surface Transportation Block Grant (STBG) Program, and Federal Transit Administration (FTA) Sections 5307, 5309, and 5337, totaling \$329.0 million.

Local Other: Local funding from the cities as well as other entities is programmed for \$76.9 million.

Total Other Funding: \$693.0 million.

Risks:

The current sales tax revenue projections limit the ability to expand Metrolink service to Los Angeles is contingent upon the cooperation and participation of route partner agencies.

Related Projects:

Project S, Project T, and Project V.

Involved Agencies:

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

Assumptions:

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

References:

- OCTA Comprehensive Business Plan
- Capital Funding Program Report - Rail Project (September 2016)

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 \$296 million between 2017 and 2026 (for fixed guideways and rubber tire) in sales tax revenue.

Status:

Fixed Guideway: Through a competitive process, one project, the OC Streetcar, is moving forward through the design process. This project will operate in the Cities of Santa Ana and Garden Grove. There is potential for future calls for projects at the Board's discretion.

Rubber Tire: One call for projects has been issued since 2012, providing approximately \$730,000 for four projects in the Cities of Anaheim and

Lake Forest. Two projects have implemented service and two projects have been cancelled.

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, more recently 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 \$4.4 million in federal FTA Section 5307 and city local funds. Additional external funding for the OC Streetcar project includes state Cap and Trade TIRCP, federal CMAQ, and FTA Section 5307 and anticipated New Starts funding, totaling \$242.2 million.

M1 also provided \$11.0 million for preliminary studies.

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

S. Transit Extensions to Metrolink

Risks:

As it relates to the OC Streetcar project, the New Starts federal capital funding grant program is a highly competitive and technically rigorous program. There is a consistent shortfall between the number of qualified projects seeking New Starts and funding availability. As grantee, OCTA must demonstrate it has the technical, financial, and legal capacity to deliver the project on time and on budget, prior to the FTA allowing the project to move forward into construction. To date, the OC Streetcar project has been granted approval to enter Engineering and has received high marks, which indicates a strong chance of receiving funds.

Related Projects:

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

Involved Agencies:

Local jurisdictions, CTC, Caltrans, CalSTA, California Public Utilities Commission (CPUC), and FTA.

Assumptions:

OC Streetcar: Cities of Santa Ana and Garden Grove will be able to provide their required match and OCTA, is approved for New Starts funding for the guideway project.

Rubber Tire: Future calls for projects will be based on the level of interest from local jurisdictions.

References:

- M2 Eligibility Guidelines
- Federal 5309 Funding Guidelines
- OCTA's Comprehensive Business Plan
- Capital Funding Program Report - Rail Project (September 2016)

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.

Program Funding:

M2 contributed \$35.3 million of the \$230.4 million cost of the ARTIC project.

Status:

As part of EAP efforts, OCTA held a competitive call for projects 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 Anaheim Regional Transportation Intermodal Center (ARTIC) project in early 2012. The completed facility opened to rail and bus service on December 6, 2014.

On December 14, 2015, the Board of Directors amended the M2 Ordinance No. 3 and Transportation Investment 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 (CAHSRA) is building a High-Speed Rail (HSR) system that is planned to extend as far north as Sacramento and as far south as San Diego. The system will be constructed in two phases, with Phase 1 extending from San Francisco to Anaheim. Phase 2 will be constructed as two connecting lines extending north to Sacramento from Merced, and south to San Diego from Los Angeles via the Inland Empire. Phase 1 includes construction of the connection between Los Angeles Union Station and the Anaheim ARTIC station. Expanding service to Phase 1 stations is planned to take place in 2029.

Benefits:

Early completion of Project T allowed for early investment in the Orange County rail system to facilitate the ultimate integration of various high-speed rail systems within the County. This project will also provide convenient and efficient connections to planned or future high-speed systems for residents, workers, and visitors in Orange County.

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

External Funding:

State: STIP totaling \$29.2 million.

Federal: CMAQ, Regional Surface Transportation Program (RSTP), FTA Sections 5309 and 5337, FTA Bus Livability, and Highway Safety Improvement Program, totaling \$76.7 million. M1 also provided \$85.3 million of which \$32.5 million for ROW will be repaid plus interest by the City of Anaheim by 2025.

Risks:

None – project completed.

Related Projects:

California High-Speed Rail System

Involved Agencies:

CTC, Caltrans, FTA, CAHSR, Metrolink and the Cities of Anaheim, Fullerton, Irvine, and Santa Ana.

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
- California High-Speed Rail 2016 Business Plan
- Capital Funding Program Report - Rail Project (September 2016)

U. Expand Mobility Choices for Seniors and Persons with Disabilities

Description:

Project U provides funding to support mobility choices for seniors and persons with disabilities. This project is divided into three programs as described below. Each of these programs support OCTA's effort to expand mobility options for seniors.

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

The Senior Mobility Program (SMP), administered by OCTA, was first established in 2001. For the first ten years, this program was supported with Transit Development Act (TDA) funds. The allocation of M2 Project U funding ensures the continuation of dedicated resources to sustain this program for the next 25 years.

The Senior Non-Emergency Medical Transportation (SNEMT) Program was established by the County of Orange in 2003, utilizing Tobacco Settlement Revenue (TSR) to fund the program. M2 Project U funding supplements existing TSR resources to expand the capacity of the program and increase the number of available SNEMT trips.

Cost:

\$115 million on a pay-as-you-go basis between 2017 through 2026.

Status:

Fare Stabilization: In December 2015, the Board approved an amendment to the M2 Ordinance No. 3 and

Transportation Investment Plan that backfilled a funding shortfall identified in this program with remaining Project T funds. Effective January 2016, an amendment to the M2 Ordinance No. 3 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.

SMP: This program offers a variety of senior transportation resources for medical, nutrition, shopping, and social trips to participating cities. Currently, there are 31 cities which participate.

SNEMT: This program is administered by the County of Orange Office on Aging and is carried out by two transportation contractors. This program provides approximately 140,000 annual trips under Project U for non-emergency services such as trips to doctor and dental appointments, therapy, dialysis, and pharmacy visits.

Present Day:

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

As of June 2017, more than \$18 million has supported over 79 million trips through the Fare Stabilization.

The SMP allows participating cities to identify the specific mobility needs of the seniors in their communities and develop transportation programs to

U. Expand Mobility Choices for Seniors and Persons with Disabilities

best meet those needs with available funding. As of June 2017, more than \$14.6 million and 1,772,000 trips have been provided for seniors traveling to medical appointments, nutrition programs shopping destinations, and senior and community center activities.

The SNEMT fills a gap in senior transportation services, as trips are often provided to seniors who do not qualify for OCTA ACCESS service, or to seniors whose advanced age or disposition make it difficult to use ACCESS service. Contracting with social service agencies to provide SNEMT services allows this program to provide enhanced service elements beyond the requirements of 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 OCTA 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. As of June 2017, more than \$16.0 million and 578,929 SNEMT trips have been provided.

External Funding:

Cities 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, and administrative in-kind resources. The County of Orange utilizes primarily TSR funds to meet their maintenance of effort (MOE) requirement.

Risks:

Cities must provide matching funds for SMP.

Related Projects:

Not Applicable

Involved Agencies:

Nearly all local agencies – Participating SMP cities include: Aliso Viejo, Anaheim, Brea, Buena Park, Costa Mesa, Cypress, Dana Point, Fountain Valley, Fullerton, Garden Grove, Huntington Beach, Irvine, Laguna Hills, Laguna Niguel, Laguna Woods, La Habra, 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:

- 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 will need to meet performance criteria for ridership, connection to bus and rail services, and financial viability to be considered for funding.

Program Funding:

\$67.3 million on a pay-as-you-go basis between 2017 through 2026. Of this amount, a minimum of \$9 million will be available for new calls.

Status:

To date, the Board has approved two rounds of funding, totaling over \$36.8 million for 22 projects and 7 planning grants located in the Cities of Anaheim, Costa Mesa, County of Orange, Dana Point, Fountain Valley, Garden Grove, Huntington Beach, Irvine, La Habra, Lake Forest, Laguna Beach, Laguna Niguel, Mission Viejo, Newport Beach, Placentia, Rancho Santa Margarita, San Clemente, San Juan Capistrano, Tustin, and Westminster.

In April 2017, the City of Westminster sent a letter to OCTA to discontinue their Project V service. In May 2017, the City of Garden Grove sent a letter to OCTA to cancel the planning study that would evaluate ridership demand for expansion of Westminster's circulator route.

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, and provide non-auto based mobility options that meet specific local needs.

External Funding:

The local match requirement for both capital and any operating funds authorized by the Board is a minimum of 10 percent.

Risks:

Local agencies must meet eligibility requirements to receive funding. Ability to sustain service will be key to moving projects forward.

Related Projects:

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

Involved Agencies:

OCTA and 17 participating cities

Assumptions:

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

References:

- M2 Eligibility Guidelines
- Project V Guidelines (under development)
- 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.

Cost:

\$7.4 million on a pay-as-you-go basis between 2017 through 2026.

Status:

Eighty percent of available Project W funds will be provided to construct local bus stop amenities implemented by cities. Up to 20 percent of available Project W funds are proposed to be directed towards the development and implementation of regional, customer-facing technologies, such as real-time systems and other elements that benefit the 100 busiest stops, as well as the overall bus system.

Project W Guidelines were presented to the Board on March 10, 2014. Based on October 2012 ridership data (daily weekday passenger boardings), OCTA staff identified 15 cities eligible to receive Project W funding for city-initiated bus stop improvements. For the first call for projects, seven cities applied for funding and the Board approved up to \$1.2 million for 51 projects.

The City of Anaheim was not able to initiate the improvements for their 8 projects and will reapply in the future. Upgrades to 14 of the busiest stops in the Cities of Brea, Costa Mesa, Irvine, Orange and Westminster have been completed to date, with improvements

underway for an additional 29 stops in the City of Santa Ana.

To date, \$370,000 has been contributed towards an OCTA-initiated improvement, such as a mobile ticketing application that will make it more convenient to purchase bus passes, obtain trip information, and board buses using smart phone devices to display bus passes as proof of payment. The app was recently launched for use on special OC Fair and Express Bus service, and will be expanded to fixed route and college pass users soon. In 2017, the app will be available for seniors and persons with disabilities.

Present Day:

OCTA bus stops currently do not have real-time schedule and arrival time information, and some high volume stops lack passenger amenities commensurate with the volume of riders.

Benefits:

Passenger information and amenities such as real-time information and better lighting at key stops will be a significant benefit for OC Bus customers.

External Funding:

None. These projects are funded by M2 only.

Risks:

City-initiated: Cities are responsible for amenities at bus stops. Depending on the amenities selected, long-term

W. Safe Transit Stops

maintenance and operating costs could be hard to sustain.

OCTA-initiated: Purchased passes are saved to customers' mobile devices to avoid data/service connection issues, however digital passes are not accessible without battery power. While mobile capabilities are a strong incentive to use OCTA services, customers in need of on-demand services will likely utilize Uber and Lyft real-time pick-up services as opposed to waiting for fixed-route, scheduled bus service.

Related Projects:

Not Applicable.

Involved Agencies:

Local agencies (cities and the County of Orange) with a top 100 busiest stop are eligible to receive funding.

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

UPDATED

NEXT 10



DELIVERY PLAN

Environmental Cleanup Program

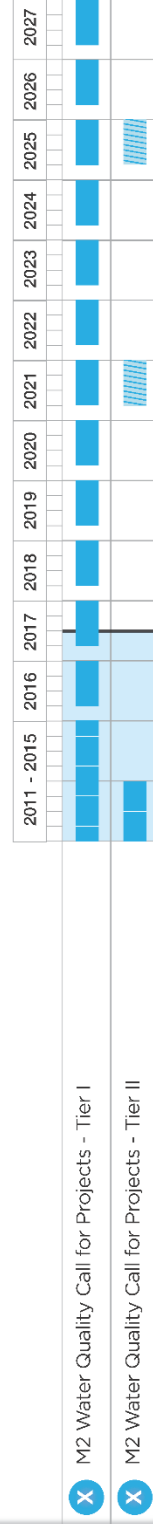




NEXT 10
DELIVERY PLAN

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

M2 Environmental Cleanup Grants and Call for Projects



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.

Environmental Cleanup Program



Overview:

The Environmental Cleanup Program (Project X) allocates approximately \$269.7 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 updated 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 Deliverables:

The updated Next 10 Plan for Project X recommends two major initiatives through 2026 consistent with the above framework:

1. Protect Orange County beaches by removing 25 tons* of trash (during the ten year period) from entering waterways and inlets that ultimately lead to the ocean.
2. Work with the Environmental Cleanup Allocation Committee to develop the next tiers of water quality funding programs with a goal of providing up to \$40 million of grants 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.

*Trash removal achieved by funded projects will be additive with each new call for projects and will continue yielding greater benefits as equipment is in operation over time.

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.

Cost:

Up to \$41.2 million will be available for the Tier 1 and Tier 2 grants funding programs over a ten-year period between 2018 and 2026, on a pay-as-you-go basis.

It is anticipated that there would be more frequency of calls for projects under the Tier 1 program. Depending on the availability of revenues for this program,

there may be one to two Tier 2 calls for project during this ten-year period.

Status:

The Board has awarded approximately \$20 million to fund 154 Tier 1 projects in 33 cities and the County of Orange through seven rounds of funding. The Board has also awarded approximately \$28 million for 22 Tier 2 projects in 12 cities and the County of Orange.

Annual Tier 1 calls for projects are anticipated moving forward. The timing and amount of the next Tier 2 call for projects will be determined based on funding availability and project readiness.

Present Day:

Staff has estimated that over a million cubic feet of trash has been captured as a result of the installation of Tier 1 devices since the inception of the Tier 1 program in 2011. This is equivalent to over 350 forty-foot shipping containers (or 700 twenty-foot equivalent units). As the equipment is in service over time, the volume of trash captured is expected to increase. The funded Tier 2 projects 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 jurisdictions in meeting federal Clean Water Act requirements for controlling transportation-generated pollution.

X. Environmental Cleanup Program

External Funding:

Local agencies 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 and operations and maintenance above the ten-year minimum requirement.

Risks:

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

Related Projects:

Not Applicable.

Involved Agencies:

All local agencies (cities and County of Orange). Third parties such as water and wastewater public entities, environmental organizations, non-profit

groups, and homeowner's associations 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 jurisdictions with improving water quality related to transportation pollution.

References:

- Tier 2 Grant Program Planning Study
- OCTA's Comprehensive Business Plan

UPDATED

NEXT 1



DELIVERY PLAN

Appendix

Updated Next 10 Plan Funding Assumptions



To determine the status of the M2 Program, staff developed cash flows for the Updated 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 updated Next 10 Plan cash flow will continue to be monitored and will be updated as major conditions change. The revenue assumptions are based on the 2017 M2 revenue forecast of \$13.5 billion using the latest M2 revenue forecast methodology approved by the Board. Additionally, the updated Next 10 Plan assumes the approved TIFIA proceeds, availability of a viable amount of discretionary federal and/or state funds from 2017 to 2041, and makes specific assumptions about near term grants such as new starts, cap-and-trade, and net excess 91 Express Lanes revenues for eligible projects. Revenues and expenses were merged into a high-level cash flow model that will be refined through the Plan of Finance. Bond assumptions were also included 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

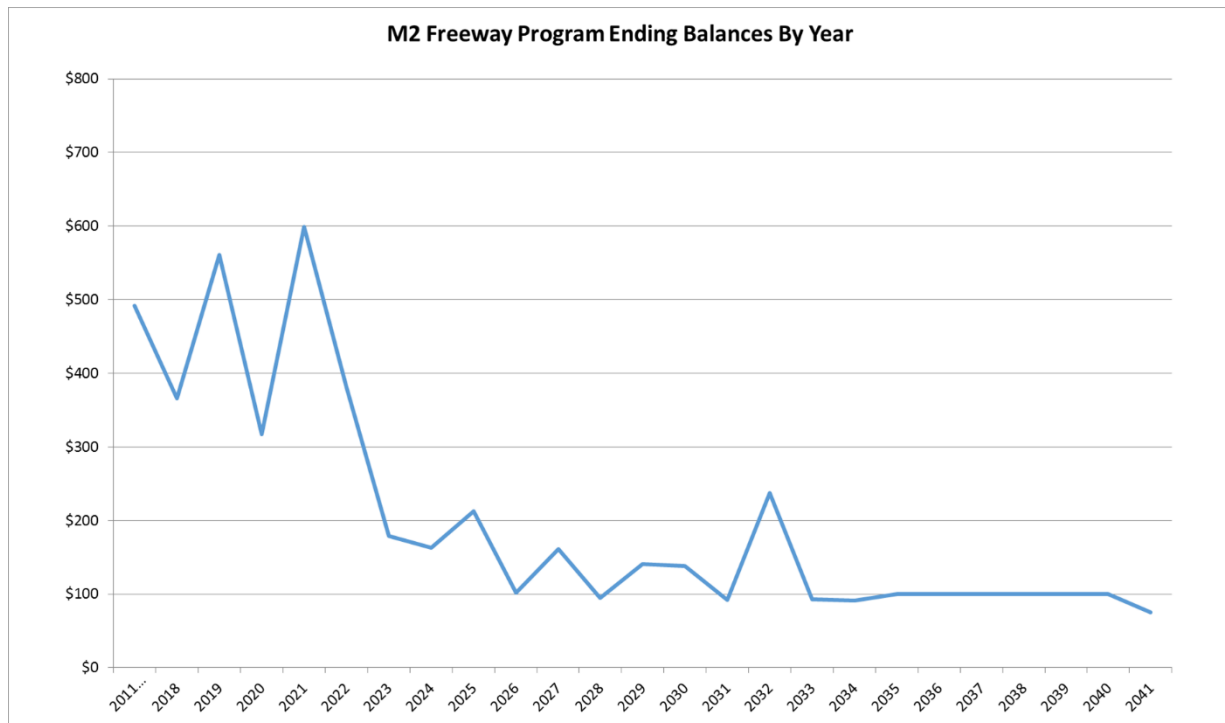
Revenues for the M2 Freeway Program assumed a proportional share (approximately 41 percent) of annual M2 revenue. From inception to 2026, the Freeway Program would receive approximately \$2.038 billion in M2 revenue, \$1.167 billion in bond proceeds (including \$95.3 million in prior bond proceeds), and \$1.054 billion in state/federal grants (\$1.005 billion of which is already programmed), \$153.9 million in TIFIA proceeds, \$308.5 million in net excess 91 Express Lanes revenue for eligible projects, \$45.8 million in interest, and \$20 million transferred in from M1 for a total of \$4.787 billion in total revenue. Costs for the same period would total \$4.685 billion. The updated Next 10 Plan assumes three new bond issuances between 2019 and 2026. Bond issues (treated as revenue source for cash flow purposes) would exceed the forecasted Freeway Program shortfall since debt service payments follow each bond issue. Bonding would be constrained to legal debt coverage ratios, and the Plan of Finance will refine all bond assumptions.

For the updated Next 10 Plan Freeway Program update, forecasted revenues and costs through 2041 were also tested. This effort was conducted to ensure the complete M2 Freeway Program could be delivered consistent with commitments provided to the voters as part of M2 approval in November 2006. For shelf-ready projects (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) and escalated to YOE dollars (with schedules and costs constrained to ending balances by year). These future projects may be advanced based on revenue availability. The table below summarizes revenues and costs assumed in the M2 Freeway Program through 2041 (in YOE dollars).

Projected M2 Freeway Program Revenues, Estimated Costs, and Ending Balances

(Millions of Dollars; Year of Expenditure)

	M2 Projected Revenue A	Programmed Other Revenue B	Estimated Costs (YOE) C	Project Revenues - Costs D = A + B - C
M2 Freeway Project				
Project A (I-5, SR-55 to SR-57)	\$494.8	\$31.7	\$39.6	\$486.9
Project B (I-5, SR-55 to "Y")	\$316.1	\$8.0	\$715.6	\$(391.5)
Project C (I-5, South of "Y")	\$660.1	\$352.1	\$780.1	\$232.2
Project D (I-5 interchanges)	\$271.6	\$85.9	\$187.4	\$170.2
Project E (SR-22 access improvements)	\$126.3	\$-	\$-	\$126.3
Project F (SR-55 improvements)	\$385.3	\$65.6	\$638.9	\$(187.9)
Project G (SR-57 improvements)	\$272.4	\$113.5	\$363.8	\$22.1
Project H (SR-91, I-5 to SR-57)	\$147.4	\$27.2	\$59.6	\$115.0
Project I (SR-91, SR-57 to SR-55)	\$438.5	\$39.3	\$499.5	\$(21.7)
Project J (SR-91, SR-55 to OC/RC line)	\$370.8	\$138.0	\$429.9	\$79.0
Project K (I-405, I-605 to SR-55)	\$1,129.5	\$135.4	\$1,425.0	\$(160.1)
Project L (I-405, SR-55 to I-5)	\$336.6	\$8.0	\$323.6	\$21.0
Project M (I-605 access improvements)	\$21.1	-	\$29.6	\$(8.5)
Project N (Freeway Service Patrol)	\$157.9	-	\$157.4	\$0.5
Mitigation Program @ 5%	\$269.9	-	\$270.9	\$(0.9)
Subtotal M2 Revenues and Costs	\$ 5,398.5	\$1,004.8	\$5,920.7	\$482.5
Freeway Program Economic Uncertainties**	-	-	\$560.1	\$(560.1)
Projected Bond Interest Costs*			\$1,012.1	
Column D: Current Projected Balance	\$5,398.5	\$1,004.8	\$7,492.9	(\$1,089.7)
Additional Revenue to Delivery Program				
-- TIFIA Loan		\$153.9		
-- 91 Excess Revenues		\$748.7		
-- External Revenue (projected, not programmed)		\$150.0		
-- Interest Earnings		\$92.1		
-- Transfer of M1 funds		\$20.0		
Column D: 2041 Projected Balance	5,398.5	2,169.5	7,492.9	75.0



*Total debt service less bond proceeds and investment earnings

** The Plan allocates funds for economic uncertainties programmed in the last 7 years of the program

These assumptions result in several points in the program with low year-by-year ending balances. Although these are positive balances, the margin leaves minimal flexibility to respond to economic uncertainties, or project scope changes and schedule delays that may result in project cost increases. The tight variance between the costs and funding plan will require that project scopes and schedules be carefully managed and closely monitored given the small margin of safety.

In summary, the analysis shows that despite the economic downturn, the full scope of the M2 Program can be delivered as promised with the inclusion of \$748.7 million net excess 91 Express Lanes revenue for the full costs of eligible projects I and J. Although the full program is deliverable (through 2041), the freeway mode remains tight.

Streets and Roads

The M2 Streets and Roads Program consists of Project O (Regional Capacity Program), Project P (Regional Traffic Signal Synchronization Program), and Project Q (Local Fair Share Program). Combined M2 revenues for these programs assume a proportional share (approximately 30.52 percent) of annual M2 revenue. From inception (2011) to 2026, the Streets and Roads Program would receive approximately \$1.516 billion in M2 revenue, \$104.6 million in prior bond proceeds, and \$600.7 million in state/federal grants (primarily for the OC Bridges Program), for a total of \$2.229 billion in total revenue. Costs for the same period would total approximately \$2.321 billion (including debt service payments against prior bonding). While the overall Streets and Roads Program balance by 2026 runs a total deficit of \$92.3 million, the program is solvent by 2041. There are several years where internal borrowing is necessary to address negative ending balances.

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 23.85 percent) of annual M2 revenue. From inception to 2026, the Transit Program would receive approximately \$1.185 billion in M2 revenue, \$51.7 million in prior bond proceeds, \$506.8 million in external revenue, and \$38.7 million in interest for a total of \$1.782 billion. Expenses for this same time period total \$1.577 billion. With the exception of prior bonds issued for Project T, the updated Next 10 Plan assumes that annual proportional revenues will be adequate to meet program cash flow requirements. The cash flow includes the assumption of \$148.96 million in Federal New Starts funding, \$53.03 million in Federal CMAQ, and \$25.52 million in State Cap-and-Trade for the OC Streetcar project. The un-programmed balance for Project S allows for capacity of an additional future transit connection project.

Environmental Cleanup Program

The M2 Environmental Cleanup Program consists of Project X (Cleanup Highway and Street Runoff that Pollutes Beaches). Revenues for the M2 Environmental Cleanup Program assume two percent of gross annual M2 sales tax revenue. From inception to 2026, the Environmental Cleanup Program would receive approximately \$101.7 million in M2 revenue. Expenses for this same time period total \$94.3 million. Conservation of water quality improvements are on schedule with significant accomplishments at or above the planned objectives goal.

Measure M2 Updated




- Timeline
 - ✓ Early Action Plan - adopted in 2007 (five year plan)
 - ✓ M2020 - adopted in 2012 (20 year plan – replaced mid stream)
 - ✓ Next 10 Plan - adopted in 2016 (ten year plan)
- Accelerates projects and programs
 - ✓ Delivers improvements sooner
 - ✓ Realizes savings through lower debt / reduced escalation
 - ✓ Capitalizes on low bid environment
 - ✓ Readies projects to capture external funding
 - ✓ Utilizes local funding - 91 Express Lanes excess revenue



M2 Sales Tax Revenue Forecast



- Updated 2017 forecast is \$13.5 billion
 - \$700 million less than the 2016 forecast
- Most areas of M2 Plan scale to available revenue
- Freeway program doesn't scale due to set scopes
 - Net freeway program revenue loss - \$272 million
 - Net freeway project cost increase - \$90 million



M2 Projects and Programs

Freeway Projects		
I-5	Santa Ana Freeway Interchange Improvements	A
I-5	Santa Ana/San Diego Freeway Improvements	B C D
SR-22	Garden Grove Freeway Access Improvements	E
SR-55	Costa Mesa Freeway Improvements	F
SR-57	Orange Freeway Improvements	G
SR-91	Riverside Freeway Improvements	H I J
I-405	San Diego Freeway Improvements	K L
I-605	Freeway Access Improvements	M
All	Freeway Service Patrol	N

Streets & Roads Projects		
	Regional Capacity Program	O
	Regional Traffic Signal Synchronization Program	P
	Local Fair Share Program	Q

Transit Projects		
	High Frequency Metrolink Service	R
	Transit Extensions to Metrolink	S
	Metrolink Gateways	T
	Expand Mobility Choices for Seniors and Persons with Disabilities	U
	Community Based Transit/Circulators	V
	Safe Transit Stops	W

Environmental Cleanup		
	Clean Up Highway and Street Runoff that Pollutes Beaches	X

Taxpayer Safeguards and Audits		
	Collect Sales Taxes (State charges required by law)	
	Oversight and Annual Audits	

- Next 10 Plan Approved November 2016
 - ✓ Board approved use of net excess 91 Express Lanes revenue up to the full cost of two eligible 91 projects
 - ✓ Cash flow included \$463 million (partial cost only)
- Next 10 Plan - Update November 2017
 - ✓ Revised cash flow assumes \$748.7 million* in net excess revenues
 - ✓ Retains priority schedule for Project I - State Route 91 between State Route 57 and State Route 55

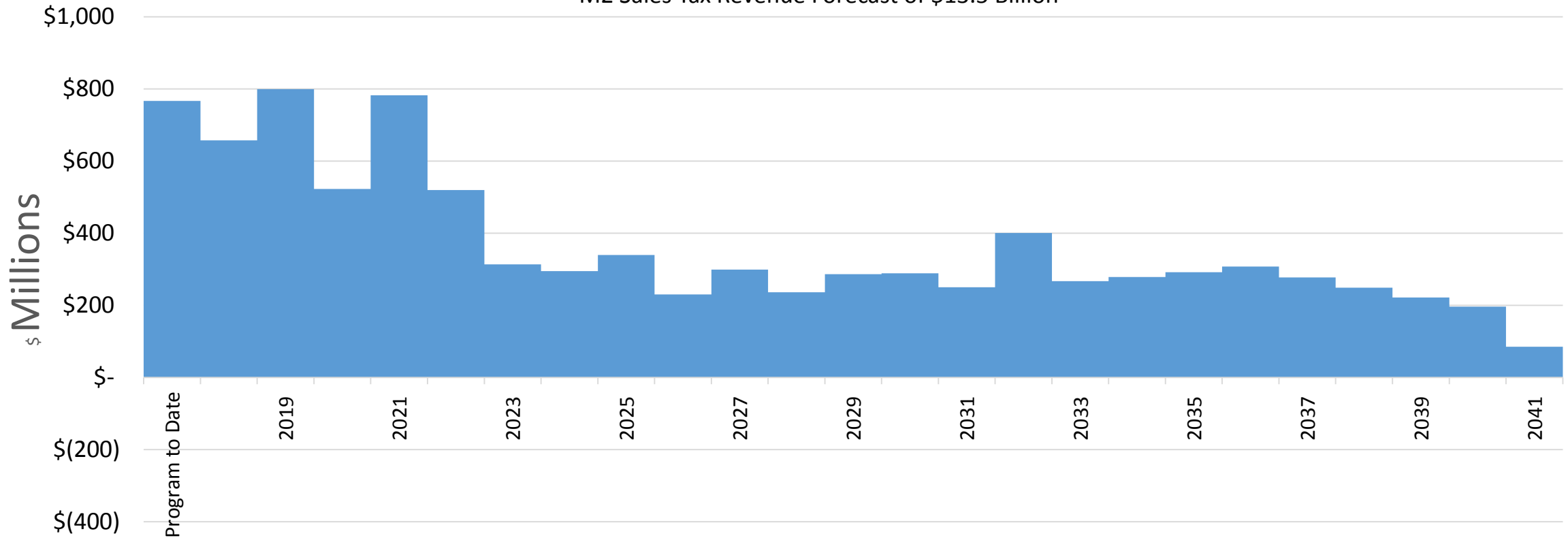


* 91 Express Lanes excess revenue is brought into the cash flow as costs are incurred up to full amount of the two eligible 91 projects.

M2 Program Cash Balance



M2 Program Cash Balance
M2 Sales Tax Revenue Forecast of \$13.5 Billion



*Based on June 2017 M2 Sales Tax Revenue Forecast of \$13.5 Billion and use of \$748 million of 91 Express Lanes revenues

Next 10 Deliverables Summary

- Deliver up to \$4.3 billion in freeway projects
- Allocate nearly \$1 billion of funding for streets and roads improvements
- Invest approximately \$1 billion to enhance access to rail and transit including delivery of the OC Streetcar
- Ensure ongoing preservation of open space Preserves and provide \$40 million in water quality grants



- Distribute the Updated Next 10 Plan to local jurisdictions and stakeholders
- Work with our transportation partners to seek cost saving measures on delivery of the Next 10 Plan of projects and programs
 - ✓ Identify lower cost alternative options as freeway projects advance through project development for Board of Directors (Board) consideration
- Monitor the risk associated with the changing environment and return to the Board with updates as appropriate

