



Orange County Transportation Authority

Executive Committee Agenda

Monday, December 2, 2024 at 9:00 a.m.

Board Room, 550 South Main Street, Orange, California

Committee Members

Tam T. Nguyen, Chair

Doug Chaffee, Vice Chair

Michael Hennessey, Finance & Administration, Chair

Fred Jung, Transit Committee Chair

Donald P. Wagner, Legislative & Communications, Chair

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

Agenda Descriptions

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

Public Availability of Agenda Materials

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

Meeting Access and Public Comments on Agenda Items

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

In-Person Comment

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

EXECUTIVE COMMITTEE MEETING AGENDA

Written Comment

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

Call to Order

Pledge of Allegiance

Director Hennessey

Closed Session

There are no Closed Session items scheduled.

Special Calendar

There are no Special Calendar matters.

Consent Calendar (Items 1 and 2)

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

1. Approval of Minutes

Clerk of the Board

Recommendation(s)

Approve the minutes of the November 4, 2024 Executive Committee meeting.

Attachments:

[Minutes](#)

2. Measure M2 Quarterly Progress Report for the Period July 2024 through September 2024

Francesca Ching/Kia Mortazavi

Overview

Staff has prepared the Measure M2 Quarterly Progress Report for the first quarter of fiscal year 2024-25 as information for the Orange County Transportation Authority Board of Directors. This progress report highlights the delivery of Measure M2 projects and programs as promised to voters and the monitoring of external challenges. The full report will be available to the public via the Orange County Transportation Authority website.

Recommendation(s)

Receive and file as an information item.

Attachments:

[Staff Report](#)

[Attachment A](#)

EXECUTIVE COMMITTEE MEETING AGENDA

Regular Calendar

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

Adriann Cardoso/Kia Mortazavi

Overview

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

Recommendation(s)

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

Attachments:

[Staff Report](#)

[Attachment A](#)

[Attachment B](#)

[Presentation](#)

Discussion Items

4. Public Comments

5. Chief Executive Officer's Report

6. Committee Members' Reports

7. Adjournment

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

9:00 a.m. on Monday, February 3, 2025

OCTA Headquarters

Board Room

550 South Main Street

Orange, California



Committee Members Present

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

Staff Present

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

Committee Members Absent

None

Call to Order

The November 4, 2024, Executive Committee regular meeting was called to order by Chair Nguyen at 9:00 a.m.

Closed Session

There were no Closed Session items scheduled.

Special Calendar

1. Proposed 2025 Board of Directors Meetings Calendar

Jennifer L. Bergener, Deputy Chief Executive Officer (DCEO), provided a report on this item.

A motion was made by Director Hennessey, seconded by Vice Chair Chaffee, and declared passed by those present to approve the Orange County Transportation Authority and affiliated agencies 2025 Board of Directors meetings calendar.

Director Wagner was not present to vote on this item.

Consent Calendar (Items 1 and 2)

2. Approval of Minutes

A motion was made by Director Wagner, seconded by Director Hennessey, and declared passed by those present to approve the minutes of the October 7, 2024, Executive Committee meeting.

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

A motion was made by Director Wagner, seconded by Director Hennessey, and declared passed by those present to receive and file as an information item.



Regular Calendar

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

James G. Beil, Executive Director of Capital Programs, provided a report on this item.

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

5. Measure M2 2024 Update: Next 10 Delivery Plan

Ms. Bergener, DCEO, provided opening comments and introduced Francesca Ching, Section Manager, who presented on this item.

A motion was made by Director Hennessey, seconded by Director Wagner, and declared passed by those present to:

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

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

Ms. Bergener, DCEO, provided opening comments and introduced Adriann Cardoso, Manager, Capital Programming, who provided a presentation on this item.

Director Hennessey proposed a substitute motion, seconded by Director Wagner, and declared passed by those present, that the Committee deny approval of the item. If item 4 of the principles adequately addresses the minimum state requirements, staff will revise items five and seven to ensure that revenues remain within the commuting corridor. The item will then be returned to the Executive Committee with these modifications.



Discussion Items

7. Public Comments

There were no public comments received.

8. Chief Executive Officer's Report

Ms. Bergener, DCEO, reported on the following:

- Coastal Rail Corridor Funding
- Election Day Free Rides

9. Committee Members' Reports

There were no Committee Members' Reports.

10. Adjournment

The meeting adjourned at 9:47 a.m.

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

9:00 a.m. on Monday, December 2, 2024

OCTA Headquarters

Board Room

550 South Main Street

Orange, California


ATTEST:

Gina Ramirez
Assistant Clerk of the Board



December 2, 2024

To: Executive Committee

From: Darrell E. Johnson, Chief Executive Officer 

Subject: Measure M2 Quarterly Progress Report for the Period of July 2024 through September 2024

Overview

Staff has prepared the Measure M2 Quarterly Progress Report for the first quarter of fiscal year 2024-25 as information for the Orange County Transportation Authority Board of Directors. This progress report highlights the delivery of Measure M2 projects and programs as promised to voters and the monitoring of external challenges. The full report will be available to the public via the Orange County Transportation Authority website.

Recommendation

Receive and file as an information item.

Background

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

OCTA is committed to fulfilling the promises made to secure voter approval of the M2 initiative. This means completing the projects described in the Plan and adhering to numerous specific requirements, safeguards, and transparency provisions identified in the M2 Ordinance. One such requirement is the publication of quarterly status reports on the projects detailed in the Plan and its presentation to the Board of Directors (Board). This report is built on individual

project and program-level staff reports that are regularly presented to the Board, covering the status of various activities in the Plan.

Discussion

This quarterly report reflects activities and progress across all M2 programs for the period of July 1, 2024, through September 30, 2024 (Attachment A). The quarterly report also includes project budget and schedule information as provided in the Capital Action Plan reports to the Board. Additionally, information on the Local Fair Share and Senior Mobility Program payments made to cities during the quarter is also included.

OCTA has established the Program Management Office, charged with providing unified oversight to ensure compliance, fiscal responsibility, transparency, and accountability as laid out in the M2 Ordinance and Plan. Attachment A includes a summary of the Program Management Office (PMO) activities.

The following provides highlights of M2 accomplishments during the quarter by mode, notable items under the PMO activities, and key challenges that OCTA is monitoring and working to address.

Freeway Program

The M2 Freeway Program consists of 30 project segments to be delivered by 2041. To date, 14 project segments are complete, and another 13 are underway and expected to be completed by 2030. The 13 project segments that are underway include four projects that are in construction, eight that are in final design, and a joint project with the Riverside County Transportation Commission. The joint project will improve State Route 91 between State Route 241 and State Route 71. Completing these 13 projects would bring the total number of completed projects to 27 by 2030, equating to approximately 90 percent of the M2 Freeway Program. The remaining three project segments are in various stages of project development. Notable freeway program highlights that occurred during the quarter are below.

- Interstate 5 between State Route 73 to El Toro Road – A project update on construction activities was provided to the Board on August 12, 2024. This project is comprised of three segments, each at various stages of completion (between 90 and 98 percent) and includes two interchange improvements at Avery Parkway and La Paz Road. The project is anticipated to be complete by early 2025. (Projects C and D)

- State Route 57 northbound from Orangewood Avenue to Katella Avenue – On July 8, 2024, the Board approved the release of a request for proposals for construction management support services. Proposals were

due on August 7, 2024; seven proposals were received. The project is anticipated to be advertised for construction in mid-2025. (Project G)

Streets and Roads

Since 2011, more than \$1.2 billion^{1,2} has been allocated to local jurisdictions for transportation improvements through M2 streets and roads programs, which includes two competitive and one formula-based funding program. In addition, OCTA was able to leverage nearly \$53.9 million in external funding to support these programs. To date, 486 project phases have been allocated through M2 competitive streets and roads funding programs, of which 350 phases, or approximately 72 percent, have been completed. Notable streets and roads highlights that occurred during the quarter are below.

- On August 12, 2024, the Board authorized staff to issue the 2025 annual call for projects (call) for the Regional Capacity Program and Regional Traffic Signal Synchronization Program (RTSSP). Applications for the call were due on October 24, 2024. Based on project selection criteria specified in the 2025 guidelines, projects are anticipated to be presented for Board consideration in spring 2025. (Projects O and P)
- On September 9, 2024, an update on the RTSSP was provided to the Board, highlighting the successful implementation of 107 traffic signal synchronization timing projects, with another 26 projects planned or underway. The completed projects have reduced average travel time by 13 percent and the average number of stops by 29 percent, with average speed improving by 14 percent. (Project P)
- Through the Local Fair Share Program, 18 percent of M2 net revenues are allocated by formula to eligible local jurisdictions. During the quarter, nearly \$24 million was disbursed, bringing the total provided through September 2024 to nearly \$748 million^{1,2}. (Project Q)

Transit

The M2 transit mode includes several programs designed to provide expanded transportation options. M2 is the primary funding source for Southern California Regional Rail Authority (Metrolink) commuter rail service in Orange County and

¹ Only includes disbursed funds. On May 28, 2024, the Board determined the City of Buena Park ineligible to receive net M2 revenues for five years pursuant to Section 10.4 of the M2 Ordinance. Disbursements of net M2 revenues have been suspended until the City of Buena Park reestablishes eligibility.

² On May 28, 2024, the Board determined the City of Orange ineligible to receive net M2 revenues. Disbursements of net M2 revenues have been suspended until the City of Orange achieves compliance and the Board reconsiders the matter at a future meeting.

includes funding for rail projects to improve operations and transit connections to extend the reach of the service. Compared to the same quarter last year, ridership levels on all three lines has increased by 27 percent. Additional Metrolink challenges are discussed in the Challenges section of this report.

Since 2011, M2 has provided competitive multi-year transit funding commitments for bus and station van services connecting to Metrolink (\$483,133 to date), community-based transit circulators (\$80.8 million to date), and bus stop improvements (\$2.9 million to date). In addition, M2 provides a set amount of annual funding to support three programs (Senior Mobility Program, Senior Non-Emergency Medical Transportation Program, and Fare Stabilization Program) intended to expand mobility options for seniors and persons with disabilities (\$139.3 million^{3,4} to date). Other notable transit program activities from the quarter are below.

- **Emergency Coastal Rail Projects Update and Planning for the Future –** On September 9, 2024, the Board received an update on the initial conceptual solutions that identified sites recommended for monitoring and reinforcement within the coastal rail corridor in south Orange County. The update included feedback on the initial assessment and progress on the implementation of the preliminary potential solutions. (Project R)
- **OC Streetcar –** A quarterly update was presented to the Board on July 22, 2024, providing information on the status of construction activities, vehicle manufacturing, and public outreach. During the quarter, the contractor continued the installation of wires on overhead contact system poles in the Pacific Electric Right-of-Way, street repairs at various locations, and continued platform and electrical systems work at several stations. In addition, interior work continued at the maintenance and storage facility with exterior paving completed. (Project S)
- **Community-Based Transit Circulators –** The Board received a ridership report on August 12, 2024, sharing that all community shuttles in operation met the required program performance standards. When comparing this reporting period to the prior year, ridership has increased for six out of ten of the services and only decreased for one service. Additionally, on September 23, 2024, the Board approved programming

³ Only includes disbursed funds. On May 28, 2024, the Board determined the City of Buena Park ineligible to receive net M2 revenues for five years pursuant to Section 10.4 of the M2 Ordinance. Disbursements of net M2 revenues have been suspended until the City of Buena Park reestablishes eligibility.

⁴ On May 28, 2024, the Board determined the City of Orange ineligible to receive net M2 revenues. Disbursements of net M2 revenues have been suspended until the City of Orange achieves compliance and the Board reconsiders the matter at a future meeting.

recommendations for the 2024 M2 Community-Based Transit Circulators call for 13 projects totaling approximately \$42.4 million. (Project V)

Environmental Programs

The M2 program includes two innovative programs: the Environmental Cleanup Program (ECP) and the Environmental Mitigation Program (EMP). The ECP improves water quality by addressing transportation-related pollutants, while the EMP offsets the biological habitat impacts of M2 freeway projects.

Since 2011, the ECP has allocated more than \$59.7 million to local jurisdictions for 208 projects for trash removal devices (Tier 1) and 18 projects for large-scale water quality best management practices projects (Tier 2). It is estimated that 69.5 million gallons of trash have been captured since the inception of the program, which equates to over 12,000 trash truck loads of garbage that could have been deposited in Orange County streams and waters.

Additionally, the Board has authorized \$55 million for the EMP to acquire conservation lands and fund habitat restoration projects. OCTA has acquired more than 1,300 acres and funded 12 projects to restore habitat on 350 acres of open space across Orange County to fulfill the necessary M2 Freeway Program mitigation needs.

The wildlife and habitat on the acquired lands are protected in perpetuity, and long-term management of the properties will be funded by an endowment that is being established. In July 2024, OCTA made its ninth annual deposit of approximately \$2.9 million. As of September 2024, the balance of the endowment was \$32,759,657. Current projections indicate that OCTA remains on track to meet the endowment target of \$46.2 million in fiscal year (FY) 2027-28; however, the performance of the fund may affect the timeframe for full funding of the endowment.

A biannual update for the EMP was presented to the Board on July 8, 2024. The update highlighted progress on the Conversation Plan fire management plans, restoration projects, coordination with Southern California Edison, and an update on one of the conservation properties. The 2023 Conservation Plan Annual Report, which highlights the implementation process for calendar year 2023, was reviewed by the Wildlife Agencies and is anticipated to be shared with the Environmental Oversight Committee and Board in late 2024.

Market Conditions Forecast and Risk Analysis

At the Board's direction, OCTA contracts with two local economists to monitor and analyze key early warning indicators affecting the construction market. The information is incorporated in a cost pressure index model to identify potential

cost risk factors on M2 project delivery. The fall 2024 update was presented to the Board on October 28, 2024, which indicated that OCTA may experience a tempering of inflationary pressures in 2025, 2026, and 2027, and a softening macroeconomy. This is due to a crosscurrent of inputs as there is a decline in residential building permits, an increase in California unemployment rates, yet an increase in the cost of construction materials and labor. Staff will continue to monitor market conditions and provide updates to the Board as appropriate.

Sales Tax Revenue Forecast/Next 10 Delivery Plan (Next 10 Plan)

The 2024 M2 sales tax forecast of \$14 billion was presented to the Board on October 14, 2024. This represents a -5.4 percent or \$800 million decrease from the 2023 forecast. The latest sales tax revenue forecast, current programmed external revenues, and refined project information were incorporated into the annual review and update of the Next 10 Plan. The 2024 review of the Next 10 Plan was presented to the Board on November 12, 2024, which confirmed that M2 remains deliverable as promised to voters.

Ten-Year Review

The M2 Ordinance includes a provision to conduct a ten-year comprehensive program review of all projects and programs under the Plan to evaluate the performance of the overall program. Due to the early initiation of project development activities prior to the start-up of revenue collection in 2011, the first review was completed in 2015. The second effort is underway and is anticipated to be completed in late 2025. As part of this effort, on September 23, 2024, staff held an M2 workshop for the Board which provided an overview of M2 and included the formative principles, comprehensive set of programs and projects, safeguards, progress made to date, and upcoming critical milestones. In addition, on October 14, 2024, staff presented a framework and schedule for the ten-year review, which will be facilitated by the PMO with participation from the various OCTA divisions. Outreach efforts are anticipated to begin in late 2024.

Challenges

As with all major programs, challenges arise and need to be monitored and addressed. A few key challenges are highlighted below.

- Close monitoring of Metrolink operations is necessary to ensure sustainability through 2041. The coronavirus pandemic significantly affected Metrolink's ridership. Metrolink ridership recovery continues to struggle, which impacts farebox revenues and cost recovery affecting the program's overall funding. The funding shortfall is further compounded by a rise in operating costs. The 2024 Next 10 Plan cashflow includes the assumption of Transit and Intercity Rail Program formula funds to help

sustain Metrolink operations. However, without changes in service levels, ridership growth, and operations and rehabilitation costs or additional external funds, the current service cannot be sustained beyond FY 2037-38 after an infusion of a one-time state transit funding assistance. On October 21, 2024, Metrolink implemented a new pilot train schedule which offers increased frequency, better connections, and increased service during weekdays. This optimized schedule aims to address service gaps, offer better transit times, and make more efficient use of equipment and crews as Metrolink adjusts the focus from commuter rail to regional rail to broaden its market and increase ridership. OCTA will continue to engage with Metrolink and the other member agencies to monitor ridership levels and the corresponding financial impacts to M2.

- Over the past several years, coastal storm surges, combined with several other environmental factors, have damaged the Los Angeles – San Diego – San Luis Obispo (LOSSAN) rail corridor. These events have required increased maintenance and emergency repairs to stabilize the rail infrastructure. The emergency repairs have also led to intermittent service loss and delays. Although the affected portion of the railroad tracks in the City of San Clemente is located in Orange County, this rail corridor is vital for Metrolink and state-supported intercity rail (Pacific Surfliner), freight connection to the Port of San Diego, and plays a strategic role in the operations of Camp Pendleton. In partnership with key stakeholders, a planning study is underway to identify and evaluate immediate as well as short- and medium-term solutions to protect the rail line in place. A separate study will follow to assess potential long-term solutions, which may include relocation of the rail line. The California State Transportation Agency has committed to leading the long-term study to plan for future investments necessary to ensure a resilient LOSSAN corridor. As these studies progress, future updates to the Next 10 Plan will incorporate more current information.

- The OC Streetcar project has faced unforeseen utility conflicts and conditions, contaminated soils, construction quality control and contractor non-compliance, oversight and approvals, and several change requests, which affect operational-related milestones such as vehicle delivery and testing. In fall 2022, OCTA worked with the Federal Transit Administration (FTA) on a comprehensive project risk, cost, and schedule assessment, consistent with achieving 75 percent construction completion. The FTA identified a cost of \$579.16 million to complete the project and a risk-based revenue service date of August 2025. Staff is working with the FTA to conduct another comprehensive project risk, cost, and schedule assessment; results are anticipated to be presented to the Board in 2025.

Staff will continue to monitor these challenges to ensure M2 remains deliverable as promised to voters and provide updates to the Board as appropriate.

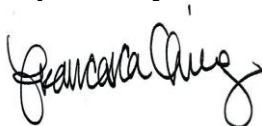
Summary

A quarterly report covering activities from July 2024 through September 2024, is provided to update progress in implementing the Plan. The above information and the attached details indicate significant progress on the overall M2 Program despite facing challenges. To be cost-effective and to facilitate accessibility and transparency of information available to stakeholders and the public, the M2 Quarterly Progress Report is made available through the OCTA website.

Attachment

- A. Measure M2 Quarterly Progress Report, First Quarter of Fiscal Year 2024 - 25, July 1, 2024 through September 30, 2024

Prepared by:



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

Approved by:



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



OCTA



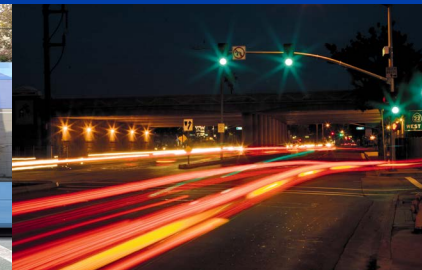
Local Tax Dollars at Work

MEASURE M2 QUARTERLY PROGRESS REPORT

First Quarter of Fiscal Year 2024 – 25
July 1, 2024 through September 30, 2024

First Quarter Highlights:

- Freeway Projects
- Streets and Roads
- Environmental Cleanup & Water Quality
- Freeway Mitigation Program
- Finance Matters
- Program Management Office
- Summary





MEASURE M2 PROGRESS REPORT

SUMMARY

On November 7, 2006, Orange County voters, by a margin of nearly 70 percent, approved the Renewed Measure M (M2) Transportation Investment Plan (Plan), a one-half cent sales tax for transportation improvements. Voters originally endorsed Measure M (M1) in 1990 with a sunset in 2011. The renewal of Measure M continues the investment of local tax dollars in Orange County's transportation infrastructure for another 30 years to 2041.

As required by Ordinance No. 3 (M2 Ordinance), a quarterly report covering activities from July 1, 2024, through September 30, 2024, is provided to update progress in implementing the Plan. On September 25, 2017, the Board of Directors (Board) approved externally rebranding M2 as OC Go to promote Orange County Transportation Authority's (OCTA) Measure M awareness and to avoid confusion with Measure M in Los Angeles County.

To be cost-effective and to facilitate accessibility and transparency of information to stakeholders and the public, M2 progress reports are available on the OCTA website.



The cover photo shows the San Clemente trolley in the City of San Clemente. This project is funded through the Community-Based Transit Circulators Program (Project V). On September 23, 2024, the Board approved programming recommendations in the amount of \$42,371,101 for 13 continuing, expanded, and new services as part of the 2024 call for projects (call).



MEASURE M2 PROGRESS REPORT

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MEASURE M2 PROJECT SCHEDULES



Conceptual



Environmental



Design, Advertise, & Award



Design-Build



Construction



Complete

OC Go Projects and Programs

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
A I-5, SR-55 to SR-57																
B I-5, I-405 to Yale Avenue																
B I-5, Yale Avenue to SR-55																
C,D I-5, Avenida Pico to Avenida Vista Hermosa/ Avenida Pico Interchange																
C I-5, Avenida Vista Hermosa to Pacific Coast Highway																
C I-5, Pacific Coast Highway to San Juan Creek Road																
C,D I-5, SR-73 to Oso Parkway/ Avery Parkway Interchange																
C,D I-5, Oso Parkway to Alicia Parkway/ La Paz Road Interchange																
C I-5, Alicia Parkway to El Toro Road																
D I-5, El Toro Road Interchange (Further Schedule TBD)																
D I-5, Ortega Highway Interchange																
E SR-22, Access Improvements																
F SR-55, I-405 to I-5																
F SR-55, I-5 to SR-91																
G SR-57 NB, Orangewood Avenue to Katella Avenue																
G SR-57 NB, Katella Avenue to Lincoln Avenue																
G SR-57 NB, Orangethorpe Avenue to Yorba Linda Boulevard																
G SR-57 NB, Yorba Linda Boulevard to Lambert Road																
G SR-57 NB, Lambert Road to Orange/Los Angeles County Line (Further Schedule TBD)																
H SR-91 WB, I-5 to SR-57																
I SR-91 WB, SR-55 to Tustin Avenue Interchange																
I SR-91, SR-55 to Lakeview Avenue																
I SR-91, La Palma Avenue to SR-55																
I SR-91, Acacia Street to La Palma Avenue																

Project schedules are based on phase start dates. Shown schedules are subject to change.

¹ Projects managed by local agencies

For full project schedules, see <https://octa.net/programs-projects/programs/oc-go-measure-m/oc-go-projects/#/schedule>



MEASURE M2 PROJECT SCHEDULES

OC Go Projects and Programs

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	
J	SR-91, SR-55 to SR-241	Completed in 2013															
J	SR-91 EB, SR-241 to SR-71	Completed in 2011															
J	SR-91, SR-241 to Orange/Riverside County Line (Further Schedule TBD)																
K	I-405, SR-73 to I-605	[Hatched bar from 2017 to 2023]															
L	I-405, I-5 to SR-55 (Further Schedule TBD)	[Green bar from 2017 to 2018]															
M	I-605, Katella Avenue Interchange																
O	Kraemer Boulevard Grade Separation (Placentia)	Completed in 2014															
O	Lakeview Avenue Grade Separation (Anaheim/Placentia)	[Orange bar from 2017 to 2018]															
O	Orangethorpe Avenue Grade Separation (Anaheim/Placentia)	Completed in 2016															
O	Placentia Avenue Grade Separation (Placentia)	Completed in 2014															
O	Raymond Avenue Grade Separation (Fullerton) ¹	[Orange bar from 2017 to 2018]															
O	State College Boulevard Grade Separation (Fullerton) ¹	[Orange bar from 2017 to 2018]															
O	Tustin Avenue/Rose Drive Grade Separation (Anaheim/Placentia)	Completed in 2016															
R	Sand Canyon Grade Separation (Irvine)	Completed in 2016															
R	Rail-Highway Grade Crossing Safety Enhancement	Completed in 2011															
R	San Clemente Beach Trail Safety Enhancements	Completed in 2014															
R	Anaheim Canyon Metrolink Station Improvements																
R	Fullerton Transportation Center Improvements																
R	Laguna Niguel/Mission Viejo Metrolink Station Americans with Disabilities Act (ADA) Ramps																
R	Orange Transportation Center Metrolink Parking Structure																
R	Placentia Metrolink Station Improvements and Parking Structure (Further Schedule TBD)																
R	San Clemente Pier Station Lighting																
R	Laguna Niguel to San Juan Capistrano Metrolink Station Passing Siding Project																
R	Tustin Metrolink Station Parking Structure	Completed in 2011															
R,T	Anaheim Regional Transportation Intermodal Center (ARTIC) ¹	Completed in 2014															
S	OC Streetcar																

Project schedules are based on phase start dates. Shown schedules are subject to change.
¹ Projects managed by local agencies
 For full project schedules, see <https://octa.net/programs-projects/programs/oc-go-measure-m/oc-go-projects/#/schedule>

MEASURE M2 PROGRESS REPORT

M2 DELIVERY RISK UPDATE ▼

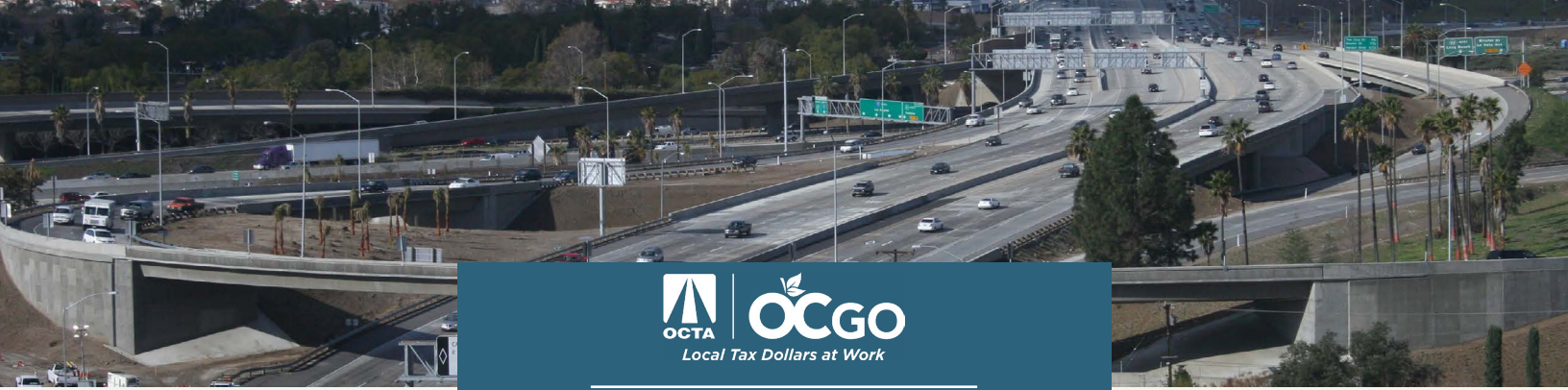
This section discusses the risks and challenges related to Measure M2 and the updated Next 10 Delivery Plan (Next 10 Plan) that the M2 Program Management Office (PMO) is monitoring with associated explanations and proposed actions.

Delivery Risk	Explanation	Proposed Action
Financial		
1	Sales tax revenues are driven by economic conditions. The 2023 M2 revenue forecast is \$14.8 billion, which is a \$200 million (-1.3 percent) year-over-year decrease from the 2022 forecast.	While the 2023 M2 sales tax revenue forecast is slightly lower, in most areas of the M2 Plan, programs can be scaled to available revenues. Additionally, 17 years of M2 delivery remain and fluctuations in economic conditions may affect future revenue projections.
2	Reduced external funding opportunities for the M2 freeway program.	The 2024 M2 sales tax revenue forecast is anticipated to be presented to the Board in October 2024. Staff will continue to monitor sales tax revenue receipts to ensure that M2 is delivered as promised to voters.
3	State and federal priorities continue to shift and favor projects that reduce automobile travel, which could affect access to currently programmed as well as future external funding opportunities for the M2 freeway projects.	Current external funding commitments are assumed in the M2 cash flow for the 2023 Next 10 Plan, but prospects of future revenues for highway projects are low.
3	Potential for an environment of increasing cost for M2 capital projects.	The spring 2024 update of the Next 10 Plan Market Conditions Forecast and Risk Analysis anticipates a tempering of inflationary pressures in 2024 and 2026, with an uptick in 2025. This is due to an increase in building permits and California unemployment rates, and moderating construction wages. Additionally, construction material costs have increased.
		The Next 10 Plan Market Conditions Forecast and Risk Analysis report is updated biannually and provides a three-year look ahead. OCTA will continue to monitor bid results and market conditions affecting project costs. The next update is anticipated in October 2024 and will be incorporated into the 2024 update of the Next 10 Plan.



MEASURE M2 PROGRESS REPORT

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



MEASURE M2 PROGRESS REPORT

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



MEASURE M2 PROGRESS REPORT

NEXT 10 DELIVERY PLAN

Contact: Francesca Ching, PMO Manager • (714) 560-5625

The Next 10 Plan sets priorities and funding commitments over a ten-year period, providing guidance to staff on the delivery of M2 projects and programs. Annually, staff reviews the Board-adopted commitments in the Next 10 Plan to ensure it remains deliverable with updated revenues and project costs.

On November 13, 2023, the Board adopted the 2023 Next 10 Plan, which spans fiscal year (FY) 2022-23 through FY 2031-32. The update incorporated the \$14.8 billion sales tax revenue forecast, revised project estimates and schedules, as well as the fall market conditions forecast and risk analysis. As a result of OCTA’s strategic planning to date, the 2023 Next 10 Plan continues to demonstrate that the Plan remains deliverable.

The 2024 update of the M2 sales tax forecast is planned to be presented to the Board in October 2024. This forecast, along with updated project schedules, estimates, and assumptions, will be incorporated into the 2024 update of the Next 10 Plan, which is anticipated to be presented to the Board in November 2024.

Next 10 Plan Deliverables

Significant progress continues with projects in and advancing towards construction, as well as regular funding allocations to local jurisdictions through local programs.

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

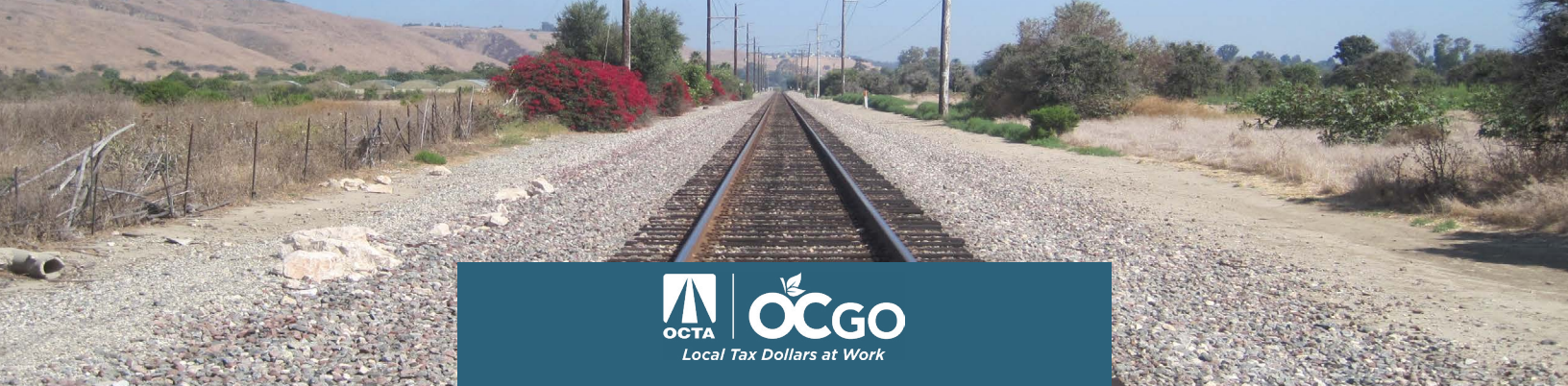
The M2 Freeway Program is currently made up of 30 projects/project segments. This deliverable includes 13 projects to be delivered through construction by FY 2029-30. Of the 13 projects to be delivered, one has been completed, four are in construction, and eight are in various stages of design. For more details, see [pages i-ii](#) (Project Schedules) and the project updates contained in their respective sections.

Upcoming activities:

- SR-91, SR-55 to Lakeview Avenue – Award Construction Contract
- I-5, Oso Parkway to Alicia Parkway – Complete Construction
- I-605, Katella Avenue Interchange – Advertise for Construction
- I-5, SR-73 to Oso Parkway – Complete Construction
- I-5, Alicia Parkway to El Toro Road – Complete Construction

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

The four remaining projects (of the 30 total) are environmentally cleared or on track to be environmentally cleared by 2032, making them shelf-ready for further advancement. The remaining projects include Project D (I-5, El Toro Road Interchange), Project G (SR-57 northbound from Lambert Road to Orange/Los Angeles County Line), Project J (SR-91 between SR-241 and Orange/Riverside County Line),



MEASURE M2 PROGRESS REPORT

and Project L (I-405 between I-5 and SR-55). In coordination with OCTA, the Riverside County Transportation Commission (RCTC) is leading the effort to advance the SR-91 between SR-241 and SR-71 project; only improvements up to the Orange/Riverside County Line will be OCTA’s responsibility. RCTC’s current schedule anticipates construction will be completed within the Next 10 Plan timeframe. The completion of this project, in addition to the 13 projects in Deliverable 1, would bring the total number of completed projects to 27 by 2030, which equates to approximately 90 percent of the M2 Freeway Program. The remaining projects will continue to be reevaluated for earlier delivery as part of the annual Next 10 Plan review. For more details, see [pages i-ij](#) (Project Schedules) and the project updates contained in their respective sections.

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

As of September 2024, OCTA has awarded more than \$556.6 million in competitive funding through the Regional Capacity Program (Project O) and Regional Traffic Signal Synchronization Program (Project P) annual calls. Additionally, more than \$747.9 million^{1,2} in Local Fair Share (LFS) (Project Q) funds have been distributed to local jurisdictions.

¹ Only includes disbursed funds. On May 28, 2024, the Board determined the City of Buena Park ineligible to receive net M2 revenues for five years pursuant to Section 10.4 of the M2 Ordinance. Disbursements of net M2 revenues have been suspended until the City of Buena Park reestablishes eligibility.

² On May 28, 2024, the Board determined the City of Orange ineligible to receive net M2 revenues. Disbursements of net M2 revenues have been suspended until the City of Orange achieves compliance and the Board reconsiders the matter at a future meeting.

On August 12, 2024, the Board authorized the 15th call to support local streets and roads improvement projects throughout Orange County. Applications are due on October 24, 2024. Based upon the project selection criteria in the Comprehensive Transportation Funding Program (CTFP) guidelines, projects will be prioritized for Board consideration in spring 2025. For more details, see the project updates on [page 22](#) and [page 24](#).

Upcoming activities:

- Project O and P – 15th call open

4. Maintain Metrolink service and complete one rail station improvement project (Project R).

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



MEASURE M2 PROGRESS REPORT

Close monitoring of Metrolink operations is necessary to ensure sustainability through 2041. The three lines serving Orange County currently operate 45 weekday trains, a 17 percent reduction from the 54 weekday trains operated prior to COVID-19. Metrolink ridership recovery continues to struggle, which impacts farebox revenues and cost recovery. To exacerbate this shortfall, operating costs have also increased. The 2023 Next 10 Plan cashflow included the assumption of Transit and Intercity Rail Program (TIRCP) formula funds to help sustain Metrolink operations through FY 2037-38. Without this funding or changes in service levels, ridership growth, or operations and rehabilitation costs, the current service cannot be sustained beyond FY 2031-32. OCTA will continue to actively engage with Metrolink and the other member agencies to monitor ridership levels and the financial impacts to M2. For more details, see project updates on [page 27](#).

Additionally, funding within this program is provided for rail corridor and station improvements to accommodate increased passenger train service including station upgrades, parking expansions, and safety enhancements. The Anaheim Canyon Metrolink Station Improvement Project, which began construction in May 2021, was completed in January 2023. For more details, see project updates on [page 28](#).

Railroad track stabilization efforts in south Orange County have become a major focus area given its importance to continued operation of Metrolink in Orange County. In partnership with key stakeholders, a planning study is underway to identify immediate as well as short- and medium-term solutions with the goal of protecting the rail line in place. A separate study to evaluate potential long-term solutions to ensure the sustainability of rail service in this portion of the County, which may include relocation of the rail line, is pending following determination of the lead agency. OCTA, in conjunction with other regional agencies, has requested the State to assume a larger role in this effort. Future updates to the Next 10 Plan will need to consider the financial implications of the long-term solutions. For more details, see the project updates on [page 29](#).

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

The 4.15-mile OC Streetcar will serve the Santa Ana Regional Transportation Center (SARTC) through Downtown Santa Ana and the Civic Center to Harbor Boulevard in the City of Garden Grove. During the quarter, the contractor continued installation of wires on overhead contact system (OCS) poles in the Pacific Electric Right-of-Way (ROW), street repairs at various locations, and continued platform and electrical systems work at several stations. In addition, interior work continued at the maintenance and storage facility (MSF) with exterior paving completed. For more details, see the project updates on [page 32](#).



MEASURE M2 PROGRESS REPORT

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

Project U is comprised of three programs: the Senior Mobility Program (SMP), the Senior Non-Emergency Medical Transportation (SNEMT) Program, and the Fare Stabilization Program. Since inception, approximately \$137 million^{3,4} has been provided to these three programs. The SMP provides funding to participating cities to design and implement transit service that best fits the needs of seniors (60 and above) in their communities. The SNEMT Program provides funding to the County of Orange Office on Aging for senior transportation to and from medical appointments, dentists, therapies, exercise programs, testing, and other health-related trips at a low cost to the rider than would otherwise be available. For more details, see the program updates on [page 34](#).

³ Only includes disbursed funds. On May 28, 2024, the Board determined the City of Buena Park ineligible to receive net M2 revenues for five years pursuant to Section 10.4 of the M2 Ordinance. Disbursements of net M2 revenues have been suspended until the City of Buena Park reestablishes eligibility.

⁴ On May 28, 2024, the Board determined the City of Orange ineligible to receive net M2 revenues. Disbursements of net M2 revenues have been suspended until the City of Orange achieves compliance and the Board reconsiders the matter at a future meeting.

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

Since inception, OCTA has approved 49 projects and ten planning studies totaling over \$53 million through five calls. OCTA receives ridership reports from local agencies on a regular basis to monitor the success of awarded services against performance measures adopted by the Board. This includes the Board-approved funding recommendation for 13 projects totaling approximately \$42.3 million. For more details, see the program updates on [page 35](#).

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

Through three calls, the Board has approved \$3.1 million to improve 122 city-initiated improvement projects at the busiest OCTA transit stops. The program is designed to ease transfers between bus lines and provide improvements such as the installation of bus benches or seating, shelters, improved lighting, and other passenger-related amenities. For more details, see the program updates on [page 36](#).



MEASURE M2 PROGRESS REPORT

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

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

To protect the Preserves in perpetuity, a non-wasting endowment was established. In July 2024, OCTA made its ninth annual deposit of approximately \$2.9 million. The latest balance of the endowment through September 30, 2024, was \$32,759,657. While the performance of the endowment fund will affect the timeframe for full funding, current projections indicate that OCTA is still on track to meet the target of \$46.2 million in FY 2027-28. For more details, see the program updates on [page 38](#).

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

In May 2010, the Board approved a two-tier approach to funding Project X. Tier 1 consists of funding equipment purchases and upgrades to existing catch basins and related best management practices, such as screens and other low-flow diversion devices. Tier 2 consists of funding regional, potentially multi-jurisdictional, and capital-intensive projects. Since 2011, the Board has awarded over \$36.5 million in funding for 222 Tier 1 projects through 13 calls and \$27.9 million for 22 Tier 2 projects through two calls. Tier 1 and Tier 2 calls were released on February 12, 2024. Applications for the Tier 1 call were received on April 25, 2024, and on May 16, 2024, for the Tier 2 call. Programming recommendations are anticipated in October 2024. For more details, see the program updates on [page 37](#).

Upcoming activities:

- Project X Tier 1 – Programming recommendations for the 14th call
- Project X Tier 2 – Programming recommendations for the third call

FREWAYS

PROJECT A

INTERSTATE 5 (I-5) PROJECTS

Segment: I-5, SR-55 to SR-57

Status: PROJECT COMPLETE

Contact: Jeff Mills, Capital Projects • (714) 560-5925

Summary: This project added a second high-occupancy vehicle (HOV) lane (approximately three miles) in both directions along I-5 between SR-55 and SR-57 in the City of Santa Ana. The final Environmental Document (ED) and Project Report (PR) were approved on April 27, 2015. Construction began on December 27, 2019, and the improvements opened to traffic on August 24, 2020. The project was officially completed three months ahead of schedule on January 6, 2021, and plant establishment was completed on May 24, 2021.



PROJECT B

I-5, I-405 to SR-55 is one project broken into two segments. The final ED and PR were approved on January 7, 2020.

Segment: I-5, I-405 to Yale Avenue

Status: Design Phase Underway – 85 Percent Complete

Contact: Jeff Mills, Capital Projects • (714) 560-5925

Summary: This project will add an additional general purpose lane (approximately 4.5 miles) in both directions of I-5 between I-405 and Yale Avenue, improve interchanges, and replace and add new auxiliary lanes in the City of Irvine. The design of this project was initiated on October 22, 2021. This quarter, the design team received comments on the 95 percent design package, which combined the California Department of Transportation (Caltrans) multi-asset and M2 projects, and coordinated with Metrolink to discuss I-5 bridge improvements over the railroad in the City of Irvine. The design team continued to coordinate with regulatory agencies on construction permit applications, Orange County Flood Control District (OCFCD), and with the various stakeholders on locations of soundwalls, overhead signage, drainage, storm water quality features, staging, and landscaping. In addition, the final Caltrans ROW appraisal maps were completed.

Segment: I-5, Yale Avenue to SR-55

Status: Design Phase Underway – 99 Percent Complete

Contact: Jeff Mills, Capital Projects • (714) 560-5925

Summary: This project will add an additional general purpose lane (approximately 4.5 miles) in both directions of I-5 between Yale Avenue and SR-55, improve interchanges, and replace and add new auxiliary lanes in the cities of Irvine and Tustin. The design of this project was initiated on May 6, 2021. This quarter, the design team submitted the 100 percent design package, which combined the Caltrans multi-asset and



FREEWAYS

M2 projects. In addition, the design consultant coordinated with Caltrans and various regulatory agencies on construction permit applications and continued to coordinate with the OCFCD and Orange County Parks.

PROJECT C AND PART OF PROJECT D

I-5, Avenida Pico to San Juan Creek Road is one project broken into three segments. The final ED and PR were approved on October 26, 2011. All three segments were completed, and the improvements opened to traffic on March 13, 2019.

Segment: I-5, Avenida Pico to Avenida Vista Hermosa/Avenida Pico Interchange

Status: PROJECT COMPLETE

Contact: Jeff Mills, Capital Projects • (714) 560-5925

Summary: This project added a carpool lane (approximately 0.7 miles) in both directions of I-5 between Avenida Pico and Avenida Vista Hermosa in the City of San Clemente, included major improvements through reconstruction of the Avenida Pico Interchange (part of Project D), and added bicycle lanes in both directions on Avenida Pico. Construction began on December 22, 2014, and was officially completed on August 23, 2018. Plant establishment was completed in May 2019.



Segment: I-5, Avenida Vista Hermosa to Pacific Coast Highway

Status: PROJECT COMPLETE

Contact: Jeff Mills, Capital Projects • (714) 560-5925

Summary: This project added a carpool lane (approximately 2.5 miles) in both directions of I-5 between Avenida Vista Hermosa and Pacific Coast Highway (PCH) in the City of San Clemente and reconstructed on- and off-ramps at Avenida Vista Hermosa and Camino de Estrella. Construction began on July 3, 2014, and was officially completed on July 31, 2017. Plant establishment was completed in May 2018.



Segment: I-5, Pacific Coast Highway to San Juan Creek Road

Status: PROJECT COMPLETE

Contact: Jeff Mills, Capital Projects • (714) 560-5925

Summary: This project added a carpool lane (approximately 2.5 miles) in both directions of I-5 between PCH and San Juan Creek Road in the cities of Dana Point, San Clemente, and San Juan Capistrano and reconstructed the on- and off-ramps at PCH/Camino Las Ramblas. Construction began on December 20, 2013, and was officially completed on July 3, 2018. Plant establishment was completed in March 2019.





FREWAYS

I-5, SR-73 to El Toro Road is one project broken into three segments. The final ED and PR for all three segments were approved on May 6, 2014.

Segment: I-5, SR-73 to Oso Parkway/Avery Parkway Interchange

Status: Construction Underway – 94 Percent Complete

Contact: Jeff Mills, Capital Projects • (714) 560-5925

Summary: This project will add a general purpose lane (approximately 2.2 miles) in both directions of I-5 between Avery Parkway and Oso Parkway and reconstruct the Avery Parkway Interchange (part of Project D) in the cities of Laguna Hills, Laguna Niguel, and Mission Viejo. The construction contract was awarded on December 19, 2019, and construction began on January 15, 2020. This quarter, the contractor completed roadway striping on Avery Parkway and continued construction on northbound Crown Valley Parkway on-ramps. The auxiliary lanes between Crown Valley Parkway and Oso Parkway are now open while the contractor works on the I-5 freeway median. The contractor also continued to construct drainage, electrical, and irrigation systems throughout the project limits.

Segment: I-5, Oso Parkway to Alicia Parkway/La Paz Road Interchange

Status: Construction Underway – 98 Percent Complete

Contact: Jeff Mills, Capital Projects • (714) 560-5925

Summary: This project added a general purpose lane (approximately 2.6 miles) in both directions along I-5 between Oso Parkway and Alicia Parkway and reconstruct the La Paz Road Interchange (part of Project D) in the cities of Laguna Hills and Mission Viejo. The construction contract was awarded on March 5, 2019, and construction began on April 4, 2019. This quarter, the contractor successfully completed final striping on the I-5 mainline and ramps. The contractor also continued installation of electrical, signage, and irrigation system components.

Segment: I-5, Alicia Parkway to El Toro Road

Status: Construction Underway – 90 Percent Complete

Contact: Jeff Mills, Capital Projects • (714) 560-5925

Summary: This project will add a general purpose lane in the southbound direction (approximately 1.7 miles) and extend the second HOV lane (approximately one mile) in both directions along I-5 between Alicia Parkway to El Toro Road in the cities of Laguna Hills, Laguna Woods, Lake Forest, and Mission Viejo. The construction contract was awarded on September 23, 2020, and construction began on October 13, 2020. This quarter, the contractor began work on the final stage of the project to replace pavement and the median barrier on the I-5 freeway and complete the reconstruction of the roadway on- and off-ramps.



FREWAYS

PROJECT D

This project will update and improve key I-5 interchanges at Avenida Pico, Ortega Highway, Avery Parkway, La Paz, and El Toro Road. Three interchange improvements at La Paz, Avery Parkway, and Avenida Pico are included and discussed as part of the respective segments in Project C.

Segment: I-5, Ortega Highway Interchange

Status: PROJECT COMPLETE

Contact: Jeff Mills, Capital Projects • (714) 560-5925



Summary: This project widened and reconstructed the SR-74 Ortega Highway bridge over I-5 and improved local traffic flow along SR-74 and Del Obispo Street in the City of San Juan Capistrano. The final ED and PR were approved on June 1, 2009. Construction began on September 18, 2012, and all lanes on the new bridge opened to traffic on September 4, 2015. The project was officially completed on January 15, 2016.

Segment: I-5, El Toro Road Interchange

Status: Environmental Phase Two Underway – 45 Percent Complete

Contact: Jeff Mills, Capital Projects • (714) 560-5925

Summary: Caltrans is the lead for the environmental phase of this project. The project area includes the cities of Laguna Hills, Laguna Woods, and Lake Forest, which are direct stakeholders of the project improvements. The study began in April 2017 and the draft Initial Study/Environmental Assessment was completed in March 2019. The three stakeholder cities were not in consensus on a preferred alternative, and costs identified for the remaining alternatives were significantly higher than the assumed cost in the Next 10 Plan, which created additional challenges. The environmental phase was anticipated to be completed in late 2019; however, without the cities' consensus, OCTA does not support the finalization of the document. OCTA requested Caltrans put completion of the ED on hold until a consultant, retained by OCTA, provides a further assessment of the alternatives to help facilitate reaching an agreement. The three cities reached a consensus to add two new alternatives from the assessment in addition to the two alternatives previously developed as part of the draft ED into the environmental process. On August 8, 2022, the Board approved an amendment to the cooperative agreement with Caltrans to reinstate the environmental phase incorporating feedback from the cities on the proposed alternatives. This quarter, OCTA and Caltrans received input from the cities of Laguna Hills and Laguna Woods on the proposed alternatives and continued environmental phase studies. Caltrans also continued work on the final Traffic Operations Analysis Report.



FREWAYS

PROJECT E

STATE ROUTE 22 (SR-22) PROJECTS

Segment: SR-22 Access Improvements

Status: PROJECT COMPLETE

Contact: Jeff Mills, Capital Projects • (714) 560-5925

Summary: Completed in 2008, this project made improvements at three key SR-22 interchanges (Brookhurst Street, Euclid Street, and Harbor Boulevard) in the City of Garden Grove to reduce freeway and street congestion. This M2 project was completed early as a “bonus project” provided by the original M1.



PROJECT F

STATE ROUTE 55 (SR-55) PROJECTS

Segment: SR-55, I-405 to I-5

Status: Construction Underway – 33 Percent Complete

Contact: Jeff Mills, Capital Projects • (714) 560-5925

Summary: This project will add a general purpose lane (approximately four miles) and a second HOV lane (approximately four miles) in both directions between I-405 and I-5 in the cities of Irvine, Santa Ana, and Tustin. Auxiliary lanes will be added and extended in some segments within the project limits. The final ED and PR were approved on August 31, 2017. The construction contract was awarded on May 27, 2022, and construction began on August 10, 2022. This quarter, work continued with roadway, retaining wall, bridge widening, electrical, and drainage construction activities.

Segment: SR-55, I-5 to SR-91

Status: Design Phase Underway – 70 Percent Complete

Contact: Jeff Mills, Capital Projects • (714) 4560-5925

Summary: This project includes the addition of a general purpose lane (approximately two miles) in both directions between I-5 and SR-22 and operational improvements between SR-22 and SR-91 in the cities of Anaheim, Orange, Santa Ana, and Tustin. The project limits span approximately 7.5 miles. The final ED and PR were approved on March 30, 2020. The design of this project was initiated on August 8, 2022. This quarter, the design team submitted and received comments on the 95 percent design package.



FREEWAYS

PROJECT G

STATE ROUTE 57 (SR-57) PROJECTS

Segment: SR-57 Northbound, Orangewood Avenue to Katella Avenue

Status: Design Phase Underway – 98 Percent Complete

Contact: Jeff Mills, Capital Projects • (714) 560-5925

Summary: This project includes the addition of a new northbound general purpose lane (approximately one mile) on SR-57 from Orangewood Avenue to Katella Avenue in the cities of Anaheim and Orange. The new northbound general purpose lane will join the completed Project G segments between Katella Avenue and Lambert Road, which opened to traffic in 2014. The final ED and PR were approved on March 29, 2019. The design of this project was initiated on March 28, 2022. This quarter, the design team submitted the 100 percent design package, continued coordination with various public agencies regarding submittals for construction permits, and continued coordination with the cities of Anaheim and Orange on various project related items.

Segment: SR-57 Northbound, Katella Avenue to Lincoln Avenue

Status: PROJECT COMPLETE

Contact: Jeff Mills, Capital Projects • (714) 560-5925

Summary: This project increased capacity by adding a new general purpose lane (approximately 2.8 miles) and improved on- and off-ramps and soundwalls on northbound SR-57 between Katella Avenue and Lincoln Avenue in the City of Anaheim. Bridges at Katella Avenue and Douglas Road were also widened in the northbound direction. The final ED was approved on September 30, 2009, and the final PR was approved on November 25, 2009. Construction began on November 17, 2011, and the improvements opened to traffic on November 19, 2014. The project was officially completed on April 21, 2015.



Segment: SR-57 Northbound, Orangethorpe Avenue to Yorba Linda Boulevard

Status: PROJECT COMPLETE

Contact: Jeff Mills, Capital Projects • (714) 560-5925

Summary: This project increased capacity by adding a northbound general purpose lane (approximately 2.4 miles) between Orangethorpe Avenue in the City of Placentia to Yorba Linda Boulevard in the City of Fullerton and improved operations with the reconstruction of northbound on- and off-ramps, widening of seven bridges, and the addition of soundwalls. The final ED and PR were approved on November 30, 2007. Construction began on October 26, 2010, and the improvements opened to traffic on April 28, 2014. The project was officially completed on November 6, 2014.



FREEWAYS

Segment: SR-57 Northbound, Yorba Linda Boulevard to Lambert Road

Status: PROJECT COMPLETE

Contact: Jeff Mills, Capital Projects • (714) 560-5925

Summary: This project improved capacity, operations, and traffic flow on SR-57 with the addition of a new northbound general purpose lane (approximately 2.5 miles) between Yorba Linda Boulevard in the City of Fullerton and Lambert Road in the City of Brea. Additional project benefits included on- and off-ramp improvements, the widening and seismic retrofit (as required) of six bridges in the northbound direction, and the addition of soundwalls. Existing lanes and shoulders were also widened to standard widths, enhancing safety for motorists. The final ED and PR were approved on November 30, 2007. Construction began on November 2, 2010, and the improvements opened to traffic on September 23, 2013. The project was officially completed on May 2, 2014.



Segment: SR-57 Northbound, Lambert Road to Orange/Los Angeles County Line

Status: Project Study Report-Project Development Support (PSR-PDS) Document Preparation Underway – 70 Percent Complete

Contact: Jeff Mills, Capital Projects • (714) 560-5925
Kristin Tso, Planning • (714) 560-5496

Summary: Caltrans previously completed a PSR in 2001 to add a northbound truck-climbing lane (approximately 2.5 miles) from Lambert Road in the City of Brea to approximately 0.62 miles north of the Orange County/Los Angeles County line. Following discussions with Caltrans in late 2021, it was decided that a new PSR-PDS should be prepared due to the changing conditions on SR-57 since the previous study was completed. The proposed project included mainline and interchange improvements at Lambert Road. Through the SB 1 (Chapter 5, Statutes of 2017) Trade Corridor Enhancement Program, funds were allocated to construct the interchange improvements at Lambert Road, which complemented and served as the first phase to the improvement project. Construction began in mid-2019 and the project fully opened to traffic in December 2023. The remaining work and punch list items were completed in early 2024. Preparation of the new PSR-PDS for the second phase began in August 2023, utilizing State Transportation Investment Program funding, to study potential northbound mainline improvements from Lambert Road to Orange/Los Angeles County Line (up to two miles). This quarter, a draft PSR-PDS document was developed and submitted to Caltrans and the City of Brea for initial review and comments. The draft PSR-PDS includes geometric design, traffic analysis, preliminary assessment on ROW, drainage, structure, geotechnical and environmental impacts, and cost estimates for each of the three proposed project alternatives.



FREEWAYS

PROJECT H

STATE ROUTE 91 (SR-91) PROJECTS

Segment: SR-91 Westbound, I-5 to SR-57
Status: PROJECT COMPLETE
Contact: Jeff Mills, Capital Projects • (714) 560-5925



Summary: This project increased capacity by adding a general purpose lane (approximately 4.5 miles) in the westbound direction between the cities of Anaheim and Fullerton and provided operational improvements at on- and off-ramps between Brookhurst Street and State College Boulevard. The final ED was approved on May 20, 2010, and the final PR was approved on June 16, 2010. Construction began on February 6, 2013, and the improvements opened to traffic on March 7, 2016. The project was officially completed on June 23, 2016.

PROJECT I

Segment: SR-91, SR-55 to Tustin Avenue Interchange
Status: PROJECT COMPLETE
Contact: Jeff Mills, Capital Projects • (714) 560-5925



Summary: This project improved traffic flow at the SR-55/SR-91 interchange by adding a westbound auxiliary lane (approximately two miles) beginning at northbound SR-55 to the westbound SR-91 connector through the Tustin Avenue interchange in the City of Anaheim. The project reduced weaving congestion in the area and included reconstruction of the westbound side of the Santa Ana River Bridge to accommodate the additional lane. The final ED was approved on May 11, 2011, and the final PR was approved on May 19, 2011. Construction began on November 1, 2013, and the improvements opened to traffic on May 14, 2016. The project was officially completed on July 15, 2016.

SR-91, between SR-57 and SR-55 is one project broken into three segments. To augment the decrease in projected M2 revenues, on September 12, 2016, the Board approved to use 91 Express Lanes excess revenue to fund this project. The final ED and PR were approved on June 22, 2020.

Segment: SR-91, SR-55 to Lakeview Avenue
Status: Design Phase Underway - 98 Percent Complete
Contact: Jeff Mills, Capital Projects • (714) 560-5925

Summary: This project will provide westbound operational improvements (approximately 2.2 miles), which includes the realignment of the existing westbound SR-91 on- and off-ramps, the addition of a new on-ramp from the Lakeview Avenue overcrossing bridge to connect directly to southbound SR-55, and construction of a barrier to separate westbound SR-91 from SR-55. With the proposed improvements,

FREWAYS

the existing Lakeview Avenue overcrossing bridge is anticipated to be replaced with a new bridge. The design of this project was initiated on March 30, 2020. This project was combined with the Caltrans multi-asset project when the 100 percent design package was developed. The 100 percent design package was approved for advertisement, and achieved ready-to-list (RTL) status on May 10, 2024. The project was advertised for construction on June 24, 2024, with bids anticipated to be opened in October 2024.

Segment: SR-91, La Palma Avenue to SR-55

Status: Design Phase Underway - 88 Percent Complete

Contact: Jeff Mills, Capital Projects • (714) 560-5925

Summary: This project will provide an additional eastbound general purpose lane (approximately 2.7 miles), replace the eastbound shoulder, and restore auxiliary lanes as needed throughout the project limits. With the proposed improvements, the existing Kraemer Boulevard and Tustin Avenue overcrossing bridges are anticipated to be replaced with new bridges and the Santa Ana River bridge will be widened. The design of this project was initiated on June 17, 2020. This project was combined with the Caltrans multi-asset project when the 95 percent design package was developed. However, per Caltrans' request, both projects will be separated and will proceed as independent projects. This quarter, the design team submitted the 100 percent design package to Caltrans for review and worked on the final design package for Caltrans District Office Engineer's review.

Segment: SR-91, Acacia Street to La Palma Avenue

Status: Design Phase Underway - 92 Percent Complete

Contact: Jeff Mills, Capital Projects • (714) 560-5925

Summary: This project will provide westbound operational improvements (approximately 1.8 miles) by adding a fourth general purpose lane along westbound SR-91 from the northbound SR-57 to the westbound SR-91 connector, extending the southbound SR-57 to westbound SR-91 connector auxiliary lane through the State College Boulevard interchange, tying into the existing westbound SR-91 auxiliary lane west of State College Boulevard, and reconfiguring the westbound SR-91 to SR-57 connector to provide dedicated exits to SR-57. With the proposed improvements, the existing La Palma Avenue overcrossing bridge will be replaced with a new bridge. The design of this project was initiated on November 30, 2020. This project was combined with the Caltrans multi-asset project when the 95 percent design package was developed. This quarter, the design team continued to address comments on the combined 100 percent roadway design package, technical reports, and additional design changes. In addition, OCTA continued the ROW appraisal process.



FREEWAYS

PROJECT J

Segment: SR-91, SR-55 to SR-241

Status: PROJECT COMPLETE

Contact: Jeff Mills, Capital Projects • (714) 560-5925

Summary: This project added a general purpose lane (approximately six miles) in both directions of SR-91 between SR-55 and SR-241 in the cities of Anaheim and Yorba Linda. In addition to adding 12 lane miles to SR-91, the project also delivered a second eastbound exit lane at Lakeview Avenue, Imperial Highway, and Yorba Linda Boulevard/Weir Canyon Road off-ramps. Beyond these capital improvements, crews completed work on safety barriers, lane striping, and soundwalls. The final ED and PR were approved on April 24, 2009. Construction began on May 27, 2011, and opened to traffic in December 2012. The project was officially completed on March 5, 2013.



Segment: SR-91 Eastbound, SR-241 to SR-71

Status: PROJECT COMPLETE

Contact: Jeff Mills, Capital Projects • (714) 560-5925

Summary: This project improved mobility and operations by adding an eastbound lane (approximately six miles) through a key stretch of SR-91 between Orange County's SR-241 and Riverside County's SR-71, widened existing eastbound lanes and shoulders, and reduced traffic weaving as a result of traffic exiting at SR-71 and Green River Road. The final ED and PR were approved on December 28, 2007. Construction began on September 16, 2009, and the improvements opened to traffic on December 2, 2010. The project was officially completed on January 31, 2011. Because this project was shovel-ready, OCTA was able to obtain American Recovery and Reinvestment Act funding for this M2 project, saving M2 revenues for future projects.



Segment: SR-91, SR-241 to Orange/Riverside County Line

Status: RCTC's Westbound Corridor Operation Project – Completed in January 2022; Eastbound Corridor Operation Project Environmental Phase Underway – 40 Percent Complete

Contact: Jeff Mills, Capital Projects • (714) 560-5925

Summary: Since the SR-91 corridor is one of the busiest in the region, implementation of this project requires coordinating and constructing the improvements in multiple segments and capitalizing on available funding. Freeway improvements that cross county lines require close coordination to maintain seamless travel. This project plans to add a general purpose lane on SR-91 between SR-241 and SR-71. While the portion of this project between SR-241 and the Orange/Riverside County Line is part of OCTA's M2 Project J, the matching segment between the county line and SR-71 is part of RCTC's Measure A. The sixth lane addition requires joint implementation to ensure smooth delivery of the project. With significant SR-91 freeway improvements taking place as a result of both counties' sales tax measures, the construction timing of the additional general purpose lane between SR-241 and SR-71 was anticipated to take place post-2035. However, RCTC requested OCTA's support to accelerate a portion of the ultimate project in the

FREEWAYS

westbound direction (in Orange County) to address a bottleneck issue affecting the City of Corona. With OCTA's support, RCTC developed the 91 Westbound Corridor Operation Project, which began construction in late 2020 and was completed in January 2022.

In addition, OCTA and RCTC conducted a feasibility study to determine how best to implement the sixth general purpose lane while minimizing environmental and construction impacts in the eastbound direction between SR-241 and SR-71. The final alternatives analysis report was completed in April 2022. RCTC is leading the effort to proceed with the environmental phase of the project, to be referred to as the 91 Eastbound Corridor Operation Project. This effort began in June 2023 and is anticipated to be completed by mid-2025. This quarter, the project team continued to work on preliminary engineering, developing cost estimates, and updating environmental technical studies.

PROJECT K

INTERSTATE 405 (I-405) PROJECTS

Segment: I-405, SR-73 to I-605

Status: PROJECT COMPLETE

Contact: Jeff Mills, Capital Projects • (714) 560-5925



Summary: This project added a general purpose lane (approximately 16 miles) between Euclid Street and I-605 in both directions and a second HOV lane (approximately 14 miles) combined with the existing HOV lane to provide dual express lanes in both directions of I-405 from SR-73 to I-605, otherwise known as the 405 Express Lanes.⁵ Additional improvements included reconstruction of local interchanges and enhancements to freeway entrances and exits along the corridor from SR-73 to I-605 through the cities of Costa Mesa, Fountain Valley, Garden Grove, Huntington Beach, Los Alamitos, Seal Beach, and Westminster. The final ED and PR were approved on June 15, 2015. Construction activities began on January 31, 2017, and the project fully opened to traffic on December 1, 2023. Final acceptance and relief of maintenance is expected in late-2024. During the quarter, work continued on remaining miscellaneous construction activities including landscaping, installation of remaining bridge lighting, and punch-list items.

⁵ The general purpose lane portion of the project is an M2 project and was funded by a combination of local, state, and federal funds. The express lanes portion of the project was financed and will be paid for by those who choose to pay a toll and use the 405 Express Lanes.



FREEWAYS

PROJECT L

Segment: I-405, I-5 to SR-55

Status: Environmental Phase Complete

Contact: Jeff Mills, Capital Projects • (714) 560-5925

Summary: This project studied potential improvements along approximately 8.5 miles of I-405 between I-5 and SR-55 in the City of Irvine. The project development team reviewed the alternatives and public comments received during public circulation, and as a result of the effort, recommended adding one general purpose lane in both directions. The final ED and PR were approved on August 31, 2018. To ensure coordination with other projects planned for construction and to avoid unreasonable impacts to the public, this project is currently scheduled to be constructed beyond the Next 10 Plan timeframe.

PROJECT M

INTERSTATE 605 (I-605) PROJECTS

Segment: I-605, Katella Avenue Interchange Improvements

Status: Design Phase Underway - 99 Percent Complete

Contact: Jeff Mills, Capital Projects • (714) 560-5925

Summary: This project will make enhancements to the on- and off-ramps and operational improvements on Katella Avenue at the I-605 Interchange in the City of Los Alamitos. In addition, pedestrian and bicycle improvements will incorporate complete streets components, including enhanced safety for all modes of travel. The final ED and PR were approved on October 3, 2018. The design of this project was initiated on December 28, 2020. This quarter, the design team submitted the final 100 percent design package to the Caltrans District Office Engineer and Caltrans headquarters. The design team compiled various certification forms and technical documentation required for RTL status. The team obtained Caltrans' concurrence on a revised supplemental design standard decision document and completed surveying and mapping tasks to acquire access control rights through the Katella Avenue northbound ramps intersection. Finally, the team continued coordination with Caltrans and various utilities to complete final reviews of utility relocation plans and utility agreements. ROW certification was approved on September 23, 2024, and RTL is anticipated in early October 2024. The project is anticipated to be advertised for construction in late 2024.



FREEWAYS

PROJECT N

FREEWAY SERVICE PATROL

Status: Service Ongoing

Contact: Patrick Sampson, Motorist Services • (714) 560-5435

Summary: Freeway Service Patrol (FSP) assists motorists whose vehicles have become disabled along Orange County freeways and removes congestion-causing debris from traffic lanes to reduce freeway congestion and collisions. In June 2012, M2 began supporting FSP with local funds to maintain existing service levels and expand services through 2041. During the quarter, FSP provided 17,311 services.⁶ Since June 2012, FSP has provided 811,674 services⁶ on the Orange County freeway system.

⁶ Service calculations are based on all services provided as FSP is funded by M2 and external sources.



STREETS AND ROADS

PROJECT O

REGIONAL CAPACITY PROGRAM

Status: 15th Call Open

Contact: Charvalen Alacar, Planning • (714) 560-5401

Summary: This program, in combination with required local matching funds, provides funding for improvements on Orange County’s Master Plan of Arterial Highways. Since 2011, through 14 calls, the Board has awarded 186 projects (226 project phases) totaling more than \$406 million, including \$24.3 million in external funding. To date, 150 project phases have been completed, 51 are in various stages of implementation, and 25 have been cancelled by the awarded local jurisdictions. On August 12, 2024, the Board approved the release of the 15th call. Applications for the call are due on October 24, 2024. Based upon the project selection criteria in the CTFP guidelines, projects will be prioritized for Board consideration in spring 2025.

OC Bridges Railroad Program

This program built seven grade separations (either under or overpasses) where high-volume streets are impacted by freight trains along the BNSF railroad in north Orange County. On September 13, 2021, the Board approved program closeout and budget adjustment to approximately \$666.55 million for all the OC Bridges grade separation projects, of which \$152.6 million was committed M2 and \$513.9 million in leveraged external funding. Funding reimbursement and closeout for all seven grade separation projects have been completed.

Segment: Kraemer Boulevard Grade Separation

Status: PROJECT COMPLETE

Contact: Jeff Mills, Capital Projects • (714) 560-5925

Summary: This project grade separated the local street from railroad tracks by building an underpass for vehicular traffic under the railroad crossing in the cities of Anaheim and Placentia. Construction began on November 9, 2012, and the improvements opened to traffic on June 28, 2014. Construction acceptance was obtained in December 2014. OCTA turned over maintenance responsibilities to the cities and completed the one-year warranty in December 2015 with no issues or claims identified. Funding reimbursement and closeout have been completed.



Segment: Lakeview Avenue Grade Separation

Status: PROJECT COMPLETE

Contact: Jeff Mills, Capital Projects • (714) 560-5925

Summary: This project grade separated the local street from railroad tracks by building a bridge for vehicular traffic over the railroad crossing and reconfiguring the intersection of Lakeview Avenue and Orangethorpe Avenue in the cities of Anaheim and Placentia. Construction began on March 3, 2014, and the improvements opened to traffic on June 6, 2017. Construction acceptance was obtained in June 2018. OCTA turned over maintenance responsibilities to the cities and extended the one-year warranty





STREETS AND ROADS

to July 2019 for some minor repair items. The Board approved a final claim resolution in July 2019. Funding reimbursement and closeout have been completed.

Segment: Orangethorpe Avenue Grade Separation

Status: PROJECT COMPLETE

Contact: Jeff Mills, Capital Projects • (714) 560-5925

Summary: This project grade separated the local street from railroad tracks by building a bridge for vehicular traffic over the railroad crossing in the cities of Anaheim and Placentia. Construction began on April 25, 2013, and the improvements opened to traffic on June 23, 2016. Construction acceptance was obtained in October 2016. OCTA turned over maintenance responsibilities to the cities and extended the one-year warranty to June 2019 for some minor repair items. No additional issues or repairs were identified. Funding reimbursement and closeout have been completed.



Segment: Placentia Avenue Grade Separation

Status: PROJECT COMPLETE

Contact: Jeff Mills, Capital Projects • (714) 560-5925

Summary: This project grade separated the local street from railroad tracks by building an underpass for vehicular traffic under the railroad crossing in the City of Placentia. Construction began on October 5, 2011, and the improvements opened to traffic on March 12, 2014. Construction acceptance was obtained in December 2014. OCTA turned over maintenance responsibilities to the cities and completed the one-year warranty in December 2015 with no issues or repairs identified. Funding reimbursement and closeout have been completed.



Segment: Raymond Avenue Grade Separation

Status: PROJECT COMPLETE

Contact: Jeff Mills, Capital Projects • (714) 560-5925

Summary: This project grade separated the local street from railroad tracks by building an underpass for vehicular traffic under the railroad crossing in the City of Fullerton. The City of Fullerton managed construction while OCTA provided construction oversight, public outreach, railroad coordination, and ROW support. Construction began on March 27, 2014, and the improvements opened to traffic on October 2, 2017. Construction acceptance was obtained in May 2018. OCTA turned over maintenance responsibilities to the City of Fullerton and completed the one-year warranty on constructed items. Funding reimbursement and closeout have been completed.



Segment: State College Boulevard Grade Separation

Status: PROJECT COMPLETE

Contact: Jeff Mills, Capital Projects • (714) 560-5925

Summary: This project grade separated the local street from railroad tracks by building an underpass for vehicular traffic under the railroad crossing in the City of Fullerton. The City of Fullerton managed construction while OCTA provided construction oversight, public outreach, railroad coordination, and ROW support. Construction began on March 27, 2014, and the improvements opened to traffic on





STREETS AND ROADS

November 1, 2017. Construction acceptance was obtained in March 2018. OCTA turned over maintenance responsibilities to the City of Fullerton and completed the one-year warranty on constructed items. Funding reimbursement and closeout have been completed.

Segment: Tustin Avenue/Rose Drive Grade Separation

Status: PROJECT COMPLETE

Contact: Jeff Mills, Capital Projects • (714) 560-5925



Summary: This project grade separated the local street from railroad tracks by building a bridge over the railroad crossing for vehicular traffic in the cities of Anaheim and Placentia. Construction began on April 22, 2013, and the improvements opened to traffic on December 7, 2015. Construction acceptance was obtained in October 2016. OCTA turned over maintenance responsibilities to the cities and extended the one-year warranty to November 2018 for some minor repair items. No additional issues or repairs were identified. Funding reimbursement and closeout have been completed.

PROJECT P

REGIONAL TRAFFIC SIGNAL SYNCHRONIZATION PROGRAM

Status: 15th Call Open

Contact: Anup Kulkarni, Planning • (714) 560-5867

Summary: This program provides funding and assistance to implement multi-agency signal synchronization. The target of the program is to regularly coordinate a network of over 2,000 signalized intersections along 750 miles of roadway within Orange County. OCTA also leverages external funding to further enhance the efficiency of the street grid and reduce travel delays.

To date, OCTA and local agencies have synchronized 3,705 intersections over 954 miles of streets (107 completed projects). Through 14 calls, 117 projects⁷ totaling approximately \$150.3 million have been awarded. Overall, OCTA has funded 137 projects⁷ totaling nearly \$184.8 million, including \$40.1 million in leveraged external funding. On August 12, 2024, the Board approved the release of the 15th call. Applications for the call are due on October 24, 2024. Based upon the project selection criteria in the CTFP guidelines, projects will be prioritized for Board consideration in spring 2025.

In parallel with the annual call, OCTA is leading the Countywide Signal Synchronization Baseline Project. The project aims to develop and implement a countywide signal synchronization network for Orange County and will consist of approximately 2,500 retimed signals along regionally significant corridors to ensure seamless travel across the County. Initial kick-off meetings with participating agencies began in June 2024 with data collection currently underway. An update on the project is anticipated to be presented to the Board in fall 2024. While this innovative project is entirely externally funded, the results will benefit and shape the future of the M2 Regional Traffic Signal Synchronization Program.

⁷ To date, three projects totaling approximately \$1.6 million have been cancelled by the awarded local jurisdictions.



STREETS AND ROADS

PROJECT Q

LOCAL FAIR SHARE

Status: Ongoing

Contact: Sean Murdock, Finance • (714) 560-5685

Summary: To help cities and the County of Orange keep up with the rising cost of repairing the aging street system, this program provides flexible funding intended to augment, not replace, existing transportation expenditures by the cities and the County. On a bimonthly basis, 18 percent of net revenues are allocated by formula. Since 2011, more than \$747.9 million^{8,9} in LFS payments have been provided to local jurisdictions, of which approximately \$11.6 million^{8,9} was provided this quarter.

For more details, see funding allocation by local agency on [pages 51-52](#).

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

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



PROJECT R

HIGH FREQUENCY METROLINK SERVICE

Project R aims to increase rail services within the County and provide additional Metrolink service north of the City of Fullerton to the Los Angeles County Line. The program provides for track improvements, the addition of trains and parking capacity, upgraded stations, and safety enhancements to allow cities to establish quiet zones along the tracks. This program also includes funding for grade crossing improvements at high-volume arterial streets, which cross Metrolink tracks.

Project: Metrolink Grade Crossing Improvements

Status: PROJECT COMPLETE

Contact: Megan Taylor, Operations • (714) 560-5601

Summary: Enhancements at 50 of the designated 52 Orange County at-grade rail-highway crossings were completed in support of the Metrolink Service Expansion Program (MSEP) in October 2012. As a result of one private crossing, which did not allow OCTA to make enhancements, and one street closure, which eliminated the need for enhancements, the final count of enhanced rail-highway crossings was 50. Completion of the safety improvements provided each corridor city with the opportunity to establish a “quiet zone” at their respective crossings. Quiet zones are intended to prohibit the sounding of train horns through designated crossings, except in the case of emergencies, construction work, or safety concerns identified by the train engineer. The cities of Anaheim, Dana Point, Irvine, Orange, San Clemente, San Juan Capistrano, Santa Ana, and Tustin have established quiet zones within their communities.



Project: Metrolink Service Expansion Program

Status: PROJECT COMPLETE

Contact: Megan Taylor, Operations • (714) 560-5601

Summary: Following the completion of the MSEP improvements in 2012, OCTA deployed a total of ten new Metrolink intracounty trains operating between the cities of Fullerton and Laguna Niguel/Mission Viejo, primarily during the midday and evening hours.



In October 2019, several intracounty trains were extended to Los Angeles County to increase ridership through a redeployment of the trains without significantly impacting operating costs. Due to the COVID-19 pandemic, the three lines serving Orange County currently operate 45 weekday trains, 17 percent less service compared to the 54 weekday trains prior to COVID-19 related service reductions. During the quarter, ridership recovery for the three lines combined continued to trend positively. While total boardings for the quarter are 46 percent lower compared to the same quarter of FY 2019-20 (used as a pre-pandemic data set), they are approximately 27 percent higher than the same quarter in FY 2023-24. Despite ongoing ridership recovery, Metrolink ridership continues to struggle to recover pre-pandemic ridership, affecting farebox recovery. To exacerbate this shortfall, operating costs have also increased. The 2023 Next 10 Plan cashflow included the assumption of TIRCP formula funds to help sustain Metrolink operations through FY 2037-38. Metrolink is anticipated to implement a new pilot train



schedule which offers increased frequency, better connections, and increased service during weekdays in October 2024. This will increase the number of trains from 45 weekday trains to 58 weekday trains. This optimized schedule aims to address service gaps and make the most efficient use of equipment and crews as Metrolink adjusts the focus from commuter rail to regional rail in an effort to broaden their market and increase ridership. OCTA will continue to actively engage with Metrolink and the other member agencies to monitor ridership levels and the corresponding financial impacts to M2.

Rail Corridor and Station Improvements

Additionally, under MSEP, funding is provided for rail line and station improvements to accommodate increased service. Rail station parking lot expansions and better access to platforms, among other improvements have been made or are underway. For schedule information on station improvement projects, please see the CAP on [pages 53-57](#).

Project: Anaheim Canyon Metrolink Station Improvements

Status: PROJECT COMPLETE

Contact: Jim Beil, Capital Programs • (714) 560-5646

Summary: This project added a second main track and passenger platform, extended the existing passenger platform, added improvements to at-grade crossings for pedestrian circulation, and installed new station amenities including benches, shade structures, and ticket vending machines. The improvements were completed on January 30, 2023.



Project: Fullerton Transportation Center Improvements

Status: PROJECT COMPLETE

Contact: Jim Beil, Capital Programs • (714) 560-5646

Summary: Completed early on, this project constructed a new five-level parking structure to provide additional transit parking at the Fullerton Transportation Center for both intercity rail service and commuter rail passengers. Construction on this city-led project began on October 18, 2010, and the improvements were completed on June 19, 2012. After completion, an elevator upgrade project was initiated with leftover savings. The elevator project modified the existing pedestrian bridge to add two new traction elevators, one on each side. The City of Fullerton was the lead on this project, which was completed on May 1, 2019.



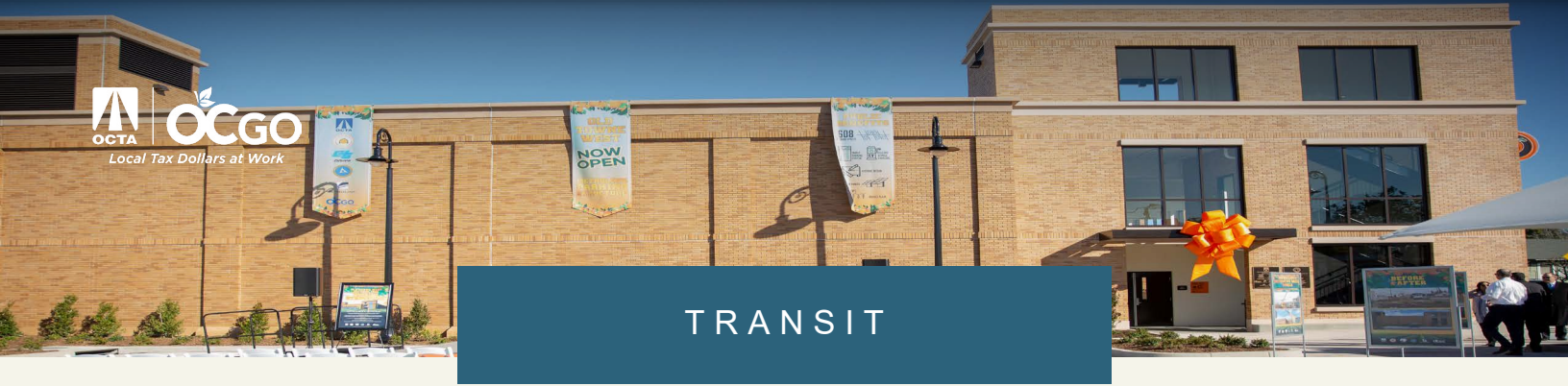
Project: Laguna Niguel/Mission Viejo Metrolink Station Americans with Disabilities Act (ADA) Ramps

Status: PROJECT COMPLETE

Contact: Jim Beil, Capital Programs • (714) 560-5646

Summary: This project added new ADA-compliant access ramps on either side of the pedestrian undercrossing and a unisex ADA-compliant restroom, vending machine room, and three passenger canopies. Construction began on February 23, 2016, and the improvements were completed on September 20, 2017.





TRANSIT

Project: Orange Transportation Center Metrolink Parking Structure

Status: PROJECT COMPLETE

Contact: Jim Beil, Capital Programs • (714) 560-5646

Summary: This project constructed a 608-space, five-level, shared-use parking structure that is located on Lemon Street between Chapman Avenue and Maple Street in the City of Orange. Per a cooperative agreement between OCTA and the City of Orange, the City of Orange led the design phase, and OCTA led the construction phase of the project. Construction began on July 17, 2017, and the improvements were completed on February 15, 2019.



Project: New Placentia Metrolink Station and Parking Structure

Status: Design Complete; Ready for Advertisement subject to BNSF construction and maintenance (C&M) agreement

Contact: Jim Beil, Capital Programs • (714) 560-5646

Summary: This project will construct a new Metrolink station to include platforms, parking, a new bus stop, and passenger amenities in the City of Placentia. Plans for the proposed Placentia Metrolink Station Project were near completion when the City of Placentia requested to modify them to include a parking structure to be built where surface parking had been designed. On June 27, 2016, the Board approved a cooperative agreement with the City of Placentia that revised the project's scope and budget, and with the changes, the City of Placentia will contribute towards the cost. The project will also include a third track which should assist with the on-time performance of train operations and provide operational flexibility for both freight and passenger trains. OCTA is the lead agency for the design and construction and BNSF will be the lead on rail construction. The final design was completed on July 22, 2017. The project will be ready to advertise once a C&M agreement with BNSF is in place.

Project: San Clemente Pier Station Lighting

Status: PROJECT COMPLETE

Contact: Jim Beil, Capital Programs • (714) 560-5646

Summary: This OCTA-led project added lighting to the existing platform and new decorative handrails at the San Clemente Pier Station in the City of San Clemente. The improvements were completed on March 17, 2017, and project closeout was completed in the same month.



Additional Rail Corridor Improvements

In September 2021, a failing slope severely degraded the railroad track structure in the City of San Clemente in the Cyprus Shore area south of the San Clemente Pier [Mile Post (MP) 206.8]. Emergency repair efforts were taken between late 2021 and early 2022. However, higher tidal events coupled with the movement of an ancient slide impacted the stability of the track, leading to a suspension of rail service. The Board adopted a resolution in October 2022 to authorize OCTA to take all necessary actions to address the emergency need for railroad track stabilization. The repairs for this phase of the work were funded by the commuter rail fund and some State emergency funds. Emergency work to stabilize the railroad track was sufficiently completed to allow full passenger rail service resumption on April 17, 2023. The track stabilization efforts were substantially completed on August 11, 2023.



TRANSIT

During this time, a hillside owned by the City of San Clemente at the Casa Romantica Cultural Center and Gardens (MP 204.6) failed and continued to move incrementally. Landslide debris continued to crumble down the slope and foul the tracks owned by OCTA, which led to the suspension of all passenger rail services in the City of San Clemente and south Orange County on April 27, 2023. On June 26, 2023, the Board adopted a resolution to authorize OCTA to take all necessary actions to address the emergency need for railroad track protection. A temporary barrier wall at the bottom of the slope was constructed to protect the railroad track while the City of San Clemente continued construction of the long-term slope stabilization repairs. The temporary barrier wall construction was completed on July 17, 2023, allowing service to resume through the City of San Clemente. The total cost of the project is estimated to be \$6 million, of which \$3 million is funded by the California Transportation Commission with State Interregional Transportation Improvement Program (ITIP) funds. OCTA continues to work with partners to seek additional funding as needed.

On January 24, 2024, landslide movement caused debris from the hillside slope along the Mariposa Trail Bridge (Mariposa Point [MP 204.2]) in the City of San Clemente to fall onto the ROW and railroad tracks, including dislodging two spans of the city-owned pedestrian bridge. As a result, all rail movement was suspended. Metrolink began the initial emergency clearing and cleanup operation in an attempt to resume rail service as soon as possible. This work included removing the two damaged bridge spans, regrading the landslide debris, and clearing debris from the tracks. This initial emergency mitigation effort of \$2 million dollars was funded by the State's emergency ITIP funds. Subsequently following the initial emergency mitigation efforts, the regraded hillside continued to experience movement and it was determined that a catchment wall needed to be designed and constructed to allow rail service to resume. Metrolink contracted with a design-build contractor to design and construct a 200-foot catchment wall at the toe of the landslide to prevent further landslide debris from impacting the rail operations. The second emergency mitigation efforts were completed on March 24, 2024, and allowed full passenger service to resume on March 25, 2024. These efforts cost \$7.2 million dollars and were also funded by the State's ITIP funds.

A comprehensive plan to integrate engineering and sand nourishment solutions is underway to protect the coastal segment of the rail corridor in south Orange County in the immediate timeframe. In parallel, separate studies are also underway to evaluate potential near- and medium-term solutions to protect the corridor in place while long-term solutions, which may include relocation, to adapt the rail line to the changing environment are developed. OCTA is leading the effort on the near-term resiliency measures. The lead agency for the long-term study has not been identified. However, OCTA, in conjunction with other regional agencies, has requested the State assume a larger role in this effort. On September 9, 2024, the Board received an update on the initial conceptual solutions that identified sites recommended for monitoring and reinforcement within the coastal rail corridor in south Orange County. OCTA will remain an active participant in the process; future implications to M2 with respect to service levels or costs are unknown at this time.

Completed:

- Installation of the Control Point project at Fourth Street in the City of Santa Ana, which provided greater efficiency and reliability for passenger rail service
- Implementation of Positive Train Control system, which improves rail safety by monitoring and controlling train movement



TRANSIT

- Implementation of video surveillance systems at the Fullerton, Irvine, Laguna Niguel, Mission Viejo, Orange, Santa Ana, and Tustin stations
- Railroad ROW Slope Stabilization project at eight locations within the rail corridor to prevent future erosion and slope instability
- Replacement of detectable tiles and painted guidelines at six stations to meet the Federal Transit Administration (FTA) State of Good Repair requirement, enhance safety, and provide clear warnings to passengers
- Replacement of stairs at the Fullerton Transportation Center
- ROW acquisition to replace the San Juan Creek railroad bridge in the City of San Juan Capistrano, which will not preclude a future bicycle trail on the south end along the creek
- Emergency track stabilization in the City of San Clemente at Cyprus Shore, Casa Romantica, and Mariposa Point

Underway:

- Design of additional slope stabilization and drainage improvements in the cities of Lake Forest, Mission Viejo and Laguna Niguel
- Construction of the San Juan Creek railroad bridge replacement, led by Metrolink

Project: Sand Canyon Grade Separation

Status: PROJECT COMPLETE

Contact: Jim Beil, Capital Programs • (714) 560-5646

Summary: This project separated the local street from railroad tracks in the City of Irvine by constructing an underpass for vehicular traffic. Construction began on May 3, 2011, and the improvements opened to traffic on July 14, 2014. The project was completed, and construction acceptance was obtained from the City of Irvine on January 15, 2016. The project completed the one-year warranty period, and no repairs were identified. The project closed out in January 2017.



Project: Tustin Metrolink Station Parking Structure

Status: PROJECT COMPLETE

Contact: Jim Beil, Capital Programs • (714) 560-5646

Summary: This early completion project provided additional parking at the Tustin Metrolink Station to meet requirements associated with MSEP by constructing a new four-story parking structure with approximately 735 spaces and on-site surface parking. Construction on the parking structure began on October 27, 2010, and opened to the public on September 22, 2011.





TRANSIT

Project: Laguna Niguel to San Juan Capistrano Passing Siding Project

Status: PROJECT COMPLETE

Contact: Jim Beil, Capital Programs • (714) 560-5646

Summary: This project added a new passing siding railroad track (approximately 1.8 miles) adjacent to the existing mainline track, which enhanced the operational efficiency of passenger services within the LOSSAN rail corridor. Construction began on March 12, 2019, and the improvements were completed on November 17, 2020.



PROJECT S

TRANSIT EXTENSIONS TO METROLINK

To broaden the reach of Metrolink to other Orange County cities, communities, and activity centers, Project S includes a competitive program that allows cities to apply for funding to connect passengers to their final destination via transit extensions. There are currently two categories for this program: a fixed-guideway program (streetcar) and a rubber tire transit program.

Project: OC Streetcar

Status: Full Funding Grant Agreement Executed November 30, 2018; Construction Work Ongoing, All Eight Vehicles Completed, Preparations Underway for Start-Up

Contact: Jeff Mills, Rail • (714) 560-5925
Cleve Cleveland, Rail • (714) 560-5535

Summary: The OC Streetcar will serve the SARTC through Downtown Santa Ana, and the Civic Center to Harbor Boulevard in the City of Garden Grove. At the request of the two cities, OCTA is serving as the lead agency for the project. Construction on the project began on November 19, 2018.

Construction

Construction is approximately 88 percent complete. To date, the contractor completed the bridges over the Santa Ana River and Westminster Avenue, installed all tracks and OCS poles, completed all work at Sasser Park, and installed canopies, lighting, and customer information centers at all station platforms. During the quarter, the contractor continued installation of wires on OCS poles in the Pacific Electric ROW, street repairs at various locations, and continued platform and electrical systems work at several stations. In addition, interior work continued at the MSF with exterior paving completed.

Vehicles

All eight vehicles are complete and are stored together with spare parts and special tools at the vehicle manufacturer's facility. OCTA is in ongoing negotiations with the vehicle manufacturer regarding long-term storage estimates for the vehicles, vehicle warranty extension, and vehicle maintenance during storage.



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Operations

A comprehensive system integration test plan which outlines the process, timing, and personnel support needed to perform testing of the interface between the vehicle, mainline, and MSF was developed. The vehicle manufacturer conducted field reconnaissance and hazard identification along the alignment to assess operating conditions in preparation for start-up and testing. The California Public Utilities Commission (CPUC) continues to be actively engaged and participates in monthly meetings. On August 13, 2024, the CPUC conducted a site visit review of the segment between Harbor Boulevard and Raitt Street and submitted an activities report to OCTA with comments. Staff continues coordination with the City of Garden Grove on the operations and maintenance agreement.

Cost and Schedule

In April 2023, the Board approved a revised project budget of \$579,160,000. As previously reported to the Board, OCTA continues to report to the FTA the risk-adjusted revenue service date of August 2025. While staff continues to actively manage the contractor with advancing the project, construction and legal challenges continue to present risks. Staff, in coordination with the FTA, continue to assess the remaining schedule and cost risks, and is anticipated to provide an update to the Board regarding this effort in late 2024.

Project: Bus and Station Van Extension Projects

Status: Last Service Completed on June 30, 2020; No Future Calls Anticipated

Contact: Charvalen Alacar, Planning • (714) 560-5401

Summary: Bus and station van extension projects help enhance the frequency of service in the Metrolink corridor by linking communities within the central core of Orange County to commuter rail. To date, the Board has approved one round of funding for bus and van extension projects, totaling over \$732,000. On July 23, 2012, the Board approved funding for one project in the City of Anaheim and three projects in the City of Lake Forest. The City of Lake Forest has cancelled all three projects. The Anaheim Canyon Metrolink Station Bus Connection project provided service between the Anaheim Canyon Metrolink station and the Anaheim Resort area; this project was completed on June 30, 2020, under Project S. The service continues under a Project V grant and is subject to meeting minimum performance requirements as part of the Project V program.

PROJECT T

METROLINK GATEWAYS

Project: Anaheim Regional Transportation Intermodal Center

Status: PROJECT COMPLETE

Contact: George Olivo, Capital Programs • (714) 560-5872

Summary: This project constructed the ARTIC located at 2626 East Katella Avenue in the City of Anaheim. ARTIC is a major multimodal transportation hub serving commuters and residents in the City of Anaheim. In addition to OCTA buses and Metrolink trains, ARTIC provides transit connections to Pacific Surfliner Amtrak, Anaheim Resort Transit, shuttle and charter bus service, taxis, bicycles,





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other private transportation services available, and accommodates future high-speed rail trains. The City of Anaheim, which led the construction effort, began construction on September 24, 2012, and opened the facility to rail and bus service on December 6, 2014. This facility replaced the former Anaheim Metrolink Station that was located on the opposite side of the freeway in the Los Angeles Angels of Anaheim Stadium parking lot.

PROJECT U

EXPAND MOBILITY CHOICES FOR SENIORS AND PERSONS WITH DISABILITIES

Project U expands mobility choices for seniors and persons with disabilities, and includes the SMP, the SNEMT Program, and the Fare Stabilization Program. Since inception, approximately \$137 million^{10,11,12} in Project U funding has been provided under M2.

¹⁰ Payments are made every other month (January, March, May, July, September, and November). July payments are based on June accruals, and therefore counted as June payments. The amount totaled for one FY quarter either covers one or two payments, depending on the months that fall within that quarter.

¹¹ Only includes disbursed funds. On May 28, 2024, the Board determined the City of Buena Park ineligible to receive net M2 revenues for five years pursuant to Section 10.4 of the M2 Ordinance. Disbursements of M2 revenues have been suspended until the City of Buena Park reestablishes eligibility.

¹² Only includes disbursed funds. On May 28, 2024, the Board determined the City of Orange ineligible to receive net M2 revenues. Disbursements of net M2 revenues have been suspended until the City of Orange achieves compliance and the Board reconsiders the matter at a future meeting.

Project: Senior Mobility Program

Status: Ongoing

Contact: Jack Garate, Transit • (714) 560-5387

Summary: The SMP provides one percent of net M2 revenues to eligible local jurisdictions to provide transit services that best meet the needs of seniors living in their community. According to the SMP Funding and Policy Guidelines, M2 revenue is allocated to local jurisdictions proportionally, relative to the total county's senior population, by the residents aged 60 and above multiplied by available revenues. The remaining unallocated funds are distributed to the M2 Project U Fare Stabilization Program.

Since inception, nearly \$39.2 million^{11,12} has been provided to support approximately three million boardings for seniors traveling to medical appointments, nutrition programs, shopping destinations, and senior and community center activities. This quarter, approximately \$604,000^{10,11,12} was paid out to 30 of the 32 participating cities that are currently active.



TRANSIT

Project: Senior Non-Emergency Medical Transportation Program

Status: Ongoing

Contact: Jack Garate, Transit • (714) 560-5387

Summary: This program provides one percent of net M2 revenues to supplement existing countywide SNEMT services. Since inception, more than \$41.8 million has been allocated to support nearly 1.6 million SNEMT boardings¹³. This quarter, more than \$678,000¹⁴ in SNEMT funding was paid to the County of Orange.

¹³ The SNEMT program is operated by the County of Orange Office on Aging. Total boardings are calculated based on all services funded by M2 and the County of Orange.

¹⁴ Payments are made every other month (January, March, May, July, September, and November). July payments are based on June accruals, and therefore counted as June payments. The amount totaled for one FY quarter either covers one or two payments, depending on the months that fall within that quarter.

Project: Fare Stabilization Program

Status: Ongoing

Contact: Sean Murdock, Finance • (714) 560-5685

Summary: From 2011 to 2015, one percent of net M2 revenues was dedicated to stabilizing fares and providing fare discounts for bus services and specialized ACCESS services for seniors and persons with disabilities. Effective January 28, 2016, an amendment to the M2 Ordinance adjusted this amount to 1.47 percent of net M2 revenues to be dedicated to the Fare Stabilization Program.

More than \$997,000¹⁴ in revenue was allocated this quarter to support the Fare Stabilization Program. The amount of funding utilized each quarter varies based on ridership. During the quarter, based on more than 2.8 million program-related boardings recorded on fixed-route and ACCESS services, approximately \$790,000 was utilized. The senior and disabled boardings recorded are based on pass sales and ACCESS boardings figures. Since inception, approximately \$56 million has been allocated to support more than 155 million program-related boardings.

PROJECT V

COMMUNITY-BASED TRANSIT/CIRCULATORS

Status: Service Updates; Fifth Call Funding Recommendations Approved

Contact: Charvalen Alacar, Planning • (714) 560-5401

Summary: This program provides funding for local jurisdictions to develop local bus transit services, such as community-based circulators and shuttles, which complement regional bus and rail services to meet needs in areas not adequately served by regional transit. To date, through five calls, the Board has awarded 49 projects and ten planning studies totaling approximately \$96.1 million. This includes the



Board-approved funding recommendation for 13 projects totaling approximately \$42.4 million. Of the 49 transit circulator projects¹⁵, 18 are currently active, 14 are planned, 13 have been cancelled (primarily due to low ridership), and four have been completed.

On January 25, 2021, the Board approved changes to the Project V program guidelines to better support these key community services in a post-COVID-19 environment. Key revisions included modifying minimum performance standards and allowing for escalation in the subsidy per boarding and annual FY funding caps. Staff continued to work with local jurisdictions to update existing cooperative agreements to incorporate these programmatic changes.

OCTA receives ridership reports from local agencies on a regular basis to monitor the success of these services against performance measures adopted by the Board. Currently, all of these services are generally meeting the January 2021 modified performance metrics. The most recent Project V ridership report was presented to the Board on August 12, 2024. The next ridership report is anticipated to be presented to the Board in January 2025. Lessons learned from the success of implemented services are incorporated into recommendations for future funding guidelines and programming recommendations.

¹⁵ Includes reinstatement of the \$1.65 million award from the 2018 Project V call to the City of San Clemente for the existing San Clemente Rides ride-hailing service. The 2018 Project V award was cancelled by the Board on December 10, 2018, and reinstated on August 14, 2023, to correct for issues in the service model that were encountered during the pandemic.

PROJECT W

SAFE TRANSIT STOPS

- Status:** City-Initiated Improvements Underway or Completed
- Contact:** Charvalen Alacar, Planning • (714) 560-5401
- Summary:** This program provides funding for passenger amenities at the busiest transit stops across Orange County. Stop improvements are designed to ease transfers between bus lines and provide passenger amenities such as the installation of bus benches or seating, shelters, and lighting.

To date, through a competitive process, OCTA has issued three calls (July 2014, June 2019, and September 2020), which have awarded just over \$3.1 million to support improvements at 122 locations. Of the 122 projects, 59 have been completed, 53 are in various stages of implementation, and ten have been cancelled. Staff is reviewing M2 revenues and assessing the appropriate timing for the next call.

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PROJECT X

CLEAN UP HIGHWAY AND STREET RUNOFF THAT POLLUTES BEACHES

Project: Environmental Cleanup Program

Status: 14th Tier 1 Call and Third Tier 2 Call Applications Under Review

Contact: Dan Phu, Planning • (714) 560-5907

Summary: This program implements street and highway-related water quality improvement programs and projects that assist agencies countywide with federal Clean Water Act standards for urban runoff. It is intended to augment, not replace, existing transportation-related water quality expenditures and to emphasize high-impact capital improvements over local O&M costs. The ECAC is charged with making recommendations to the Board on the allocation of funds. These funds are allocated on a countywide, competitive basis to assist agencies in meeting the Clean Water Act standards for controlling transportation-related pollution.

The ECP is composed of a two-tiered funding process focusing on early priorities (Tier 1), and a second program designed to prepare for more comprehensive capital investments (Tier 2). All Orange County cities plus the County of Orange have received funding under this program. To date, there have been 13 rounds of funding under the Tier 1 grants program.

A total of 222 Tier 1 projects, amounting to more than \$36.5 million, have been awarded by the Board since 2011. Of the 222 projects, construction on 191 projects have been completed, 17 are in various stages of implementation, and 14 have been cancelled by the awarded agency. The 14th Tier 1 call was released in February 2024. Applications were received on April 25, 2024, and programming recommendations are anticipated in October 2024.

It is estimated that 69.5 million gallons of trash have been captured since the inception of the program, which equates to over 12,000 trash truck loads of garbage that could have been deposited in Orange County streams and waters. Over time, the volume of trash captured is expected to increase.

In addition, there have been two rounds of funding under the Tier 2 grants program. A total of 22 projects in the amount of \$27.89 million have been awarded by the Board since 2013. Of the 22 projects, construction on 18 projects have been completed and four projects have been cancelled by the awarded agency. It is estimated that Tier 2-funded projects, once fully functional, will have an annual groundwater recharge potential of approximately 157 million gallons of water from infiltration or through pumped and treated recharge facilities. The third Tier 2 call was released in February 2024. Applications were received on May 16, 2024, and programming recommendations are anticipated in October 2024.

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FREEWAY MITIGATION

Segment: Environmental Mitigation Program

Status: Biological Permits Issued and Conservation Plan in Place

Contact: Dan Phu, Planning • (714) 560-5907

Summary: Working in collaboration with the United States Fish and Wildlife Service and CDFW (referred to as Wildlife Agencies), this program allocates funds to acquire land and fund habitat restoration projects to offset the environmental impacts of M2 freeway projects. In June 2017, OCTA received biological resource permits after completing a state and federal Conservation Plan. This Conservation Plan commits to protecting the natural habitat and wildlife on OCTA's Preserves, funding multiple habitat restoration projects, and minimizing impacts to resources during construction of M2 freeway projects, allowing streamlined project approvals for the M2 freeway projects with little additional coordination from the Wildlife Agencies. This program represents the culmination of years of collaboration and support by the Board, environmental community, and Wildlife Agencies. The OCTA Conservation Plan is unique, as it is only the second state/federal conservation plan approved in Orange County.

The Conservation Plan includes a streamlined process for coordination for streambed alteration agreements for portions of freeway projects that cross through streams and riverbeds. In 2017, the United States Army Corps of Engineers issued a programmatic permit to OCTA and Caltrans (as owner/operator of the state highway system). The State Board provided a letter to OCTA in 2018, which further secured assurances related to advanced mitigation and freeway project permit issuance. These efforts are the result of years of collaboration and constitute another groundbreaking milestone for the M2 EMP.

The Board has approved the acquisition of seven properties (Preserves) totaling 1,300 acres and 12 restoration projects totaling 350 acres. The restoration project plans have been approved by the Wildlife Agencies and the implementation of these projects are in various stages. To date, six restoration projects (one of these projects had two distinct areas) have been completed and have been approved by the Wildlife Agencies. The Board authorized \$42 million (inclusive of setting aside funds for long-term land management) for property acquisitions, \$10.5 million to fund habitat restoration activities, and \$2.5 million for conservation plan development and program support, for a total of approximately \$55 million.

The Conservation Plan requires the establishment of an endowment to fund the long-term management of the Preserves. The most recent Board-adopted 2023 Next 10 Plan confirms that OCTA will be able to continue endowment deposits of \$2.9 million annually. To date, OCTA has made nine endowment deposits. The latest endowment balance through September 30, 2024, was \$32,759,657, which is above the target of \$31,393,728 for the first quarter of FY 2024-25. Based on the performance to date, current projections indicate that OCTA still remains on track to meet the endowment target of \$46.2 million in FY 2027-28; however, the performance of the endowment fund may affect the timeframe. The next report summarizing the status of the endowment is anticipated to be presented to the Board in December 2024. Staff will continue to oversee and provide endowment updates to the Board, Finance and Administration (F&A) Committee and the Environmental Oversight Committee (EOC) on a regular basis.



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Resource management plans (RMP) for the Preserves were completed in 2018. These RMPs guide the management of the Preserves as outlined within the Conservation Plan. The RMPs will be reviewed and updated as necessary, approximately every five years. A consultant is currently working on updating the RMPs. Updates are anticipated to include new figures depicting more recent plant and animal species information, documentation of completed management tasks, potential new tasks identified, and the incorporation of the recently completed FMPs. All revisions will be coordinated with the Wildlife Agencies, shared with the EOC, and posted on OCTA's website. Staff will continue to oversee and manage the Preserves until a long-term manager(s) is established.

Conservation Plan reports are completed annually. These reports include the tracking of impacts associated with covered freeway improvement projects, other management and monitoring activities on Preserves, status and activities, the progress of the restoration projects, plan administration, and public outreach activities. Annual reports document that OCTA's activities were in compliance and on target with the Conservation Plan commitments and are reviewed by the Wildlife Agencies before they are available for public review. The annual report documenting the 2023 calendar year activities was reviewed by the Wildlife Agencies and is anticipated to be shared with the EOC and Board in late-2024.

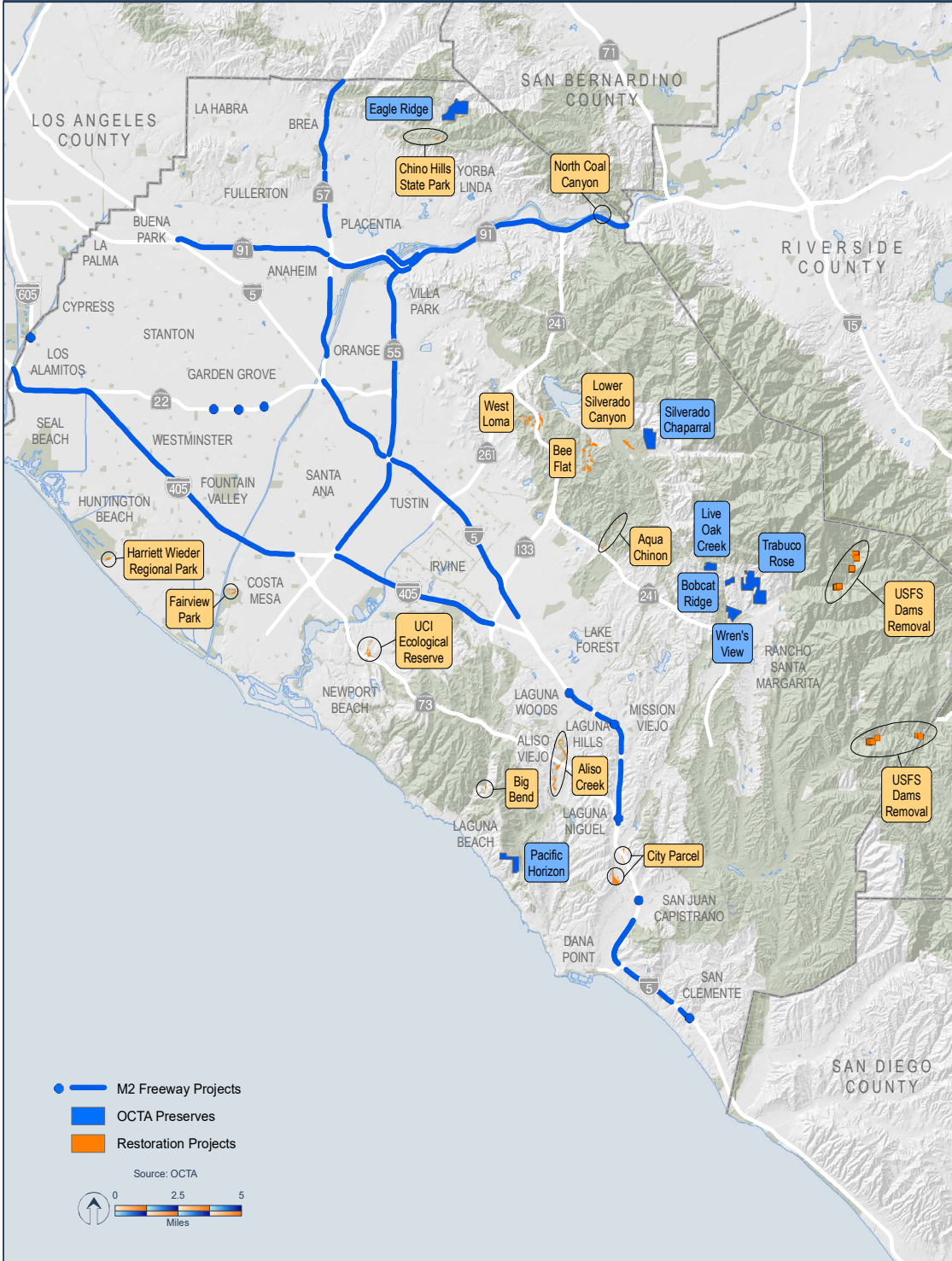
The EMP accomplishments have largely met the intent of the program. These efforts are the result of years of positive collaboration between OCTA and the aforementioned agencies, stakeholders, and the public. The success of this program has been recognized at the regional and national level. Through these efforts, pre-negotiated permit terms have helped streamline project implementation and reduce the required mitigation needs. Without the EMP's established process, additional mitigation-related requirements could have been incurred, resulting in increased project costs and schedule risks. The established permits and partnerships have also enabled swift response to other OCTA project needs.

Docent-led hikes and equestrian ride tours are offered throughout the year at various OCTA Preserves. The 2024 hike and ride schedule is available at www.PreservingOurLegacy.org.

As part of the safeguards in place for the M2 Program, a 12-member EOC makes recommendations on the allocation of environmental freeway mitigation funds and monitors the implementation of the Conservation Plan between OCTA and state and federal Wildlife Agencies. The EOC has led efforts with policy recommendations to the Board and has operated in an open and transparent manner which has garnered the trust of stakeholders, ranging from the environmental community to the recreational community to Orange County citizens. See the map of Preserves and funded restoration properties on the following page.

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OCTA Preserves and Funded Restoration Projects





PROGRAM MANAGEMENT

PROGRAM MANAGEMENT OFFICE

Contact: Francesca Ching, PMO Manager • (714) 560-5625

The M2 PMO provides inter-divisional coordination for all Measure M-related projects and programs. To ensure agency-wide compliance, the PMO holds a bimonthly committee meeting comprised of executive directors and key staff from each of the divisions, who meet to review significant issues and activities within the M2 programs. This quarter, the focus of the PMO has been on several major items, including the following:

Market Conditions Forecast and Risk Analysis

On September 11, 2017, the Board was presented with a Next 10 Plan Market Conditions Forecast and Risk Analysis Report conducted by Dr. Wallace Walrod and Dr. Marlon Boarnet through a contract with the Orange County Business Council. The consultant team's analysis identified strong potential for OCTA to experience an increasing cost environment during the Next 10 Plan delivery years. This, coupled with a reduction in revenue, could present the potential for significant challenges in the delivery of M2 and the Next 10 Plan.

The Board directed staff to continue to work with the consultant team to monitor and track key early warning indicators and provide the Board with updates in a timeline consistent with updates on the M2 sales tax revenue forecast. The consultant team continues to analyze trends in material costs, labor costs, and general economic conditions to determine a range of potential cost impacts providing insight on OCTA's capital program twice a year.

During the quarter, the consultant team completed the update to the forecasting model and shared with staff the results. The analysis identified that OCTA may experience a tempering of inflationary pressures in 2025, 2026, and 2027, and a softening macroeconomy. This is due to a decline in residential building permits, an increase in California unemployment rates, and an increase in the cost of construction materials and labor. The updated market conditions forecast is anticipated to be presented to the Board in October 2024, and information from this analysis will be incorporated into the M2 cash flow for the 2024 update of the Next 10 Plan.

Next 10 Delivery Plan

On November 14, 2016, the Board adopted the Next 10 Plan, which provides guidance on the delivery of M2 projects and programs between FY 2016-17 and FY 2025-26. In December 2020, the Board approved to shift the timeframe to FY 2020-21 through FY 2029-30. The intent is for the Next 10 Plan to be a living document with delivery timeframes shifted every two years to ensure revenue and project information stay current. The PMO monitors progress on the ten deliverables identified in the Next 10 Plan and provides status updates.

Annually, OCTA reviews the Next 10 Plan and M2 program assumptions based on changes to the revenue forecast and updated project cost and schedules. On November 13, 2023, the Board approved the 2023 Next 10 Plan, which spans FY 2022-23 to FY 2031-32. The 2023 update of the Next 10 Plan incorporated an updated sales tax revenue forecast of \$14.8 billion (supplemented with external revenue – Federal,



PROGRAM MANAGEMENT

State, and local dollars), insight from the updated construction market forecast, current programmed external revenues, revised bonding assumptions, and refined project information. Through this process, staff confirms that the M2 Program remains deliverable; however, this update continues to emphasize that Metrolink operations requires close monitoring. The next review of the Next 10 Plan is underway and is anticipated to be presented to the Board in November 2024.

M2 Performance Assessment

The M2 Ordinance includes a requirement for a performance assessment to be conducted at least once every three years to evaluate OCTA's efficiency and effectiveness in the delivery of M2 as committed to the voters. Five performance assessments have been completed covering FY 2006-07 through FY 2008-09, FY 2009-10 through FY 2011-12, FY 2012-13 through FY 2014-15, FY 2015-16 through FY 2017-18, and FY 2018-19 through FY 2020-21. Findings and recommendations are implemented as appropriate. The sixth assessment began in July 2024 and covers the period between July 1, 2021, and June 30, 2024. During the quarter, the consultant held a kick-off meeting, began interviews with staff and external stakeholders, and started reviewing M2-related documents. Initial findings will be presented to staff in late 2024 and a final report is anticipated to be presented to the Board in early 2025.

M2 Ten-Year Review

The M2 Ordinance includes a provision to conduct a ten-year comprehensive review of M2 programs and projects. The ten-year review is intended to evaluate the performance of the overall program and may result in revisions to further improve performance. Due to the early initiation of project development activities prior to the start-up of revenue collection in 2011, the first review was completed in 2015. The second effort is underway. On September 23, 2024, staff held an M2 workshop for the Board which provided an overview of M2 and included the formative principles, comprehensive set of programs and projects, safeguards, progress made to date, and upcoming critical milestones. A proposed ten-year review framework is anticipated to be presented to the Board in October 2024.

M2 Ordinance Tracking Matrix

The M2 Ordinance includes numerous requirements that staff must follow to keep the commitment to Orange County voters through the passage of M2. The PMO annually updates the M2 Ordinance Tracking Matrix to verify that OCTA complies with all requirements detailed in the M2 Ordinance. The tracking matrix was finalized and shared with the Taxpayer Oversight Committee (TOC) on June 11, 2024. This document is for PMO tracking purposes, but is also helpful to TOC members during their annual compliance finding.

PMO M2 Tracking Tools

The PMO has developed several tracking tools to assist in reporting consistency and increased transparency of the M2 program. See the following for a brief explanation of PMO M2 tracking tools and their current status:

Local Jurisdiction Fact Sheets

Fact sheets have been created for the County of Orange and each of Orange County's 34 cities. The city fact sheets provide data on transportation and transit projects (funded through M2, state, and federal

PROGRAM MANAGEMENT

grants) in a format that emphasizes key points concisely on a single printed page. The city fact sheets are utilized when speaking with the jurisdictions to provide a summary overview of how OCTA has provided the local agency with funding (M2 and other) and transportation improvements. The update of the city fact sheets through June 30, 2024, is underway and is anticipated to be complete in October 2024.

Engineer's Estimate versus Bids Tracking

The estimate versus bid tracking process allows the PMO to monitor the bidding environment for capital projects in the M2 Program. Capital projects that were planned for and began construction early in the M2 Program have shown cost savings due to a favorable bidding environment during the recession. For these earlier M2 projects, savings can be primarily traced back to construction costs.

Highway project constructions bids in the region are reflecting a variable market with a high number of bidders, but recent market conditions analyses have indicated that OCTA will experience an increasing cost environment related to increased demand for construction services, lack of labor resources, and increased construction material and labor costs. It should be noted that the engineer's estimate is based on several factors – such as bidding history and historical and current market rates (materials, labor, equipment, etc.) – and adjusted accordingly for the project's conditions. Because the estimate uses prior information, there may be a lag between an uptick or a downtick in the market.

The easterly segment of Project I (SR-91, SR-55 to Lakeview Avenue) was advertised on June 24, 2024. Following bid inquiries and addendums, bids are now anticipated to be opened in October 2024. Staff will continue to track the construction market and update the spreadsheet as appropriate.

M2 Administrative Safeguards

M2 includes a one percent cap on administrative expenses for salaries and benefits of OCTA administrative staff on an annual basis. In a legal opinion on M2, it was determined that in years where administrative salaries and benefits are above one percent, only one percent can be allocated with the difference borrowed from other non-M2 fund sources. Conversely, in years where administrative salaries and benefits are below one percent, OCTA can still allocate the full one percent for administrative salaries and benefits but may use the unused portion to repay the amount borrowed from prior years in which administrative salaries and benefits were above one percent.

Based on the original M2 revenue projections, OCTA expected to receive \$24.3 billion in M2 funds, with one percent of total revenues available to fund administrative salaries and benefits over the life of the program. As M2 revenue projections declined (\$14.8 billion or 39 percent lower as of December 31, 2023) because of economic conditions, the funds available to support administrative salaries and benefits have also declined from the original expectations. While revenue has declined, the administrative effort needed to deliver M2 remains the same. Additionally, the initiation of the Early Action Plan (EAP) in 2007 required administrative functions four years prior to revenue collection. While the EAP resulted in project savings and significant acceleration of the program, administrative functions were required during this time with associated administrative costs.



As a result of the aforementioned factors, OCTA has incurred higher than one percent administrative costs. OCTA has Board approval to use funds from the Orange County Unified Transportation Trust (OCUTT) fund to cover costs above the one percent, and to repay those funds with interest in future years when OCTA administrative costs fall below the one percent cap. OCTA has borrowed approximately \$5.3 million from OCUTT to date. As of June 30, 2024, the total borrowings to date from OCUTT along with accrued interest were paid off.

Staff meets quarterly to review all labor costs to ensure costs attributed to the one percent cap are accurately reported and that there are no misplaced project-related costs.

Taxpayer Oversight Committee

The M2 Ordinance requires a TOC to oversee compliance with the M2 Ordinance. With the exception of the elected Auditor Controller of Orange County, who is identified as the chair in the M2 Ordinance, all other members cannot be elected or appointed officials. Members are recruited and screened for expertise and experience independently by the Grand Jurors Association of Orange County and are selected from the qualified pool by lottery. The TOC used to meet every other month, but the TOC voted on April 11, 2023, to meet quarterly beginning in FY 2023-24. The responsibilities of the 11-member M2 TOC are to:

- Approve, by a vote of no less than two-thirds of all committee members, any amendments to the Plan proposed by OCTA which changes funding categories, programs, or projects identified on page 31 of the Plan
- Receive and review the following documents submitted by each eligible jurisdiction:
 - Congestion Management Program
 - Mitigation Fee Program
 - Expenditure Report
 - Local Traffic Signal Synchronization Plan
 - Pavement Management Plan
- Review yearly audits and hold an annual public hearing to determine whether OCTA is proceeding in accordance with the Plan
- Receive and review the triennial performance assessments of the Orange County Local Transportation Authority to assess the performance of OCTA in carrying out the purposes of the Ordinance
- The TOC Chair shall annually certify whether M2 funds have been spent in compliance with the Plan

On September 10, 2024, the TOC received presentations on the M2 Overview and EMP and received updates on the Finance Directors' Workshop and the M2 Performance Assessment.

Two subcommittees assist the TOC with their safeguard responsibilities: the Annual Eligibility Review (AER) Subcommittee and the Audit Subcommittee. The AER Subcommittee meets a few times per year, as needed, to receive and review the following documents submitted by local jurisdictions to be deemed eligible to receive M2 funding: Congestion Management Program, Mitigation Fee Program, Local Signal



PROGRAM MANAGEMENT

Synchronization Plan, Pavement Management Plan, and Expenditure Reports. The next meeting is anticipated to be held in November 2024. The Audit Subcommittee meets as needed and is responsible for reviewing the quarterly M2 Revenue and Expenditure Reports and the annual M2 Audit, as well as any other items related to M2 audits. The next meeting is anticipated to be held in December 2024.

M2 FINANCING AND SCHEDULE OF FUNDING

Contact: Sam Kaur, Revenue and Grants • (714) 560-5889

Revenue Forecast and Collection

OCTA contracts with three universities (Chapman University; California State University, Fullerton; and University of California, Los Angeles) to provide a long-range forecast of taxable sales to forecast M2 revenues for purposes of planning projects and program expenditures.

In the past, OCTA averaged the three university taxable sales projections to develop a long-range forecast of M2 taxable sales. On March 28, 2016, the Board approved a revised sales tax forecast methodology as part of the FY 2016-17 budget development process. This methodology includes a more conservative approach by utilizing the MuniServices, LLC forecast for the first five years and the three-university average for the remaining years.

The University of California, Los Angeles and Chapman University presented their sales tax forecasts to the F&A Committee in June 2024. During the quarter, the F&A Committee received sales tax forecast presentations from California State University, Fullerton on July 10, 2024, followed by MuniServices, LLC on August 14, 2024.

OCTA continuously monitors actual sales tax receipts, and revenue forecast information is updated quarterly based on the actual revenues received for the previous quarter. As required by law, OCTA pays the California Department of Tax and Fee Administration a fee to collect the sales tax. The M2 Ordinance estimated this fee to be 1.5 percent of the revenues collected over the life of the program.

Current Forecast

Originally, the 2005 projections for M2 sales tax collections were anticipated at \$24.3 billion. However, recent figures indicate a decrease, revising the expected total collections to \$14.8 billion, which is \$200 million less than the 2022 forecast.

Despite these financial challenges, OCTA remains in a strong position due to its reserve levels and assumed economic uncertainty forecasted within the program, which provide a financial cushion against the revenue shortfall. The agency is actively monitoring various factors, including inflation, interest rates, and demographic changes in Orange County to assess their potential impact on sales tax revenues. In light of the observed revenue decline and economic uncertainties, OCTA emphasizes the importance of robust fiscal management and proactive financial planning to maintain its financial health and ensure our commitment to promises made, promises kept.



The next updated forecast is anticipated to be presented to the Board in October 2024. As a reference, the budgeted growth rate is 2.6 percent for FY 2023-24 and the proposed budgeted growth rate is 3.3 percent for FY 2024-25.

FINANCING

Schedule of Revenues, Expenditures and Changes in Fund Balance as of September 30, 2024 (Unaudited) Schedule 1

(\$ in thousands)	Quarter Ended Sept 30, 2024	Year to Date Sept 30, 2024 (A)	Period from Inception to Sept 30, 2024 (B)
Revenues:			
Sales taxes	\$ 108,784	\$ 108,784	\$ 4,481,254
Other agencies' share of Measure M2 costs:			
Project related	1,648	1,648	862,072
Non-project related	-	-	454
Interest:			
Operating:			
Project related	1,072	1,072	8,175
Non-project related	8,790	8,790	122,057
Bond proceeds	754	754	101,700
Debt service	192	192	3,261
Commercial paper	-	-	393
Right-of-way leases			
Project related	133	133	1,850
Non-project related	-	-	17
Proceeds on sale of assets held for resale	-	-	13,428
Donated assets held for resale			
Project related	-	-	2,071
Miscellaneous:			
Project related	-	-	331
Non-project related	-	-	129
Total revenues	121,373	121,373	5,597,192
Expenditures:			
Supplies and services:			
Sales tax administration fees	770	770	43,002
Professional services:			
Project related	1,995	1,995	581,568
Non-project related	36	36	39,902
Administration costs:			
Project related	3,349	3,349	133,959
Non-project related:			
Salaries and Benefits	1,176	1,176	46,033
Other	2,196	2,196	78,433
Other:			
Project related	38	38	6,824
Non-project related	24	24	5,486
Payments to local agencies:			
Project related	17,868	17,868	1,446,218
Capital outlay:			
Project related	4,114	4,114	2,405,510
Non-project related	-	-	31
Debt service:			
Principal payments on long-term debt	-	-	116,405
Interest on long-term debt and commercial paper	16,453	16,453	369,981
Total expenditures	48,019	48,019	5,273,352
Excess (deficiency) of revenues over (under) expenditures	73,354	73,354	323,840
Other financing sources (uses):			
Transfers out:			
Project related	50,295	50,295	(685,610)
Transfers in:			
Project related	575	575	364,963
Bond proceeds	-	-	804,625
Payment to refunded bond escrow agent	-	-	(45,062)
Total other financing sources (uses)	50,870	50,870	438,916
Excess (deficiency) of revenues over (under) expenditures and other sources (uses)	\$ 124,224	\$ 124,224	\$ 762,756

FINANCING

Schedule of Revenues, Expenditures and Changes in Fund Balance as of September 30, 2024 (Unaudited) Schedule 2

<i>(\$ in thousands)</i>	Quarter Ended Sept 30, 2024 (actual)	Year to Date Sept 30, 2024 (actual) <i>(C.1)</i>	Period from Inception through Sept 30, 2024 (actual) <i>(D.1)</i>	Period from October 1, 2024 through March 31, 2041 (forecast) <i>(E.1)</i>	Total <i>(F.1)</i>
Revenues:					
Sales taxes	\$ 108,784	\$ 108,784	\$ 4,481,254	\$ 9,471,205	\$ 13,952,459
Operating interest	8,790	8,790	122,057	664,103	786,160
Subtotal	<u>117,574</u>	<u>117,574</u>	<u>4,603,311</u>	<u>10,135,308</u>	<u>14,738,619</u>
Other agencies share of M2 costs	-	-	454	-	454
Right-of-way leases	-	-	17	-	17
Miscellaneous	-	-	129	-	129
Total revenues	<u>117,574</u>	<u>117,574</u>	<u>4,603,911</u>	<u>10,135,308</u>	<u>14,739,219</u>
Administrative expenditures:					
Sales tax administration fees	770	770	43,002	73,205	116,207
Professional services	36	36	36,127	86,349	122,476
Administration costs:					
Salaries and Benefits	1,176	1,176	46,033	97,165	143,198
Other	2,196	2,196	78,433	165,137	243,570
Other	24	24	2,466	11,829	14,295
Capital outlay	-	-	31	-	31
Environmental cleanup	72	72	52,141	189,394	241,535
Total expenditures	<u>4,274</u>	<u>4,274</u>	<u>258,233</u>	<u>623,079</u>	<u>881,312</u>
Net revenues	<u>\$ 113,300</u>	<u>\$ 113,300</u>	<u>\$ 4,345,678</u>	<u>\$ 9,512,229</u>	<u>\$ 13,857,907</u>
<hr/>					
<i>(C.2) (D.2) (E.2) (F.2)</i>					
Financing expenditures:					
Debt interest expense	16,453	16,453	369,981	323,924	693,905
Professional services	-	-	3,775	-	3,775
Other	-	-	3,020	-	3,020
Total financing expenditures	<u>16,453</u>	<u>16,453</u>	<u>376,776</u>	<u>323,924</u>	<u>700,700</u>
Interest revenue:					
Interest revenue from bond proceeds	754	754	101,700	56,498	158,198
Interest revenue from debt service funds	192	192	3,261	4,696	7,957
Interest revenue from commercial paper	-	-	393	-	393
Total bond revenues	<u>946</u>	<u>946</u>	<u>105,354</u>	<u>61,194</u>	<u>166,548</u>
Net financing expenditures:	<u>\$ 15,507</u>	<u>\$ 15,507</u>	<u>\$ 271,422</u>	<u>\$ 262,730</u>	<u>\$ 534,152</u>

FINANCING

Schedule of Revenues, Expenditures and Changes in Fund Balance as of September 30, 2024 (Unaudited) Schedule 3

Project	Description	Total Net Revenues Inception to March 31, 2041 (actual) + (forecast)	Net Revenues Inception to Sept 30, 2024 (actual)	Expenditures Inception to Sept 30, 2024 (actual)	Reimbursements Inception to Sept 30, 2024 (actual)	(J) - (K) = (L) Net M2 Cost Inception to Sept 30, 2024 (actual)
(G)		(H)	(I)	(J)	(K)	(L)
(\$ in thousands)						
Freeways (43% of Net Revenues)						
A	I-5 Santa Ana Freeway Interchange Improvements	\$ 546,211	\$ 171,285	\$ 10,908	\$ 8,786	\$ 2,122
B	I-5 Santa Ana/SR-55 to El Toro	348,878	109,404	37,785	22,544	15,241
C	I-5 San Diego/South of El Toro	728,669	228,502	416,994	53,041	363,953
D	I-5 Santa Ana/San Diego Interchange Upgrades	299,835	94,025	3,186	527	2,659
E	SR-22 Garden Grove Freeway Access Improvements	139,458	43,732	5	-	5
F	SR-55 Costa Mesa Freeway Improvements	425,347	133,384	128,563	49,260	79,303
G	SR-57 Orange Freeway Improvements	300,649	94,280	59,015	15,069	43,946
H	SR-91 Improvements from I-5 to SR-57	162,701	51,021	34,961	824	34,137
I	SR-91 Improvements from SR-57 to SR-55	484,036	151,788	72,682	69,959	2,723
J	SR-91 Improvements from SR-55 to County Line	409,310	128,355	18,583	17,094	1,489
K	I-405 Improvements between I-605 to SR-55	1,246,755	390,967	1,689,035	303,425	1,385,610
L	I-405 Improvements between SR-55 to I-5	371,540	116,511	9,249	6,954	2,295
M	I-605 Freeway Access Improvements	23,243	7,289	8,601	16	8,585
N	All Freeway Service Patrol	174,323	54,666	11,960	-	11,960
	Freeway Mitigation	297,945	93,432	62,612	9,021	53,591
	Subtotal Projects	5,958,900	1,868,641	2,564,139	556,520	2,007,619
	Net Finance Expenditures	-	-	186,305	-	186,305
	Total Freeways	\$ 5,958,900	\$ 1,868,641	\$ 2,750,444	\$ 556,520	\$ 2,193,924
	%					51.9%
Street and Roads Projects (32% of Net Revenues)						
O	Regional Capacity Program	\$ 1,385,808	\$ 434,573	\$ 821,860	\$ 507,884	\$ 313,976
P	Regional Traffic Signal Synchronization Program	554,299	173,822	120,910	23,338	97,572
Q	Local Fair Share Program	2,494,423	782,222	754,547	77	754,470
	Subtotal Projects	4,434,530	1,390,617	1,697,317	531,299	1,166,018
	Net Finance Expenditures	-	-	54,588	-	54,588
	Total Street and Roads Projects	\$ 4,434,530	\$ 1,390,617	\$ 1,751,905	\$ 531,299	\$ 1,220,606
	%					28.9%

FINANCING

Schedule of Revenues, Expenditures and Changes in Fund Balance as of September 30, 2024 (Unaudited) Schedule 3

Project	Description	Total Net Revenues Inception to March 31, 2041 (actual) + (forecast)	Net Revenues Inception to Sept 30, 2024 (actual)	Expenditures Inception to Sept 30, 2024 (actual)	Reimbursements Inception to Sept 30, 2024 (actual)	(J) - (K) = (L) Net M2 Cost Inception to Sept 30, 2024 (actual)
(G)		(H)	(I)	(J)	(K)	(L)
(\$ in thousands)						
Transit Projects (25% of Net Revenues)						
R	High Frequency Metrolink Service	\$ 1,382,121	\$ 420,828	\$ 463,896	\$ 99,559	\$ 364,337
S	Transit Extensions to Metrolink	1,223,332	383,623	221,018	2,133	218,885
T	Metrolink Gateways	70,831	40,567	98,220	60,956	37,264
U	Expand Mobility Choices for Seniors and Persons with Disabilities	480,525	144,920	139,755	88	139,667
V	Community Based Transit/Circulators	277,085	86,891	21,664	1,998	19,666
W	Safe Transit Stops	30,583	9,591	1,539	26	1,513
	Subtotal Projects	3,464,477	1,086,420	946,092	164,760	781,332
	Net Finance Expenditures	-	-	30,529	-	30,529
	Total Transit Projects	\$ 3,464,477	\$ 1,086,420	\$ 976,621	\$ 164,760	\$ 811,861
	%					19.2%
	Measure M2 Program	\$ 13,857,907	\$ 4,345,678	\$ 5,478,970	\$ 1,252,579	\$ 4,226,391
Project	Description	Total Net Revenues Inception to March 31, 2041 (actual) + (forecast)	Net Revenues Inception to Sept 30, 2024 (actual)	Expenditures Inception to Sept 30, 2024 (actual)	Reimbursements Inception to Sept 30, 2024 (actual)	Net M2 Cost Inception to Sept 30, 2024 (actual)
(G)		(H.1)	(I.1)	(J)	(K)	(L)
(\$ in thousands)						
Environmental Cleanup (2% of Revenues)						
X	Clean Up Highway and Street Runoff that Pollutes Beaches	\$ 294,772	\$ 92,066	\$ 52,141	\$ 311	\$ 51,830
	Net Finance Expenditures	-	-	-	-	-
	Total Environmental Cleanup	\$ 294,772	\$ 92,066	\$ 52,141	\$ 311	\$ 51,830
	%					1.1%
Taxpayer Safeguards and Audits						
	Collect Sales Taxes (1.5% of Sales Taxes)	\$ 209,287	\$ 67,219	\$ 43,002	\$ -	\$ 43,002
	%					1.0%
	Oversight and Annual Audits (1% of Revenues)	\$ 147,386	\$ 46,033	\$ 46,033	\$ (0)	\$ 46,033
	%					1.0%

LOCAL FAIR SHARE

M2 Funds		
ENTITY	1ST QUARTER FY 2024-25	FUNDS TO DATE
ALISO VIEJO	\$154,811	\$9,303,851
ANAHEIM	\$1,332,428	\$78,282,522
BREA	\$224,719	\$13,386,354
BUENA PARK	\$0*	\$20,145,666*
COSTA MESA	\$570,235	\$34,235,114
CYPRESS	\$194,684	\$12,233,185
DANA POINT	\$131,810	\$7,863,509
FOUNTAIN VALLEY	\$240,715	\$14,527,473
FULLERTON	\$509,497	\$30,644,855
GARDEN GROVE	\$576,236	\$34,895,841
HUNTINGTON BEACH	\$739,329	\$45,619,359
IRVINE	\$1,231,574	\$65,951,982
LAGUNA BEACH	\$95,916	\$5,920,312
LAGUNA HILLS	\$126,658	\$7,918,610
LAGUNA NIGUEL	\$253,131	\$15,561,430
LAGUNA WOODS	\$50,617	\$3,004,048
LA HABRA	\$204,110	\$12,434,880
LAKE FOREST	\$314,192	\$18,816,274
LA PALMA	\$53,869	\$3,621,011
LOS ALAMITOS	\$49,542	\$3,036,496
MISSION VIEJO	\$342,071	\$21,583,589
NEWPORT BEACH	\$408,210	\$25,664,178
ORANGE	\$0**	\$37,594,603**
PLACENTIA	\$184,233	\$10,903,531

LOCAL FAIR SHARE

M2 Funds		
ENTITY	1ST QUARTER FY 2024-25	FUNDS TO DATE
RANCHO SANTA MARGARITA	\$159,283	\$9,888,916
SAN CLEMENTE	\$218,991	\$13,317,770
SAN JUAN CAPISTRANO	\$147,617	\$8,937,076
SANTA ANA	\$1,026,618	\$64,418,057
SEAL BEACH	\$90,894	\$5,740,583
STANTON	\$117,752	\$7,013,827
TUSTIN	\$359,687	\$21,226,865
VILLA PARK	\$20,140	\$1,223,611
WESTMINSTER	\$314,696	\$19,848,876
YORBA LINDA	\$232,109	\$14,167,113
COUNTY UNINCORPORATED	\$928,198	\$49,007,411
TOTAL M2 FUNDS	\$11,604,572	\$747,938,777

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

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

Withheld funds are listed below.

ENTITY	1ST QUARTER FY 2024-25	FUNDS TO DATE
BUENA PARK	\$356,982	\$694,179
ORANGE	\$638,514	\$1,275,304
TOTAL M2 FUNDS WITHHELD	\$995,496	\$1,969,483

CAPITAL ACTION PLAN

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

Non-bolded = Planned/Baseline

Bold = Forecasted/Actual

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

*Status through September 2024. For detailed project information, please refer to the individual project section within this report.

CAPITAL ACTION PLAN

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

Non-bolded = Planned/Baseline

Bold = Forecasted/Actual

Capital Projects	Cost	Schedule			
	Baseline/Forecast	Plan/Forecast			
	(millions)	Complete Environmental	Complete Design	Award Contract	Complete Construction
I-5, I-5/Ortega Interchange	\$90.9	Jun-09	Nov-11	Aug-12	Sep-15
Project D	\$79.8	Jun-09	Dec-11	Aug-12	Jan-16
I-5, I-5/Ortega Interchange (Landscape)	N/A	N/A	N/A	N/A	N/A
Project D	N/A	N/A	Oct-14	Sep-15	Sep-16
SR-55, I-405 to I-5	\$410.9	Nov-13	Apr-20	May-22	Feb-27
Project F	\$505.7	Aug-17	Apr-20	May-22	Feb-27
SR-55, I-5 to SR-91	\$131.3	Jan-20	Jul-25	Jul-26	Oct-29
Project F	\$131.3	Mar-20	Jul-25	Jul-26	Oct-29
SR-57 Northbound (NB), Orangewood Avenue to Katella Avenue	\$71.8	Dec-18	Jul-24	Nov-25	Jun-28
Project G	\$135.4	Mar-19	Aug-24	Nov-25	Jun-28
SR-57 (NB), Katella Avenue to Lincoln Avenue	\$78.7	Jul-09	Nov-10	Aug-11	Sep-14
Project G	\$38.0	Nov-09	Dec-10	Oct-11	Apr-15
SR-57 (NB), Katella Avenue to Lincoln Avenue (Landscape)	N/A	N/A	N/A	N/A	N/A
Project G	N/A	N/A	Jul-10	Sep-17	Jun-18
SR-57 (NB), Orangethorpe Avenue to Yorba Linda Boulevard	\$80.2	Dec-07	Dec-09	Oct-10	May-14
Project G	\$52.3	Dec-07	Jul-09	Oct-10	Nov-14
SR-57 (NB), Yorba Linda Boulevard to Lambert Road	\$79.3	Dec-07	Dec-09	Oct-10	Sep-14
Project G	\$54.1	Dec-07	Jul-09	Oct-10	May-14
SR-57 (NB), Orangethorpe Avenue to Lambert Road (Landscape)	N/A	N/A	N/A	N/A	N/A
Project G	N/A	N/A	Aug-17	Feb-18	Apr-19
SR-57 (NB), Lambert Road to Tonner Canyon	TBD	TBD	TBD	TBD	TBD
Project G	TBD	Mar-29	TBD	TBD	TBD

*Status through September 2024. For detailed project information, please refer to the individual project section within this report.

CAPITAL ACTION PLAN

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

Non-bolded = Planned/Baseline

Bold = Forecasted/Actual

Capital Projects	Cost	Schedule			
	Baseline/Forecast	Plan/Forecast			
	(millions)	Complete Environmental	Complete Design	Award Contract	Complete Construction
SR-91 Westbound (WB), I-5 to SR-57	\$78.1	Apr-10	Feb-12	Nov-12	Apr-16
Project H	\$59.2	Jun-10	Apr-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
Project H	N/A	N/A	Aug-16	Mar-17	Nov-17
SR-91, SR-55 to Lakeview Avenue (Segment 1)	\$108.6	Oct-18	Jan-23	Feb-24	Sep-27
Project I	\$133.9	Jun-20	Mar-23	Nov-24	Aug-28
SR-91, La Palma Avenue to SR-55 (Segment 2)	\$208.4	Oct-18	Jul-23	Jul-24	Mar-28
Project I	\$208.4	Jun-20	Jan-25	Mar-26	Jul-30
SR-91, Acacia Street to La Palma Ave (Segment 3)	\$147.7	Oct-18	Apr-24	Apr-25	Sep-28
Project I	\$238.5	Jun-20	Oct-24	Dec-25	Jun-29
SR-91 (WB), Tustin Interchange to SR-55	\$49.9	Jul-11	Mar-13	Oct-13	Jul-16
Project I	\$42.5	May-11	Feb-13	Oct-13	Jul-16
SR-91, SR-55 to SR-241	\$128.4	Jul-09	Jan-11	Sep-11	Dec-12
Project J	\$79.7	Apr-09	Aug-10	May-11	Mar-13
SR-91, SR-55 to SR-241 (Landscape)	N/A	N/A	N/A	N/A	N/A
Project J	N/A	N/A	Feb-13	Oct-13	Feb-15
SR-91 Eastbound, SR-241 to SR-71	\$104.5	Dec-07	Dec-08	Jul-09	Nov-10
Project J	\$57.8	Dec-07	Dec-08	Aug-09	Jan-11
SR-91 EB Corridor Operations Project (SR-241 to SR-71)	TBD	N/A	N/A	N/A	N/A
Project J	TBD	Aug-25	TBD	TBD	TBD
I-405, SR-55 to I-605 (Design-Build)	\$2,160.0	Mar-13	Nov-15	Nov-16	Feb-24
Project K	\$2,160.0	May-15	Nov-15	Nov-16	Feb-24

*Status through September 2024. For detailed project information, please refer to the individual project section within this report.

CAPITAL ACTION PLAN

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
 Non-bolded = Planned/Baseline **Bold = Forecasted/Actual**

Capital Projects	Cost	Schedule			
	Baseline/Forecast	Plan/Forecast			
	(millions)	Complete Environmental	Complete Design	Award Contract	Complete Construction
I-405, I-5 to SR-55	TBD	Jul-18	TBD	TBD	TBD
Project L	TBD	Aug-18	TBD	TBD	TBD
I-605, I-605/Katella Interchange	\$29.0	Nov-18	Mar-23	Feb-24	Nov-25
Project M	\$49.7	Oct-18	Jan-23	May-25	Jan-27
Grade Separation Projects:					
Raymond Avenue Railroad Grade Separation	\$77.2	Nov-09	Aug-12	May-13	Aug-18
Project O	\$126.2	Nov-09	Dec-12	Feb-14	May-18
State College Boulevard Railroad Grade Separation (Fullerton)	\$73.6	Jan-11	Aug-12	May-13	May-18
Project O	\$99.6	Apr-11	Feb-13	Feb-14	Mar-18
Placentia Avenue Railroad Grade Separation	\$78.2	May-01	Mar-10	Jun-11	Nov-14
Project O	\$64.5	May-01	Jun-10	Jul-11	Dec-14
Kraemer Boulevard Railroad Grade Separation	\$70.4	Sep-09	Jul-10	Aug-11	Oct-14
Project O	\$63.8	Sep-09	Jul-10	Sep-11	Dec-14
Orangethorpe Avenue Railroad Grade Separation	\$117.4	Sep-09	Dec-11	May-12	Sep-16
Project O	\$105.9	Sep-09	Oct-11	Jan-13	Oct-16
Tustin Avenue/Rose Drive Railroad Grade Separation	\$103.0	Sep-09	Dec-11	Aug-12	May-16
Project O	\$96.6	Sep-09	Jul-11	Feb-13	Oct-16
Lakeview Avenue Railroad Grade Separation	\$70.2	Sep-09	Oct-11	May-13	Mar-17
Project O	\$110.7	Sep-09	Jan-13	Nov-13	Jun-17
17th Street Railroad Grade Separation	TBD	Jun-16	TBD	TBD	TBD
Project R	TBD	Nov-17	TBD	TBD	TBD
Sand Canyon Avenue Railroad Grade Separation	\$55.6	Sep-03	Jul-10	Feb-11	May-14
Project R	\$61.9	Sep-03	Jul-10	Feb-11	Jan-16

*Status through **September** 2024. For detailed project information, please refer to the individual project section within this report.



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 Non-bolded = Planned/Baseline **Bold = Forecasted/Actual**

Capital Projects	Cost	Schedule			
	Baseline/Forecast (millions)	Complete Environmental	Complete Design	Award Contract	Complete Construction
Transit Projects:					
Rail-Highway Grade Crossing Safety Enhancement	\$94.4	Oct-08	Sep-08	Aug-09	Dec-11
Project R	\$90.4	Oct-08	Sep-08	Aug-09	Dec-11
San Clemente Beach Trail Safety Enhancements	\$6.0	Jul-11	Apr-12	Oct-12	Jan-14
Project R	\$5.0	Jul-11	Jun-12	May-13	Mar-14
Emergency Track Stabilization at MP206.8	N/A	N/A	N/A	N/A	N/A
Project R	\$23.3	N/A	N/A	Oct-22	Aug-23
San Juan Capistrano Passing Siding	\$25.3	Jan-13	May-16	Dec-16	Feb-21
	\$33.2	Mar-14	Aug-18	Mar-19	Nov-20
Placentia Metrolink Station and Parking Structure	\$34.8	May-07	Jan-11	TBD	TBD
Project R	\$40.1	May-07	Feb-11	TBD	TBD
Anaheim Canyon Station	\$27.9	Dec-16	May-19	Nov-19	Jan-23
	\$34.2	Jun-17	Oct-20	Mar-21	Jan-23
Orange Station Parking Expansion	\$33.2	Dec-12	Apr-13	Nov-16	Feb-19
	\$30.9	May-16	Apr-16	Jun-17	Feb-19
Fullerton Transportation Center - Elevator Upgrades	\$3.5	N/A	Dec-13	Sep-14	Mar-17
	\$4.2	N/A	Dec-13	Apr-15	May-19
Laguna Niguel/Mission Viejo Station ADA Ramps	\$3.5	Jan-14	Aug-14	Jan-15	Apr-17
	\$5.2	Feb-14	Jul-15	Oct-15	Sep-17
OC Streetcar	\$595.8	Mar-12	Sep-17	Aug-18	Aug-25
Project S	\$595.8	Mar-15	Nov-17	Sep-18	Aug-25
Anaheim Regional Transportation Intermodal Center	\$227.4	Feb-11	Feb-12	Jul-12	Nov-14
Project R & T	\$232.2	Feb-12	May-12	Sep-12	Dec-14

*Status through September 2024. For detailed project information, please refer to the individual project section within this report.

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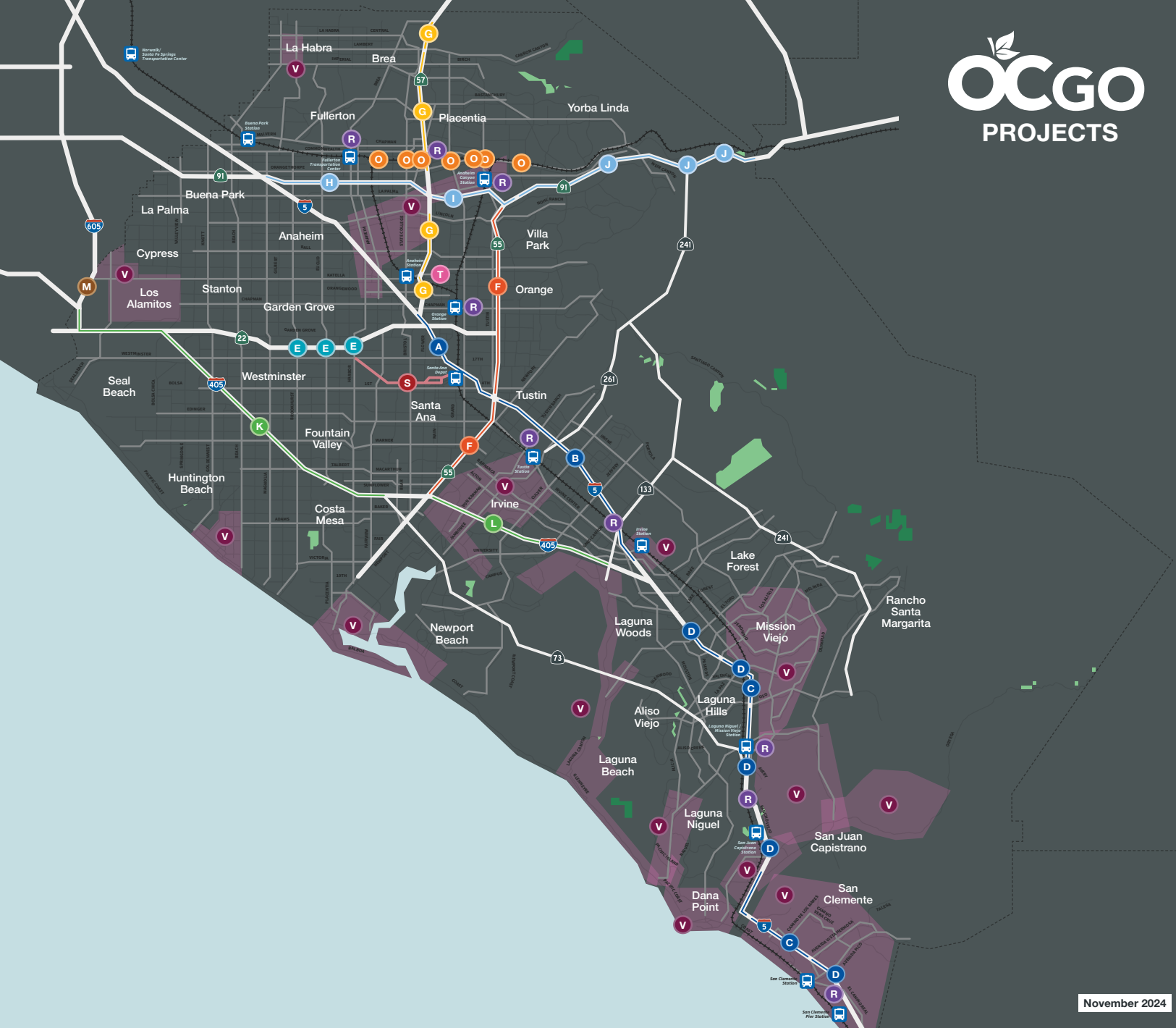
COMMON ABBREVIATIONS

Americans with Disabilities Act	ADA
Anaheim Regional Transportation Intermodal Center	ARTIC
Annual Eligibility Review	AER
Board of Directors	Board
BNSF Railway Company	BNSF
California Department of Fish and Wildlife	CDFW
California Department of Transportation	Caltrans
California Public Utilities Commission	CPUC
Capital Action Plan	CAP
Conservation Properties	Preserves
Construction and Maintenance	C&M
Coronavirus	COVID-19
Early Action Plan	EAP
Environmental Cleanup Allocation Committee	ECAC
Environmental Cleanup Program	ECP
Environmental Document	ED
Environmental Mitigation Program	EMP
Environmental Oversight Committee	EOC
Federal Transit Administration	FTA
Finance and Administration	F&A
Fire Management Plan	FMP
Fiscal Year	FY
Freeway Service Patrol	FSP
High-Occupancy Vehicle	HOV
Interstate 5	I-5
Interstate 15	I-15
Interstate 405	I-405
Interstate 605	I-605
Local Fair Share	LFS
Maintenance and Storage Facility	MSF
Measure M2 or Renewed Measure M	M2
Metrolink Service Expansion Program	MSEP
Next 10 Delivery Plan	Next 10 Plan



COMMON ABBREVIATIONS

Natural Community Conservation Plan/Habitat Conservation Plan	Conservation Plan
Operation and Maintenance	O&M
Orange County Flood Control District	OCFCD
Orange County Transportation Authority	OCTA
Orange County Unified Transportation Trust	OCUTT
Ordinance No. 3	M2 Ordinance
Overhead Contact System	OCS
Pacific Coast Highway	PCH
Program Management Office	PMO
Project Study Report-Project Development Support	PSR-PDS
Project Report	PR
Ready-to-List	RTL
Resource Management Plan	RMP
Right-of-Way	ROW
Riverside County Transportation Commission	RCTC
Santa Ana Regional Transportation Center	SARTC
Senior Mobility Program	SMP
Senior Non-Emergency Medical Transportation	SNEMT
Interregional Transportation Improvement Plan	ITIP
State Route 22	SR-22
State Route 55	SR-55
State Route 57	SR-57
State Route 71	SR-71
State Route 74	SR-74
State Route 91	SR-91
State Route 241	SR-241
Southern California Regional Rail Authority	Metrolink
Taxpayer Oversight Committee	TOC
To Be Determined	TBD
Transit and Intercity Rail Capital Program	TIRCP
Transportation Investment Plan	Plan



November 2024

Freeway Improvement Program

Interstate 5 (I-5) Projects

- A** SR-55 to SR-57
- B** I-405 to SR-55
- C** SR-73 to El Toro Road
- C** Avenida Pico to San Juan Creek Road
- D** Highway Interchanges

State Route 22 (SR-22) Projects

- E** Access Improvements

State Route 55 (SR-55) Projects

- F** I-405 to I-5
- F** I-5 to SR-91

State Route 57 (SR-57) Projects

- G** Northbound, Orangewood Avenue to Katella Avenue
- G** Northbound, Katella Avenue to Lincoln Avenue
- G** Northbound, Orangethorpe Avenue to Lambert Road
- G** Northbound, Lambert Road to Tonner Canyon Road

State Route 91 (SR-91) Projects

- H** Westbound, I-5 to SR-57
- I** SR-57 to SR-55
- J** SR-55 to Riverside County Line

Interstate 405 (I-405) Projects

- K** SR-73 to I-605
- L** I-5 to SR-55

Interstate 605 (I-605) Projects

- M** Katella Avenue Interchange Improvements

Freeway Mitigation Program

- Restoration Projects (Part of Projects A-M)
- Acquisition Projects (Part of Projects A-M)

Streets & Roads

- O** Grade Separation Program
- P** Signal Synchronization Project Corridors

Transit Projects

- R** Grade Separation and Station Improvement Projects
- S** Transit Extensions to Metrolink
- T** Metrolink Station Conversion to accept Future High-Speed Rail Systems
- V** Community Based Transit/Circulators

Other Projects Not Shown

- Project N:**
 - Freeway Service Patrol
- Project O:**
 - Regional Capacity Program
- Project Q:**
 - Local Fair Share Program
- Project R:**
 - Grade Crossing & Trail Safety Enhancements
 - Metrolink Service Expansion Program

- Project U:**
 - Senior Mobility Program
 - Senior Non-Emergency Medical Transportation Program
 - Fare Stabilization Program
- Project W:**
 - Safe Transit Stops
- Project X:**
 - Environmental Cleanup Program


Rail

- Metrolink Rail Line
- Metrolink Station



December 2, 2024

To: Executive Committee

From: Darrell E. Johnson, Chief Executive Officer 

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

Overview

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

Recommendations

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

Background

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

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

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

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

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

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

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

On October 14, 2024, the Board directed staff to develop principles and policies for a 405 Express Lanes Excess Toll Revenue Expenditure Plan. This report thus focuses on foundational principles for the use of excess toll revenues and the development of the future expenditure plan. On November 4, 2024, the OCTA Executive Committee reviewed the recommended principles and directed staff to return the item to a future Executive Committee with redlined changes to address the discussion by the Executive Committee. Staff has revised two of the principles for Executive Committee and Board consideration.

Discussion

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

The proposed framework enables OCTA to implement its vision of an integrated, balanced transportation system that supports the diverse travel needs and reflects the character of Orange County while also working toward the OCTA mission to develop and deliver transportation solutions to enhance the quality of life and keep Orange County moving. These principles are captured in the project selection, planning and equity, fiscal management, and good governance categories and are described below. The recommended principles will lead to more specific policies which will be considered by the Board in summer 2025 and ultimately an expenditure plan which will be considered by the Board in late 2025. A summary of the principles within each category is provided below and details can be found in Attachment A, which is a redlined version from the first Executive Committee review and Attachment B is a clean version of the recommended principles.

Project Selection:

There are four recommended principles that focus on project selection. The principles all consider the overarching goal for the 405 Express Lanes which is to improve the transportation experience by improving throughput, increasing reliability, and decreasing travel delays through the I-405 corridor. Project selection will focus on improvements within the I-405 corridor, consistent with

state law, which may include future transit projects that help relieve pressure on the system and those that improve the function of the express lanes in terms of the customer experience and lower operating costs. The principle that supports transit as a means of decreasing congestion in the I-405 corridor was discussed at the November 4, 2024 Executive Committee. Principle No. 4, regarding public transportation options was changed to acknowledge the value of congestion relief efforts through enhanced public transportation services. The change to this principle is in the redlined version of the principles provided in Attachment A. Ultimately, any projects that are included in a future 405 Express Lanes excess toll revenue expenditure plan would be selected and approved by the OCTA Board.

Planning and Equity

There are three principles under planning and equity that direct OCTA to rely on various OCTA transportation planning documents that have undergone comprehensive analyses and public outreach. Further, good transportation policies and decision-making recognize the value of public and stakeholder input. Public input can lead to better decisions that are more sustainable, supportable, and implementable. Finally, there is a principle that would consider a policy or improvements that would support equity or equitable use within the I-405 corridor.

How the equity principle might be considered in terms of tolling policies was also discussed in November by the Executive Committee. Including a principle that considers equity is a standard feature when developing many kinds of plans and policies. At this point, it is unclear how equity may be a factor in future policies on expenditure of excess toll revenues, but it is recommended that future policy development provide for equity considerations. The change to this principle is listed as No. 7 in the redlined version provided in Attachment A.

Fiscal Management

There are two recommended principles under fiscal management. The first is that generally, projects should be delivered through pay-as-you-go financing as the preferred method of project delivery. The second principle, however, would allow the use of bonding when that option supports more beneficial outcomes.

Good Governance

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

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

Similarly, OCTA always works to maximize external state and federal funding for transportation needs in Orange County and is recommending a principle that excess toll revenue supplement external fund sources instead of supplanting them.

Staff requests approval of the 11 proposed principles listed in Attachments A and B as a starting place to develop the 405 Express Lanes Excess Toll Revenue Policy.

Next Steps

Moving forward, staff will use the approved principles to develop a draft policy for the use of excess toll revenues for Board consideration. The tentative schedule for the overall process would include: (1) principles for use of excess toll revenues (December 2024), (2) draft 405 Express Lanes Excess Toll Revenue Policy (summer 2025), and (3) 405 Express Lanes Excess Toll Revenue Expenditure Plan (late 2025). Consistent with AB 194 (Chapter 687, Statutes of 2015) and operating agreement requirements, the expenditure plan will be prepared in partnership with Caltrans.

Summary

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

Attachments

- A. Principles for 405 Express Lanes Excess Toll Revenue Redline Version
- B. Principles for 405 Express Lanes Excess Toll Revenue Clean Version

Prepared by:



Adriann Cardoso
Capital Programming Manager
(714) 560-5915

Approved by:



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

**Principles for 405 Express Lanes Excess Toll Revenue
Redlined Version**

Project Selection:

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

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

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

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

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

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

4. Further I-405 congestion-relief efforts through enhanced public transportation services. ~~Public transportation services that reduce traffic congestion within the I-405 corridor within Orange County.~~

Investing in public transit within the I-405 corridor in Orange County can help reduce congestion for all commuters and offer an alternative to driving alone. Transit options encourage ridesharing and provide opportunities for commuters to enjoy the time-savings benefits of the 405 Express Lanes while taking advantage of the 3+ ride free toll policy.

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

Planning and Equity

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

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

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

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

7. ~~Develop~~ Consideration of policies and programs to support equity ~~in tolling~~.

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

Fiscal Management

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

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

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

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

Good Governance

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

A primary objective for using 405 Express Lanes excess toll revenues is to enhance funding sources and enable unfunded projects to advance, contributing positively to the transportation system. Reducing existing state and federal funds due to availability of excess toll revenues could lead to no net gain in meeting the transportation needs of Orange County residents and workers and should be avoided. Consistent with Section 10 Excess Toll Revenue, paragraph 10.1.d in the operating agreement, the State is held to a "maintenance of effort" commitment for Orange County to ensure that the use of net excess toll revenue to fund projects does not result in reducing State Highway Operation and Protection Program funds available for use in Orange County.

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

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

Acronyms

Board – Board of Directors

Caltrans – California Department of Transportation

I-405 – Interstate 405

OCTA – Orange County Transportation Authority

TIFIA - Transportation Infrastructure Finance and Innovation Act

**Principles for 405 Express Lanes Excess Toll Revenue
Clean Version**

Project Selection:

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

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

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

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

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4. Further I-405 congestion-relief efforts through enhanced public transportation services.

Investing in public transit within the I-405 corridor in Orange County can help reduce congestion for all commuters and offer an alternative to driving alone. Transit options encourage ridesharing and provide opportunities for commuters to enjoy the time-savings benefits of the 405 Express Lanes while taking advantage of the 3+ ride free toll policy.

Planning and Equity:

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

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

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7. Consideration of policies and programs to support equity.

This principle would consider equity implications of roadway pricing on users of the 405 Express Lanes, which is inherently a demand management strategy.

Fiscal Management:

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

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

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

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

Good Governance:

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

A primary objective for using 405 Express Lanes excess toll revenues is to enhance funding sources and enable unfunded projects to advance, contributing positively to the transportation system. Reducing existing state and federal funds due to availability of excess toll revenues could lead to no net gain in meeting the transportation needs of Orange County residents and workers and should be avoided. Consistent with Section 10 Excess Toll Revenue, paragraph 10.1.d in the operating agreement, the State is held to a “maintenance of effort” commitment for Orange County to ensure that the use of net excess toll revenue to fund projects does not result in reducing State Highway Operation and Protection Program funds available for use in Orange County.

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

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

Acronyms

Board – Board of Directors

Caltrans – California Department of Transportation

I-405 – Interstate 405

OCTA – Orange County Transportation Authority

TIFIA - Transportation Infrastructure Finance and Innovation Act



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

Requirements for Operating 405 Express Lanes

- Tolling Authority through AB 194 – California Transportation Commission approval May 2016
- Toll Operating Agreement with Caltrans
 - OCTA responsible for operations and maintenance using express lanes revenues
 - Develop excess toll revenue expenditure plan five years before excess revenues available in partnership with Caltrans
- Transportation Infrastructure Finance and Innovation Act
 - Toll revenues used first for operations and maintenance, required reserves, and loan repayment based on payment schedule
 - Excess toll held in distribution lock up for first five years
 - 50 percent of excess revenues go toward loan repayment until paid off

405 Tolling Policies – Updated July 2023



- Provide a safe, reliable, congestion-free commute
- Optimize throughput and increase average vehicle occupancy
- Balance capacity and demand to serve customers who pay tolls as well as people who rideshare or use transit
- Generate sufficient revenue for financial viability of 405 Express Lanes
- Ensure all covenants in the financing documents are met
- Ensure any potential net excess toll revenues are used for I-405 corridor improvements

I-405 – Interstate 405

Recommended – Principles Categories

Project Selection

Planning and Equity

Fiscal Management

Good Governance

Expenditure Plan Principles – Project Selection

- Projects that improve customer experience, relieve congestion, and enhance the safety of the I-405 facility will be prioritized
- Improvements that enhance customer satisfaction and lower operating costs through improved toll lane technology or other enhancements
- Transportation investments within the I-405 corridor in Orange County at the discretion of the Board and consistent with state and federal law
- Public transportation services that reduce traffic congestion within the I-405 corridor within Orange County



Expenditure Plan Principles – Planning and Equity



- Use of OCTA-developed multimodal plans as a basis for project selection
- Consideration of additional or focused stakeholder input and community outreach and engagement
- Consideration of policies and programs to support equity

Expenditure Plan Principles – Fiscal Management

- Pay-as-you-go financing as the preferred method of funding the improvements
- Bond financing may be considered if it supports more beneficial outcomes



Expenditure Plan Principles – Good Governance

- Use of 405 Express Lanes excess toll revenues on the state highway system shall be subject to a “maintenance of effort” commitment by the State
- Expenditures should supplement, not supplant, state and federal revenues



U.S. Department of Transportation
Federal Highway Administration

Next Steps

- Direct staff to develop principles and proposed framework for a 405 Express Lanes expenditure plan and return to the Board for approval
- Update traffic and revenue forecast and cash flow models to determine timing of excess toll revenues
- Return to the Board with excess toll revenues policies – summer 2025
- In partnership with Caltrans, develop draft expenditure plan and define corridor for use of excess toll revenues
- Return to the Board with draft expenditure plan following public posting requirements – late 2025