

**Committee Members** 

Michael Hennessey, Chairman Lisa A. Bartlett, Vice Chair Andrew Do Lori Donchak Al Murray Shawn Nelson Tim Shaw Orange County Transportation Authority Headquarters 550 South Main Street Board Room – Conf. Room 07 Orange, California **Monday, March 6, 2017 at 9:00 a.m.** 

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

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

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

### Call to Order

## Pledge of Allegiance

Director Murray

1. Public Comments



### Special Calendar

2. Appointment Consideration of a Public Member for the Board of Directors

Lori Donchak, Immediate Past Chair

#### Overview

The 15 Members of the Orange County Transportation Authority Board of Directors who represent the County of Orange and the cities appoint two public members. The current term of Director Gregory T. Winterbottom expired on January 13, 2017. He continues to serve his current term on the Board of Directors until he is reappointed or a new Public Member is appointed.

#### Recommendation

Select one of the two final candidates submitted for consideration by the Executive Committee to serve as Public Member on the Board of Directors.

### **Consent Calendar (Items 3 and 5)**

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.

#### 3. **Approval of Minutes**

Approval of the minutes of the Executive Committee meeting of February 6, 2017.

#### 4. **Approval of Minutes - Special Meeting**

Approval of the minutes of the Special Executive Committee meeting on February 13, 2017.

5. Measure M2 Quarterly Progress Report for the Period of October 2016 **Through December 2016** Tamara Warren/Kia Mortazavi

#### **Overview**

Staff has prepared a Measure M2 quarterly progress report for the period of October 2016 through December 2016, for review by the Orange County Transportation Authority Board of Directors. This report highlights progress on Measure M2 projects and programs and will be available to the public via the Orange County Transportation Authority website.



#### 5. (Continued)

#### Recommendation

Receive and file as an information item.

### Regular Calendar

6. Delivering Transportation Solutions in a Changing Market Darrell Johnson, Chief Executive Officer

#### Overview

Since 2013, financial and market forces have combined to present numerous challenges the Orange County Transportation Authority in successfully delivering on the agency's mission, including the core functions of implementing the Measure M2 Program and operating an effective, efficient, and affordable bus system. Bus ridership has steadily declined and the public's transit needs have shifted, while sales tax receipts continue to come in lower than expected. Despite these factors, the Orange County Transportation Authority has been able to realign the Measure M2 Program so that all promises will be kept, and steps have been taken to reduce costs and realign bus service with demand to better meet the needs of customers, avoid service reductions, and fare increases. This report details the major actions undertaken to keep all Orange County Transportation Authority programs on track in a financially constrained environment and changing market and identifies several upcoming challenges. These issues will need to be addressed in the development of the Long-Range Transportation Plan this year and will need to be incorporated into the annual budget and 20-year Comprehensive Business Plan.

#### Recommendations

- A. Direct staff to continue delivery of the Measure M2 Next 10 Plan.
- B. Direct staff to expand OC Bus 360° initiatives, focusing on the benefits and implementation of alternative transit service delivery models.
- C. Direct staff to evaluate paratransit growth and cost-management strategies, and return to the Board of Directors with recommendations.



### **Discussion Items**

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

A Closed Session will be held as follows:

- A. Pursuant to Government Code Section 54957(b) to evaluate the performance of the Chief Executive Officer, Darrell Johnson.
- B. Pursuant to Government Code Section 54957.6 to meet with designated representatives, Chairman Michael Hennessey, regarding the compensation of the Chief Executive Officer.

#### 10. Adjournment

The next regularly scheduled meeting of this Committee will be held at **9:00 a.m. on Monday, April 3, 2017**, at the Orange County Transportation Authority Headquarters, 550 South Main Street, Board Room – Conf. Room 07, Orange, California.



#### March 6, 2017

<b>Fo:</b> Executive Committe
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From: Laurena Weinert, Clerk of the Board

Subject: Appointment Consideration of a Public Member for the Board of Directors

At the request of Chairman Hennessey, the two final candidates that were interviewed on February 13, 2017, at the Special Executive Committee, will return to the Executive Committee for selection of one of the two final candidates for consideration at the March 6, 2017, Executive Committee meeting.

Attached (Transmittal Attachment) are the February 13, 2017 second interview questions and summary of responses of the two final candidates, Gregory T. Winterbottom and George W. Wright.

#### TRANSMITTAL ATTACHMENT

Public Member Seat – Second Interviews

### Conducted by the Executive Committee – February 13, 2017

### Questions (Q) and Summary of Responses: Gregory T. Winterbottom

## Q1: Why are you seeking reappointment to the OCTA Board? What do you hope to accomplish that you have not been able to accomplish in the last 20 years?

- Longest serving Board Member and has institutional knowledge.
- Feels he has credibility with the disabled community because of his prior experience.
- Wants OCTA to accomplish the OC Streetcar Project, Interstate 405 Improvement Project, and address the decrease in bus ridership.
- Hopes to be innovative in looking at the future.

## Q2: What skill do you bring to OCTA that might be a unique asset in moving the Promises Made, Promises Kept work plan and culture forward?

• Institutional knowledge is an asset and wants to help resolve the bus system and labor issues.

#### Q3: What are your specific goals for a four year term on the OCTA Board?

• To continue to address and control ACCESS costs, which he has been doing for the past 20 years.

# Q4: If you were a member of the Executive Committee evaluating who to choose as a Public Member, what do you think is the criteria the committee should use in selecting the Public Member?

- Public Member needs to have knowledge of how OCTA's multi-modal agency works; not just what's found on the Internet.
- Serves on the Metrolink Board, Mobile Source Air Pollution Reductions Review Committee (MSRC), and has been its chair several times.
- Attends OCTA events to show employees that the Board is interested.

## Q5: Describe a situation in which you had to arrive at a compromise or guide others to a compromise.

- The Centerline project had issues. He supported the project by being Chairman of the Board in 2004 and by noting the project benefits.
- In 2013, tried to get OCTA to purchase a new Headquarters building. OCTA did not purchase the new building, however the rent cost was reduced at the current OCTA Headquarters building.

## Q6: For the last four of five years, give an example of an issue or project that you pushed back on staff and actually changed direction that staff started.

- OCTA Headquarters building lease renewal-directed staff to consider other options.
- Throughout his many years on the Board, feels that staff has an understanding of what the Board wants.
- Board also hired a strong Chief Executive Officer (CEO).

## Q7: Tell us about other Boards on which you've served on and how you engage with the other Board Members?

- Member of the Metrolink Board for three years and enjoys supporting the agency in moving forward; described the Metrolink Board and CEO leadership.
- Highest Metrolink ridership is on Orange County Line, which takes commuters off the freeway.
- Serves on MSRC Board.
- MSRC receives \$1.00 per vehicle registration fees.
- As Chair of MSRC Board, pushed for a two year program in order to spend more money to assist other agencies.
- Q8: You mentioned that Metrolink had some significant issues. Tell us about the significant issue you were involved in and what you did to try and remedy the issue.
  - Metrolink has money issues.
  - Since serving on the Board, have helped to stabilize monetary issues and have been instrumental in putting grant funding into the Tier IV (low emissions) locomotive.

#### Q9: What is your understanding of the roles and responsibilities of the OCTA Board of Directors, the Board leadership, and the agency's staff?

- Board sets policy and direction and staff follows.
- Sometime direction gets intermingled with what staff wants to do and the Board has responsibility to keep OCTA on course.
- OCTA had M2020 review program and has now replacing it with a new program.
- This review program is OCTA's vision for the future and ability to make sure OCTA stays the course and serves the public.

## Q10: How do you distinguish the responsibilities and roles of the OCTA Board versus the Board leadership?

- Has served as OCTA's Chairman of the Board twice and has helped to set the policy on his initiatives.
- Each Chair has goals to accomplish as Board leadership, which sets the tone for OCTA.
- Provided an example of the Chair's initiatives.

## Q11: Can you think of an areas where you would tend to disagree with the philosophy of the majority of the Board. If so, how do you operate in that situation?

- Has had disagreements.
- Provided examples of purchasing a new Headquarters for OCTA; tried to persuade the Board but received no support.
- Did not personalize the Board's disagreement.
- Feels as a Board Member, you need to state your case, influence, and if out voted, majority rules.

## Q12: With the current Board, is there anything the Board is doing as a whole that you do not particularly agree with?

- There are diverse opinions on some items and would like to see the opinions come closer together.
- Gave examples of the OC Streetcar potential extensions that have diverse Board opinions.

## Q13: Tell us about a time when you had to adapt to a wide variety of people by accepting/understanding their perspective.

- Founding Chair of Dale McIntosh Center for disabled community.
- Center has diverse disabled groups and each one has its own type of request for services.
- Addressing those requests is interesting.

## Q14: Can you tell us about a time when you needed to be particularly sensitive to another person's beliefs, cultural background, or way of doing things?

- No problem with diversity; what he's done at OCTA is living proof.
- 80 percent of bus riders are Hispanic and most low income.
- Provided example of OCTA's ACCESS service for the disabled population.
- Comfortable dealing with all aspects of society.

#### Q15: Give us an example of your strengths and weaknesses.

- Strength is longevity and institutional knowledge, and hopes the Board can use this going forward.
- No weaknesses as it pertains to the Board.
- Tends to get overinvolved in certain issues and spends too much time on it.
- Reads every agenda and is interested in the nuances because he's on three different Boards.

#### Q16: Asked about formal education and certification in Labor Relations Management.

- Masters from University of Southern California.
- Involved in Labor Relations in previous job and also took a course on Labor Relations Management.

## Q17: If you were to be reappointed on the Board, what advice would you give the Board on policy for the Public Member (i.e., term limit or continue to serve)?

- The Board has the ability to review the qualifications of the seating Public Member, which may have an advantage to the workings of the Board.
- He suggests reviewing the process and would like to serve as Chairman of that Ad Hoc Committee.
- Doesn't support term limits and feels if there is a good person, they should continue serving.

#### Q18: Do you have any questions for the Executive Committee?

• Wants to continue serving on the Board and has transportation knowledge since 1977.

### Public Member Seat – Second Interviews

### Conducted by the Executive Committee – February 13, 2017

Questions (Q) and Summary of Responses: George W. Wright

## Q1: How did you become interested in OCTA and in serving on the Board? Why are you seeking appointment to the Board?

- Family worked for public transportation in Los Angeles.
- Works at the university and regards service and investing in the next generation.
- About moving people and products and developing solutions, which is similar to OCTA's vision statement.

#### Q2: What would be your goals for your four-year term on the OCTA Board?

• To make transportation for leisure or work better, easier and affordable for the "Baby Boomers", Generations X/Y, and the "Millennials."

#### Q3: You have a relative that takes paratransit services?

- Has several relatives that use paratransit.
- Also a bus rider.
- The delivery of the last mile travelled is important.

## Q4: If you were an Executive Committee Member, choosing the Public Member, what are important factors in this position?

• Critical thinking, ethics, and being adaptable.

## Q5: Describe a situation in which you had to arrive at a compromise or guide others to a compromise.

- Compromise intersects and you need the ability to compromise in order to get what is needed and optimize where you need to be.
- Provided examples of compromise, affordability, and a short-term equitable outcome worked when a facility needed to be shut down and the workforce reduced in Rotterdam.

## Q6: Please tell us about other Boards on which you have served and how you engaged with other Board Members?

- Serves on the Executive Committee, Academic Committee, and approximately 11 Boards at Concordia University.
- Also served on non-profits, Homeowners Associations and many Ad Hoc committees.

#### Q7: Give 3 or 4 achievements you brought to the table to the Boards you served on.

- At Concordia University, Center for Public Policy, he was able to get transparency and have the community meet the leadership.
- Also settled issues while serving on Homeowners Association.

## Q8: What is your understanding of the roles and responsibilities of OCTA's Board Members, Board leadership, and the agency staff?

- To lead and make informed decisions.
- Staff needs the support and guidance to make sure they reach the mission and vision that the Board agrees upon.

## Q9: Tell us about a time when you had to adapt to a wide variety of people by accepting/understanding their perspective.

• The University has many new and expanded federal and state Americans With Disabilities Act regulations for students; the University is addressing ways to better serve those students.

## Q10: Give us an example of a policy the OCTA Board adopted in the recent past that you did not agree with.

- Example of a disagreement when he was the Global Director of IT and haul trucks needed to be purchased.
- He was frustrated with OCTA when he called in a complaint and was not able to obtain a tracking number, call-back, resolution, or answer.

## Q11: Can you tell us about a time when you needed to be particularly sensitive to another person's beliefs cultural background, or way of doing things.

• Forty-seven countries, every religion, race, creed, and belief attend the university.

#### Q12: Give us an example of your strengths and weaknesses.

- Works at a very high strategic level, is able to take issues and history of the issues, and put a plan in place for it.
- Is detail-oriented and works on making the balance.

- Q13: Asked about his formal education that he has a BA in Economics, MA in Accounting and Business Administration at Cal State Fullerton. Do you have labor relations and finance courses?
  - Has degrees from CSUF and has taken labor relations, finance, and budget courses.
  - A CPA.
  - Member of the Center for Public Policy at Concordia University.

## Q14: Could you look at the sales tax forecast and ask probing questions of the economist that OCTA hires?

- Knows the appropriate questions to ask and the information that is needed depending upon the decision, along with the forecasting models and assumptions.
- The key is the assumptions, no matter what model or what person does it.
- Economics knowledge, which helps to know what questions to ask.

## Q15: What does your IT background entail? Were you in an executive or management position?

- Global IT Director for Borax and had responsibility for Asia, Western Europe, United States, and Australia.
- Background is not in IT; US Borax needed someone to be a strategic thinker and manager.
- In an executive position for US Borax.

## Q16: If appointed to the OCTA Board, what would it look like in terms of your time requirements and ability to contribute to OCTA Board and Committee system?

• Has set meetings Thursday mornings and late Monday afternoon, but overall has a lot of flexibility.

#### Q17: Do you have any questions for the Executive Committee?

• Thanked the Executive Committee for the opportunity to share his passions and interest in working for the Board.



#### February 6, 2017

From: Lori Donchak, Immediate Past Chair Ja: Anchak

Subject: Appointment Consideration of a Public Member for the **Board of Directors** 

#### **Overview**

The 15 Members of the Orange County Transportation Authority Board of Directors who represent the County of Orange and the cities appoint two public members. The current term of Director Gregory T. Winterbottom expired on January 13, 2017. He continues to serve his current term on the Board of Directors until he is reappointed or a new Public Member is appointed.

#### Recommendation

The two final candidates will be interviewed by the Executive Committee within the next 30 days.

#### Background

The term of the Public Member seat on the Board of Directors is four years from the date of appointment. The qualifications for a Public Member are as follows:

- Must be a resident of Orange County, and
- Not serving currently or within the last four years as an elected official of a city, county, or any agency or special district within Orange County.

Unlike the process of selecting the city representatives, the process for selecting the two public members is not specifically outlined in Orange County Transportation Authority's (OCTA) enabling legislation. As a result, the procedure regarding the appointment process has varied over the years based on whether there is a desire for a reappointment of the sitting Public Member or a resignation.

The Public Member appointment is by a majority vote of the 15 voting Board of Directors representing the County of Orange and the cities in the County.

#### Discussion

Immediate Past Chair Lori Donchak appointed an Ad Hoc Committee comprised of herself, one County of Orange Member, and one city Member. On October 3, 2016, the Executive Committee discussed and agreed that a full recruitment process be undertaken. On October 10, 2016, the Ad Hoc Committee met and discussed the Public Member recruitment communication plan and applicant criteria.

The Public Member recruitment was communicated as follows:

### Digital Communications

- OCTA.net
- OCTA Social Media Facebook, Twitter, and Instagram
- OCTA On the Move Blog
- OCTA E-Blast (email)

### Newspaper Ads – Print and Online

- Los Angeles Times
- Orange County Register

Partner with Businesses/Organizations

- American Society of Civil Engineers Orange County Chapter
- Building Industry Association Orange County Chapter
- North Orange County Chamber
- North Orange County Legislative Alliance
- Orange County Taxpayers Association
- Orange County Business Council
- South Coast Metro Alliance
- South Orange County Economic Coalition
- Women's Transportation Seminar Orange County

### Partner with Local Government

- Association of California Cities Orange County
- City Public Information Officers
- League of California Cities Orange County Chapter
- Orange County Council of Governments
- Orange County City Managers Association

All interested parties had until November 14, 2016, to apply by submitting a letter of interest, resume, and signed disclaimer. The Clerk of the Board received applications from 18 candidates.

The Ad Hoc Committee reviewed the 18 candidates and based on the established criteria selected eight candidates to be interviewed. A summary of the eight interviewed candidates and criteria matrix is listed in Attachment A.

On December 12, 2016, the eight candidates were interviewed and the Ad Hoc Committee selected two finalists to be interviewed by the Executive Committee. A summary of the two top candidates is listed in Attachment B and their resumes are provided in Attachment C.

#### Summary

The Ad Hoc Committee, designated by the Immediate Past Chair, Lori Donchak, concluded that two finalists be interviewed by the Executive Committee within the next 30 days. The Public Member seat is for a four-year term to commence in February 2017.

#### Attachments

- A. 2016 Public Member Recruitment Interviewed Candidates Summary Criteria Matrix
- B. Public Member Seat Interviews Conducted on December 12, 2016 (In alphabetical order is a summary of the two highest ranked candidates.)
- C. Resumes for Gregory T. Winterbottom and George W. Wright

Prepared by:

unla Weines

Laurena Weinert Clerk of the Board 714-560-5676

#### 2016 Public Member Recruitment - Interviewed Candidates Summary

#### Criteria Matrix

Candidate	Name	Transportation Experience	Financial Experience	Related Transportation Board or Committee Experience	Knowledge of OCTA Project Priorities	Educational and Community Service Background	Stated Motivation for Seeking the Public Member Seat	Represents the Public	*Potential Conflicts of Interest
1	Haynes, Mary	Yes	No	Yes	No	Yes/No	Yes	Yes	No
2	MacDonald, Jason B.	No	Yes	No	No	Yes/No	No	Yes	No
3	Mahal, Narinder	Yes	Yes	Yes	Yes	Yes/Yes	Yes	Yes	No
4	Powell, Jerry L.	Yes	No	Yes	No	Yes/Yes	Yes	Yes	No
5	Shahbazian, Roy	Yes	Yes	Yes	Yes	Yes/Yes	Yes	Yes	No
6	Whiteman, Barbara A.	No	Some	No	No	Yes/Yes	Yes	Yes	No
7	Winterbottom, Gregory T.	Yes	Yes	Yes	Yes	Yes/Yes	Yes	Yes	No
9	Wright, George W.	Yes	Yes	Yes	No	Yes/Yes	Yes	Yes	No

### Public Member Seat - Interviews Conducted on December 12, 2016

## (In alphabetical order is a summary of the two highest ranked candidates.)

What interests you about this position? What led y	ou to apply for the Public Member Seat?
Gregory T. Winterbottom	George W. Wright
Response to Question One:	Response to Question One:
Mr. Winterbottom has long-term institutional knowledge of the Orange County Transportation Authority (OCTA) and predecessor agencies since 1977 with ongoing commitment, as well as familiarity with the OC Bus 360 and the OCTA rail planning.	Mr. Wright is a transit rider and familiar with OCTA and believes in strong transportation branding. He is a CPA with business economics orientation, has infrastructure knowledge, and believes in data informed versus data driven decision process. He also stated that it is a challenge to plan 30-40 years in advance
Question Number Two:	
Please provide an example when you asserted challenging situation.	yourself as a leader to accomplish a result in a
	yourself as a leader to accomplish a result in a George W. Wright
challenging situation.	

ATTACHMENT B

### **Question Number Three:**

## What do you view as the biggest opportunity in front of OCTA?

Gregory T. Winterbottom	George W. Wright
Response to Question Three:	Response to Question Three:
Mr. Winterbottom wants to resolve the OCTA ACCESS issue and explore service models that attract Millennials.	Mr. Wright read the OCTA Strategic Plan and recommends changing the service models to attract Millennials and elderly, as well as review driverless cars. In addition, he stated to address the OCTA ACCESS and sales tax revenue issues.
Question Number Four:	·
Tell us about a transportation project that affects o	r has affected your community.
Gregory T. Winterbottom	George W. Wright
Response to Question Four:	Response to Question Four:
Mr. Winterbottom stated that OC Bus 360° and addition of BRAVO bus routes have affected bus transit, as well as Project V supplements bus service. In addition, augmentation of ACCESS.	Mr. Wright stated that OC Bus 360° has affected transportation. He uses Route 758 and the quality has declined. There are training and timing issues. He knew the rates.
Question Number Five:	
Describe an ethical dilemma that you've experience	ed in your professional life and how you dealt with it.
Gregory T. Winterbottom	George W. Wright

Gregory T. Winterbottom	George W. Wright
Response to Question Five:	Response to Question Five:
Mr. Winterbottom described the Orange County Consolidated Transportation Service Agency and OCTA Board switch.	Mr. Wright described an incident where a neighbor stole another neighbor's jewelry.

#### **Question Number Six:**

What experience have you had approving budgets? Tell us how you would approach assessing and responding to the annual budget at OCTA.

Gregory T. Winterbottom	George W. Wright
Response to Question Six:	Response to Question Six:
Mr. Winterbottom referenced OCTA's \$1.6 billion fiscal year 2013 budget workshop.	Mr. Wright is a CPA and has done economic models for mega million budgets. He has experience with a \$500 million budget assembly for a mining company, \$24 million oversight as Department Chair, and Global IT Director, RioTinto.

#### **Question Number Seven:**

This position is time intensive and can require travel to all corners of Orange County, as well as familiarity with transportation issues surrounding OC. How will the time requirements of the OCTA Board fit with your current commitments?

Gregory T. Winterbottom	George W. Wright
Response to Question Seven:	Response to Question Seven:
Mr. Winterbottom is retired and has time. His Metrolink and MSRC attendance is 100 percent.	Mr. Wright is flexible and Concordia's role is to be active in the community.

#### Question Number Eight:

#### What questions do you have for us?

Gregory T. Winterbottom	George W. Wright
Response to Question Eight:	Response to Question Eight:
Mr. Winterbottom stated that ACCESS is a big challenge with three percent of the ridership and 28 percent of the costs.	<b>a</b>

### ATTACHMENT C

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#### Gregory T. Winterbottom 10641 Providence Drive Villa Park California 92861

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Education	University of Southern California Los Angeles California Master of Public Administration, with Certification in Labor Relations Management, 1981		OCTA THE I	BOARD
	California State University, Fullerton Fullerton California Bachelor of Arts, Sociology/Business Administration with emphasis in Scientific Management, 1980			
Honors and Awards	Finalist for President Ronald Regan's Presidential Management Internship Program, 1981			
Work Experience Jan 1993 – 2012	<b>Principal (Retired) Total Access Associates</b> Villa Park California			
	Independent consultant on issues involving accessibility for persons with disabilities. Worked with consultants, architects, seniors, and government officials on problems involving transportation, building accessibility, and project financing. Extensive public contact with groups and individuals.			
1988 – Jan 1993	Executive Director Orange County Consolidated Transportation Service Agency Santa Ana California			
	Managed a staff of 100 employees for a 77-vehicle paratransit operation. Prepared agenda and policy recommendations to a seven member Board of Directors on the transportation needs of persons with disabilities, seniors, and frail elderly. Coordinated with the state, county, and local agencies to insure that the needs of this population were met. Responsible for a \$5 million annual budget.			
Jun 1985 – Nov 1988	<b>President</b> Winterbottom Consultants Villa Park California			
	Multi-faceted consulting firm providing management services to private and non-profit organizations. Specializing in management turnarounds, including team building, streamlining procedures, and re-establishing employee morale, fundraising, and basic administrative services provided for non-profit organization.			
Jul 1982 – Jun 1985	Senior Consultant State Senate Select Committee on Southern California Transportation Problems Cypress California			
	Worked extensively with cities, state, federal agencies, and community groups on freeway, transit, and road projects.			

Identified area of special transportation needs, developed transportation legislation, coordinated efforts to revise State Transportation Improvement Program (STIP) and to streamline state transportation bureaucracy.

#### **Community Service**

#### Public Member, Orange County Transportation Authority

Selected from a number of candidates as Public Member. Elected Chairman 2004, by an 11 member Board. Served as member of the State Route 91 Major Investment Study Committee and the State Route 91 Advisory Committee. 2002 - Present

#### Orange County Community Advisory Council

Served as a member of the council to educate voters on the use of the new eState voting system. Worked on Outreach to ensure the voting population understood the workings of the new touch screen voting machine. Helped recruit volunteers to make presentations throughout the county on the use of the new voting system. 2003 – 2005

#### Alternate Public Member, Orange County Transportation Authority Board of Directors

Selected from more than 50 candidates to serve as the alternate public member on an 11-member policy setting Board. Selected to chair the board-level Planning and Operations Committee seven times, served as Chairman of the Measure M Fare Stabilization Committee. Board representative on the Mobile Source air Pollution Reduction Review Committee. 1993 – 2002

#### Member – Selective Service Board #160

Appointed by President George H. W. Bush to act as initial classifying authority on judgment classification for military inductees. 1991 – 2003

#### Member – Dayle McIntosh Center for the Disabled

Founding Chairman of the Board of this Garden Grove-based community organization. 1977-1985, 1988-1994

## Member – Consolidated Transportation Services Agency (CTSA) Board of Directors

Appointed by James Roosevelt to a seven-member governing Board of a county wide transportation service agency. The CTSA has a \$5 million annual budget and operates 77-lift vehicles for the elderly and persons with disabilities. 1985 – 1988

#### Military Service United States Army Armor Officer Candidate School, August 1966 through December 1966.

Auto accident necessitated medical retirement, June 1967.

## RECEIVED

#### GEORGE W. WRIGHT, CPA, MBA, MS

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#### OCTA CLERKOFTHEBOARD

### 932 Newhall Terrace Brea, CA 92821

### Phone: (714) 582-2627 bygeorge4444@hotmail.com

**SUMMARY** Evidence and ethics based executive leader with a successful history of working in global industry and higher education with union, non-union and tenured employees. Experienced in senior roles in information technology, accounting, economics and higher education with companies up to \$1.56B capitalization. In addition to implementing innovative applications of technology, organizational changes and procedural changes leading to \$9 million in annual savings, focuses on strategy development, improved service levels, change management and internal and external transparency, and personnel development and motivation.

#### EXPERIENCE Concordia University Irvine

- Administrative Dean, School of Business (2014 present)
- Interim Dean, School of Business (2013)
- Assistant Dean, School of Business and Professional Studies (2008-12)

Strategic, operational and personnel responsibilities in these progressively responsible positions for the development, delivery and sustainability of programs and processes for undergraduate and graduate (MBA) students in accounting, economics, finance, international business, marketing, management, sports management & economics. Achieving this through developing mutually rewarding internal and external relationships with key constituents ranging from employees, government agencies to community leaders. Active in governance roles serving on a variety of appointed, elected & voluntary boards, committees & task forces.

#### US Borax and Chemical Corp. / US Borax Inc./ Rio Tinto Minerals

2000-08 <u>Manager, Global Information Technology Initiatives</u> Ensure design, implementation, integration and leveraging of current and upcoming information technology, outsourcing providers and enterprise offerings to support major internal and external global business initiatives. On-time delivery and cost management focus on both the global nature of customers, facilities, and employees as well as the geographic challenges based on distance, time zones, culture, government restrictions, Sarbanes-Oxley (SOx), CoBit, COSO, ITIL, international legal & accounting requirements, outsourcing contract negotiation/management and economics. Current project: SAP.

#### 1997-2000 Manager, Information Technology and Strategy

Strategic, operational and budgetary (\$7.0 million) responsibilities for integrated nationwide support of all enterprise and stand-alone business systems (PeopleSoft Human Resources, Kronos Timekeeping, MFG/Pro, Ellipse), wide area network, local area networks, desktop, mid-range and file/print services and database administration. Introduced, implemented and integrated a global, multi-year outsource arrangement worth \$24.7 million. Supporting remote access, internet activity, document management, communications, security and change management.

#### GEORGE W. WRIGHT, CPA, MBA, MS

#### 1995 - 97 Manager, Financial and Government Reporting

Directed "team" approach to provide timely, accurate and thorough worldwide financial and government reporting for internal decision making and external national and international regulatory compliance. Included preparation of: revenue, inventory, cost, statistical performance measurement analysis and consolidated income statements, balance sheets and cash flow using US and UK GAAP. Leader in moving the finance function from a provider of historical accounting data into an integral, proactive role addressing significant changes in the business environment, competition and technology.

#### 1989 - 95 Manager, Accounting Operations

Financial statement and statistical reporting, re-engineering of critical business processes & work flows to achieve the strategic business vision, redefining corporate travel by reducing expenses, administrative burden and reimbursement costs, establish cost effective information technology strategies as Information Systems Chairman, design electronic data and payment interchange with key customers & suppliers, develop and implement procedures for the continuation of business during a major catastrophe, investigated and implemented activity based costing (ABC) & benchmarking for strategic decision making.

#### 1984 - 89 Manager, Accounting Administration

Full responsibilities for Accounts Payable (\$230 million in annual disbursements), Accounts Receivable (\$612 million in annual receipts), Payroll (\$51 million in annual employee earnings), 401(k) Thrift Plan (\$45 million in assets) and development of Corporate Policies and Procedures. Daily administration of functional areas including continuously reducing labor intensive operations, introducing cost effective controls and appropriate personnel development.

#### 1982 - 84 Manager, Financial Systems and Corporate Procedures

Recommended, purchased, implemented and maintained corporate-wide manual and automated accounting/financial systems. Required defining user requirements, preparing and proposing alternative system solutions, and providing project leadership during installation. Ongoing responsibilities included user training, establishment of corporate accounting policies and procedures, and to support, maintain and enhance implemented systems. Developed and maintained departmental and corporate-wide procedures.

 EDUCATION
 California State University, Fullerton

 M.S. in Accountancy
 M.B.A
 B.A.in Economics

 PROFESSIONAL
 Member – CalCPA (California Association of CPAs)
 Awardee - AICPA Professor/Practitioner Case Development Program

Awardee - AICPA Professor/Practitioner Case Development Program Presenter - American Institute for Certified Public Accountants Conference Awardee - American Accounting Association (AAA) Case Studies Presenter - Western American Accounting Association Conference Facilitator - Certified Zenger-Miller Facilitator/Trainer Speaker - Technical/Application speaker at multiple software User Conferences Certified Public Accountant (CPA) – Maryland License #I020164 (Inactive)



#### **Committee Members Present**

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

#### Staff Present

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

#### **Committee Members Absent** Shawn Nelson

Call to Order

The February 6, 2017 regular meeting of the Executive Committee was called to order by Chairman Hennessey at 9:08 a.m.

### Pledge of Allegiance

Director Shaw led in the Pledge of Allegiance.

#### 1. Public Comments

No public comments were received.

### **Special Calendar**

#### 2. Committee Meeting 2017 Schedule

Chairman Hennessey led a discussion regarding the 2017 meeting schedule for the Executive Committee.

Darrell Johnson, Chief Executive Officer (CEO), stated that the proposed 2017 Executive committee meeting schedule has two proposed changes in the months of July and September due to the holidays.

A motion was made by Director Murray, seconded by Director Do, and declared passed by those present, to approve 2017 dates and time schedule for the Executive Committee.

Vice Chair Bartlett was not present to vote on this item.



#### 3. Roles and Responsibilities of the Executive Committee

Darrell Johnson, CEO, reported that the roles and responsibilities for each committee are reviewed periodically for changes or additions, and there were no recommended changes.

A motion was made by Director Murray, seconded by Director Donchak, and declared passed by those present, to approve the roles and responsibilities for the Executive Committee.

Vice Chair Bartlett was not present to vote on this item.

#### 4. Appointment Consideration of a Public Member for the Board of Directors

Chairman Hennessey stated that he would not participate in the discussions for consideration of a Public Member for the Board of Directors (Board), due to being a current Public Member on the Board, and left the room.

Director Donchak (Immediate Past Chair) reported on the process for consideration of the Public Member appointment for the Board. She stated that the Ad Hoc Committee, comprised of herself, one County of Orange Member, and one city Member, discussed and agreed on a full recruitment process to be undertaken.

Director Donchak stated that the Ad Hoc Committee reviewed the 18 candidates and, based on the established criteria, selected eight candidates to be interviewed. In addition, she reported that the eight candidates were interviewed by the Ad Hoc Committee, and the Executive Committee selected two finalists to be interviewed by the Executive Committee.

After a lengthy discussion ensued, there was consensus by the Executive Committee to schedule a Special Executive Committee meeting for Monday, February 13, 2017, after the Board meeting, to interview the two final candidates.



### Consent Calendar (Item 5)

#### 5. Approval of Minutes

A motion was made by Director Donchak, seconded by Director Murray, and declared passed by those present, to approve the minutes of the December 5, 2016 meeting.

Vice Chair Bartlett was not present to vote on this item.

Director Shaw abstained on this item, due to not be being a Member of the Executive Committee in 2016.

### **Regular Calendar**

## 6. Capital Programs Division - Second Quarter Fiscal Year 2016-17 Capital Action Plan Performance Metrics

Jim Beil, Executive Director of Capital Programs, reported on the second quarter fiscal year 2016-17 "Capital Action Plan Performance Metrics."

A discussion ensued regarding:

- March 2017 is the estimated timeline to resolve the dispute in regards to the Orange Station Parking Expansion project;
- Late last year, a letter of support for Assembly Bill 28 was sent to Sacramento from Lori Donchak, Immediate Past Chair;
- State Transportation Improvement Program funding has been reduced;
- The State Route 57 project:
  - The California Department of Transportation (Caltrans) delays for planting are due to the drought guideline changes.
  - Caltrans requested additional vehicle maintenance turnouts for highway workers' safety.
  - There were performance issues with the consultant and they are making progress.
- Director Donchak congratulated staff for signing the Interstate 405 Improvement Project contract;
- For the Interstate 5 (I-5)/EI Toro Road Interchange Project, staff is encouraged to continue the partnership with Caltrans to complete the project; and
- OCTA has agreed to handle the outreach for this I-5/EI Toro Road Interchange Project.



#### 6. (Continued)

Director Donchak requested that Attachment A of the Staff Report be organized by the Measure M2 Next 10 projects and mentioned the "TBD" notation. Mr. Johnson, CEO, stated that the Next 10 projects are included and "TBD" is unknown and needs Caltrans information to include in the chart.

Following the discussion, no action was taken on this receive and file information item.

### **Discussion Items**

#### 7. Chief Executive Officer's Report

Mr. Johnson, CEO, reported that:

- On Saturday, February 4th, OCTA hosted the annual Lunar New Year event at the Irvine Metrolink Station, and approximately 350 people attended. He thanked Director Murray for participating in the event.
- Last Sunday, OCTA hosted the first equestrian ride of the year at Ferber Ranch in Trabuco Canyon.
- On Saturday, February 25th at 9:00 a.m., OCTA will host a walk/hike of the Aliso Canyon Preserve in Laguna Beach.
- On Friday, February 10th and Saturday, February 11th, OCTA will host two outreach events at the Main Place Mall to introduce the new "Xpress" Route 53X," and transit ambassadors will be out in the field to answer questions.
- On Sunday, February 12th, the February bus service change will take place, and the newest "Xpress Route 53X" will go into service on Monday, February 13th.
- On Monday, January 30th, Caltrans began work on a project to repair the on-ramp at Pacific Coast Highway/Camino La Ramblas to the northbound I-5 in Dana Point. This Caltrans project will require a full closure of the on-ramp loop for approximately four months.
- Beginning Friday, February 10th, there will be an extended closure of the on-ramp from Camino Las Ramblas to the southbound I-5. This closure is part of the I-5 South Orange County improvements.



#### 8. Committee Members' Reports

Director Murray thanked the City of Irvine's Mayor Pro Tem Lynn Schott and Councilmember Melissa Fox for joining him at the Lunar New Year event at the Irvine Metrolink Station. Director Murray also thanked staff for a great job.

Vice Chair Bartlett reported that the Women's in Transportation Seminar – Orange County Chapter (WTS) had a nice reception for Chairman Hennessey last Wednesday at the Center Club.

Vice Chair Bartlett reported that Caltrans is working on the Ortega Highway issues and the public will continue to be posted about the status. In addition, she stated that Caltrans anticipates a three-week construction window in order to open Ortega Highway and could be delayed due to the weather.

Chairman Hennessey thanked WTS for the reception, as well as thanked staff, Vice Chair Bartlett, and the Board Members that attended the event.

#### 9. Closed Session

A Closed Session will be held as follows:

- A. Pursuant to Government Code Section 54957(b) to evaluate the performance of the Chief Executive Officer, Darrell Johnson.
- B. Pursuant to Government Code Section 54957.6 to meet with designated representatives, Chairman Michael Hennessey, regarding the compensation of the Chief Executive Officer.

There was no report out for the Closed Session items.

#### 10. Adjournment

The meeting adjourned at 9:57 a.m. The next regularly scheduled meeting of this Committee will be held at **9:00 a.m. on Monday, March 6, 2017**, at the Orange County Transportation Authority Headquarters, 550 South Main Street, Board Room – Conference Room 07, Orange, California.

ATTEST

Laurena Weinert Clerk of the Board

Michael Hennessey Chairman

February 6, 2017



#### **Committee Members Present**

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

#### Staff Present

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

#### Committee Members Absent Shawn Nelson

## Call to Order

The February 13, 2017 Special meeting of the Executive Committee was called to order by Chairman Hennessey at 12:10 p.m.

### Pledge of Allegiance

Director Do led in the Pledge of Allegiance.

#### 1. Public Comments

No public comments were received.

### **Special Calendar**

## 2. Interviews of the Two Final Candidates for the Public Member Seat on the Board of Directors

Chairman Hennessey stated that he is a Public Member on the Board of Directors (Board) and would not be participating in the interviews of the two final candidates, and he left the room.

Immediate Past Chair Lori Donchak opened with comments and explained the process for interviewing the two final candidates for the Public Member Seat on the Board.

After the Executive Committee interviewed candidates Gregory T. Winterbottom and George W. Wright, a discussion ensued.

A motion was made by Director Do, seconded by Director Murray, to appoint Gregory T. Winterbottom for a four-year term as a Public Member to the Board of Directors.



#### 2. (Continued)

After a discussion ensued about the two final candidates, a substitute motion was made by Vice Chair Bartlett, seconded by Director Shaw, to forward the two finalists to the Board of Directors for consideration.

After an additional discussion ensued, Director Do withdrew his motion.

A motion was made by Vice Chair Bartlett, seconded by Director Shaw, and declared passed by those present, to forward the two finalists to the Board of Directors for consideration that would involve an interview format.

Darrell Johnson, Chief Executive Officer, stated that several Board Members are attending an event in Sacramento and will be absent from the March 13<sup>th</sup> Board meeting.

Mr. Johnson stated that he will consult with Chairman Hennessey, Immediate Past Chair Donchak, and Vice Chair Bartlett about either taking the Public Member consideration to the February 27<sup>th</sup> or March 27<sup>th</sup> Board meetings.

#### 3. Adjournment

The Special Executive Committee meeting adjourned at 1:31 p.m.

The next regularly scheduled meeting of this Committee will be held at **9:00 a.m. on Monday, March 6, 2017**, at the Orange County Transportation Authority Headquarters, 550 South Main Street, Board Room – Conference Room 07, Orange, California.

ATTEST

Laurena Weinert Clerk of the Board

Lori Donchak Immediate Past Chair



#### March 6, 2017

From:

Darrell Johnson, Chief Executive Officer Measure M2 Quarterly Progress Report for the Period of Subject: October 2016 Through December 2016

#### **Overview**

Staff has prepared a Measure M2 quarterly progress report for the period of October 2016 through December 2016, for review by the Orange County Transportation Authority Board of Directors. This report highlights progress on Measure M2 projects and programs and 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 a margin of 69.7 percent, approved the Renewed Measure M Transportation Investment Plan (Plan) for the Measure M2 (M2) one half-cent sales tax for transportation improvements. The Plan provides a 30-year revenue stream for a broad range of transportation and environmental improvements, as well as a governing ordinance which defines all the requirements for implementing the Plan. Ordinance No. 3 designates the Orange County Transportation Authority (OCTA) as responsible for administering the Plan and ensuring that OCTA's contract with the voters is followed.

OCTA is committed to fulfilling the promises made in M2. This means not only completing the projects described in the Plan, but adhering to numerous specific requirements and high standards of quality called for in the measure, as identified in the ordinance. Ordinance No. 3 requires that guarterly status reports regarding the major projects detailed in the Plan be brought to the OCTA Board of Directors (Board). All M2 progress reports are posted online for public review.

#### Discussion

This quarterly report reflects current activities and progress across all M2 programs for the period of October 1, 2016 through December 31, 2016 (Attachment A).

The quarterly report is designed to be easy to navigate and public friendly, reflecting OCTA's Strategic Plan transparency goals. The report includes budget and schedule information included in the Capital Action Plan, Local Fair Share Program, and Senior Mobility Program payments made to cities this quarter, as well as total distributions from M2 inception through December 2016.

Additionally, Attachment A includes a summary of the Program Management Office activities that have taken place during the quarter. One particular area of significance is highlighted below.

#### Next 10 Delivery Plan

On November 14, 2016, the Board adopted the Next 10 Delivery Plan, which provides guidance to staff on delivery of M2 projects and programs between 2017 and 2026. During the Next 10 time period, more than \$6 billion in transportation improvements promised to the voters in M2 are to be completed or underway by 2026. The Plan's ten key deliverables take into account the revised sales tax revenue forecast of \$14.2 billion (supplemented with external revenues) and updated project costs and schedules generated by the Board-approved October 2016 M2 cash flow.

Also part of the Next 10 Plan adoption, the Board directed staff to conduct a market analysis to analyze current resource demands and provide information on the impact on OCTA's delivery of M2 projects. Consultant selection for this effort is underway.

#### Progress Update

The following highlights M2 Program accomplishments that occurred during the second quarter:

• October 24, 2016, the Board approved conceptual designs for the OC Streetcar stops, and directed staff to make revisions to the canopy size, seating accommodations, and colors, and to conduct additional public outreach. On November 28, 2016, the Board approved revised conceptual designs. On December 12, 2016, the Board approved a request for proposals (RFP) for Public Awareness Services, and an RFP for manufacturing and delivery of streetcar vehicles (Project S).

#### Measure M2 Quarterly Progress Report for the Period of *Page 3* October 2016 Through December 2016

- Construction acceptance was obtained on October 25, 2016, for the Tustin Avenue/Rose Drive and Orangethorpe Avenue grade separation projects in the cities of Anaheim and Placentia (Project O).
- Construction acceptance was obtained on October 31, 2016, for the State Route 91 Improvement Project from State Route 55 (SR-55) to the Tustin Avenue interchange (Project I).
- Community-Based Transit Circulator services in the cities of Mission Viejo, San Clemente, and Westminster began in October (Project V).
- On November 14, 2016, the Board approved an increase to the OC Bridges Railroad Grade Separation Program budget by \$32.73 million, increasing the total amount to \$663.96 million (Project O).
- An agreement with the California Department of Transportation (Caltrans) was approved by the Board on November 14, 2016, to address all toll operation matters related to the 405 Express Lanes (Project K).
- The design-build contract for the Interstate 405 (I-405) Improvement Project was approved by the Board, in the amount of \$1.217 billion, on November 14, 2016 (Project K).
- On November 28, 2016, the Final Environmental Impact Report and Final Natural Community Conservation Plan/Habitat Conservation Plan (Conservation Plan) was approved by the Board. An agreement between OCTA, United States Fish and Wildlife Service, and the California Department of Fish and Wildlife was also approved for implementation of the Conservation Plan.
- On December 12, 2016, a consultant was selected for construction management services for the Placentia Metrolink Commuter Rail Station Project, and an amendment was approved for adding additional construction management services for the Laguna Niguel/Mission Viejo Metrolink Station Improvements Project (Project R).
- On December 12, 2016, the Board approved adjustments for Combined Transportation Funding Program projects and Local Fair Share funds, as part of the September 2016 Semi-Annual Review (projects O, P, Q, S, V, W, and X).
- On December 12, 2016, the Board approved an agreement to purchase seven cut-away buses for Project V services (Project V).

#### Measure M2 Quarterly Progress Report for the Period of *Page 4* October 2016 Through December 2016

 Caltrans presented the Draft Managed Lanes Network Study to the Board on December 12, 2016. This Caltrans-prepared study intends to address slow travel speeds in high-occupancy vehicle (HOV)/carpool lane systems in Orange County by recommending changes to the system through pricing or new capacity (where possible) to manage demand and improve overall performance (projects A-M).

A critical factor in delivering M2 freeway projects is to ensure project scope, schedules, and budgets remain on target. Project scope increases, schedule delays, and resulting cost increases can quickly affect project delivery and have a cascading effect on other activities. In light of the recent reduction in the sales tax revenue forecast, this factor is even more significant. Project delivery is monitored closely, and progress, as well as challenges, are presented to the Board through these quarterly staff reports, individual project staff reports, as well as through the Capital Action Plan quarterly performance metrics reports from the Capital Programs Division.

Caltrans and OCTA continue to work together to move projects forward. Looking ahead, Caltrans' strategic policy direction now includes a focus on construction and/or enhancement of a managed lanes system, including HOV lanes, which is a particular challenge. This policy shift and associated risks will continue to be of concern over how non-M2-focused priorities may delay or impact the remaining M2 freeway projects. OCTA continues to advise Caltrans that these new state policies need to take voter commitments into consideration and be implemented as additive projects to M2 improvements where appropriate.

During the quarter, a statewide environmental issue came to light related to the National Environmental Policy Act (NEPA) Assignment Program. Under this program, the Federal Highway Administration has delegated "signing authority" to Caltrans for making environmental decisions and approvals for highway projects in California. Time savings provided with NEPA delegation has helped expedite project delivery. This program expired on January 1, 2017, suspending Caltrans' NEPA delegation authority. An extended lapse in signing authority could potentially affect numerous locally-funded OCTA projects, putting them at risk for delay if they are subject to the traditional NEPA review process. The projects currently at risk for delay due to this lapse are the SR-55 Widening Project between I-405 and Interstate 5 (Project F), and the I-405 Improvement Project between SR-55 and Interstate 605. New legislation, AB 28 (Frazier, D-Oakley), was introduced on December 5, 2016, which proposes to delegate NEPA assignment authority to Caltrans indefinitely. OCTA has taken a support position on AB 28 and to date the legislation appears to be moving well through the legislative process. Staff believes the legislation will be approved by the legislature and enacted by the Governor prior to projects being negatively impacted.

#### Measure M2 Quarterly Progress Report for the Period of *Page 5* October 2016 Through December 2016

Another continued challenge that the program has faced is the reduction in Orange County's share of State Transportation Improvement Program (STIP) funding of \$42.2 million, and delays to previously programmed M2 projects.

The impacts related to the STIP reduction include a one-year delay on Project A, \$39 million project, and a two-year delay on Project C, a \$482 million project, which, if not addressed, will result in cost increases for both projects due to escalation. OCTA is closely monitoring the transportation funding proposals at the state and federal levels that could potentially provide a funding solution for these two projects and possibly provide an opportunity to expedite projects as a result of additional funding becoming available. Near term implications persist, and staff will seek the Board's direction next quarter on how to address the impacts.

#### Summary

As required by M2 Ordinance No. 3, a quarterly report covering activities from October 2016 through December 2016 is provided to update progress in implementing the Plan. The above information and the attached details indicate significant progress on the overall M2 Program. To be cost-effective and to facilitate accessibility and transparency of information available to stakeholders and the public, the M2 quarterly progress report is presented on the OCTA website. Hard copies are available by mail upon request.

#### Attachment

A. Measure M2 Progress Report – Second Quarter of Fiscal Year 2016-17
 – October 1, 2016 through December 31, 2016

Prepared by:

mara Damo

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

Approved by:

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





#### SECOND QUARTER HIGHLIGHTS:

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

SURE

• Summary

Measure M2 Progress Report

Final OC Streetcar Stop design concept and color scheme yet to be determined

3/13/17

Second Quarter of Fiscal Year 2016-17 October 1, 2016 through December 31, 2016







## **SUMMARY**

As required by the Measure M2 (M2) Ordinance No. 3, a quarterly report covering activities from **October 1, 2016 through December 31, 2016** is provided to update progress in implementing the M2 Transportation Investment Plan.

To be cost effective and to facilitate accessibility and transparency of information available to stakeholders and the public, the M2 progress report is presented on the Orange County Transportation Authority (OCTA) website. Hard copies are mailed upon request.



Cover photo shown is a rendering of one of the conceptual design options approved by the Board for OC Streetcar stops (Project S). The finalized color scheme is yet to be determined.



# Measure M2 Progress Report TABLE OF CONTENTS



SECTION	PROJECT	PAGE
M2 Delivery Risk Update		
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Program Management Office		
M2 Financing and Schedule of Funding		
Local Fair Share M2 Funding by Agency		
Capital Action Plan Status		

## **M2 Project Schedules**

# Measure M2 Progress Report



Conceptual

Environmental







M2	Projects and Programs														
		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Α	I-5, SR-55 to SR-57														
в	I-5, I-405 to SR-55 (Further Schedule TBD)														
С	I-5, Vista Hermosa to Pacific Coast Highway														
С	I-5, PCH to San Juan Creek Rd.														
С	I-5, Alicia Pkwy to El Toro Road														
C,D	I-5, Pico to Vista Hermosa/Pico Interchange														
C,D	I-5, SR-73 to Oso Pkwy/Avery Pkwy Interchange														
C,D	I-5, Oso Pkwy to Alicia Pkwy/La Paz Road Interchange														
D	I-5, I-5/EI Toro Interchange (Further Schedule TBD)														
D	I-5, I-5/Ortega Interchange														
E	SR-22. Access Improvements														
F	SR-55, I-405 to I-5														
F	SR-55, I-5 to SR-91 (Further Schedule TBD)														
G	SR-57 (NB), Orangewood to Katella (Further Schedule TBD)														
G	SR-57 (NB), Katella to Lincoln														
G	SR-57 (NB), Orangethorpe to Yorba Linda														
G	SR-57 (NB), Yorba Linda to Lambert														
G	SR-57 (NB), Lambert to County Line (Further Schedule TBD)														
н	SR-91 (WB), I-5 to SR-57														
I	SR-91 (WB), Tustin Interchange to SR-55														
I	SR-91, SR-55 to SR-57 (Further Schedule TBD)														
J	SR-91, SR-241 to SR-55														
J	SR-91 (EB), Riv. County Line to SR-241														
J	SR-91, Riv. County Line to SR-241 (Env. Cleared/Further Schedule TBD)														
κ	I-405, Euclid to I-605 (Design-Build)														
L	I-405, I-5 to SR-55 (Further Schedule TBD)														
Μ	I-605, I-605/Katella Interchange (Further Schedule TBD)														
									•						

Continues on the next page...



Continued from the previous page...

М2	Projects and Programs														
		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
0	Raymond Grade Separation (Fullerton)														
0	State College Grade Separation (Fullerton)														
ο	Placentia Grade Separation (Placentia)														
ο	Kraemer Grade Separation (Placentia)														
ο	Orangethorpe Grade Separation (Anaheim/ Placentia)														
ο	Tustin/Rose Grade Separation (Anaheim/ Placentia)														
0	Lakeview Grade Separation (Anaheim/ Placentia)														
R	Sand Canyon Grade Separation (Irvine)														
R	17th Street Railroad Grade Separation														
R	Rail-Highway Grade Crossing Safety Enhancement														
R	San Clemente Beach Trail Safety Enhancements														
R	San Juan Capistrano Passing Siding														
R	Placentia Metrolink Station and Parking Structure														
R	Anaheim Canyon Station														
R	Orange Station Parking Expansion														
R	Fullerton Transportation Center Elevator Upgrades														
R	Laguna Niguel/Mission Viejo Station ADA Ramps														
R,T	Anaheim Regional Transportation Intermodal Center *														
S	OC Streetcar														

\*Projects managed by local agencies.

Project K is a Design-Build project, with some overlap in activities during phases. Phase work can be concurrent.

Shown schedules are subject to change.

Key:



One to Watch

At Risk

## **M2 Delivery Risk Update**

This section discusses the risks and challenges related to overall Measure M2 and Next 10 Plan delivery that the Measure M Program Management Office is watching – complete with associated explanations and proposed actions. The below risks have been identified in the Board-adopted Next 10 Delivery Plan.

Measure M2

**Progress Report** 

Delivery Risk		Explanation	Proposed Action				
Fina	ancial						
1	Continuation of a lower-than- projected M2 revenue forecast of \$14.2 billion or a reduction in external revenue assumptions would impact delivery.	The original projection in 2005 was \$24.3 billion. With the revised Board- adopted forecast methodology in place to ensure more accurate projections, the forecast is 42% lower and the delivery plan has a greater reliance on external funding.	Continue to actively pursue all available state and federal revenue. As a result of the STIP funding delay, the freeway program may require additional local funding if proposed state funding fixes are not implemented.				
2	Revenue assumptions related to Project K (I-405) not fulfilled.	The M2 cash flow assumes receipt of \$245 million in Transportation Infrastructure Finance and Innovation Act (TIFIA) funds for the M2 portion of Project K.	If the TIFIA loan is not approved at the level assumed, a revised cash flow will be required to determine the need for revised delivery schedules and additional revenue sources.				
3	The inability to scale the Freeway Program to available revenue with large freeway capital projects moving forward in the Next 10 timeframe.	Management of project scopes and schedules is key to the successful delivery of the overall Freeway Program. Given the magnitude of upcoming projects (e.g. Project K), any length of delay with associated cost escalation can be impactful and will need to be tightly managed.	Staff will work closely with project managers and Caltrans to seek cost- saving measures on freeway projects through changes in design parameters where possible. Tight monitoring of project schedules and scopes will be required to ensure delivery of the entire Freeway Program.				
4	Rising cost of operating Metrolink train service.	Operational cost of Metrolink service continues to grow as new regulations are imposed, such as Positive Train Control, track-sharing arrangements with Burlington Northern Santa Fe, and new locomotive requirements.	Staff will continue to work closely with Metrolink and our partners to ensure cost increases are minimized while service is optimized.				
5	Timeframe for establishment of an endowment fund for long-term management of seven conservation properties (Preserves), as part of the Freeway Environmental Mitigation Program (EMP), may be extended.	A portion of the annual revenues for the EMP will be dedicated to the endowment deposits. If sales tax revenues continue to decline, it may take longer to establish the endowment and OCTA will need to continue to pay for the interim management of the Preserves.	Staff will continue to engage state and federal resource agencies to minimize management costs for the Preserves. Where successful, this will reduce the overall endowment obligation, enabling OCTA to set up the endowment in the prescribed ten-to- twelve year period.				

Measure M2 Progress Report M2 DELIVERY RISK UPDATE



#### Continued from previous page...

	Delivery Risk	Explanation	Proposed Action
Org	anizational		
6	Availability of specialized staff, given the scope of Right-of-Way (ROW) activities for various freeway construction activities.	Timely ROW acquisition and utility clearance has proven to be a key factor in reducing risk on construction projects. Early acquisition is challenged by the heavy demand on Caltrans' ROW resources. This is further challenged by a change in meeting frequency by the California Transportation Commission, a necessary step in ROW settlement.	Expert and timely coordination between OCTA and Caltrans is imperative to manage this risk. If resource issues become a problem, OCTA should consider taking full responsibility for ROW activities. Staff is currently conducting a ROW resource analysis and results from that effort will provide direction on next steps.
7	New operational responsibilities with both the I-405 Express Lanes and OC Streetcar	With the implementation of both the I-405 Express Lanes and the OC Streetcar service, OCTA will be increasing its overall role in operations.	OCTA holds a strong track record in operating the 91 Express Lanes. Additionally, OCTA will look to augment staff's capabilities to provide guidance for operating the OC Streetcar.
Pol	ісу		
8	New statewide directives creating additional hurdles for the Freeway Program in particular.	With new statewide directives focused on greenhouse gas reductions, it will be more difficult to environmentally clear the remaining M2 general purpose lane projects. Additionally, within the recently completed Caltrans managed lanes study, inclusion of managed lanes is suggested for M2 project corridors	OCTA will need to ensure that when freeway improvement projects are reviewed for environmental clearance, they are viewed as part of a larger suite of transportation improvements. OCTA staff will work closely with Caltrans to emphasize the importance of keeping the promise to the voters.
		where the promise to the voters is the addition of a general purpose lane. Projects currently in the environmental phase are at possible risk.	
Ma	rket		
9	Major capital work underway in the Southern California region impacting OCTA's ability to secure resources needed for project and program delivery.	Competition for available resources for capital projects in the Southern California region has increased with the major capital work currently underway in Riverside, Los Angeles, and San Diego county. For future projects going forward, engineers, right-of-way experts, and materials will be in higher demand.	A market research analysis will be conducted to evaluate staffing and resource needs to implement the Next 10 Plan and help guide OCTA in navigating the bidding environment. Any identified resource needs for Plan implementation will be brought to the Board as part of future budget adoption or in separate Board requests.



## Measure M2 Progress Report NEXT 10 UPDATE



## Next 10 Plan Update

Contact: Tami Warren, PMO Manager (714) 560-5590

On November 14, 2016, the Board of Directors (Board) approved the Next 10 Delivery Plan, a ten-year plan that outlines projects and programs for all modes of transportation to be delivered on an expedited schedule between 2017 and the year 2026. The plan identified ten deliverables for what is to be accomplished, with the overarching goal of successfully delivering the M2 Program by 2041 as promised.

This quarter, staff began the implementation and outreach effort for the Next 10 Plan. Next 10 revenue, expense, and schedule sequencing assumptions have been incorporated into the M2 cash flow model. Tight monitoring of cash flow assumptions versus actual revenue, expense, and schedule activity is underway. Additionally, External Affairs, in collaboration with Government Relations and the Measure M Program Management Office, has successfully implemented the Next 10 communication plan. External stakeholders have been notified of the adoption of the Next 10 Delivery Plan through formal mailings, email, and digital communications.

## Next 10 Plan Deliverables

## 1. Deliver \$3 billion of freeway improvements promised in M2020 (Projects A-M).

The M2 freeway program currently consists of 27 projects or project segments. Of this amount, nine are already complete, and another nine are designated to be complete within the Next 10 timeframe. Together, the nine segments designated for completion make up the \$3 billion delivery promise. Segments to be complete by 2026 include: three segments of I-5 between Avenida Pico and San Juan Creek Road (Project C) which are currently in construction, one project on I-405 between SR-55 and I-605 (Project K) in the Design-Build phase, another four segments on I-5 (one between SR-55 and SR-57 and the other three between SR-73 and El Toro Road) that are in design, and one segment on SR-55 (between I-405 and I-5) that is in the environmental phase. For more details, see previous page (Project Schedules) and the project updates contained in the following pages.

# 2. Invest approximately \$1.2 billion more in revenues, bringing the completed Freeway Program improvements to \$4.2 billion (Projects A-M).

The final nine remaining project segments (of the 27 total) are on track to be environmentally cleared by 2020, making them "shelf ready" for future advancement as revenues become available. The Next 10 Plan designated another \$1.2 billion (in addition to the \$3 billion promised above) toward moving one or two projects from the nine into construction by 2026. Environmentally cleared projects that rank highest in congestion levels, readiness, and cost risk will be recommended to the Board to advance into the construction phase. Project I (between SR-55 and SR-57) meets the above criteria and was designated as a priority project by the Board in the Next 10 Plan.





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3. Allocate \$1 billion, with \$400 million in competitive funding to local jurisdictions to expand roadway capacity and synchronize signals (Project O and P) and \$630 million in flexible funding to local jurisdictions to help maintain aging streets or for use on other transportation needs, as appropriate (Project Q).

Between M2 inception and the Next 10 Plan adoption, OCTA invested approximately \$700 million in M2 funds into the Regional Capacity Program (Project O), Regional Traffic Signal Synchronization Program (Project P), and Local Fair Share Program (Project Q). Since the Next 10 Plan was adopted in November, \$8.32 million in Local Fair Share funds was distributed to cities during the quarter. No Board action was taken to provide additional Project O and P competitive funding.

#### a. Complete the remaining three grade separation projects (Projects O, P, and Q).

Grade Separation projects under construction include: Raymond Avenue, State College Boulevard, and Lakeview Avenue. Construction on Lakeview is anticipated to be complete by summer 2017. Construction on Raymond and State College is expected to be complete in mid-2018. To date, the Board has approved \$664 million in committed M2 and external funds for all seven of the OC Bridges Program grade separation projects.

# 4. Expand Metrolink service between Orange County and Los Angeles County, contingent upon cooperation and funding participation from route partners; complete six rail station improvements (Project R).

The Riverside County Transportation Commission (RCTC), Los Angeles County Metropolitan Transportation Authority (Metro), and OCTA continue to work together to secure approval of a Memorandum of Understanding (MOU) with Burlington Northern Santa Fe (BNSF) Railway, which is necessary to operate train service on BNSF-owned tracks. Metrolink has taken the lead in the discussions with the BNSF Railway to evaluate the current shared use and indemnification/liability agreements that govern the use of each agency's respective railroad rights of way. Special counsel has been brought in to assist in these discussions.

Within this program, funding is provided for rail corridor and station improvements to accommodate increased train service and commuter use - including station upgrades, parking expansions, and safety enhancements. The Next 10 Plan identifies six projects to be completed by 2026, which include: Laguna Niguel/ Mission Viejo Metrolink station ADA ramps (construction 31% complete), Orange Metrolink station parking structure (construction to begin in spring 2017), Placentia Metrolink station (construction to begin in spring 2018), Anaheim Canyon Metrolink station improvement project (construction to begin in late 2019), Fullerton Transportation Center elevators (construction to begin in early 2017), and San Clemente Pier Metrolink/Amtrak station lighting (construction 30% complete). For more details, see the project updates contained in the following pages.

# 5. Complete design, construction and begin operating the OC Streetcar (Project S) and complete the Harbor Corridor Transit Study and the Orange County Transit Vision to guide development of future transit connections (Project S).

#### OC Streetcar

To date, the Board has approved up to \$306.4 million for the OC Streetcar project, including preliminary studies, environmental, project development and construction. FTA has shown strong support for this project, including ascribing an overall medium-high rating to it in their 2016 Annual New Starts Report. The full Notice to Proceed for design was issued in February 2016. Approval for entry into the New Starts Engineering phase is anticipated in January 2017.





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#### Harbor Corridor Transit Study

In October 2016, the Board amended the scope of the Harbor Corridor Transit Study to also evaluate a transit connection between Harbor Boulevard and the Anaheim Regional Transportation Intermodal Center (ARTIC). During the quarter, staff worked with the Project Development Team (PDT) to perform the additional analysis along the Katella Avenue corridor and to develop three additional conceptual alternatives focused on connections between Harbor Boulevard and ARTIC. The team also worked to refine the other draft conceptual alternatives, finalized evaluation criteria metrics, and updated the outreach plan. The completed Harbor Corridor Transit Study is expected to be presented to the Board in July 2017.

#### OC Transit Vision

Staff conducted 18 stakeholder interviews during this quarter. During these interviews, staff presented a project overview and solicited input which will be used to help shape the project goals and outcomes. A "State of OC Transit" report is under development which will be distributed to the Board and stakeholders during the next quarter. The completed OC Transit Vision is expected to be presented to the Board in November 2017.

# 6. Provide up to \$120 million in funding to expand mobility choices for seniors and persons with disabilities (Project U).

Since M2 inception, more than \$43 million in Project U funds has been provided for the Senior Mobility Program (SMP), the Senior Non-emergency Medical Transportation Program (SNEMT), and the Fare Stabilization Program. Included in this amount, approximately \$1.62 million has been provided for the SMP, SNEMT, and Fare Stabilization programs since Next 10 Plan adoption.

# 7. Support local agency efforts to deliver Board-approved community transit projects and provide grant opportunities for local agencies to implement effective local transit services (Project V).

Since 2013, the Board has approved approximately \$36.86 million to fund 29 community-based transit service projects (22 capital and operations grants and 7 planning grants). Approved projects service areas in 19 cities and the County of Orange: Anaheim, Costa Mesa, County of Orange, Dana Point, Fountain Valley, Garden Grove, Huntington Beach, Irvine, La Habra, Laguna Beach, Laguna Niguel, Lake Forest, Mission Viejo, Newport Beach, Placentia, Rancho Santa Margarita, San Clemente, San Juan Capistrano, Tustin, and Westminster. Project updates are provided to the Board biannually.

# 8. Allocate \$9 million in funding to improve the top 100 busiest bus stops in Orange County and support the modernization of the bus system to enhance the customer experience (Project W).

Between M2 inception and Next 10 Plan adoption, the Board approved up to \$1,205,666 for supporting 51 cityinitiated improvements and \$370,000 for OCTA-initiated improvements. The \$370,000 contribution was invested towards a mobile ticketing application (app) to make it more convenient for bus customers to purchase bus passes, obtain trip information, and board buses using smart phone devices to display bus passes as proof of payment. Since Next 10 adoption in November, no Board action has been taken to provide additional Project W funding.





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

The Freeway Mitigation Program is proceeding as planned, with seven properties (Preserves) acquired (1,300 acres), and 11 restoration projects approved for funding by the Board, totaling approximately 350 acres. These Preserves and restoration projects are folded into the OCTA Natural Community Conservation Plan/Habitat Conservation Plan (NCCP/HCP), which contributes mitigation to streamline the permitting process for M2 freeway projects. The program's Conservation Plan and Final Environmental Impact Report and Environmental Impact Statement (EIR/EIS) were approved by the Board in November 2016. As part of the NCCP/HCP process, an endowment is required to be established to pay for the long-term management of the Preserves. In September 2016, the Board approved staff's recommendation to retain the California Community Foundation to establish this endowment. The first endowment deposit is anticipated to be made in early 2017. Staff will continue to oversee and manage the Preserves until a long-term manager(s) is established. Additionally, staff will monitor the progress of all restoration projects and provide status updates to the Environmental Oversight Committee until each project is implemented.

# 10. Work with the Environmental Cleanup Allocation Committee (ECAC) to develop the next tiers of water quality programs, with a goal of providing \$40 million in grants to prevent the flow of trash, pollutants, and debris into waterways from transportation facilities. In addition, focus on improving water quality on a regional scale that encourages partnerships among the local agencies as part of the Environmental Cleanup Program (Project X).

Prior to Next 10 adoption, the Board awarded approximately \$45 million for 138 Tier 1 and 22 Tier 2 projects. Since adoption in November, no action has been taken to award additional Project X funds. Staff is working with the ECAC to determine the best timing for the next Tier 2 call based on projected cash flow and potential viable Tier 2 projects.





-FREEWAYS

## Interstate 5 (I-5) Projects

## **Project A**

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

Contact: Rose Casey, Highways (714) 560-5729

Status: Design Phase Underway - 78% Complete

Summary: This project will increase HOV capacity by adding a second HOV lane in both directions along I-5 between SR-55 and SR-57 in Santa Ana. This quarter, the Project Design Team (PDT) completed 95 percent Engineering Plans, Specifications & Estimates (PS&E). Final design plans are being developed and will be submitted next quarter. The design phase is expected to be complete by mid-2017. Funding for the construction phase of this project was impacted by the STIP reductions, and staff is evaluating alternative funding in hopes of keeping this project on schedule.

## **Project B**

I-5 (SR-55 to the El Toro "Y" Area)

Status: Environmental Phase Underway - 46% Complete

Summary: This project will add one general purpose lane in each direction of the I-5 corridor and improve the interchanges in the area between SR-55 and SR-133 (near the El Toro "Y" and I-405) in Tustin and Irvine. The environmental study will consider the addition of one general purpose lane on I-5 between just north of I-405 to SR-55. Additional features of Project B include improvements to various interchange ramps. Auxiliary lanes could be added in some areas and re-established in other areas within the project limits. During the quarter, the consultant continued working on technical studies and obtained approval on some. The final Environmental Document is expected to be complete in August of 2018.





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## Project C & Part of Project D

## I-5 (SR-73 to Oso Parkway/ Avery Parkway Interchange)

Contact: Rose Casey, Highways (714) 560-5729

## Status: Design Phase Underway - 78% Complete

Summary: This project will make improvements along I-5 between SR-73 and Oso Parkway in the cities of Laguna Hills, Laguna Niguel, and Mission Viejo. The proposed improvements include the addition of a general purpose lane in each direction and reconstruction of the Avery Parkway Interchange (part of Project D). During the quarter, comments were received from Caltrans for the 65 percent PS&E submittal and work continued on the 95 percent PS&E submittal. The ROW maps are being prepared and will be submitted to Caltrans next quarter, on October 19, 2016. Staff continued to work with Caltrans regarding ROW support services. Design work is anticipated to be complete in 2018. Due to extended ROW coordination, this project is marked "yellow" in the Capital Action Plan, signifying a delay of one to three months beyond the original schedule.

## I-5 (Oso Parkway to Alicia Parkway/ La Paz Road Interchange)

## Status: Design Phase Underway - 80% Complete

Summary: This project will make improvements along I-5 between Oso Parkway and Alicia Parkway in the cities of Mission Viejo, Laguna Hills, and Lake Forest. The proposed improvements include the addition of a general purpose lane in each direction and reconstruction of the La Paz Road Interchange. The design phase is currently underway. Major activities this quarter included submittal of the 95 percent PS&E package, continued coordination on the aesthetics concept plan, off-site sound walls, service contract coordination with Southern California Rail Road Association (SCRRA) and Metrolink, and coordination with Caltrans on ROW and utilities. Federal authorization to begin work on the ROW phase was granted in December. Due to extended ROW coordination, this project is marked "yellow" in the Capital Action Plan, signifying a delay of one to three months beyond the original schedule.

## I-5 (Alicia Parkway to El Toro Road)

## Status: Design Phase Underway - 71% Complete

Summary: This project will make improvements along I-5 between Alicia Parkway to El Toro Road in the cities of Lake Forest, Laguna Hills, Laguna Woods and Mission Viejo, including the extension of the second HOV lane from Alicia Parkway to El Toro Road. Major activities this quarter included providing responses to comments received from the 65 percent submittal and beginning meetings with the functional units for concurrence, continued coordination on the aesthetics concept plan, and the continued development of a plan to address potential impacts to Avenida De La Carlota and Southern California Edison power lines therein. Also held meetings with other utility agencies to determine the need, extent and schedules for third party relocations/protection. Due to extended ROW coordination, this project is marked "yellow" in the Capital Action Plan, signifying a delay of one to three months beyond the original schedule.

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Project C & Part of Project D continued from previous page...

## I-5 (Avenida Pico to Avenida Vista Hermosa)

Status: Construction Underway - 61% Complete

Summary: This segment adds a carpool lane in each direction on I-5 between Avenida Pico and Avenida Vista Hermosa in San Clemente, and also includes major improvements to the Avenida Pico Interchange (part of Project D), which will also provide bicycle lanes in both directions of Avenida Pico. Construction began in February 2015. During the quarter, the westerly half of Avenida Pico Undercrossing bridge was completed and northbound traffic was routed onto the new bridge. The old easterly half of the Avenida Pico interchange was demolished and pile driving for the new easterly half of the bridge began. Construction of Avenida Pico retaining wall is in progress, and construction of the roadway section is ongoing. Construction is scheduled to be 100 percent complete in early 2018.

## I-5 (Avenida Vista Hermosa to PCH)

#### Status: Construction Underway - 91% Complete

Summary: This segment adds a carpool lane in each direction of I-5 between Avenida Vista Hermosa and Pacific Coast Highway (PCH) in San Clemente, and also includes reconstructing on and off ramps at Avenida Vista Hermosa and Camino de Estrella. Construction began in September 2014. During the quarter, Hot Mix Asphalt (HMA) paving work in southbound and northbound directions continued and will finish next quarter. Installation of irrigation systems for landscaping and connection to reclaimed water were completed. Additionally, construction of all sound walls and installation of soundsorb panels were completed. Construction is scheduled to be 100 percent complete in spring 2017.

## I-5 (PCH to San Juan Creek Road)

#### Status: Construction Underway - 84% Complete

Summary: This segment will add a carpool lane in each direction of the I-5 between PCH and San Juan Creek Road in the cities of San Clemente, Dana Point, and San Juan Capistrano. Project improvements also include reconstructing on and off ramps at PCH/Camino Las Ramblas. Construction began in March 2014. During the quarter, construction on Retaining Wall 349 with the new soldier pile wall and the cast-in-place wall was completed. The southbound PCH/Camino Las Ramblas on-ramp was also paved and completed. Construction of the roadway section, including the PCH connector bridge work and Hot Mix Asphalt (HMA) paving is ongoing. A soil issue identified in fall 2015 that was brought to the Board will delay project completion time. As a result, this project is marked "red" in the Capital Action Plan, signifying a delay of more than three months, with a revised completion date extending at least 19 months past original schedule (September 2016). Construction work is scheduled to be 100 percent complete in spring 2018.

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## **Project D**

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

## I-5 El Toro Road Interchange

Status: Environmental Phase Pending

Summary: Caltrans approved the Project Study Report/Project Development Support (PSR-PDS) on February 20, 2015, and the document is considered final and complete. The PSR-PDS includes alternatives that consider modifications to the existing interchange to provide a new access ramp to El Toro Road and one alternate access point adjacent to the interchange. The project can now advance to the Environmental Phase for further detailed engineering and project development efforts, which is anticipated to begin next quarter. The Cooperative Agreement for the Environmental Phase between OCTA and Caltrans was approved by the Board on October 10, 2016.

## I-5/ Ortega Highway Interchange



Contact: Rose Casey, Highways (714) 560-5729

## Status: PROJECT COMPLETE

Summary: Construction began in February 2013 to reconstruct the SR-74 Ortega Highway Bridge over I-5, and improve local traffic flow along SR-74 and Del Obispo Street in the City of San Juan Capistrano. All lanes on the new bridge were opened to traffic on September 4, 2015. A dedication ceremony was held on October 1, 2015. The project was officially completed on January 15, 2016.

## State Route 22 (SR-22) Project

## **Project E**

## SR-22 Access Improvements



Contact: Rose Casey, Highways (714) 560-5729

#### Status: PROJECT COMPLETE

Summary: Completed in 2008, Project E 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 in the area. This M2 project was completed early as a "bonus project" provided by the original Measure M (M1).





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## State Route 55 (SR-55) Projects

## **Project F**

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

Contact: Rose Casey, Highways (714) 560-5729

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Status: Environmental Phase Underway - 87% Complete

Summary: This project will widen SR-55 in the cities of Irvine, Santa Ana, and Tustin. Caltrans has proposed a Modified Alternative 3 and staff presented the recommendation to the Board in July 2016. The Board directed staff to incorporate the modified alternative with an anticipated 12 to 18 month estimate to complete the Environmental Phase. The PDT has updated most technical studies and will be ready to re-circulate the draft environmental document next quarter. The project is ahead of the target schedule but is at risk of incurring some delay due to the current lapse of NEPA delegation to the State. The project is marked "red" in the Capital Action Plan, signifying a delay of more than three months. This project has been delayed by more than six years from its original schedule, due to differences in project determination between OCTA and Caltrans.

## SR-55 (I-5 to SR-91)

Status: Environmental Phase Underway - 1% Complete

Summary: The PSR/PDS was signed by Caltrans on January 12, 2015, completing the project initiation document phase. Once implemented, this project will add capacity between I-5 and SR 22, and provide operational improvements between SR-22 and SR-91 in the cities of Orange, Santa Ana, Tustin, and Anaheim. All of the project alternatives in the draft PSR/PDS document include the addition of one general purpose lane in each direction between SR-22 and Fourth Street and operational improvements between Lincoln Avenue and SR-91. Other improvements being considered consist mostly of operational improvements at ramps and merge locations between SR-22 and SR-91, as well as a potential interchange project at First Street and the I-5 connector ramp. During the quarter, a consultant contract was executed to begin the Environmental Study Phase and complete the Project Report and Environmental Document. The Environmental Phase is anticipated to be complete in 2019.



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State Route 57 (SR-57) Projects

## **Project G**

## SR-57 NB (Lambert Road to Tonner Canyon Road)

Status: Conceptual Phase Complete, Further Schedule TBD

Summary: Caltrans previously completed a PSR/PDS document for the Lambert Road to Tonner Canyon Road segment, which will add a truck-climbing lane from Lambert Road to Tonner Canyon Road in the city of Brea. The segment will be cleared environmentally by 2020. Future work will be planned so that it coincides with related work by the Los Angeles Metropolitan Transportation Authority (Metro) across the county line. Funding for environmental phase for this project was proposed to be included in the 2016 STIP but was removed due to funding constraints. Staff will evaluate alternative funding sources.

## SR-57 NB (Yorba Linda Boulevard to Lambert Road)

#### Status: PROJECT COMPLETE

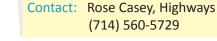
Summary: Completed on May 2, 2014, this project increased capacity and improved operations and traffic flow on SR-57 with the addition of a new 2.5-mile northbound general-purpose lane between Yorba Linda Boulevard in the City of Fullerton and Lambert Road in the City of Brea. Additional project benefits include 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 new general purpose lane was opened to traffic on September 23, 2013.

## SR-57 NB (Orangethorpe Avenue to Yorba Linda Boulevard)

#### Status: PROJECT COMPLETE

Summary: This project increased capacity and improved operations on northbound SR-57 with a new 2.5 mile northbound general-purpose lane between Orangethorpe Avenue in the City of Placentia to Yorba Linda Boulevard in the City of Fullerton. In addition to the new lane, capital improvements include reconstruction of northbound on and off ramps, widening of seven bridges, and the addition of soundwalls. The new general purpose lane was opened to traffic on April 28, 2014. The project was completed on November 6, 2014.

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Project G continued from previous page...

## SR-57 NB (Katella Avenue to Lincoln Avenue)

#### Status: PROJECT COMPLETE

Summary: This project increased capacity and improved operations on northbound SR-57 between Katella Avenue and Lincoln Avenue in the City of Anaheim with the addition of a new 3-mile general purpose lane, on and off-ramp improvements, and sound walls. Bridges at Katella Avenue and Douglas Road were also widened in the northbound direction. The project opened to traffic on November 19, 2014 and completed on April 21, 2015.

#### SR-57 NB (Orangewood Avenue to Katella Avenue)

Status: Environmental Phase Underway - 1% Complete

Summary: This project will add capacity in the northbound direction of SR-57 from Orangewood Avenue to Katella Avenue in the cities of Anaheim and Orange. Improvements under study include adding a northbound general purpose lane to join the northbound general purpose lane which was opened to traffic in 2014 between Katella Avenue and Lincoln Avenue. During the quarter, the PDT updated design geometrics and consolidated feasible alternatives. The Environmental Phase is anticipated to be complete in late-2018.

## State Route 91 (SR-91) Projects



## SR-91 WB (SR-57 to I-5)



Contact: Rose Casey, Highways (714) 560-5729

#### Status: **PROJECT COMPLETE**

Summary: This project increased capacity in the westbound direction of SR-91 by adding an additional general purpose lane in the westbound direction between Anaheim and Fullerton, and provided operational improvements at on and off-ramps between Brookhurst Street and State College Boulevard. This quarter, closeout activities continued, including developing the final construction estimate. Construction is 100 percent complete, as of June 23, 2016. Consultant-supplied construction management services ended on September 29, 2016. The general purpose lane was opened to traffic on March 7, 2016.

Contact: Rose Casey, Highways (714) 560-5729





**FREEWAYS** 

## **Project I**

## SR-91 (SR-55 to Tustin Avenue Interchange)



Contact: Rose Casey, Highways (714) 560-5729

## Status: PROJECT COMPLETE

Summary: This project improved traffic flow at the SR-55/SR-91 interchange by adding a westbound auxiliary lane beginning at the northbound SR-55 to westbound SR-91 connector through the Tustin Avenue interchange in the City of Anaheim. The project was intended to relieve weaving congestion in the area and included reconstruction of the westbound side of the Santa Ana River Bridge to accommodate the additional lane. This quarter, closeout activities took place, including development of the preliminary final construction estimate. The bypass lane was open to traffic on May 14, 2016. Construction is 100 percent complete. Contract Acceptance was granted on October 31, 2016.

## SR-91 (SR-57 to SR-55)

#### Status: Environmental Phase Underway - 27% Complete

Summary: This project will improve traffic flow and operations along SR-91 within the cities of Fullerton and Anaheim. The study will look at the addition of one general purpose lane eastbound between SR-57 and SR-55, and one general purpose lane westbound from Glassell Street to State College Boulevard. Additional features of this project include improvements to various interchanges. Auxiliary lanes will be added in some segments and re-established in others within the project limits. This quarter, the consultant continued working on technical documents. M2 and federal funds would pay for the mainline freeway improvements and future funding would need to be identified for connector portions of the project. Due to Caltrans requiring extra work for the unfunded study, this project has been delayed by more than one year from its original schedule. The project is being re-baselined and the environmental phase is expected to be complete in early 2019.

## **Project J**

## SR-91 Eastbound (SR-241 to SR-71)

#### Status: PROJECT COMPLETE

Summary: Completed in January 2011, this segment added six miles through a key stretch of SR-91 between Orange County's SR-241 and Riverside County's SR-71. The project improves mobility and operations by reducing traffic weaving from traffic exiting at SR-71 and Green River Road. An additional eastbound general purpose lane on SR-91 was added and all existing eastbound lanes and shoulders were widened. Because this project was shovelready, OCTA was able to obtain American Recovery and Reinvestment Act (ARRA) funding for this M2 project, saving M2 revenues for future projects.

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#### SR-91 (SR-241 to SR-55)

#### Status: PROJECT COMPLETE

Summary: This completed Project J segment added six miles in the westbound and eastbound direction to a key stretch 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 much needed second eastbound exit lane at the 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. Completion of this project in March 2013 means a total of 18 lane miles have been added to SR-91 since December 2010.

## SR-91 (SR-241 to I-15)

Status: RCTC's Design-Build Construction Underway

Summary: The purpose of this project is to extend the 91 Express Lanes eastward from its current terminus in Anaheim to I-15 in Riverside County. This project will also add one general purpose lane in each direction of SR-91, from SR-71 to I-15, and construct various interchange and operational improvements. On December 11, 2013, the Riverside County Transportation Commission's (RCTC) contractors broke ground on this \$1.3 billion freeway improvement project. While the portion of this project between SR-241 and the Orange County/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. With RCTC's focus on extending the 91 Express Lanes and adding a general purpose lane east of SR 71, construction of the final additional general purpose lane between SR-241 and SR-71 will take place post-2035. (RCTC is responsible for the lane between Green River and SR-71 while OCTA will be responsible for the lane west of Green River to SR-241.) To maintain synchronization, these general purpose lanes improvements, which span both counties, will be scheduled to ensure coordinated delivery of both portions of the project, and will provide a continuous segment that stretches from SR-241 to SR-71. This action is consistent with the 2016 SR-91 Implementation Plan.

## Interstate 405 (I-405) Projects

## **Project K**

#### I-405 (SR-55 to I-605)

Contact: Rose Casey, Highways (714) 560-5729

Status: Design-Build Procurement Underway

Summary: OCTA and Caltrans have finalized the environmental studies to widen I-405 through the cities of Costa Mesa, Fountain Valley, Garden Grove, Huntington Beach, Los Alamitos, Seal Beach, and Westminster. These improvements will add mainline capacity and improve the local interchanges along the corridor from SR-73 to I-605.

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## Measure M2 Progress Report FREEWAYS



Project K continued from previous page...

On July 25, 2014, despite OCTA's Board recommendation to select Alternative 1 (the Measure M, single general purpose lane alternative) Caltrans informed OCTA that Alternative 3 (general purpose lane and second HOV lane to be combined with existing HOV lane providing dual tolled express lane facility) would be the project preferred alternative. To ensure local control over how the express lane facility would be operated, the Board decided that OCTA would lead this project with the clear understanding that Measure M would only fund the general purpose lane portion of the project and that the second HOV lane/Express lane facility would be funded separately.

The initial toll policy and preliminary finance plan for the 405 Express Lanes was approved by the Board on May 23, 2016. The policy meets the Board's objective of allowing two-person carpools to use the express lanes for free for at least three years during most of the day. It strikes the right balance between offering drivers a guaranteed free-flowing commute, moving the most number of cars and people. Tolls will vary by hour, day of the week, direction of travel and distance traveled (with three intermediate access points).

On November 14, 2016, the Board approved the award of a Design-Build contract to OC 405 Partners for the design and construction of the Project. The Board also approved the Toll Operating Agreement between OCTA and Caltrans, which addresses all matters related to the design, construction, maintenance, and operation of the 405 Express Lanes.

On December 12, 2016, the Board approved the Cooperative Agreement between OCTA and the California Highway Patrol for the Construction Zone Enhanced Enforcement Program required during construction of the Project. Staff also provided the Board with an overview of liability for the cost of relocation of the 33" West Orange County Water Board (WOCWB) water line. The Board directed staff to continue to work cooperatively with the WOCWB and Caltrans in accordance with state and federal law to relocate the subject water line.

During the quarter, work continued on procurement of the Design-Build contract, ROW acquisition, utility coordination, and environmental re-validation and permitting. Other activities include FHWA Major Project Deliverables, OCTA/Caltrans operating toll agreement, traffic and revenue study, and TIFIA loan pursuit.

## **Project L**

## I-405 (SR-55 to the I-5)

Contact: Rose Casey, Highways (714) 560-5729

Status: Environmental Phase Underway - 63% Complete

Summary: This project will add one general purpose lane in each direction of the I-405 corridor and improve the interchanges in the area between I-5 and SR-55 in Irvine. Additional features of Project L include improvements to various interchanges, auxiliary lanes and ramps. During the quarter, the consultant continued working on technical studies and obtained approval on critical technical studies such as the Noise Study Report and the Noise Abatement Decision Report. The final Environmental Document is expected to be complete in July 2018.





-FREEWAYS

## Interstate 605 (I-605) Project

## **Project M**

## I-605/Katella Interchange Improvements

Contact: Rose Casey, Highways (714) 560-5729

Status: Environmental Phase Underway - 8% Complete

Summary: This project will improve freeway access and arterial connection to I-605 at Katella Avenue in the City of Los Alamitos and the County of Orange. Improvements under this project may include enhancements at the on-ramps and off-ramps in addition to operational improvements on Katella Avenue at the I-605 Interchange. The PSR/PDS was signed on May 11, 2015 by Caltrans Executive Management. Three alternatives were approved within the document, including modification of interchange ramps and lane configurations on Katella Avenue from Coyote Creek Channel to Civic Center Drive. During the quarter, the project schedule was approved by the PDT and the consultant started working on technical studies. The final Environmental Document is anticipated to be completed in November 2018.

## **Freeway Service Patrol**



## **Freeway Service Patrol**

Contact: Sue Zuhlke, Motorist Services (714) 560-5574

#### Status: Service Ongoing

Summary: M2's Freeway Service Patrol (FSP) began operation in June 2012 and provides tow truck service for motorists with disabled vehicles on the freeway system to help quickly clear freeway lanes and minimize congestion. During the quarter, the midday service provided assistance to 1,442 motorists, weekend service provided assistance to 778 motorists, and construction service provided assistance to 375 motorists. Since inception, M2 and construction-funded FSP has provided a total of 53,375 assists to motorists on the Orange County freeway system.





STREETS & ROADS

**Project O** 

## **Regional Capacity Program**

Contact: Sam Kaur, Planning (714) 560-5673

Status: 2017 Call for Projects in Development

Summary: This program, in combination with required local matching funds, provides funding for improvements on Orange County's Master Plan of Arterial Highways. On August 8, 2016, the Board approved the release of the 2017 Call for Projects. This seventh Call for Projects will make approximately \$32 million available to fund additional road improvements throughout the County. Applications were due October 21, 2016. OCTA received 16 applications for a total of \$50.3 million in funding requests. Staff is currently reviewing applications and will provide final recommendations to the Board by June 2017. Since 2011, 122 projects totaling more than \$231 million have been awarded by the Board to date.

## **OC Bridges Railroad Program**

This program will build seven grade separations (either under or over passes) where high volume streets are impacted by freight trains along the BNSF Railroad in North County. A status for each of the seven projects is included below. As of the end of this quarter, three grade separation projects are under construction, four are complete (Kraemer, Placentia, Orangethorpe, and Tustin/Rose), and the remaining projects are scheduled to be complete in 2017 and 2018.

## Kraemer Boulevard Grade Separation

## Status: PROJECT COMPLETE

Summary: The project located at Kraemer Boulevard railroad crossing is grade separated and open to traffic. The project separated the local street from railroad tracks in the City of Placentia by building an underpass for vehicular traffic. The grade separation was opened to traffic on June 28, 2014, and an event was held on July 8, 2014 to commemorate the opening. Project acceptance by the City of Anaheim and the City of Placentia, respectively, occurred in December 2014 and the cities assumed full maintenance responsibilities. In December 2015, the one-year warranty period expired with no issues or repairs identified.

## Lakeview Avenue Grade Separation

## Status: Construction Underway - 85% Complete

Summary: The project located at Lakeview Avenue railroad crossing will grade separate the local street from railroad tracks in the cities of Anaheim and Placentia by building a bridge for vehicular traffic over the railroad crossing and

Contact: Rose Casey, Highways (714) 560-5729



**STREETS & ROADS** 



Project O continued from previous page...

reconfiguring the intersection of Lakeview Avenue and Orangethorpe Avenue. Construction began on July 1, 2014. Project activities this quarter continued to include street drainage facility work, irrigation, landscaping, parking lots restoration, retaining walls, barrier slabs, underground electrical conduits, lighting, signals, pile driving and forming abutments for Lakewood Avenue and Atwood Channel Bridges, precast girder fabrication and placement, and falsework placement. The deck for the new Lakeview Avenue bridge was poured and completed in late November 2016. Lakeview Avenue (north of Orangethorpe Avenue) was closed to traffic on February 25, 2015, and was reopened with the connector road in late July 2016. Lakeview Avenue (south of Orangethorpe Avenue) was closed to through traffic on March 13, 2015, and is expected to reopen in spring 2017. Local access to all businesses will continue to be maintained. Construction is expected to be 100 percent complete by summer 2017. Due to utility conflicts and design changes, completion has been delayed four months. As a result, this project is marked "red" in the Capital Action Plan, signifying a delay of more than three months beyond the original schedule.

#### **Orangethorpe Avenue Grade Separation**

#### Status: PROJECT COMPLETE



Contact: Rose Casey, Highways (714) 560-5729

Contact: Rose Casey, Highways

(714) 560-5729

Summary: The project located at Orangethorpe Avenue railroad crossing is grade separated and open to traffic. The project separated the local street from railroad tracks in the cities of Placentia and Anaheim by building a bridge for vehicular traffic over the railroad tracks. On May 17, 2016, a joint-grand opening event was held to commemorate the opening to traffic for the Orangethorpe and Tustin/Rose Grade Separation projects. OCTA oversaw construction of the project which was completed during the quarter. Final construction activities included landscaping, irrigation, survey monumentation, and construction close-out activities. Construction was completed in October 2016 and construction acceptance was obtained from the cities of Anaheim and Placentia on October 25, 2016. OCTA has turned over the maintenance responsibilities to the cities and commenced the one-year warranty.

#### **Placentia Avenue Grade Separation**



Summary: The project located at Placentia Avenue railroad crossing is grade separated and open to traffic. This project separated the local street from railroad tracks in the city of Placentia by building an underpass for vehicular traffic. An event was held on March 12, 2014, to commemorate the opening to traffic. Project acceptance by the City of Anaheim and the City of Placentia, respectively, occurred in December 2014, and the cities assumed full maintenance responsibilities. In December 2015, the one-year warranty period expired with no issues or repairs identified.



**STREETS & ROADS** 



Project O continued from previous page...

## **Raymond Avenue Grade Separation**

Status: Construction Underway - 75% Complete

Summary: The project located at Raymond Avenue railroad crossing will grade separate the local street from railroad tracks in the City of Fullerton by taking vehicular traffic under the railroad crossing. The City of Fullerton is managing construction and OCTA is providing construction oversight, public outreach, railroad coordination and ROW support. Construction began on June 2, 2014. Activities this quarter continued to include pile driving for retaining wall and Valencia Drive bridge abutments and deck, placement of shoring for the retaining walls and pump station, storm drain, and mass excavation. Construction is expected to be 100 percent complete in mid-2018.

## State College Boulevard Grade Separation

## Status: Construction Underway - 75% Complete

Summary: The project located at State College Boulevard railroad crossing will grade separate the local street from railroad tracks in the City of Fullerton by taking vehicular traffic under the railroad crossing. The City of Fullerton is managing the construction and OCTA is providing construction oversight, public outreach, railroad coordination and right-of-way support. Construction activities this quarter continued to include retaining wall drilling and soldier beams, pump station, mass excavation, electrical, storm drain, street lighting, traffic signal, and roadway pavement. The intersection of State College Boulevard and East Valencia Drive was closed on January 9, 2015, for approximately two and a half years to allow for the construction of the new bridge at the railroad tracks. State College Boulevard, north of the railroad bridge, will be opened to vehicular traffic in early January 2017. Construction is expected to be 100 percent complete in mid-2018.

## Tustin Avenue/ Rose Drive Grade Separation

## Status: PROJECT COMPLETE

Summary: The project located at Tustin Avenue/Rose Drive railroad crossing is grade separated and open to traffic. The project separated the local street from railroad tracks in the cities of Placentia and Anaheim by building a bridge for vehicular traffic over the railroad crossing. On May 17, 2016, a joint-grand opening event was held to commemorate the opening to traffic for the Orangethorpe and Tustin/Rose Grade Separation projects. OCTA oversaw construction of the project, which was completed during the quarter. Final construction activities included traffic signal controller, landscaping, irrigation, survey monumentation, and construction close-out and warranty activities. Construction was completed in October 2016 and construction acceptance was obtained from the cities of Anaheim and Placentia on October 25, 2016. OCTA has turned over the maintenance responsibilities to the cities and commenced the one-year warranty.

Contact: Rose Casey, Highways (714) 560-5729

Contact: Rose Casey, Highways (714) 560-5729





STREETS & ROADS

**Project P** 

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

## Regional Traffic Signal Synchronization Program (RTSSP)

Status: Ongoing (See current RTSSP projects' statuses illustrated on the map on the next page)

Summary: This program provides funding and assistance to implement multi-agency signal synchronization. The target of the program is to regularly coordinate signals for 2,000 intersections along 750 miles of roadway as the basis for synchronized operation across Orange County. The program will enhance the efficiency of the street grid and reduce travel delay.

On August 8, 2016, the Board approved the release of the 2017 RTSSP Call for Projects. This seventh Call for Projects will make approximately \$8 million available to fund additional local agency signal synchronization projects throughout the County.

To date, OCTA and local agencies have synchronized more than 1,600 intersections along more than 430 miles of streets (or 38 projects). There have been six rounds of funding to date, providing a total of 79 projects with more than \$69.56 million in funding awarded by the Board since 2011.

## **Project Q**

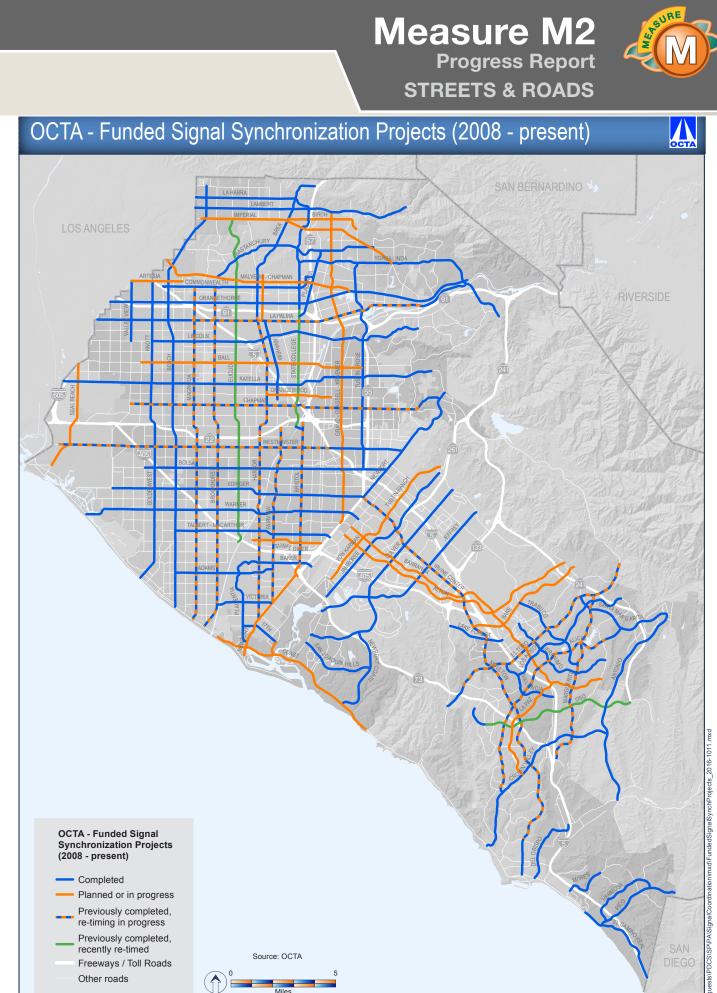
## Local Fair Share Program

Contact: Vicki Austin, Finance (714) 560-5692

## Status: Ongoing

Summary: This program provides flexible funding to help cities and the County of Orange keep up with the rising cost of repairing the aging street system. This program is intended to augment, not replace, existing transportation expenditures of the cities and the County. All local agencies have been found eligible to receive Local Fair Share funds. On a bi-monthly basis, 18 percent of net revenues are allocated to local agencies by formula. To date, approximately \$253 million in Local Fair Share payments have been provided to local agencies as of the end of this quarter.

See pages 45-46 for funding allocation by local agency.



10/11/2016





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## Project R

## **High Frequency Metrolink Service**

Project R will increase rail services within the County and provide additional Metrolink service north of Fullerton to Los Angeles. The program will provide 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.

#### **Metrolink Grade Crossing Improvements**



Contact: Jennifer Bergener, Rail (714) 560-5462

#### Status: PROJECT COMPLETE

Summary: Enhancement of the designated 52 Orange County at-grade rail-highway crossings was completed as part of the Metrolink Service Expansion Program (MSEP) in October 2012. 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, Santa Ana, San Clemente, San Juan Capistrano, and Tustin have established quiet zones within their communities.

#### **Metrolink Service Expansion Program**

#### Status: Service Ongoing

Summary: Following the completion of the Metrolink Service Expansion Program (MSEP) improvements in 2012, OCTA deployed a total of ten new Metrolink intra-county trains operating between Fullerton and Laguna Niguel/ Mission Viejo, primarily during midday and evening hours. Efforts to increase ridership through a redeployment of the trains without significantly impacting operating costs have been underway since 2014. In April 2015, several schedule changes added a connection between the 91 Line and the intra-county service at Fullerton to allow a later southbound peak evening departure from Los Angeles to Orange County. Staff will continue to monitor ridership on these trains, but data through December 2016 shows sustained ridership as a result of these schedule changes.

Part of OCTA's re-deployment plan involves providing new trips from Orange County to Los Angeles. Staff continues to work with BNSF, RCTC, and Metro to address track-sharing issues, operating constraints and funding that will impact the options for redeployment. Metrolink has taken the lead in the discussions with the BNSF Railway to evaluate the current shared use and indemnification/liability agreements that govern the use of each agencies respective railroad rights of way. These discussions are on-going and special counsel has been brought in to assist. Operation of additional Metrolink trains to Los Angeles is contingent on addressing indemnification and liability agreements and the completion of a triple track project on the BNSF Railway between Fullerton and Los Angeles, which is currently anticipated in spring 2017.

Contact: Jennifer Bergener, Rail (714) 560-5462





TRANSIT

Project R continued from previous page...

#### Rail Corridor & Station Improvements

Additionally under the Metrolink Service Expansion Program, funding is provided for rail line and station improvements to accommodate increased service. Rail station parking lot expansions, better access to platforms, among other improvements have been made or are underway. For schedule information on station improvement projects, please see the Capital Action Plan pages at the back of this report.

#### Anaheim Canyon Metrolink Station

This OCTA-led project will include construction of a second main track and platform, lengthening the existing platform, improved pedestrian circulation, added benches, shade structures, and Ticket Vending Machines (TVM) at the Anaheim Canyon Metrolink Station. Preliminary plans are complete and CEQA clearance is expected next quarter in January 2017, with NEPA clearance expected in February 2017. Following CEQA and NEPA clearance, a Request for Proposals (RFP) for final design will be released by the Board.

#### Fullerton Transportation Center Improvements

Completed early on, a new 5-level parking structure, accommodating approximately 821 public parking spaces, was constructed to provide additional transit parking at the Fullerton Transportation Center for both intercity rail service and commuter rail passengers. This City-led project was completed on June 19, 2012. After completion, an elevator upgrade project was proposed with leftover savings. The elevator project will modify the existing pedestrian bridge to add two new traction elevators, one on each side. The City of Fullerton is the lead on this project as well. Notice to Proceed was issued in January 2016, however, work on the platform area has not begun. Renovations to the restrooms have been completed, but the contractor has experienced delays in starting on the elevator work due to subcontractor issues. It is now anticipated that work will begin in January 2017. Construction is expected to take one year.

#### Laguna Niguel/Mission Viejo Station - 31% Complete

The Laguna Niguel/Mission Viejo station accessibility improvements project is currently in the construction phase. Improvements include new Americans with Disabilities Act (ADA)-compliant access ramps on either side of the pedestrian undercrossing and a unisex ADA-compliant restroom. Initial demolition work has begun. The contractor has finished relocation of the sewer line and is continuing with shoring and excavation on the west side of the project in preparation for the future ADA ramp. Construction of the eastern ramp will begin in early 2017. Because various submittal requirements took longer than expected, staff is anticipating the project will be completed 1-3 months beyond the original schedule. As a result, this project is marked "yellow" in the Capital Action Plan. The project is expected to be complete in July 2017.

#### **Orange Parking Structure**

OCTA is the lead for the construction phase of this project. The City of Orange is the lead for the design phase. An Invitation for Bids (IFB) was released in July 2016, and a bid opening was held on September 20, 2016; however, the plans were deemed non-compliant with federal Buy America provisions and the procurement was cancelled. The project was re-bid in November 2016, and construction is expected to begin in spring 2017. Also in September





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Project R continued from previous page...

2016, the Board approved the selection of a construction management firm. Negotiations are in progress, and a signed contract is anticipated in February 2017. The completed project will be a 611-space, 5-level shared use parking structure that will be located on Lemon Street between Chapman Avenue and Maple Street in Orange. This project is marked "red" in the Capital Action Plan, signifying a delay of more than three months. As a result of design challenges, this project has been delayed by three years from its original schedule.

#### **Placentia Station**

Plans for the proposed Placentia Metrolink Station Project were near completion but the City of Placentia requested to modify the plans to include a parking structure to be built where surface parking had been designed. On June 27, 2016, the Board approved a new cooperative agreement with the City that revised the scope of the project and budget. There will now be a parking structure as part of the project and the City will contribute towards the cost. During the quarter, OCTA revised the agreement with the engineer of record and revisions to the plans have begun. An RFP for construction management services was released in August 2016 and a selection was approved by the Board in December 2016. A contract for these services is expected to be in place in March 2017 so a constructability review can be done. The project is anticipated to begin construction in spring 2018 and is anticipated to be complete in fall 2019.

#### San Clemente Pier Station Lighting - 30% Complete

Currently in the construction phase, this project will add lighting to the existing platform of the San Clemente Pier Station. OCTA is the lead for design and installation. During the quarter, demolition and trenching were completed, as well as installation of new hand rails at the mini-high platform. Construction is anticipated to be complete in March 2017.

#### San Juan Capistrano/Laguna Niguel Passing Siding Project

Currently in the design phase, this project will add approximately 1.8 miles of new passing siding railroad track adjacent to the existing mainline track, which will enhance operational efficiency of passenger services within the LOSSAN rail corridor. During the quarter, the project team completed the 90 percent design plans and continued working with various jurisdictions including the California Public Utilities Commission to analyze the at-grade crossing modifications. The overall project cost impacts are currently estimated at \$5.6 million above the original project budget of \$25.3 million, which was based on a preliminary design in 2013. The project cost increase was due to necessary changes to the specified retaining wall type, height, and length due to site constraints, removal of Control Point (CP) Avery, replacement of an existing 1940 wooden trestle bridge, and other adjustments to project support costs and construction cost escalations. Completion of the design phase is expected in April 2017, with construction beginning in late 2017. Project completion is expected in late 2019. The project team continues to reduce the overall schedule impact wherever possible. This project is marked "red" in the Capital Action Plan, signifying a delay of more than three months. This project has been delayed by six months from its original schedule.



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Project R continued from previous page...

#### Tustin Parking Structure - 100% Complete

Also completed early on, this project provided additional parking at the Tustin Metrolink Station to meet increased requirements associated with the MSEP by constructing a new 4-story parking structure with approximately 735 spaces, plus on-site surface parking. The parking structure was opened to the public on September 22, 2011.

Additional rail corridor improvements include: completion of the San Clemente Beach Trail Audible Warning System (AWS) project, which provides additional safety improvements and AWS devices at seven pedestrian grade crossings along the beach trail (AWS activation occurred on June 24, 2016); completed PSR's or environmental clearance for six potential grade separation projects along the LOSSAN corridor (State College Avenue, Ball Road, 17th Street, Santa Ana Boulevard, Grand Avenue, and Orangethorpe Avenue); replacement of the San Juan Creek railroad bridge in the City of San Juan Capistrano, which will also accommodate a future bike trail on the south end along the creek (design is 60 percent complete); the Control Point project at Fourth Street in the City of Santa Ana, which will provide rail operational efficiencies; the Railroad ROW Slope Stabilization project, which includes eight locations within the OCTA-owned LOSSAN rail corridor that have been identified for improvements to prevent future erosion and slope instability; video surveillance, and continued implementation of Positive Train Control.

## Sand Canyon Grade Separation



Contact: Rose Casey, Highways (714) 560-5729

#### Status: PROJECT COMPLETE

Summary: The project located at Sand Canyon Avenue railroad crossing is grade separated and open to traffic. The project separated the local street from railroad tracks in the City of Irvine by constructing an underpass for vehicular traffic. The westbound lanes were opened to traffic on June 12, 2014, and the eastbound lanes were opened to traffic on July 14, 2014. A road opening ceremony was held on August 11, 2014. The project is completed and construction acceptance was obtained from the City of Irvine on January 15, 2016. The project is in the one-year warranty period and no repairs have been identified to date. The project will be closed out in mid-January 2017.

## **Project S**

#### **Transit Extensions to Metrolink**

Project S includes a competitive program which allows cities to apply for funding to connect passengers to their final destinations using transit in order to broaden the reach of Metrolink to other Orange County cities, communities and activity centers. There are currently two areas of this program: a fixed guideway program (street car) and a rubber tire transit program.





TRANSIT

Project S continued from previous page...

**OC Streetcar Project** 

Status: Design Phase Underway

Contact: Jennifer Bergener, Rail (714) 560-5462

Summary: OCTA is serving as the lead agency for the OC Streetcar project. FTA formally advanced the project into the Project Development phase of the federal New Starts program in May 2015. FTA has shown strong support for this project, including ascribing an overall medium-high rating to it in their Annual New Starts Report, which was released in February 2016. The full Notice to Proceed for design was issued in February 2016, and a consultant team was selected to prepare design plans (PS&E) for the project.

During the quarter, 60 percent PS&E was completed. Property negotiations continued for the parcels required for the Maintenance and Storage Facility (MSF), and discussions on relocation assistance were held with the MSF residential and commercial tenants. Two RFPs were released, including a quality assurance manager as well as services for a public awareness campaign. Staff also continued working closely with the cities of Santa Ana and Garden Grove to review design plans, finalize utility relocation arrangements with utility companies, and continue preparations for entering the engineering phase. Approval for entry into the New Starts Engineering phase is anticipated next quarter in January 2017.

In October, staff received feedback from the Board on conceptual streetcar stop designs. Revised concepts with larger shade structures and additional seating accommodations were presented to and approved by the Board in November.

In December, the Board approved issuance of an RFP for a vehicle manufacturing and delivery contract after issues arose related to "piggybacking" (securing an assignment on another agency's vehicle contract) and meeting FTA requirements for Buy America compliance. The Construction Manager also began work, and will be conducting a constructability review for the project.

## **Bus and Station Van Extension Projects**

Status: Service Ongoing for Oakley Vanpool and Anaheim Canyon Metrolink Bus Connection

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 date, the Board has approved one round of funding for bus and van extension projects, totaling over \$730,000. Four projects located within the cities of Anaheim and Lake Forest were approved for funding by the Board on July 23, 2012. Two projects have implemented service, one has been revised with a scope change, and the other has been cancelled. The vanpool connection from the Irvine Metrolink Station to the Oakley employment center in the City of Lake Forest began in December 2012, and the Anaheim Canyon Metrolink Station Bus Connection began service in February 2013. Following detailed discussions with OCTA staff, the Board approved a scope change submitted by the City on behalf of Panasonic Avionics in December 2015, which utilizes the City's established shuttle program to provide trips between the Irvine Metrolink Station and the Panasonic employment center as an alternative to providing vanpool services. Service

Conintues on the next page...

Contact: Sam Kaur, Planning (714) 560-5673



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Project S continued from previous page...

associated with Invensys Incorporated in the City of Lake Forest was cancelled at the request of the participant, and the funds have been returned to the program for use in future calls for projects. Service provided in the City of Anaheim carries approximately 90 passengers per day between the station and Anaheim Resort area.

## **Project T**

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

#### Status: PROJECT COMPLETE

Summary: This project constructed the Anaheim Regional Transportation Intermodal Center (ARTIC) located at 2626 East Katella Avenue in the City of Anaheim. In addition to providing transit connections for OCTA bus service, Metrolink and Amtrak service, shuttle and charter bus service, taxis, bikes, and other public and private transportation services, ARTIC also accommodates future high-speed rail trains. The City of Anaheim, which led the construction effort, opened the facility to rail and bus service on December 6, 2014. A ribbon-cutting ceremony was held on December 8, 2014, with a grand opening celebration hosted on December 13, 2014. This facility replaced the former Anaheim Station that was located on the opposite side of the freeway in the Angel Stadium parking lot.

## **Project U**

Project U expands mobility choices for seniors and persons with disabilities, and includes the Senior Mobility Program (SMP), the Senior Non-emergency Medical Transportation Program (SNEMT), and the Fare Stabilization Program. Since inception, a total of approximately \$43 million in Project U funding has been provided under M2.

## Senior Mobility Program (SMP)

#### Status: Ongoing

Summary: This program provides one percent of net M2 revenues to continue and expand local community transportation service for seniors under the SMP. Including this quarter and since inception of the program, more than \$14.03 million and 1,520,000 boardings and have been provided for seniors traveling to medical appointments, nutrition programs shopping destinations, and senior and community center activities. This quarter, more than \$442,200 was paid out to the 31 participating cities during the month of November\*.

\*Payments are made every other month (January, March, May, July, September, and November). The amount totaled for one fiscal year quarter either covers one or two payments, depending on the months that fall within that quarter.

Contact: Jennifer Bergener, Rail (714) 560-5462

Contact: Curt Burlingame, Transit (714) 560-5921





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Project U continued from previous page...

# Senior Non-emergency Medical Transportation Program (SNEMT)

Contact: Curt Burlingame, Transit (714) 560-5921

#### Status: Ongoing

Summary: This program provides one percent of net M2 revenues to supplement existing countywide senior nonemergency medical transportation services. Including this quarter and since inception of the program, more than \$14.03 million and 526,000 SNEMT boardings have been provided. This quarter, more than \$467,000 in SNEMT funding was paid to the County of Orange during the month of November\*.

\*Payments are made every other month (January, March, May, July, September, and November). The amount totaled for one fiscal year quarter either covers one or two payments, depending on the months that fall within that quarter.

#### **Fare Stabilization Program**

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

#### Status: Ongoing

Summary: Between years 2011-2015, one percent of net M2 revenues was dedicated to stabilize fares and provide 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 No. 3, adjusted this amount to 1.47 percent of net M2 revenues to be dedicated to the Fare Stabilization Program.

Approximately \$879,284 in revenue was allocated this quarter to support the Fare Stabilization Program. The amount of funding utilized each quarter varies based on ridership. Throughout the quarter, approximately 3,358,645 program-related boardings were recorded on fixed route and ACCESS services. Since inception of the program, more than \$15.13 million and 76,000,000 program-related boardings have been provided.

## **Project V**

Contact: Sam Kaur, Planning (714) 560-5673

## **Community Based Transit / Circulators**

Status: 2012 Call for Projects Service Ongoing, 2016 Call for Projects Service Begun

Summary: This project establishes a competitive program for local jurisdictions to develop local bus transit services such as community based circulators and shuttles that complement regional bus and rail services, and meet needs in areas not adequately served by regional transit. On June 24, 2013, the Board approved the first round of funding for \$9.8 million to fund five funding proposals from the Cities of Dana Point, Huntington Beach, La Habra, Laguna Beach, and Lake Forest. Funding was approved to implement vanpool services from local employment centers to transportation hubs, special event and seasonal services that operate during heavy traffic periods, and



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Project V continued from previous page...

local community circulators that carry passengers between various shopping, medical, and transportation-related centers. Prior to the second Call for Projects, Project V Guidelines were revised in 2015, per Board direction, to encourage more local agency participation. On June 13, 2016 the Board approved \$26.7 million in Project V funds for 17 Capital and Operations grants and \$323,780 for seven planning grants. OCTA staff has completed agreements with the local agencies to implement these projects. Services for the Cities of Westminster, Mission Viejo and San Clemente started in October 2016. OCTA staff will continue to monitor these services to ensure the performance standards are met and will provide reports to the Board on a regular basis.

## **Project W**

Contact: Sam Kaur, Planning (714) 560-5673

## Safe Transit Stops

Status: City-Initiated Improvements Underway or Complete; Mobile Ticketing in Use

Summary: This project provides funding for passenger amenities at the 100 busiest transit stops across the County, determined by average daily weekday passenger boardings. Stop improvements will be designed to ease transfers between bus lines and provide passenger amenities such as improved shelters and lighting. On July 14, 2014, the Board determined that 80 percent of available Project W funding (\$4.47 million) would be designated for supporting city-initiated projects, and the remaining 20 percent (\$1.12 million) would be directed towards the development and implementation of regional, customer-facing technologies that benefit the 100 busiest stops. On that date, the Board approved up to \$1,205,666 for city-initiated improvements and \$370,000 for OCTA-initiated improvements in fiscal year 2014-15.

According to October 2012 ridership data, 15 cities (containing at least one of the 100 busiest stops) are eligible for Safe Transit Stops funding. Seven cities applied for funds, and 51 projects were approved for funding per the July 2014 Board approval. Letter agreements with local agencies to allow the use of funds are complete. The City of Anaheim was not able to initiate the improvements for their projects and will reapply for funds through the next Call for Projects. The remaining 43 projects have been moving forward. The Cities of Irvine, Westminster, Costa Mesa, Orange, and Brea have completed their projects. The City of Santa Ana awarded their contract in April 2016 and will report completion of the projects to OCTA in the future.

For OCTA-initiated improvements, the \$370,000 investment has been contributed towards a mobile ticketing application (app) that will make it more convenient for bus customers to purchase bus passes, obtain trip information, and board buses using smart phone devices to display bus passes as proof of payment. The smart phone app was launched on June 15, 2016, for OC Fair and Express Bus users and received positive reviews. It is planned to be expanded to include regular fixed route and college pass purchases next quarter, and then to include reduced fare purchases (for Seniors and Persons with Disabilities) early next year.





**ENVIRONMENTAL** 

## **Project X**

#### **Environmental Cleanup**

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

#### Status: Ongoing

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 operations and maintenance costs. The Environmental Cleanup Allocation Committee (ECAC) is charged with making recommendations to the Board on the allocation of funds for the Environmental Cleanup Program (ECP). These funds are allocated on a countywide, competitive basis to assist agencies in meeting the Clean Water Act standards for controlling transportation-related pollution.

Project X 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). To date, there have been six rounds of funding under the Tier 1 grants program. A total of 138 projects, amounting to nearly \$17 million, have been awarded by the Board since 2011. 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. To date, 33 of the 34 Orange County cities plus the County of Orange have received funding under this program. The seventh Tier 1 Call for Projects is anticipated to be released in early 2017, providing approximately \$3.1 million.

With approximately \$10 million in Tier 2 funding remaining, staff continues to work with the ECAC and the County of Orange to recommend the appropriate timing of a third Tier 2 Call for Projects.

## Part of Projects A-M

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

## Freeway Mitigation Program

Status: Final Conservation Plan and EIR/EIS Approved by the Board

Summary: The Freeway Mitigation Program provides higher-value environmental benefits such as habitat protection, wildlife corridors, and resource preservation in exchange for streamlined project approvals and greater certainty in the delivery of Projects A-M. The program is proceeding as planned, with seven properties (Preserves) acquired (1,300 acres), and 11 restoration projects approved for funding by the Board, totaling approximately 350 acres. The restoration project plans have been approved by the wildlife agencies and are currently at various stages of implementation. To date, the Board has authorized \$42 million 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



## Measure M2 Progress Report ENVIRONMENTAL



Part of Projects A-M continued from previous page...

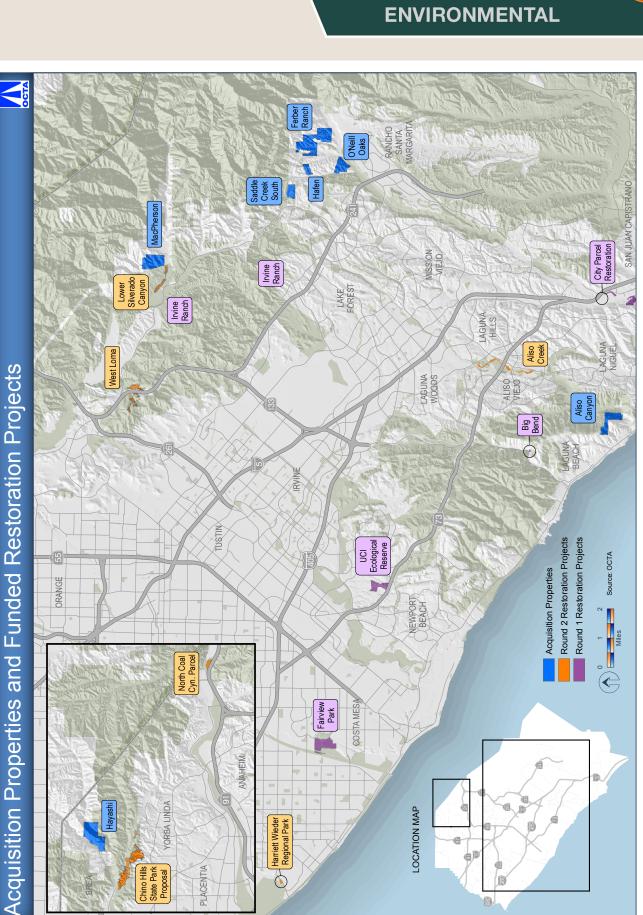
of approximately \$55 million.

The program's Final Natural Community Conservation Plan/Habitat Conservation Plan (Conservation Plan) and Final Environmental Impact Report and Environmental Impact Statement (EIR/EIS) were approved by the Board in November 2016. As part of the Conservation Plan process, an endowment is required to be established to pay for the long-term management of the Preserves. In September 2016, the Board approved Staff's recommendation to retain the California Community Foundation to establish the endowment. It is estimated that it will take up to fifteen years to fully fund the endowment. The first endowment deposit is anticipated to be made in early 2017. Staff will continue to oversee and manage the Preserves until a long-term manager(s) is established. Additionally, staff will monitor the progress of all restoration projects and provide status updates to the Environmental Oversight Committee until each project is implemented.

Separate Preserve-specific RMPs for five Preserves within Trabuco and Silverado Canyons are currently being finalized and will determine the appropriate management needs (consistent with the Conservation Plan), which will include an assessment of recreational uses for each of the Preserves. In addition, the RMPs are also under development for the more recently acquired MacPherson and Aliso Canyon Preserves. Public access events will continue to be held on the Ferber Preserve as well as the O'Neill Oaks and Aliso Canyon Preserves. A list of scheduled 2017 wilderness Preserve hiking and equestrian riding tours is available on the M2 website at www.PreservingOurLegacy.org.

As part of the safeguards in place for the M2 Program, a 12-member Environmental Oversight Committee (EOC) makes funding allocation recommendations to assist OCTA in acquiring land and restoring habitats in exchange for streamlined project approvals for the M2 freeway improvement projects (A-M).

See map of Preserves and funded restoration properties on the following page.



A SURE

Measure M2

**Progress Report** 



## Measure M2 Progress Report PROGRAM MGMT



PMO Continued from previous page...

### **Program Management Office**

Contact: Tami Warren, PMO Manager (714) 560-5590

The Measure M (M1 and M2) Program Management Office (PMO) provides interdivisional coordination for all M-related projects and programs. To ensure agency-wide compliance, the PMO also holds a bi-monthly committee meeting made up of executive directors and key staff from each of the divisions, which meets to review significant issues and activities within the Measure M programs. This quarter, the focus of the PMO has been on several major items, including the following.

#### Next 10 Delivery Plan

On November 14, 2016, the Board of Directors adopted the Next 10 Delivery Plan providing staff guidance on delivery of M2 projects and programs between 2017 and 2026. Due to reduced state and federal funding and lower-thananticipated sales tax revenues, the freeway program identified in the M2020 plan was underfunded, and therefore not deliverable based on current assumptions. Cash flows for M2 projects and programs were run to determine what can be accomplished between 2017 and 2026, based on financial constraints. Next 10 is a comprehensive plan that was developed to ensure that the promises made in the entire Measure M2 Investment Plan can continue to be delivered despite changing economic impacts and revenue shortfalls. The Next 10 Plan takes into account the revised sales tax revenue forecast (supplemented with external revenue – Federal, State and local dollars), updated project cost and schedules, and outlines key M2 project and program milestones to be delivered in the next 10 years. During the Next 10 time period, more than \$6 billion in transportation improvements promised to the voters in M2 are to be completed or underway by 2026.

#### 2012-2015 M2 Performance Assessment Update

Measure M2's Ordinance No. 3 requires that a M2 performance assessment be conducted every three years. To date there have been two prior performance assessments and the most recent assessment reviewed the time period of July 1, 2012 through June 30, 2015. The final report and findings were received in May 2016. The results of the Performance Assessment including findings were brought to the Taxpayer Oversight Committee (TOC) on June 14, 2006 for information, and were presented to the Board on August 8, 2016 for approval. Overall, the FY 2012-13 through FY 2014-15 assessment commends OCTA's commitment to the effective and efficient management and delivery of the M2 Program. While there were no significant findings, recommendations for improvements were made. A total of 9 recommendations were identified and over the next 12 months staff will make improvements to address recommendations as presented to the Board in August.

#### M2 Awareness and Signage

M2 Signage Guidelines are being developed in response to Performance Assessment findings regarding M2 awareness and public perception. These uniform guidelines will document signage procedures to follow for each of the M2 programs (Freeway, Streets & Roads, Transit, and Environmental projects) and will be designed to create a common brand across all modes. During the quarter, the PMO met with key staff and stakeholders to refine the draft design concepts. Final templates will be selected next quarter, with the final version of the signage guidelines anticipated to be complete in June





PROGRAM MGMT

PMO continued from previous page...

2017.

#### M2 Administrative Cost Safeguards

Both M1 and M2 include one percent caps on administrative expenses for salaries and benefits of OCTA administrative staff, but the M2 language sets the cap on an annual basis, whereas the M1 cap was set as an annual average over the life of the measure. 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-Measure M 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 (currently projected to be 41.7 percent) as a result 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 currently has Board approval to use funds from the Orange County Unified Transportation Trust (OCUTT) fund to cover costs above the one percent, with the understanding that those funds will be repaid with interest in future years that OCTA administrative costs fall below the one percent cap. As of June 30, 2012, OCTA had borrowed approximately \$5.2 million from OCUTT. Following recommendations received through the February 2013 M2 Performance Assessment Final Report, staff adjusted the approach to apply the allocation of state planning funds to areas that are subject to the one percent administration cap and adjusted OCTA's cost allocation plan to ensure that administrative charges are more precisely captured. Over the last few years, OCTA has experienced underruns in the one percent administration cap and has made payments to OCUTT to reduce the outstanding balance. As of December 2016, the outstanding balance was \$2.3 million.

Staff continues to meet quarterly to review all labor costs to ensure proper cost allocation to both M1 and M2. During the quarter, staff met on October 19, 2016, to review the labor reports to ensure costs attributed to the one percent cap were accurately reported and there were no misplaced project related costs, as well as to ensure project costs were applied to the correct projects. Staff will meet again on January 18, 2017, to conduct this quarterly review.

#### **Taxpayer Oversight Committee**

The M2 Ordinance requires a Taxpayer Oversight Committee (TOC) to oversee the implementation of the M2 plan. With the exception of the elected Auditor/Controller of Orange County who in Ordinance No. 3 is identified as the chair of the TOC, all other members are not elected or appointed officials. Members are recruited and screened for expertise





PROGRAM MGMT

and experience by the Orange County Grand Jurors Association, and are selected from the qualified pool by lottery. The TOC meets every other month. The TOC upholds the integrity of the measure by monitoring the use of Measure M funds and ensuring that all revenue collected from Measure M is spent on voter-approved transportation projects. The responsibilities of the 11-member Measure M TOC are to:

- Ensure all transportation revenue collected from Measure M is spent on the projects approved by the voters as part of the plan
- Ratify any changes in the plan and recommend any major changes go back to the voters for approval
- Participate in ensuring that all jurisdictions in Orange County conform with the requirements of Measure M before receipt of any tax monies for local projects
- Hold annual public meetings regarding the expenditure and status of funds generated by Measure M
- Review independent audits of issues regarding the plan and performance of the Orange County local Transportation Authority regarding the expenditure of Measure M sales tax monies
- Annually certify whether Measure M funds have been spent in compliance with the plan.

The TOC met on October 11, 2016, to hear presentations on and discuss the Measure M Next 10 Delivery Plan, an overview of Comprehensive Transportation Funding Programs, and updates on Measure M sales tax revenue forecasts and the OC Bridges projects. The December 13, 2016, TOC meeting was cancelled.

Two subcommittees have been formed to 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 ensure local jurisditions have submitted the following documents in order to be deemed eligible to receive M2 funding: Congestion Management Program, Mitigation Fee Program, Local Traffic Signal Synchronization Plan, Pavement Management Plan, and an Expenditure Report. The Audit Subcommittee meets bi-monthly and is responsible for reviewing the quarterly M2 Revenue and Expenditure Reports and the Annual Measure M Audit, as well as any other items related to Measure M audits.



## Measure M2



Progress Report PROGRAM MGMT

## **M2** Financing

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

#### **Revenue Forecast and Collection**

OCTA contracts with three universities (Chapman University; University of California, Los Angeles; and California State University, Fullerton) to provide a long-range forecast of taxable sales to forecast Measure M2 revenues for purposes of planning projects and program expenditures. In the past, OCTA has taken an average of the three university taxable sales projections to develop a long-range forecast of Measure M2 taxable sales. On March 28, 2016, as part of the FY 2016-17 budget development process, the Board approved a new sales tax forecast methodology. This methodology includes a more conservative approach by utilizing a five-year forecast from MuniServices, Inc. Historically, MuniServices, Inc. has been more conservative than the three universities over the first five years of M2 revenue collection (2011-2016).

Revenue forecast information is updated quarterly based on the actual revenues received for the previous quarter. As required by law, OCTA pays the State Board of Equalization 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**

Based on long term forecasts received in July 2016, OCTA staff forecasts total nominal sales tax collections over the life of M2 to be approximately \$14.2 billion. Original projections in 2005 estimated total nominal M2 sales tax collections at \$24.3 billion. Based on the current estimated forecast of \$14.2 billion, sales tax revenue will run approximately \$10.1 billion (41.7 percent) less than the original 2005 projection. The revenue forecast for the life of the M2 Program will vary as actual sales tax revenue data is incorporated.

Final sales tax receipts through the first quarter of fiscal year 2016-17 (September 30, 2016) were received in December 2016, and reflected a growth in sales tax revenue of 2.21 percent over the same period of the prior fiscal year. The growth, while positive, is less than the budgeted sales tax growth rate of 4.4 percent for fiscal year 2016-17. Staff will continue to closely monitor sales tax receipts. At this time, no changes are required to the budget.



Measure M2 Progress Report PROGRAM MGMT

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Schedule 1

#### Measure M2 Schedule of Revenues, Expenditures and Changes in Fund Balance as of December 31, 2016 (Unaudited)

(\$ in thousands)	Quarter Ended Dec 31, 2016	Year to Date Dec 31, 2016	Period from Inception to Dec 31, 2016
		(A)	(B)
Revenues:			
Sales taxes Other agencies' share of Measure M2 costs:	\$ 81,565	\$ 159,401	\$ 1,609,710
Project related	11,746	27,229	503,424
Non-project related	-	15	454
Interest: Operating:			
Project related	-	-	2
Non-project related	1,787	3,418	20,500
Bond proceeds Debt service	- 8	3,243 14	39,240 90
Commercial paper	-	-	393
Right-of-way leases	30	89	903
Miscellaneous: Project related	-	-	270
Non-project related	 -	 -	 100
Total revenues	95,136	 193,409	 2,175,086
Evpondituros:			
Expenditures: Supplies and services: State Board of Equalization (SBOE) fees	886	1,780	17,668
Professional services: Project related	8,430	10,879	283,728
Non-project related	499	700	15,743
Administration costs:	0.400	4 007	40.007
Project related Non-project related :	2,132	4,267	48,807
Salaries and Benefits	591	1,183	18,623
Other	1,170	2,340	28,978
Other: Project related	45	64	1,742
Non-project related	16	20	3,820
Payments to local agencies: Project related	28,801	47,957	655,853
Capital outlay:	20,001	11,001	000,000
Project related	8,851	15,794	562,287
Non-project related Debt service:	-	-	31
Principal payments on long-term debt	-	-	27,085
Interest on long-term debt and	6	10 671	106 000
commercial paper	 6	 10,671	 126,208
Total expenditures	 51,427	 95,655	 1,790,573
Excess (deficiency) of revenues over (under) expenditures	 43,709	97,754	 384,513
Other financing sources (uses):			
Transfers out:	(000)	(4.005)	(04.004)
Project related Non-project related	(963)	(1,665)	(24,324)
Transfers in:			
Project related	-	493	76,037
Non-project related Bond proceeds	-	(493)	5,444 358,593
	 		 ,
Total other financing sources (uses)	 (963)	 (1,665)	 415,750
Excess (deficiency) of revenues			
over (under) expenditures			
and other sources (uses)	\$ 42,746	\$ 96,089	\$ 800,263



**REVENUE & EXPENDITURES** 

Schedule 2

SURE

#### Measure M2 Schedule of Calculations of Net Revenues and Net Bond Revenues (Debt Service) as of December 31, 2016 (Unaudited)

(\$ in thousands)		arter Ended ec 31, 2016 (actual)		Year to Date Dec 31, 2016 (actual)	I	Period from Inception through Dec 31, 2016 (actual)		Period from anuary 1, 2017 through March 31, 2041 (forecast)		Total
Revenues:				(C.1)		(D.1)		(E.1)		(F.1)
Sales taxes	\$	81,565	\$	159,401	\$	1,609,710	\$	12,558,021	\$	14,167,731
Operating interest	Ŷ	1,787	Ŷ	3,418	Ŷ	20,500	Ŷ	206,009	Ŧ	226,509
Subtotal		83,352		162,819		1,630,210		12,764,030		14,394,240
Other econolise above of M2 posts	-			15		454		· · · ·		454
Other agencies share of M2 costs Miscellaneous		-		15		454 100		-		454 100
Total revenues		- 83,352		- 162,834	—	1,630,764		- 12,764,030		14,394,794
Total revenues		63,35Z		102,834		1,030,704		12,764,030		14,394,794
Administrative expenditures:										
SBOE fees		886		1,780		17,668		188,446		206,114
Professional services		499		700		11,967		86,053		98,020
Administration costs :										
Salaries and Benefits		591		1,183		18,623		125,560		144,183
Other		1,170		2,340		28,978		216,715		245,693
Other		16		20		3,820		21,654		25,474
Capital outlay		-		-		31		-		31
Environmental cleanup		3,092		6,681		24,831		251,120		275,951
Total expenditures		6,254		12,704		105,918		889,548		995,466
Net revenues	\$	77,098	\$	150,130	\$	1,524,846	\$	11,874,482	\$	13,399,328
				(C.2)		(D.2)		(E.2)		(F.2)
Bond revenues:	•		•		•	050 500	•	4 450 000	•	1 000 500
Proceeds from issuance of bonds	\$	-	\$	-	\$	358,593	\$	1,450,000	\$	1,808,593
Interest revenue from bond proceeds		-		3,243		39,240		6,405		45,645
Interest revenue from debt service funds		8		14		90		3,889		3,979
Interest revenue from commercial paper Total bond revenues		- 8		- 3.257	_	393 398,316		- 1,460,294	_	393 1.858.610
		0		0,201		550,510		1,400,204		1,000,010
Financing expenditures and uses:										
Professional services		-		-		3,776		12,340		16,116
Bond debt principal		-		-		27,085		1,771,748		1,798,833
Bond debt and other interest expense		6		10,671		126,208		888,611		1,014,819
Total financing expenditures and uses		6		10,671		157,069		2,672,699		2,829,768
Net bond revenues (debt service)	\$	2	\$	(7,414)	\$	241,247	\$	(1,212,405)	\$	(971,158)





**REVENUE & EXPENDITURES** 

Schedule 3

#### Measure M2 Schedule of Revenues and Expenditures Summary as of September 30, 2016 (Unaudited)

Project	Description (G) (\$ in thousands) Freeways (43% of Net Revenues	Net Revenues through Dec 31, 2016 <i>(H)</i>	Total Net Revenues <i>(I)</i>
A B C D E F G H I J K L M N	I-5 Santa Ana Freeway Interchange Improvements I-5 Santa Ana/SR-55 to EI Toro I-5 San Diego/South of EI Toro I-5 Santa Ana/San Diego Interchange Upgrades SR-22 Garden Grove Freeway Access Improvements SR-55 Costa Mesa Freeway Improvements SR-57 Orange Freeway Improvements SR-91 Improvements from I-5 to SR-57 SR-91 Improvements from SR-57 to SR-55 SR-91 Improvements from SR-55 to County Line I-405 Improvements between I-605 to SR-55 I-405 Improvements between SR-55 to I-5 I-605 Freeway Access Improvements All Freeway Service Patrol Freeway Mitigation	\$ 60,101 38,389 80,179 32,992 15,345 46,803 33,082 17,903 53,261 45,038 137,186 40,882 2,558 19,181 32,784 655,684 -	\$ 528,135 337,333 704,556 289,913 134,843 411,272 290,700 157,317 468,019 395,765 1,205,499 359,245 22,474 168,554 288,086 5,761,711 -
	Total Freeways %	\$ 655,684	\$ 5,761,711
	Street and Roads Projects (32% of Net R	evenues)	
O P Q	Regional Capacity Program Regional Traffic Signal Synchronization Program Local Fair Share Program	\$ 152,487 60,992 274,472	\$ 1,339,950 535,956 2,411,879
	Subtotal Projects Net (Bond Revenue)/Debt Service	487,951 -	4,287,785

\$

487,951

\$

**Total Street and Roads Projects** 

%

4,287,785



Measure M2 Progress Report REVENUE & EXPENDITURES

Schedule 3

#### Measure M2 Schedule of Revenues and Expenditures Summary as of September 30, 2016 (Unaudited)

	xpenditures through ec 31, 2016		imbursements through Dec 31, 2016	8	Net M2 Cost
	(J)		(K)		(L)
\$	5,190	\$	937	\$	4,253
Ψ	4,982	Ψ	2,191	Ψ	2,791
	92,028		33,888		58,140
	1,786		527		1,259
	4		-		4
	7,737		23		7,714
	45,103		10,281		34,822
	32,733		809		31,924
	17,040		1,902		15,138
	6,938		5,294		1,644
	58,882	2 3,267 55,615			
	6,159		3,669		2,490
	760		16		744
	243		-		243
	46,856		1,688		45,168
	326,441		64,492		261,949
	33,040		-		33,040
	00,040				00,040
\$	359,481	\$	64,492	\$	294,989
					27.8%
¢	007 4 40	¢	050 750	¢	070 000
\$	627,149	\$	353,759	\$	273,390
	25,721		3,629		22,092
	253,872		77		253,795
	906,742		357,465		549,277
	36,698		-		36,698
\$	943,440	\$	357,465	\$	585,975
					55.2%





**REVENUE & EXPENDITURES** 

#### Measure M2 Schedule of Revenues and Expenditures Summary as of June 30, 2016 (Unaudited)

Revenues through Total Project Description Dec 31, 2016 Revenues (G) (H.1) (1.1) (\$ in thousands) Transit Projects (25% of Net Revenues) R High Frequency Metrolink Service \$ 139,492 \$ 1,336,384 S Transit Extensions to Metrolink 134,609 1,182,850 Т Metrolink Gateways 26,149 68,487 U Expand Mobility Choices for Seniors and Persons with Disabilities 47,107 464,624 V Community Based Transit/Circulators 30,489 267,916 W Safe Transit Stops 3,365 29,571 Subtotal Projects 381,211 3,349,832 Net (Bond Revenue)/Debt Service -**Total Transit Projects** \$ 381,211 \$ 3,349,832 % Measure M2 Program \$ 1,524,846 \$ 13,399,328 **Environmental Cleanup (2% of Revenues)** Х Clean Up Highway and Street Runoff that Pollutes Beaches 32,604 287,885 \$ \$ Net (Bond Revenue)/Debt Service **Total Environmental Cleanup** 32,604 287,885 \$ \$ % **Taxpayer Safeguards and Audits** Collect Sales Taxes (1.5% of Sales Taxes) 24,146 \$ 212,516 \$ % 16,302 \$ Oversight and Annual Audits (1% of Revenues) \$ 143,942 %



**REVENUE & EXPENDITURES** 

Schedule 3

#### Measure M2 Schedule of Revenues and Expenditures Summary as of June 30, 2016 (Unaudited)

xpenditures through lec 31, 2016 <i>(J)</i>	eimbursement through Dec 31, 2016 (K)	S	Net M2 Cost (L)
\$ 162,505 12,189 98,213	\$ 95,083 2,103 60,956	\$	67,422 10,086 37,257
 43,235 2,387 198	 88 131 26		43,147 2,256 172
318,727 20,523	 158,387 -		160,340 20,523
\$ 339,250	\$ 158,387	\$	180,863 17.0%
\$ 1,642,171	\$ 580,344	\$	1,061,827
\$ 24,831	\$ 292	\$	24,539
\$ 24,831	\$ 292	\$	- 24,539 1.5%
\$ 17,668	\$ 	\$	17,668 1.1%
\$ 18,623	\$ 2,321	\$	16,302 1.0%





LOCAL FAIR SHARE

	M2 FUNDS	
ENTITY	2nd Quarter FY 2016/17	FUNDS TO DATE
ALISO VIEJO	\$104,110.88	\$3,153,386.43
ANAHEIM	\$912,839.83	\$27,251,846.56
BREA	\$148,771.89	\$4,579,760.41
BUENA PARK	\$241,195.86	\$7,391,720.66
COSTA MESA	\$384,459.51	\$11,478,340.33
CYPRESS	\$139,051.92	\$4,279,073.07
DANA POINT	\$84,563.06	\$2,611,346.68
FOUNTAIN VALLEY	\$162,802.89	\$4,998,631.21
FULLERTON	\$343,686.81	\$10,386,654.07
GARDEN GROVE	\$390,504.51	\$11,890,617.71
HUNTINGTON BEACH	\$506,908.38	\$15,502,166.30
IRVINE	\$725,857.24	\$20,913,482.83
LAGUNA BEACH	\$67,471.58	\$2,026,491.99
LAGUNA HILLS	\$89,100.07	\$2,725,736.45
LAGUNA NIGUEL	\$176,997.94	\$5,361,959.80
LAGUNA WOODS	\$32,978.73	\$1,028,983.21
LA HABRA	\$137,973.99	\$4,235,240.62
LAKE FOREST	\$210,934.08	\$6,237,431.38

**M2 FUNDS** 





LOCAL FAIR SHARE

IVIZ FUNDS	
2nd Quarter FY 2016/17	FUNDS TO DATE
\$44,131.20	\$1,398,562.25
\$34,259.21	\$1,033,554.12
\$246,955.14	\$7,493,818.07
\$287,984.85	\$8,759,327.86
\$437,733.92	\$13,094,158.80
\$124,866.84	\$3,782,258.00
\$110,566.64	\$3,389,081.82
\$147,596.08	\$4,429,171.56
\$99,712.72	\$3,039,843.26
\$737,451.67	\$22,096,223.55
\$64,926.59	\$2,054,505.21
\$79,156.44	\$2,406,837.30
\$241,141.97	\$7,071,638.30
\$13,711.17	\$416,021.17
\$225,326.11	\$6,810,909.81
\$157,784.29	\$4,778,712.64
\$494,073.12	\$14,564,775.92
\$8,407,587.13	\$252,672,269.35
	FY 2016/17         \$44,131.20         \$34,259.21         \$246,955.14         \$287,984.85         \$437,733.92         \$437,733.92         \$124,866.84         \$110,566.64         \$147,596.08         \$99,712.72         \$99,712.72         \$64,926.59         \$737,451.67         \$241,141.97         \$225,326.11         \$125,7784.29         \$494,073.12

**M2 FUNDS** 





**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

	Cost					
Capital Projects*	Budget/ Forecast (in millions)	Begin Environmental	Complete Environmental	Complete Design	Complete Construction	
FREEWAY PROJECTS						
I-5, Pico to Vista Hermosa	\$113.0	Jun-09	Dec-11	Oct-13	Aug-18	
Project C	\$89.6	Jun-09	Oct-11	Oct-13	Aug-18	
I-5, Vista Hermosa to Pacific Coast Highway	\$75.6	Jun-09	Dec-11	Feb-13	Mar-17	
Project C	\$71.1	Jun-09	Oct-11	May-13	Mar-17	
I-5, PCH to San Juan Creek Rd.	\$70.7	Jun-09	Dec-11	Jan-13	Sep-16	
Project C	\$71.0	Jun-09	Oct-11	Jan-13	Apr-18	
I-5, I-5/Ortega Interchange	\$90.9	Sep-05	Jun-09	Nov-11	Sep-15	
Project D	\$80.3	Sep-05	Jun-09	Dec-11	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	N/A	Oct-14	Sep-16	
I-5, SR-73 to Oso Parkway	\$151.9	Sep-11	Jun-14	Jan-18	Apr-22	
Project C & D	\$151.9	Oct-11	May-14	Jan-18	Sep-22	
I-5, Oso Parkway to Alicia Parkway	\$196.2	Sep-11	Jun-14	Jun-17	Mar-22	
Project C & D	\$196.2	Oct-11	May-14	Jun-17	Aug-22	
I-5, Alicia Parkway to El Toro Road	\$133.6	Sep-11	Jun-14	Jun-18	Sep-22	
Project C	\$133.6	Oct-11	May-14	Jun-18	Dec-22	
I-5, I-5/EI Toro Road Interchange	TBD	TBD	TBD	TBD	TBD	
Project D	TBD	Apr-17	Mar-20	TBD	TBD	
I-5, I-405 to SR-55	TBD	May-14	Aug-18	TBD	TBD	
Project B	TBD	May-14	Aug-18	TBD	TBD	
I-5, SR-55 to SR-57	\$37.1	Jul-11	Jun-13	Mar-17	Feb-20	
Project A	\$37.1	Jun-11	Apr-15	May-17	Apr-20	





**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

	Cost	Schedule Plan/Forecast				
Capital Projects*	Budget/ Forecast (in millions)	Begin Environmental	Complete Environmental	Complete Design	Complete Construction	
SR-55, I-405 to I-5	TBD	Feb-11	Nov-13	TBD	TBD	
Project F	\$375.9	May-11	Sep-17	Mar-20	May-25	
SR-55, I-5 to SR-91	TBD	Dec-16	TBD	TBD	TBD	
Project F	TBD	Dec-16	Jun-19	TBD	TBD	
SR-57 (NB), Orangewood to Katella	TBD	Apr-16	Dec-18	TBD	TBD	
Project G	TBD	Apr-16	Dec-18	TBD	TBD	
SR-57 (NB), Katella to Lincoln	\$78.7	Apr-08	Jul-09	Nov-10	Sep-14	
Project G	\$40.5	Apr-08	Nov-09	Dec-10	Apr-15	
SR-57 (NB), Katella to Lincoln (Landscape)	N/A	N/A	N/A	N/A	N/A	
Project G	N/A	N/A	N/A	Jul-10	Aug-18	
SR-57 (NB), Orangethorpe to Yorba Linda	\$80.2	Aug-05	Dec-07	Dec-09	May-14	
Project G	\$52.4	Aug-05	Dec-07	Jul-09	Nov-14	
SR-57 (NB), Yorba Linda to Lambert	\$79.3	Aug-05	Dec-07	Dec-09	Sep-14	
Project G	\$54.8	Aug-05	Dec-07	Jul-09	May-14	
SR-57 (NB), Orangethorpe to Lambert (Landscape)	N/A	N/A	N/A	N/A	N/A	
Project G	N/A	N/A	N/A	Mar-17	Sep-18	
SR-57 (NB), Lambert to Tonner Canyon (On Hold)	TBD	TBD	TBD	TBD	TBD	
Project G	TBD	Jul-17	Jun-20	TBD	TBD	
SR-91 Westbound (WB), I-5 to SR-57	\$78.1	Jul-07	Apr-10	Feb-12	Apr-16	
Project H	\$59.4	Jul-07	Jun-10	Apr-12	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	N/A	Aug-16	May-18	





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	Cost	Schedule Plan/Forecast				
Capital Projects*	Budget/ Forecast (in millions)	Begin Environmental	Complete Environmental	Complete Design	Complete Construction	
SR-91, SR-57 to SR-55	TBD	Jan-15	Oct-18	TBD	TBD	
Project I	TBD	Jan-15	May-19	TBD	TBD	
SR-91 (WB), Tustin Interchange to SR-55	\$49.9	Jul-08	Jul-11	Mar-13	Jul-16	
Project I	\$43.8	Jul-08	May-11	Feb-13	Jul-16	
SR-91, SR-55 to SR-241	\$128.4	Jul-07	Jul-09	Jan-11	Dec-12	
Project J	\$79.6	Jul-07	Apr-09	Aug-10	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	N/A	Feb-13	Feb-15	
SR-91 Eastbound, SR-241 to SR-71	\$104.5	Mar-05	Dec-07	Dec-08	Nov-10	
Project J	\$57.8	Mar-05	Dec-07	Dec-08	Jan-11	
I-405, I-5 to SR-55	TBD	Dec-14	Jul-18	TBD	TBD	
Project L	TBD	Dec-14	Jul-18	TBD	TBD	
I-405, SR-55 to I-605 (Design-Build)	\$1,900.0	Mar-09	Mar-13	Nov-15	Apr-23	
Project K	\$1,900.0	Mar-09	May-15	Nov-15	Apr-23	
I-605, I-605/Katella Interchange (Draft)	TBD	Aug-16	Nov-18	TBD	TBD	
Project M	TBD	Aug-16	Nov-18	TBD	TBD	
GRADE SEPARATION PROJECTS						
Sand Canyon Avenue Railroad Grade Separation	\$55.6	N/A	Sep-03	Jul-10	May-14	
Project R	\$61.7	N/A	Sep-03	Jul-10	Jan-16	
Raymond Avenue Railroad Grade Separation	\$77.2	Feb-09	Nov-09	Aug-12	Aug-18	
Project O	\$124.8	Feb-09	Nov-09	Dec-12	Aug-18	
State College Blvd. Grade Separation (Fullerton)	\$73.6	Dec-08	Jan-11	Aug-12	May-18	
Project O	\$97.0	Dec-08	Apr-11	Feb-13	May-18	





**CAPITAL ACTION PLAN** 

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	Cost	Schedule Plan/Forecast				
Capital Projects*	Budget/ Forecast (in millions)	Begin Environmental	Complete Environmental	Complete Design	Complete Construction	
Placentia Ave. Grade Separation	\$78.2	Jan-01	May-01	Mar-10	Nov-14	
Project O	\$64.4	Jan-01	May-01	Jun-10	Dec-14	
Kraemer Blvd. Grade Separation	\$70.4	Jan-01	Sep-09	Jul-10	Oct-14	
Project O	\$63.5	Jan-01	Sep-09	Jul-10	Dec-14	
Orangethorpe Blvd. Grade Separation	\$117.4	Jan-01	Sep-09	Dec-11	Sep-16	
Project O	\$108.6	Jan-01	Sep-09	Oct-11	Oct-16	
Tustin Ave./Rose Dr. Grade Separation	\$103.0	Jan-01	Sep-09	Dec-11	May-16	
Project O	\$98.3	Jan-01	Sep-09	Jul-11	Oct-16	
Lakeview Ave. Grade Separation	\$70.2	Jan-01	Sep-09	Oct-11	Mar-17	
Project O	\$107.4	Jan-01	Sep-09	Jan-13	Jul-17	
17th St. Grade Separation	TBD	Oct-14	Jun-16	TBD	TBD	
Project R	TBD	Oct-14	Jun-17	TBD	TBD	
RAIL AND STATION PROJECTS						
Rail-Highway Grade Crossing Safety Enhancement	\$94.4	Jan-08	Oct-08	Sep-08	Dec-11	
Project R	\$90.4	Jan-08	Oct-08	Sep-08	Dec-11	
San Clemente Beach Trail Safety Enhancements	\$6.0	Sep-10	Jul-11	Apr-12	Jan-14	
Project R	\$5.0	Sep-10	Jul-11	Jun-12	Mar-14	
San Juan Capistrano Passing Siding	\$25.3	Aug-11	Jan-13	May-16	Jan-19	
	\$30.8	Aug-11	Mar-14	Apr-17	Dec-19	
OC Streetcar	TBD	Aug-09	Mar-12	Sep-17	Apr-20	
Project S	\$306.4	Aug-09	Mar-15	Sep-17	Apr-20	
Placentia Metrolink Station and Parking Structure	\$34.8	Jan-03	May-07	Jan-11	TBD	
Project R	\$34.8	Jan-03	May-07	Feb-11	Oct-19	





**CAPITAL ACTION PLAN** 

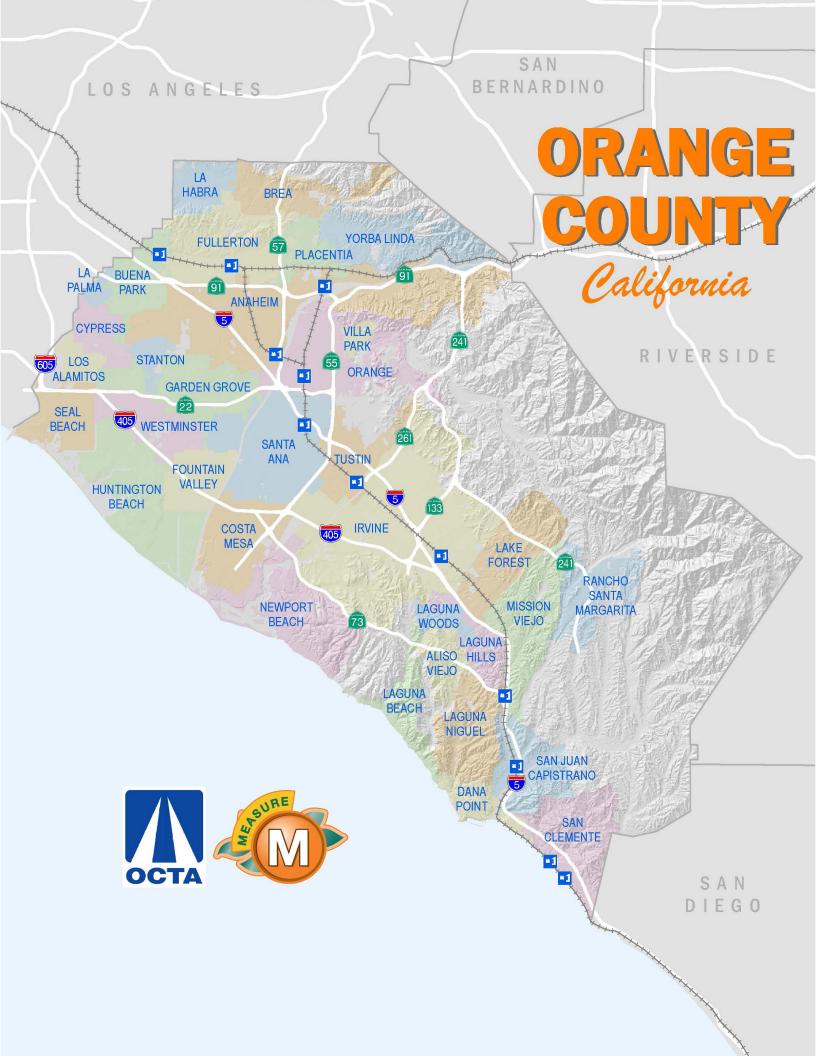
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	Cost	Schedule Plan/Forecast					
Capital Projects*	Budget/ Forecast (in millions)	Begin Environmental	Complete Environmental	Complete Design	Complete Construction		
Anaheim Canyon Station	TBD	Jan-16	Dec-16	TBD	TBD		
	\$21.0	Jan-16	Feb-17	Mar-19	Nov-20		
Orange Station Parking Expansion	\$33.2	Dec-09	Dec-12	Apr-13	Jun-18		
	\$33.2	Dec-09	May-16	Apr-16	Oct-18		
Fullerton Transportation Center - Elevator Upgrades	\$3.5	N/A	N/A	Dec-13	Mar-17		
	\$4.0	N/A	N/A	Dec-13	Jan-18		
Laguna Niguel/Mission Viejo Station ADA Ramps	\$3.5	Jul-13	Jan-14	Aug-14	Apr-17		
	\$4.9	Jul-13	Feb-14	Jul-15	Jul-17		
Anaheim Regional Transportation Intermodal Center	\$227.4	Apr-09	Feb-11	Feb-12	Nov-14		
Project R & T	\$230.4	Apr-09	Feb-12	May-12	Dec-14		





March 6, 20	17 Mbb
То:	Executive Committee
From:	Darrell Johnson, Chief Executive Officer
Subject:	Delivering Transportation Solutions in a Changing Market

### Overview

Since 2013, financial and market forces have combined to present numerous challenges to the Orange County Transportation Authority in successfully delivering on the agency's mission, including the core functions of implementing the Measure M2 Program and operating an effective, efficient, and affordable bus system. Bus ridership has steadily declined and the public's transit needs have shifted, while sales tax receipts continue to come in lower than expected. Despite these factors, the Orange County Transportation Authority has been able to realign the Measure M2 Program so that all promises will be kept, and steps have been taken to reduce costs and realign bus service with demand to better meet the needs of customers, avoid service reductions, and fare increases. This report details the major actions undertaken to keep all Orange County Transportation Authority programs on track in a financially constrained environment and changing market and identifies several upcoming challenges. These issues will need to be addressed in the development of the Long-Range Transportation Plan this year and will need to be incorporated into the annual budget and 20-year Comprehensive Business Plan.

### Recommendations

- A. Direct staff to continue delivery of the Measure M2 Next 10 Plan.
- B. Direct staff to expand OC Bus 360° initiatives, focusing on the benefits and implementation of alternative transit service delivery models.
- C. Direct staff to evaluate paratransit growth and cost-management strategies, and return to the Board of Directors with recommendations.

### Background

In fiscal year (FY) 2012-13, the Orange County Transportation Authority (OCTA) emerged from the Great Recession on solid financial footing and was well-positioned to deliver on the promises of Measure M2 (M2), successfully close out Measure M1, modestly grow bus and rail services, and continue the successful ongoing operation of the 91 Express Lanes. Getting to that point was difficult and included some major changes, including a 20 percent reduction in bus service, managing costs and schedules of freeway projects, securing external sources of revenue to keep projects on track, and the implementation of operational efficiencies.

In retrospect, FY 2012-13 was a watershed year. FY 2012-13 was the first year of a multi-year ridership slump on the bus system and was also the first year that sales tax collections started to noticeably underrun projections. The reduction in ridership and restoration of 68,000 vehicle service hours since 2013 have eroded system productivity. Furthermore, the impacts of reduced fare revenue and lower-than-expected sales tax receipts have hit the bus system particularly hard and make it difficult to sustain bus service levels despite the changes that have already been made. In addition, economic, demographic, and market forces have changed the demand for bus service, requiring OCTA to reinvent the delivery model to ensure system productivity and long-term sustainability.

Since FY 2012-13, actions have been taken each budget year to ensure sustainable programs and services despite lower-than-expected revenues. On March 28, 2016, the Board of Directors (Board) directed staff to modify the methodology used to forecast sales tax revenues. This change has proven to be more accurate than the previous methodology and has significantly reduced the amount of sales tax receipts forecast into the future, putting the long-term viability of the current operating model in question. While the Board has already addressed the lower sales tax forecast within the M2 Program by programming additional locally controlled revenues and modifying project delivery plans through the Next 10 Plan, the bus program requires additional adjustments to account for the lower forecast.

### Discussion

Every four years, OCTA is required to submit a Long-Range Transportation Plan (LRTP) to the Southern California Association of Governments (SCAG) to ensure that the region is eligible for state and federal funds. The LRTP provides a 30-year vision for transportation investment in Orange County and the Southern California region. Decisions will need to be made regarding how OCTA plans to deal with the changing transportation landscape. These decisions will also need to be included in the upcoming OCTA budget and 20-year fiscally-constrained Comprehensive Business Plan. To determine where OCTA is headed, it is important to examine the current status of OCTA programs and actions already taken to address a changing marketplace and financial landscape.

Over the past four years, each of OCTA's programs has faced different challenges. As a result, the Board and management actions employed to address those challenges are unique to each program based on program characteristics, a changing business environment and funding sources. As it stands today, the M2 Program is reaching a peak with the recent award of the \$1.2 billion design-build contract for the Interstate 405 (I-405) Improvement Project, the advancement of the OC Streetcar project, and the implementation of 17 other freeway projects in various stages of development, including three currently under construction. However, the bus program is at a crossroads where future funding is uncertain and ridership is falling due to affordable and convenient competition, a change in legislation regarding driver's licenses, and demographic shifts that are overwhelming OCTA's ability to attract and retain riders. The dichotomous nature of a growing capital program and a struggling bus program creates difficult management challenges for OCTA staff and difficult policy decisions for the Board.

The management strategies and Board policy changes and directives that have been used for each program are described in detail below.

### M2 Program

In September 2012, the Board approved the M2020 Plan. This plan was a roadmap to deliver on all the promises of M2 despite lower sales tax collections as a result of the Great Recession. While the plan is detailed in other reports, in general, the plan called for accelerated project delivery to take advantage of a favorable bidding environment and securing and utilizing \$720 million in external funds to fill the freeway gap.

After adopting a more conservative sales tax forecast methodology that further decreased the expected future sales tax collections, the Board acted quickly and approved the Next 10 Plan in November 2016. The Next 10 Plan utilizes locally generated net excess toll revenues from the 91 Express Lanes to help fund the remaining M2 projects in the State Route 91 (SR-91) corridor to fill the freeway gap. Also, a Transportation Infrastructure Finance and Innovation Act (TIFIA) loan is assumed for the I-405 Improvement Project which would provide a significant financial benefit to the M2 freeway program. At the same time, there were across the board cuts in funding distributions to the programmatic elements

of M2 transit, streets, and environmental elements to ensure the M2 program's viability and to ensure OCTA is operating within its financial means.

For the M2 Transit mode, the \$297.9 million OC Streetcar project has entered into the engineering phase and is on track to receive a New Starts grant from the Federal Transit Administration, which would pay for half of the project. In addition, \$92 million of other federal and state funds have been secured for the project, leaving only \$57 million required from M2 to deliver the project. In 2015, following completion of the M2 Ten-Year Review, Project T – Metrolink Gateways - was officially completed and closed, and \$150 million was reallocated to Project R for Metrolink service and \$69 million to Project U for Fare Stabilization for Seniors and Persons with Disabilities. The reallocation to Project U was particularly notable because that solved a problem that was identified in 2010. In short, one percent of net M2 revenues was originally allocated for the Fare Stabilization Program. However, with the big drop in projected sales tax due to the recession, it was immediately evident that one percent of the net revenues would not be sufficient to stabilize fares for the 30-year life of M2. The transfer from Project T to Project U addressed this critical issue through 2041.

While much has been done to keep the M2 Program on track, serious challenges remain. Most notably, keeping \$5.4 billion of freeway projects within scope and budget will be critical as we move forward, especially as the \$1.9 billion I-405 Improvement Project advances. Keeping a close eye on sales tax forecasts and other external funding opportunities also will be an important element to keep the promises of M2. Lastly, with the passage of other local sales tax measures in the region, OCTA expects fierce competition for both internal and external human capital resources and for materials to deliver capital projects.

To address these issues, OCTA will continue to work with the state to ensure that state regulations do not impede our ability to deliver projects consistent with voter approval. For funding, OCTA will advocate strongly for the reinstatement of funds for freeway projects and expects to close the TIFIA loan in May 2017. To address the expected competition for resources, OCTA is undertaking a market analysis study to determine potential impacts and solutions. Lastly, in order to keep qualified personnel that can deliver large capital projects that are promised in M2, changes to the OCTA Personnel and Salary Resolution may be included in the upcoming budget submittal, along with the continued funding of OCTA's pay for performance system.

### Bus Service

The bus program has been fraught with challenges over the last few years resulting in negative impacts to ridership in a way that has not been experienced by OCTA in its history. While significant cost-saving measures have been implemented and will continue to be an ongoing focus to sustain current service levels and mitigate inflationary factors, long-term sustainability will require redesigning service to improve productivity and provide market-driven solutions.

The multiple factors creating the current environment have been described in detail in other reports, but it is clear that the demand for the types of services that OCTA has historically provided are no longer effective in all areas of the county. In response, OCTA has launched an ambitious program, called OC Bus 360°, in an effort to curb declining ridership and provide customers a more efficient and user-friendly transit system.

OC Bus 360° is a multi-pronged effort, where one of the key strategies is to reallocate services from low-productivity areas to higher-productivity areas to increase bus ridership. OC Bus 360° is still in its infancy as the first major reallocation of services took place in October 2016.

The results of OC Bus 360° will take time to materialize; however, there are immediate financial implications of ridership declines due to much lower fare revenues being collected than assumed. In addition, similar to the M2 Program, sales tax receipts have not kept pace with projections.

Up to this point, multiple actions have been taken to address the financial realities without impacting the overall level of fixed-route bus service. Additional changes will need to be made after adopting the more conservative sales tax forecasting methodology that may require service reductions to ensure long-term fiscal sustainability.

The most financially impactful change that has been implemented for the bus system since 2013 is the continued effort to contract out a significant portion of the fixed-route service. In 2013, OCTA was contracting out 20 percent of the fixed-route service. Today, that figure has doubled to 40 percent of the fixed-route service. The savings of this action alone is \$14.2 million on an annual basis. The majority of the savings was a direct result of favorable rates received when this contract was competitively bid in March 2015.

The contract for the provision of ACCESS paratransit service was awarded in March 2013. The cost for these services is expected to be \$8.5 million less in

next year's budget when compared to what OCTA was paying on the prior contract.

In regards to savings related to staffing costs, a major shift was approved by the Board in April 2013, that required all employees to pay the full amount of the employee share of pension costs. This action was approved in a phased approach that is now fully implemented. The annual savings of this action is estimated to be \$5.8 million next fiscal year. Since the majority of the employees at OCTA work directly or indirectly for the bus program, the majority of the savings accrues to the bus program.

Also in 2013, staff negotiated a new lease for the administrative headquarters building. OCTA continues to reap the benefits of this new lease. In addition to providing tenant improvement funds for the buildout of the new Board room and conference center and other building improvements at no cost to OCTA, the lease approved by the Board saves OCTA \$1.3 million annually. Most of those savings accrue to the bus program.

Last year, the Board approved a new contract for the purchase of renewable natural gas at a lower cost. In addition, OCTA has been able to monetize both state and federal credits, which generates a new revenue stream for OCTA. Between the lower cost of fuel and the new income stream, OCTA expects to save \$3.4 million annually that directly supports the bus program.

A major portion of the costs associated with running a countywide bus system is the purchase of rolling stock. Recently, OCTA reduced an order by 40 buses which provided immediate cash savings of \$23.2 million. OCTA has a conservative approach for paying for rolling stock and other capital by simply saving in a sinking fund and utilizing a pay-as-you-go method when capital needs arise. Since the long-term fleet plan has now been reduced by 40 buses, annual sinking fund contributions have been reduced by approximately \$2 million. These funds are being used to help offset lower ongoing revenues.

There are a number of other changes that have been made throughout the normal budget process that have saved operating funds, including a budget amendment approved by the Board in March 2016 that aligned the budget with ongoing revenues. Changes included the cancellation of an order of 12 40-foot buses, lower fuel and lubricant costs, lower contracted-services costs, and savings related to insurances, professional services, and parts costs. Ongoing savings realized by these adjustments total \$6.7 million, and annual sinking fund contributions have been reduced by approximately \$600,000.

All of the aforementioned actions have saved a total of \$42.5 million for the bus system on an annualized basis as compared to what costs would have been incurred had no action been taken. These proactive changes have allowed OCTA to moderately grow bus service by 68,000 hours, or four percent additional service since 2013, despite lower fare revenue and lower-than-expected sales tax receipts. Additionally, a planned fare increase in 2017 was cancelled. In fact, there have been no service hour reductions since March 2010 and no fare increases since February 2013.

The adoption of the more conservative forecasting methodology resulted in a major change in anticipated long-term revenues for the bus system and needs to be addressed. The ridership challenges afflicting Orange County suggest that the services OCTA is providing do not meet the needs of our customers, and reductions in certain areas may be necessary to maintain productivity.

There will be other challenges. Demographics are working against the bus program. Federal regulations will make it difficult to directly partner with transportation network companies. Growth in paratransit demand is expected to continue to consume a larger percentage of transit dollars. Lastly, the state-mandated 20 percent farebox recovery ratio will eventually become an issue again, even though we are allowed to now use other revenues to meet the requirement.

Looking forward, although OCTA may make changes to service levels because of lower demand, it is imperative to give OC Bus 360° time to succeed. OCTA will continue to look at providing service in different, innovative ways by exploring the use of technology to allow for on-demand services and possible partnering with transportation network companies and other providers to better serve our customers. A number of community-based circulators under Project V have been deployed. These projects are intended to fill the gap in areas that are not well-served by the OCTA bus system. Stationlink and express bus services will be revisited by either utilizing vanpools or simply letting the private sector serve those customers. To explore ways to meet the needs of seniors and persons with disabilities while controlling our costs, OCTA will hold a special Board workshop on paratransit services later this year. The workshop will highlight the services that are provided today and associated costs, and provide information regarding the specific requirements OCTA has to abide by under the Americans with Disabilities Act.

### 91 Express Lanes

The 91 Express Lanes continues to meet all stated objectives. The congestion-pricing toll policy remains in effect and all adjustments have been

made per Board policy. Utilization of net excess toll revenues will be dedicated to M2 projects in the SR-91 corridor, which was a major element of the M2 Next 10 plan.

The debt on the 91 Express Lanes was refinanced in 2013 and saved approximately \$1.7 million per year when compared to the 2003 debt transaction. Both Standard and Poor's and Fitch have provided ratings upgrades for the 91 Express Lanes since the refinancing was finalized. The "AA-" rating provided by Standard and Poor's is one of the highest ratings assigned to a single-asset toll facility.

The Riverside County Transportation Commission (RCTC) will be extending the 91 Express Lanes into Riverside County this year. OCTA has worked in close partnership with RCTC on this extension and entered into a three-party agreement with RCTC and Cofiroute to provide seamless operation of the express lanes. The three-party agreement is expected to save OCTA \$9.63 million over a four and a half year period. It is expected that OCTA's 91 Express Lanes operation and revenue will still meet stated goals once the RCTC extension is opened. Additionally, the Transportation Corridor Agencies (TCA) is designing a direct connector from the State Route 241 to the 91 Express Lanes. OCTA will continue to keep the Board apprised of any issues related to the RCTC project or the TCA project to the extent that they affect the ability of OCTA to improve throughput of the SR-91 corridor.

### OCTAP

The Orange County Taxicab Administration Program has seen a major drop in revenues with the emergence of transportation network companies (TNCs). This program is administered by OCTA on behalf of Orange County's local jurisdictions and has always been a cost recoverable program, meaning the revenues generated from the taxi companies would cover OCTA's costs to administer the program. While OCTA has eliminated staff to reduce administrative expenses, the revenues are now so low that OCTA is unable to recover all of its costs while meeting the program objectives.

This industry has dramatically transformed with the advent of TNCs. A letter was sent from OCTA in July 2016, notifying local jurisdictions that OCTA could not provide this service in the future under the existing structure.

Local jurisdictions have convened a working group to determine their potential courses of action given the current circumstances. OCTA has received a letter requesting another year of OCTA administration as the local jurisdictions have a

stated preference of not using their own general funds to support the taxicab program.

OCTA is not in a position to subsidize the taxicab program using general funds or transit funds on behalf of the local jurisdictions. Staff will keep the Board apprised of ongoing developments, but it is clearly not the intent for OCTA to provide these services long-term without a structured change to the program.

### Metrolink

In 2013, OCTA was running 54 weekday trains per day. Today there are 60 weekday trains per day. Sustaining this higher level of service is made possible largely due to the transfer of \$150 million from Project T to Project R as mentioned above. Additionally, staff continues to closely monitor costs provided by Metrolink each budget year and have offered help and provide guidance to Metrolink staff as they have dealt with staff turnover in their finance department.

Growth in Metrolink operating costs and capital rehab costs will likely be significant issues in the future. On February 24, 2017, Metrolink staff provided OCTA with their preliminary budget for FY 2017-18. Metrolink's request increases OCTA's annual operating contribution by 11 percent and also includes an unusually high request for capital rehab. These types of cost increases are unsustainable. Staff will continue to work collaboratively with Metrolink staff to keep costs at reasonable levels while also ensuring proper investment is made for the provision of safe and reliable service.

### Summary

Over the next several months, OCTA will be developing a Long-Range Transportation Plan, an annual budget, and a 20-year Comprehensive Business Plan at a time when the transportation marketplace is rapidly evolving and the traditional methods for funding transportation services and projects are shifting. Since 2013, OCTA has focused its efforts on ensuring that all OCTA programs remain on track despite lower-than-expected sales tax revenue and declining bus ridership. Through various actions, \$42.5 million in ongoing recurring savings for the bus program have been achieved to ensure fiscal sustainability without raising fares or reducing service levels. Lower revenues and reduced demand for traditional fixed-route service may require some service levels to be revised. In addition, OCTA is examining ways to deliver transit service that addresses a changing market. For the M2 Program, the approval of the Next 10 Plan puts the entire program in position to deliver on all the promises made to voters. The continued commitment to meet all of the promises included in the capital-intensive M2 program juxtaposed against a struggling bus system that needs to evolve to better meet the needs of our customers creates management challenges that will need to be addressed in the coming months.

### Attachment

None.

# Delivering Transportation Solutions in a Changing Market



# Planning Efforts Underway

- Long-Range Transportation Plan
  - Updated every four years to address changing transportation landscape
  - Ensure eligibility for state and federal funds
- Comprehensive Business Plan
  - 20-year fiscally constrained financial plan
- Fiscal Year 2017-18 Budget
  - Annual funding for all OCTA programs, projects, and services

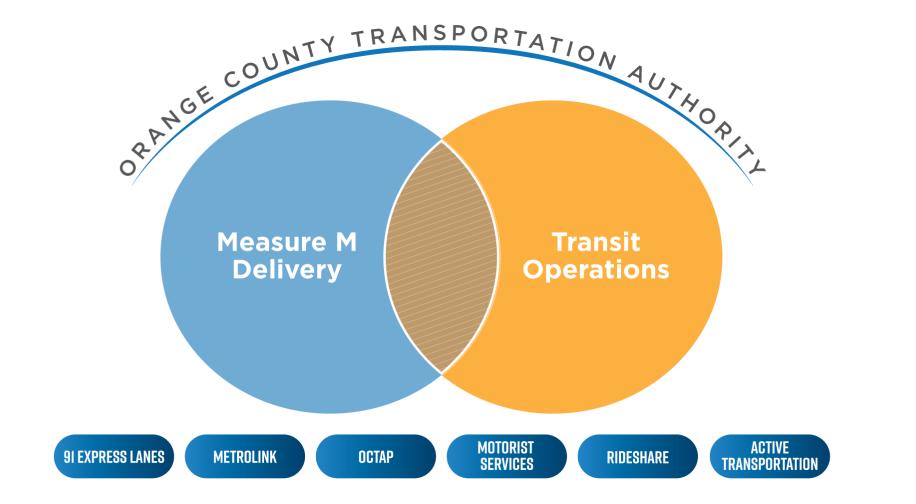






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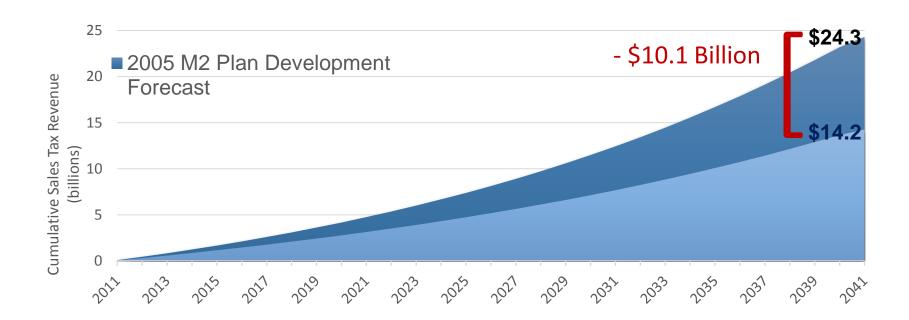
# **OCTA Core Functions**



3

# Background – Measure M

- Declining sales tax revenues recognized / reported early
- Next 10 Delivery Plan adopted
  - Aggressive delivery plan
  - Leverages external revenues
  - Brought in local revenues



# Next 10 Delivery Plan

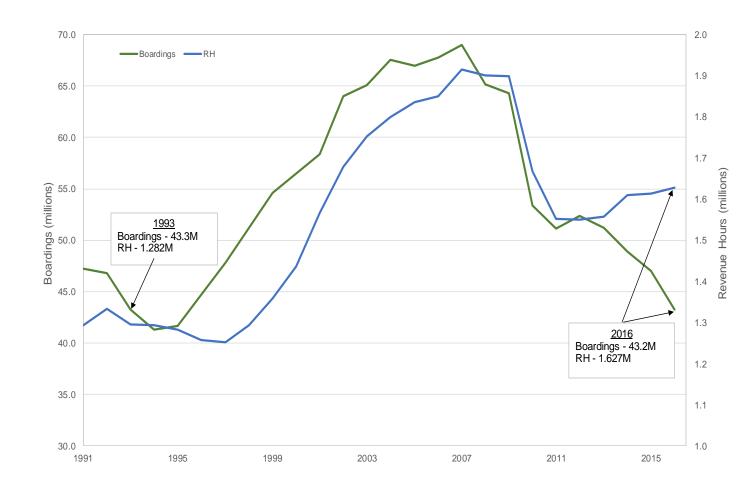
## **Measure M Capital Program Peaking**

- Use federal grants and loans and 91 Express Lanes net excess toll revenue to help fund program
- Deliver \$5.4 billion in freeway projects
  - \$1.9 billion I-405 Improvement Project, largest in agency history
- Allocate \$1 billion for streets and roads improvements
- Invest up to \$1.4 billion to enhance access to rail and transit including delivery of the OC Streetcar
- Ensure ongoing preservation of open space Preserves
- Provide \$40 million in water quality grants



# Background – Bus Transit

- Changing bus market demand
  - Declining bus ridership
  - Reduced productivity
- Reduced bus revenues
  - Sales tax declines
  - Changing forecast methodology
  - Fare revenue down
- Maintaining service
  - No fare increases since 2013
  - No service hours cut since 2010



# Trends

- Past correlations no longer predictive of future conditions
- Growth in competing modes impacting ridership
- Costs of housing also a key factor
- Ridership decreases now a national and regional issue

## 2009 to 2015

① Population: Up 4.7 percent
① Driver Licenses: Up 9.9 percent
① Car Registrations: Up 16.9 percent

1 \$25.50/hour to afford a one-bedroom apartment
 1 \$87,000/year to qualify for a median-priced home

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# OC Bus 360° - Reinventing Bus Service

- Reallocated 160,000 revenue vehicle hours
- Implemented faster bus routes
- Discounted day pass
- Implemented mobile ticketing / real-time bus arrival app
- Awarded 17 Measure M transit grants to local agencies
- Secured over \$20 million in grants for buses, mobile ticketing, and fare discount
- Expanded marketing

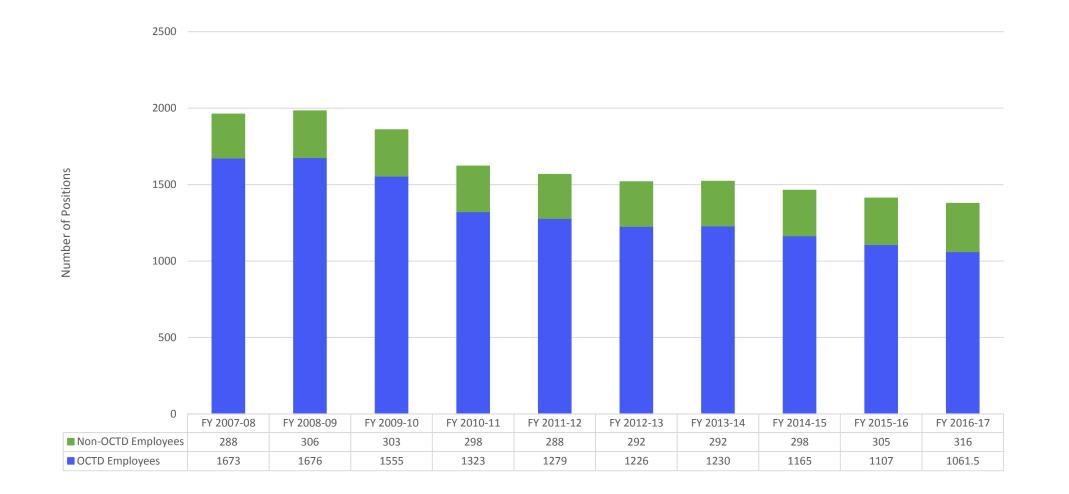


# Efficiency Measures / Cost Savings

Description	Annual Savings (In Millions \$)	3-Year Savings (In Millions \$)	5-Year Savings (In Millions \$)
Contracted out bus service	\$14.2	\$56.2	\$73.4
ACCESS contract	8.5	27.3	48.8
Renewable natural gas contract	3.4	10.2	17.0
Fleet reduction*	2.6	7.8	13.0
Maintenance support savings	6.7	20.7	35.6
Employee pensions	5.8	14.3	17.9
Headquarters lease	1.3	3.9	6.5
Total	\$42.5	\$140.4	\$212.2

\*\$30.4 million immediate cash savings and lower long-term contribution to capital sinking fund

# Staffing Levels



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# Other OCTA Programs

# **Express** Lanes

- Continues meeting objectives
- Portion of net excess revenue dedicated to SR-91 corridor M2 projects
- Ongoing coordination with RCTC and TCA

# **METROLINK**<sub>®</sub>

- 60 daily weekday trains sustained through M2
- Closely monitoring current costs
- Future concerns regarding operations and capital rehab costs



- Drastic revenue decline due to shift in market demand
- OCTA will not continue oversight given current model
- Cities and county working group convened to determine future

# Next Steps

- Continue delivery of Next 10 Plan
- Continue OC Bus 360° initiatives
- Assess benefits of different transit service delivery models
- Evaluate paratransit service
- Use guiding principles to make adjustments for bus based on:
  - Performance measures
  - Customer / market demand
- Continue to explore efficiency measures include in development of FY 2018 budget
- Develop Long-Range Transportation Plan
- Develop 20-year Comprehensive Business Plan