



August 14, 2017

To: Members of the Board of Directors

From: Michael Hennessey, Chairman of the Board of Directors

Subject: 2017 Orange County Transportation Authority Board of Directors Strategic Initiatives Mid-Year Report

At the beginning of the calendar year, the Chairman of the Board of Directors (Board) established a set of Board Strategic Initiatives for 2017. The initiatives set the tone for the year by providing added direction for programs and projects for 2017. For this year, the Orange County Transportation Authority (OCTA) Board adopted five strategic initiatives (Attachment A) to advance the Strategic Plan goal areas of mobility, public service, fiscal sustainability, stewardship, and organizational excellence. A mid-year update on the progress of these initiatives is provided for review and information.

Between January 1, 2017 and June 30, 2017, OCTA has advanced the Board Strategic Initiatives through various programs and projects. Details of these accomplishments are provided below.

Break ground on Interstate 405 (I-405) and seek opportunities to accelerate the State Route 55 (SR-55) Project.

- I-405 Design-Build Project: In January 2017, the design-build contract for the I-405 project was executed, and the Notice to Proceed No.1 for design was issued. Since then, staff has been progressing right-of-way acquisition, utility relocation, risk mitigations, and negotiating the financing terms for the Transportation Infrastructure Finance Innovation Act (TIFIA) agreement.
- SR-55 between I-405 and Interstate 5 (I-5): In June 2017, the Board entered into a cooperative agreement with the California Department of Transportation for the SR-55 Improvement Project, between the I-405 and I-5 to provide design and construction oversight for the project. At the same meeting, the Board approved to release a request for proposals for the design phase of the project.

On May 8, 2017, the Board approved the use of a letter of credit/line of credit supported by Local Transportation Authority sales tax revenues. The final TIFIA loan application was approved by the Secretary of Transportation in July 2017.

Continue OC Bus 360° Implementation

- OC Bus 360° Fare Policy Adjustments: As part of the OC Bus 360° Plan, a Fare Policy Study was conducted in 2016. After the study was completed, OCTA invited stakeholders to provide feedback on the proposed changes and, together, recommendations were developed. In February 2017, OCTA began implementing those recommendations, which included adjusting fares, eliminating underutilized passes, and re-categorizing express service routes. Currently, OCTA is working on ticket vendor agreements for identifying people who qualify for reduced fares. After this effort has been completed, all recommendations will be implemented.
- Santa Ana College Bus Pilot Project: In May 2017, the Santa Ana College students voted to approve a three-year pilot program that would provide unlimited bus rides to students for the first year, and affordable bus pricing for the second and third years of the program. The first year of the program will be subsidized through the Low Carbon Transit Operations Program, with service expected to begin in fall 2017.
- 53Xpress Service: In February 2017, the new OC Bus limited-stops 53Xpress service was launched. The new service runs along Route 53, provides fewer stops, and improves travel time for passengers making longer trips.
- OC Bus 360° Plan Update: On May 22, 2017, an update on the new strategies, which include fixed-route changes, testing of new technologies, and reviewing ways to reduce costs was presented to the Board.
OC Bus 360° highlights include:
 - Ridership improvement: Ridership on routes that were improved in June and October 2016 increased by 4.2 percent and 10.2 percent, respectively.
 - Technology improvements: OCTA is preparing to test on-demand software systems utilizing smart phone applications for point-to-point rides including integrated payment systems.

Advance the OC Streetcar Project

- OC Streetcar: In January 2017, the OC Streetcar Project was approved into the New Starts Program engineering phase and has since made significant progress in advancing the OC Streetcar Project, including completion of design, at risk assessment, operations and maintenance options, and all other tasks as required by the Federal Transit Administration. With the completion of these requirements on May 22, 2017, the Board approved staff to move forward in requesting a full funding grant agreement, the final phase of the New Starts Program.

Integrate Technology Solutions

- Mobile Ticketing and On-Demand Service: In February 2017, staff from OCTA's new Office of Innovation began working with Moovel Transit to utilize OCTA's existing mobile ticketing application to incorporate new technology that would help bus customers discover alternative ride options. This effort is part of OCTA's ongoing strategy to augment bus service with local ride services by utilizing new and existing technologies.
- Hydrogen Fuel Cell Bus: In February 2017, OCTA, in partnership with the Center for Transportation and the Environment, received more than \$13 million to purchase ten zero-emissions hydrogen fuel cell buses, and for construction and maintenance of necessary infrastructure. The new buses are part of a two-year demonstration project to complement the existing fleet. The new buses are expected to be in service by late 2018.
- OC Same Day Taxi Smartphone Application: In March 2017, the OC Same Day Taxi smartphone application pilot project was launched. The new smartphone application allows eligible OC ACCESS users to schedule, track, and pay for Same Day Taxi trips. The smartphone application will be available to eligible OC ACCESS users in summer 2017.

Ensure Fiscal Sustainability

- Local Transit Funds (LTF): In March 2017, the Joint Legislative Audit Committee approved OCTA's audit request to analyze the assessment and distribution of LTF, including how various exemptions and exclusions may be impacting the distribution of funds.

Specifically, the request will analyze the impact the point-of-sale determination of internet sales is having on LTF revenues and their distribution. The audit is expected to be completed by the end of 2017.

- Employee Pension Reform Plan: In January 2017, during the first pay period, all administrative employees are paying 100 percent of their employee pension contribution.
- Measure M Annual Compliance Hearings: In April 2017, the Taxpayers Oversight Committee's (TOC) annual public hearing and compliance results were delivered to the Board. For the 26th consecutive year, the TOC determined OCTA is proceeding in accordance with the Measure M2 (M2) Transportation Ordinance and Investment Plan.
- OCTA Balanced Budget: In June 2017, the Board approved the fiscal year 2017-18, \$1.28 billion balanced budget. With the approval of the balanced budget, OCTA remains on track to deliver the promises of M2 and transit services.

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Attachment