ATTACHMENT B

Orange County Transportation Authority

OCTA

September 2019

Presentation Participants






Tim Shaw	Steve Jones	Michael Hennessey	Darrell E. Johnson	Andrew Oftelie	Robert Davis
Board of Directors Chairman	Board of Directors Vice-Chairman	Finance and Administration Committee Chairman	Chief Executive Officer	Chief Financial Officer	Treasury and Public Finance Manager

Financial Advisor	**Sperry Capital Inc.**	**Jim Martling, Principal**

Presentation Overview

Presentation Summary

- ❑ Progress continues on advancing several Measure M2 projects, including the OC Streetcar project in Santa Ana and Garden Grove, and efforts continue on OCTA's OC Bus 360° improvements
- ❑ I-405 Improvement Project began construction on March 6, 2018, with two draws on TIFIA loan for a total of $287 million
- ❑ Orange County's economic environment continues to be positive with the creation of new jobs, very low levels of unemployment, positive sales tax growth, and increasing home prices
- ❑ 91 Express Lanes traffic and toll revenue continue to grow at high levels in Orange County reaching historic levels in Fiscal Year 2019
- ❑ Approved FY 2019-20 Budget totals $1.525 billion, which includes key investments in freeway projects, transit, commuter rail, and street and road improvements
- ❑ Debt service coverage ratios remain strong for all OCTA debt programs

I. Orange County Transportation Authority

The Agency

- ❑ Orange County's regional transportation agency created in 1991
- ❑ Governed by an 18-member Board of Directors
- ❑ Multi-modal focus
- ❑ OCTA's programs and services include:
  - Freeways
  - 91 and 405 Express Lanes
  - Streets
  - Rail
  - LOSSAN corridor services
  - Bus
  - Environmental Programs
  - Motorist Services
  - Active Transportation



2019 Board of Directors

Tim Shaw

Chairman
City Member
4th District

Steve Jones

Vice Chairman
City Member
1st District

Michael Hennessey

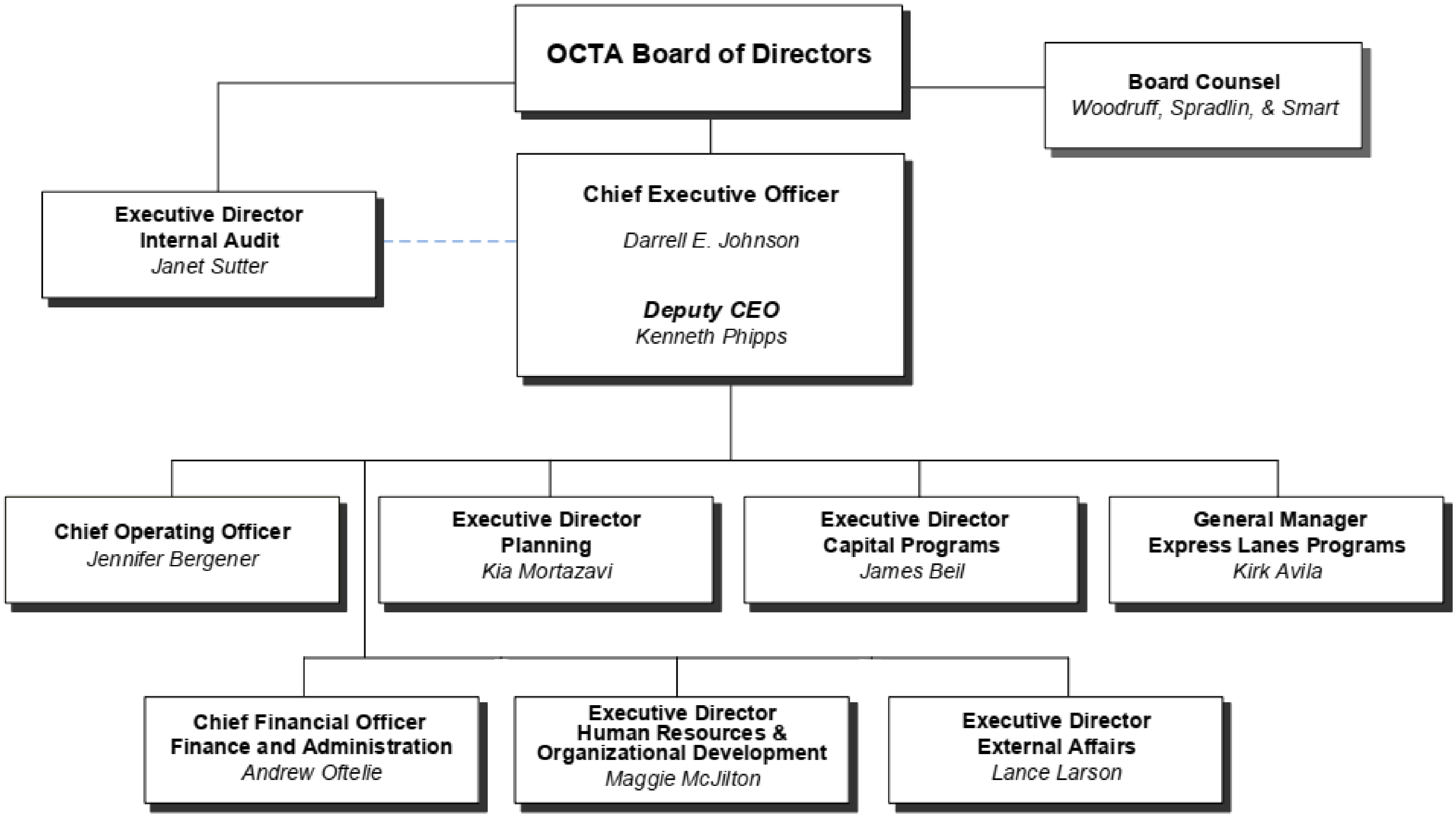
Finance and Administration Committee Chairman
Public Member

Lisa A. Bartlett	*5th District Supervisor*
Doug Chaffee	*4th District Supervisor*
Laurie Davies	*City Member, 5th District*
Barbara Delgleize	*City Member, 2nd District*
Andrew Do	*1st District Supervisor*
Gene Hernandez	*City Member, 3rd District*
Jose F. Moreno	*City Member, 4th District*
Joseph Muller	*City Member, 5th District*
Mark A. Murphy	*City Member, 3rd District*
Richard Murphy	*City Member, 2nd District*
Miguel Pulido	*City Member, 1st District*
Michelle Steel	*2nd District Supervisor*
Donald P. Wagner	*3rd District Supervisor*
Gregory T. Winterbottom	*Public Member*
Ryan Chamberlain	*Governor's Caltrans Ex-Officio Member*

OCTA Experience

- OCTA's history includes:
  - Experienced team of executive staff
  - Operating the 91 Express Lanes for over 16 years
  - Issued approximately $2.4 billion of Measure M1 and Measure M2 bonds and non-recourse 91 Express Lanes bonds
  - Major project delivery experience with highways and grade separation projects
  - Closed a $629 million federal TIFIA loan for the I-405 Improvement Project and a $900 million line of credit secured by M2 required by TIFIA lender at financial close
- Successful project delivery history includes:
  - Delivering the $4 billion Measure M1 20-year sales tax program
  - Major improvements on all Orange County freeways
  - $550 million design-build project on the SR-22 freeway, the largest design-build project completed on an active freeway in California
  - Delivering over $2 billion of Measure M2 projects including $573 million of freeway projects, $1.1 billion of local streets and roads projects, and $362 million of transit projects

2019 Executive Management Team



2019 Board Strategic Initiatives

1 DELIVER CAPITAL PROJECTS
- Continue reconstruction of I-405 bridges
- Begin I-5 construction between El Toro Road and SR-73
- Improve Anaheim Canyon Station

2 CHAMPION FISCAL RESPONSIBILITY
- Set priorities for 2020 State Transportation Improvement Program funds
- Award Measure M grants to improve local streets, synchronize signals and enhance water quality
- Support State and Federal Legislation in support of funding for transportation

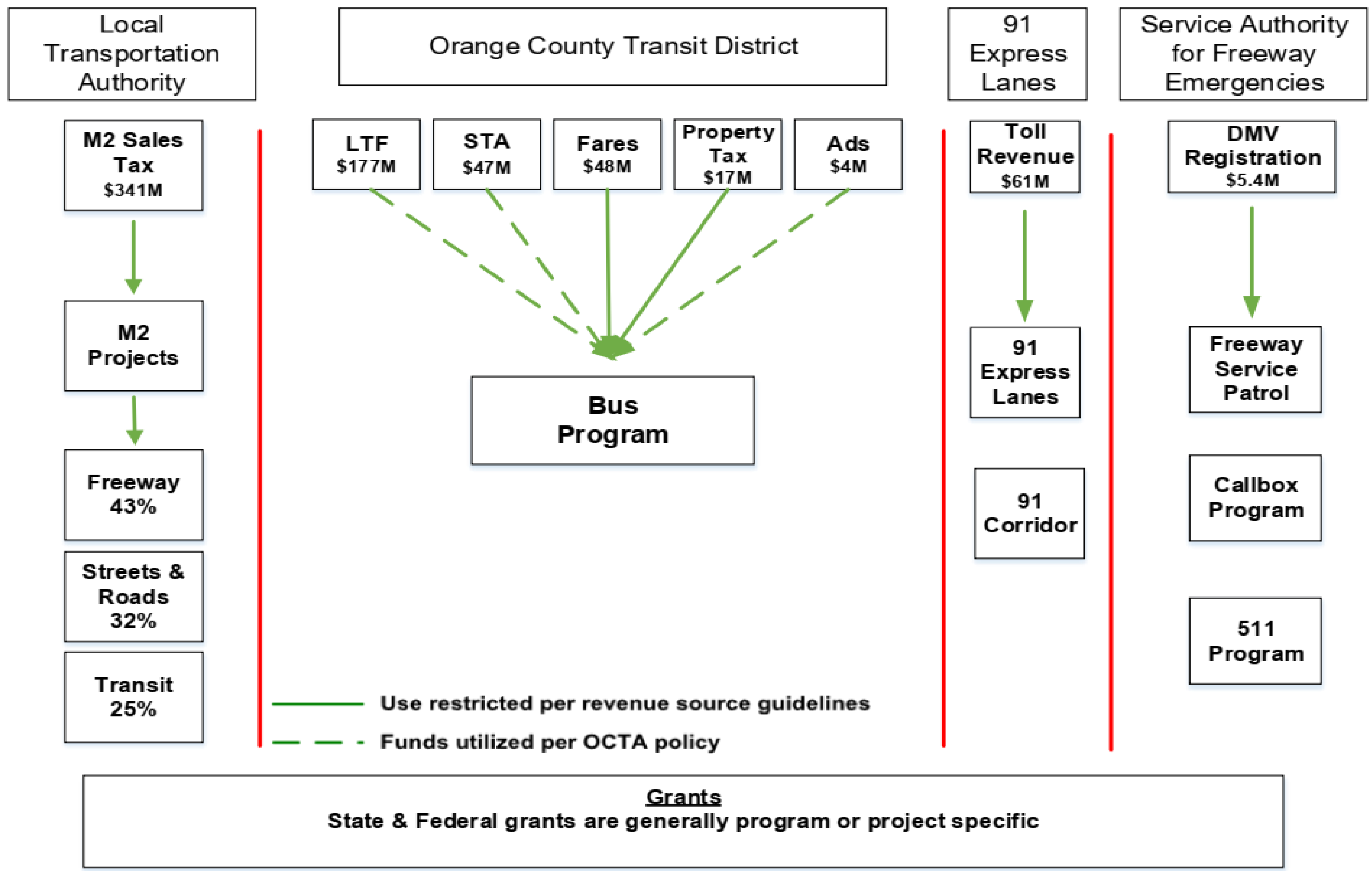
3 DEVELOP STATE-OF-THE-ART REGIONAL TRANSPORTATION PLANS
- Prepare initial set of transit alternatives along the Bristol Street Corridor
- Initiate work on the South Orange County multimodal transportation plan
- Deliver Board updates on Measure M environmental programs, and innovative transportation strategies and technologies

4 STRENGTHEN REGIONAL PARTNERSHIPS
- Update the SR- 91 Implementation Plan with Riverside County Transportation Commission
- Work with LA Metro on intercounty transit connections study
- Collaborate with Caltrans on freeway improvements

5 IMPLEMENT OC BUS 360º VISION AND OFFER MODERN TRANSIT SOLUTIONS
- Launch Bravo! 529 service
- Award the OC Streetcar operations and maintenance contract
- Deploy hydrogen fuel cell buses

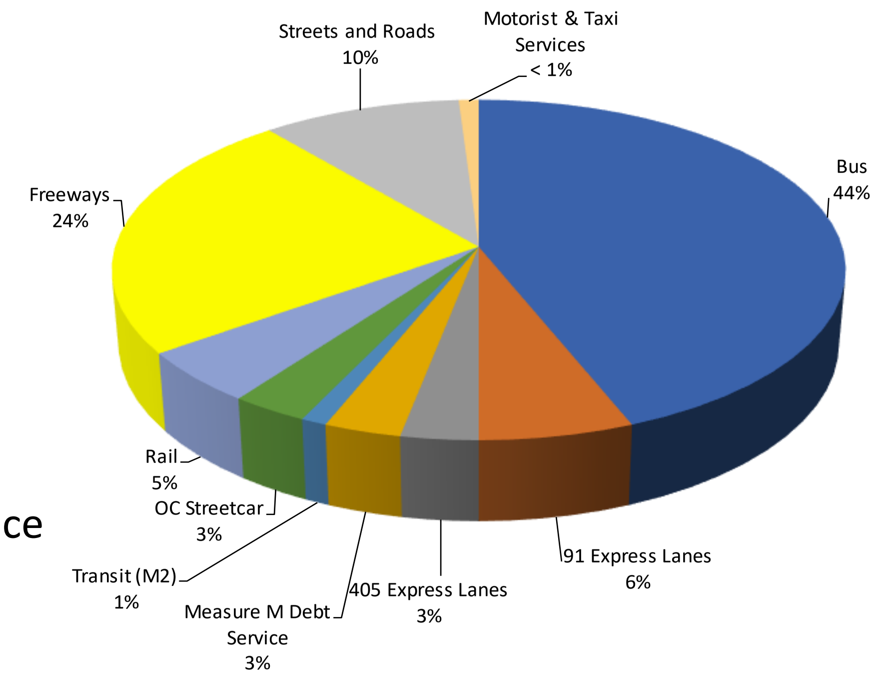
6 REINFORCE A CULTURE OF SAFETY
- Monitor pilot programs to enhance coach operator safety
- Ensure safety of the traveling public and employees through development of the Safety Management System
- Reinforce Safety value with ongoing employee training

OCTA Revenue Firewalls



FY 2019-20 Approved Budget Totals $1.525 Billion

- Budget initiatives include the continuation of the Updated Next 10 Plan, including:
  - Utilization of M2 and TIFIA funds for I-405 project
  - Continuation of OC Bus 360 with no change to bus service levels
  - OC Streetcar construction, vehicle delivery, and operations and maintenance contract
- Assumptions include:
  - Sales tax revenue assumption consistent with Board approved sales tax forecasting methodology
  - No bus fare adjustments
  - Compensation per collective bargaining agreements for union employees and pay-for-performance for administrative employees



FY 2019-20 Approved Budget Summary

Revenue By Source (in Millions)	FY 2019-20 Approved Budget	Percent of Budget
Local Transportation Authority 1/2 Cent Sales Tax (M2)	$ 340.9	22.4%
Federal Grants	328.4	21.5%
Local Transportation Fund 1/4 Cent Sales Tax	176.7	11.6%
91 Express Lanes Revenues	60.5	4.0%
State Grants	58.2	3.8%
Interest	49.9	3.3%
Passenger Fares	47.9	3.1%
Road Repair and Accountability Act (State Transit)	24.3	1.6%
State Transit Assistance	22.5	1.5%
Property Tax	16.6	1.1%
Other	15.8	1.0%
Road Repair and Accountability Act (Competative)	14.1	0.9%
Advertising	$ 4.0	0.3%
Subtotal Sources	**$ 1,159.8**	
Use of Prior Year Designations	365.4	24.0%
Total Revenues / Use of Designations	**$ 1,525.2**	

Expenditures (in Millions)	FY 2019-20 Approved Budget	Percent of Budget
Capital Expenditures	$ 667.8	43.8%
Professional and Outside Services	223.2	14.6%
Salaries and Benefits	169.7	11.1%
Contract Transportation Services	104.1	6.8%
Principal Payments and Interest Expense	59.0	3.9%
Measure M2 Local Fair Share	57.7	3.8%
Measure M2 Regional Capacity	57.0	3.7%
Contribution to Other Agencies	55.0	3.6%
Maintenance Parts and Fuel	21.5	1.4%
General & Administration	16.1	1.1%
Insurance Claims/Premiums	8.7	0.6%
LOSSAN Salaries and Benefits	2.7	0.2%
Subtotal Expenditures	**$ 1,442.5**	
Designation of Funds	82.7	5.4%
Total Expenditures / Designations	**$ 1,525.2**	

- In accordance with the Board Strategic Initiatives, CEO's goals, and the objectives of the Updated Next 10 Plan, OC Streetcar and OC Bus 360°
- Within the financial constraints of the Comprehensive Business Plan
- Approved budget reflects a 16.8 percent increase from FY 2018-19 approved budget

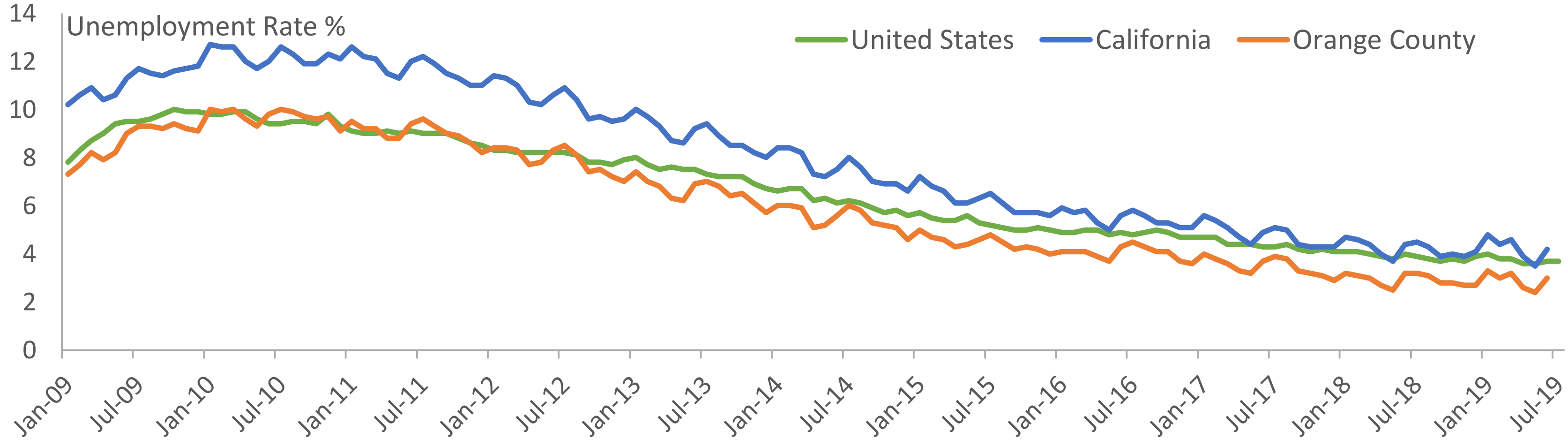
II. Orange County Economy

Orange County Highlights

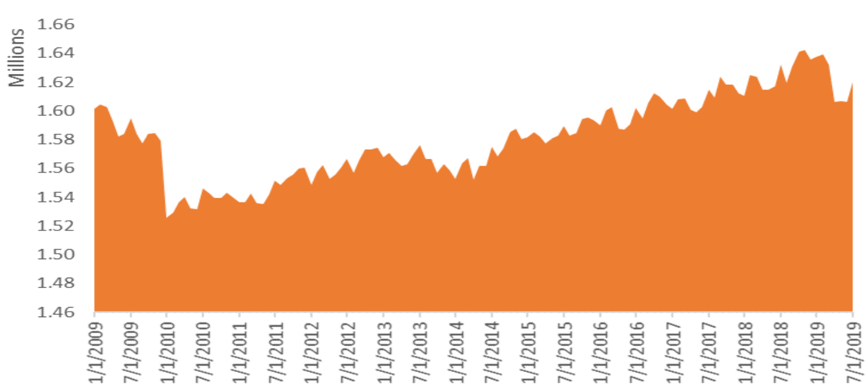
- **3rd** most populous county in CA
- **2nd** most dense county in CA
- **Culturally** diverse communities
- **Thriving** business economy and a well-educated work force
- Home to a wide range of **tourist attractions**

Unemployment Rates Remain Low

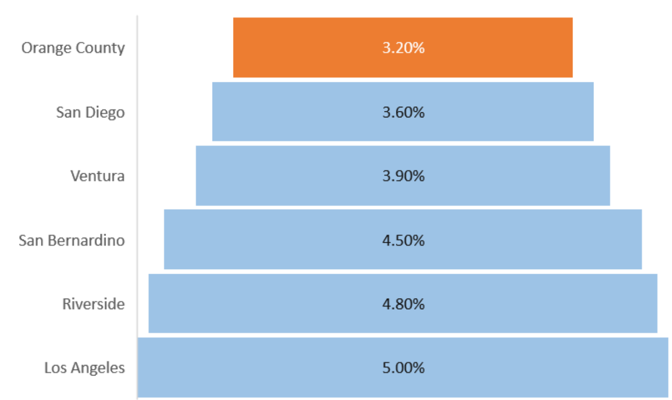
Unemployment Rates (January 2009 to July 2019)



Labor Force (January 2009 to July 2019)



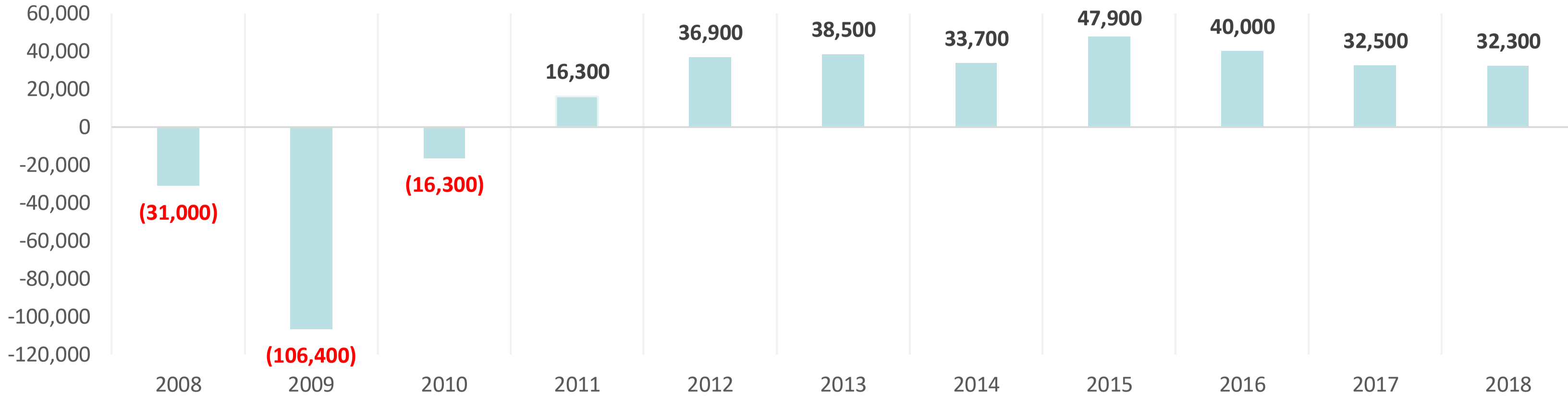
Southern California Unemployment Rates



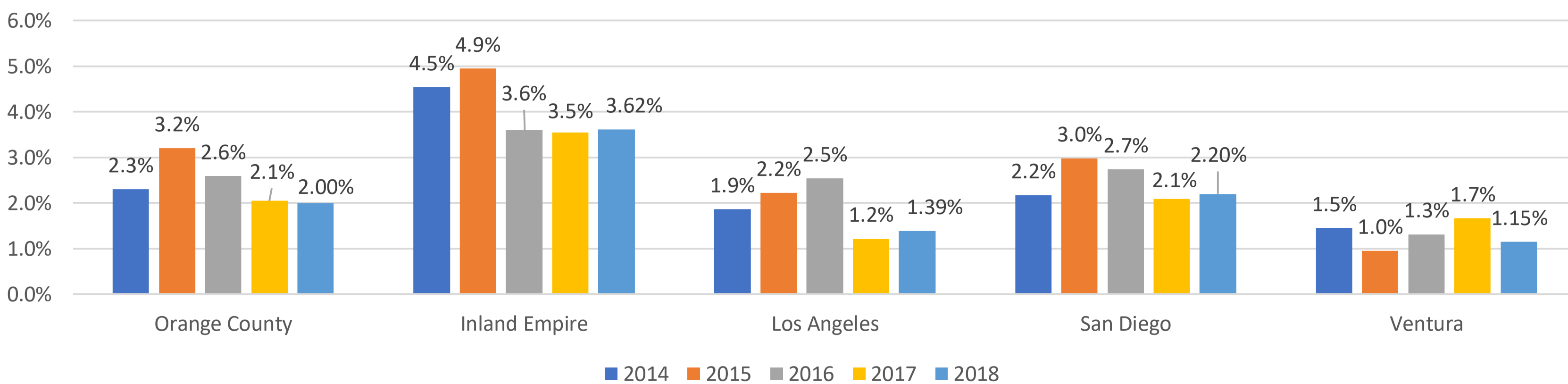
Source: State of California Employment Development Department

Employment Growth Continues for the Eighth Straight Year

Orange County Non-Farm Jobs YOY Annual Change



Southern California Counties Non-Farm Jobs YOY Annual Change (%)



Source: State of California Employment Development Department

Employment Changes Over the Past Year

Industry	2017	2018	Change YOY	Change YOY (%)
Construction	101,800	106,100	4,300	4.22%
Manufacturing	160,500	159,800	-700	-0.44%
Trade, Transportation & Utilities	260,500	262,200	1,700	0.65%
Information	26,800	26,700	-100	-0.37%
Financial Activities	119,600	119,100	-500	-0.42%
Professional & Business Services	303,000	315,400	12,400	4.09%
Educational & Health Services	215,900	225,000	9,100	4.21%
Leisure & Hospitality	218,100	222,600	4,500	2.06%
Other Services	50,300	51,100	800	1.59%
Federal Government	11,300	11,000	-300	-2.65%
State Government	148,900	149,800	900	0.60%
Local Government	117,500	117,900	400	0.34%
Total	**1,734,200**	**1,766,700**	**32,500**	**1.87%**

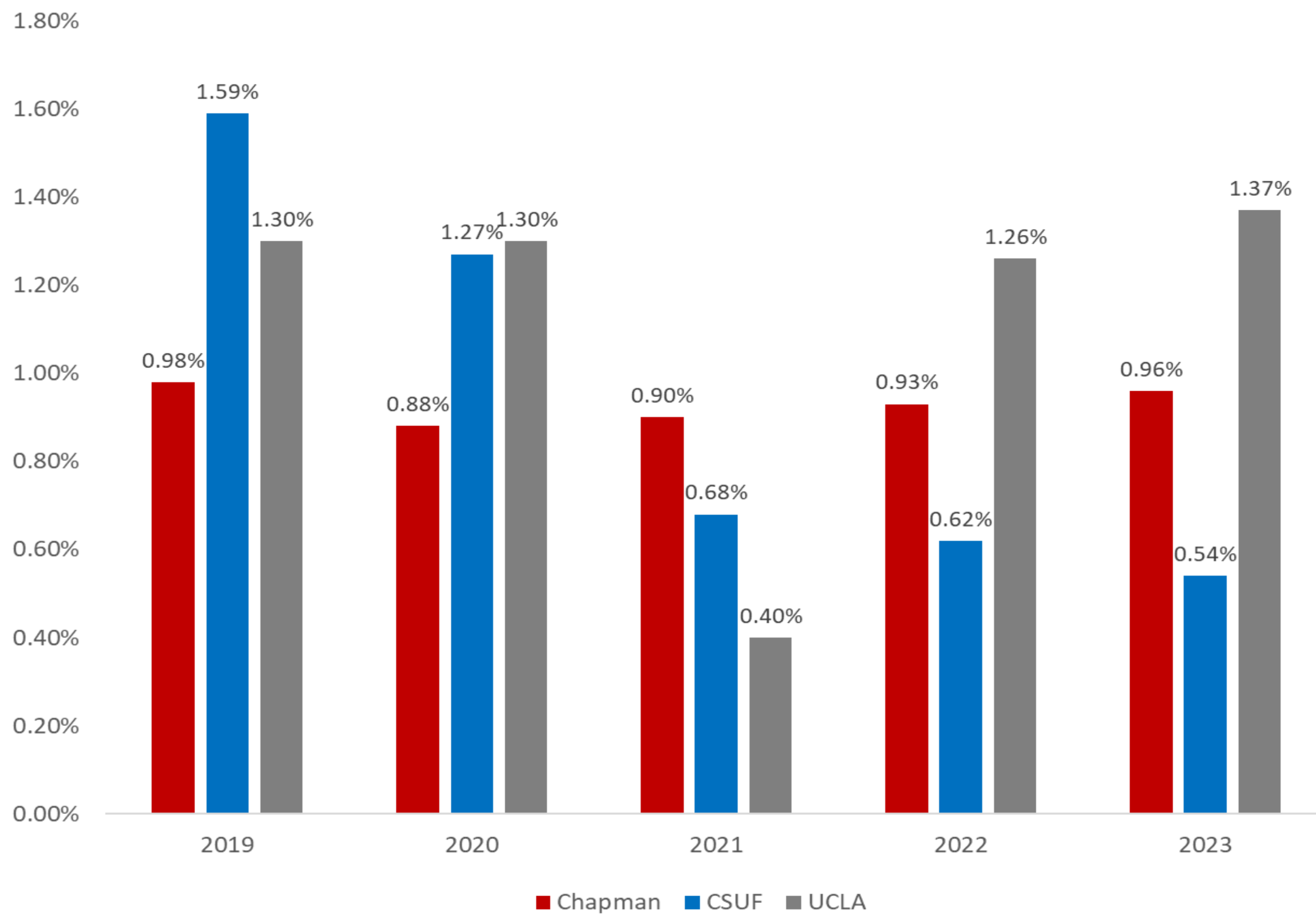
Source: State of California Employment Development Department

Employment and Compensation by Industry

Industry	2018	% of Employment	Change in Employment (2013-2018)	Annual Wages (Q4 2018)
Construction	106,100	6.0%	35.3%	$ 80,808
Manufacturing	159,800	9.0%	0.6%	$ 85,904
Trade, Transportation & Utilities	262,200	14.8%	4.5%	$ 56,160
Information	26,700	1.5%	15.1%	$ 103,688
Financial Activities	119,100	6.7%	5.0%	$ 106,652
Professional & Business Services	315,400	17.9%	16.9%	$ 75,088
Educational & Health Services	225,000	12.7%	21.0%	$ 53,092
Leisure & Hospitality	222,600	12.6%	18.5%	$ 27,976
Other Services	51,100	2.9%	12.1%	$ 39,364
Federal Government	11,000	0.6%	0.0%	$ 90,896
State Government	149,800	8.5%	8.8%	$ 80,496
Local Government	117,900	6.7%	8.6%	$ 61,672

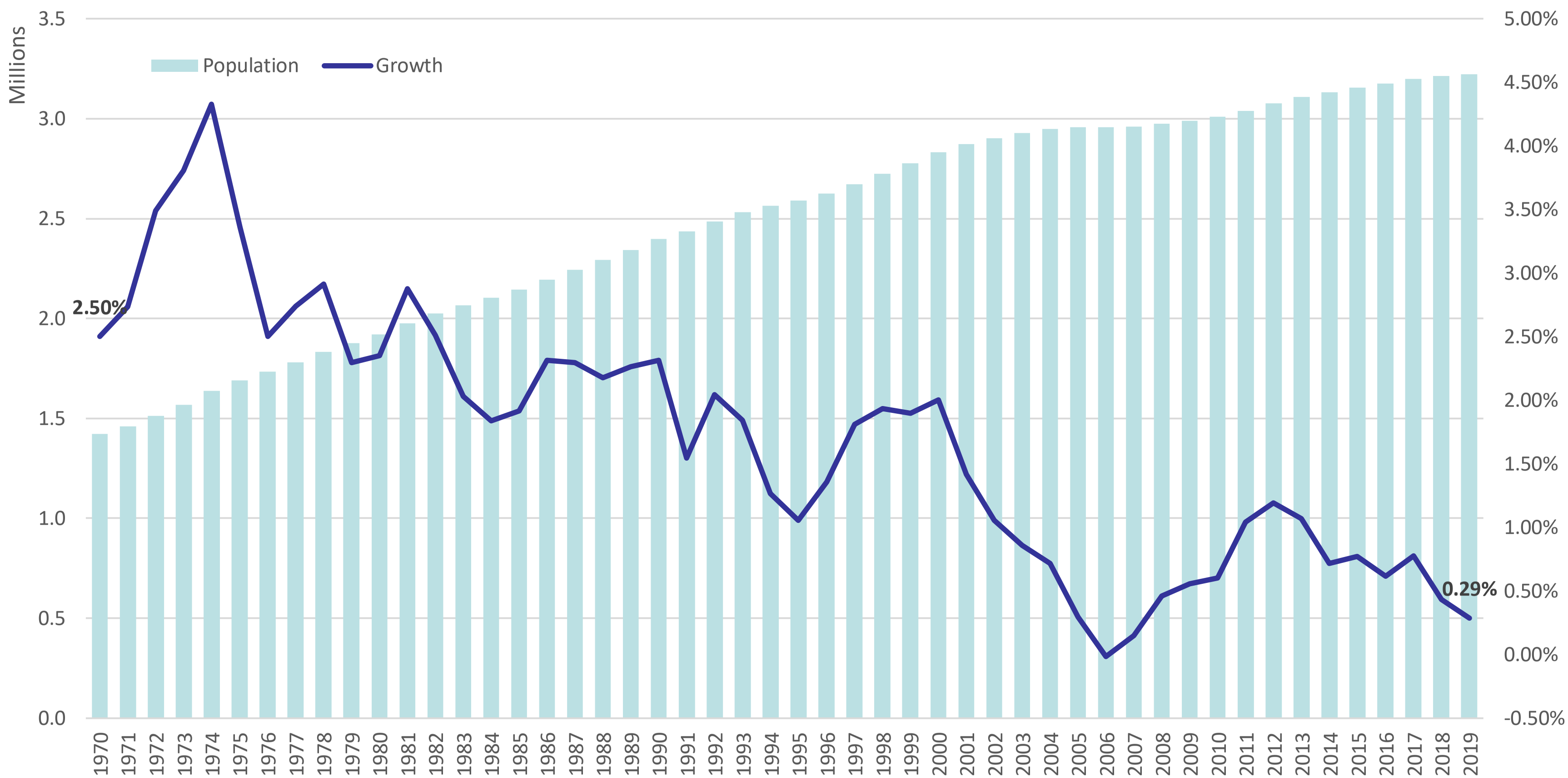
Source: State Board of Equalization

Employment Growth Projections for the Next Five Years



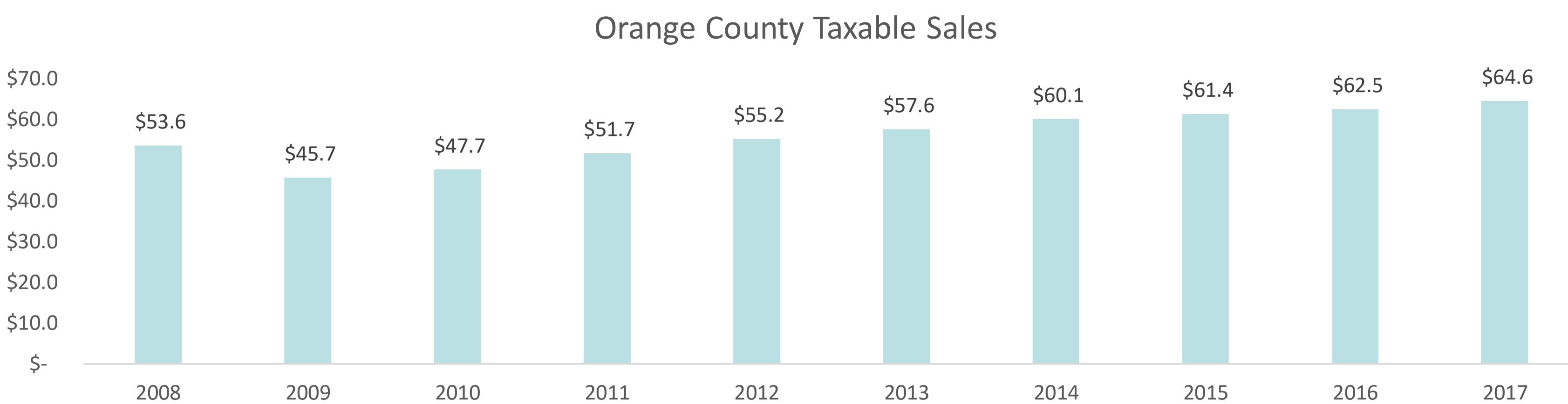
Source: Chapman University; California State University, Fullerton; University of California, Los Angeles

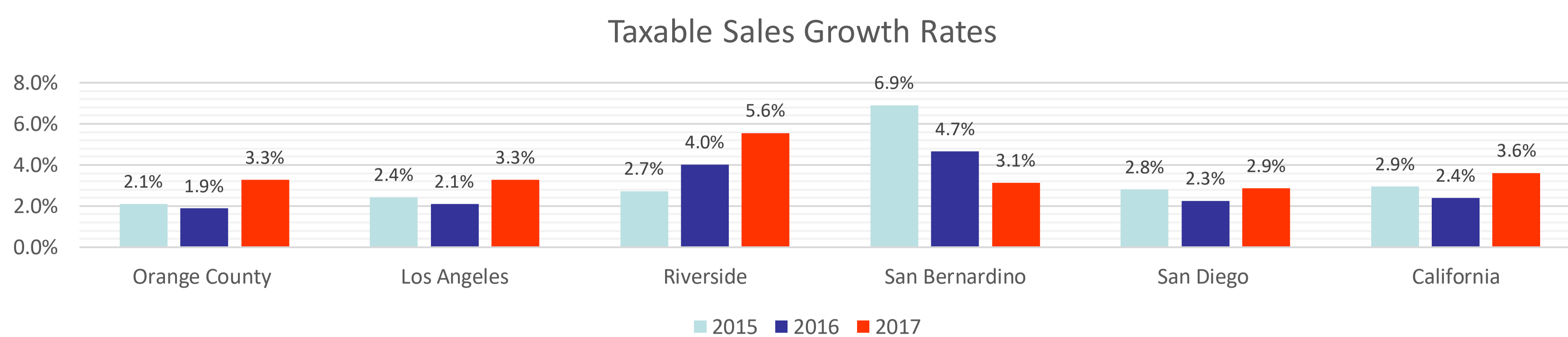
Orange County Population Growing at a Slower Pace



Source: California Department of Finance

Positive Taxable Sales Growth

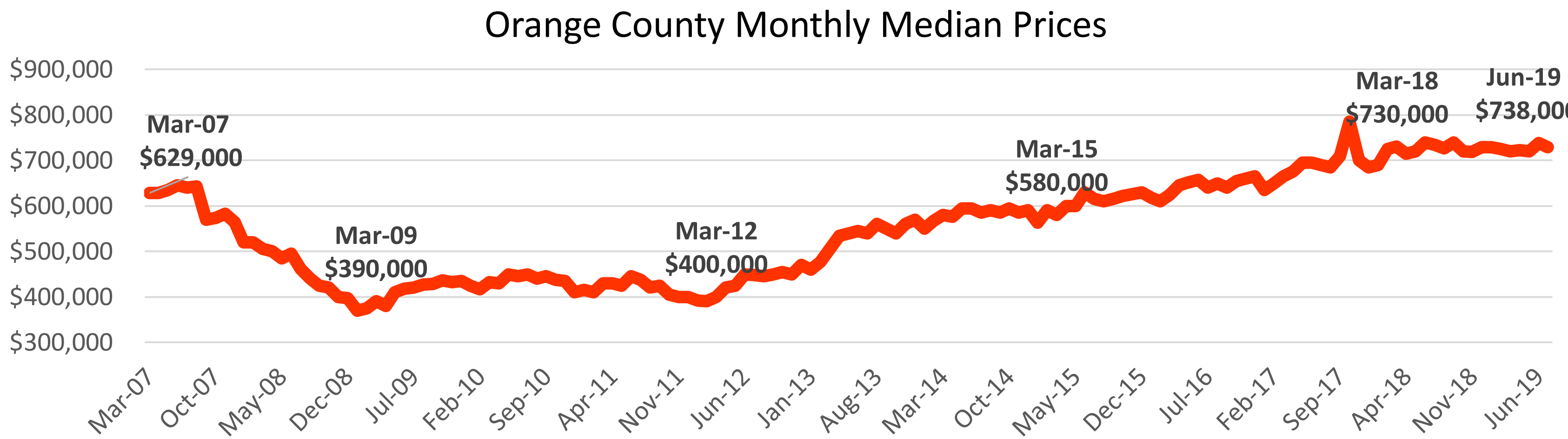


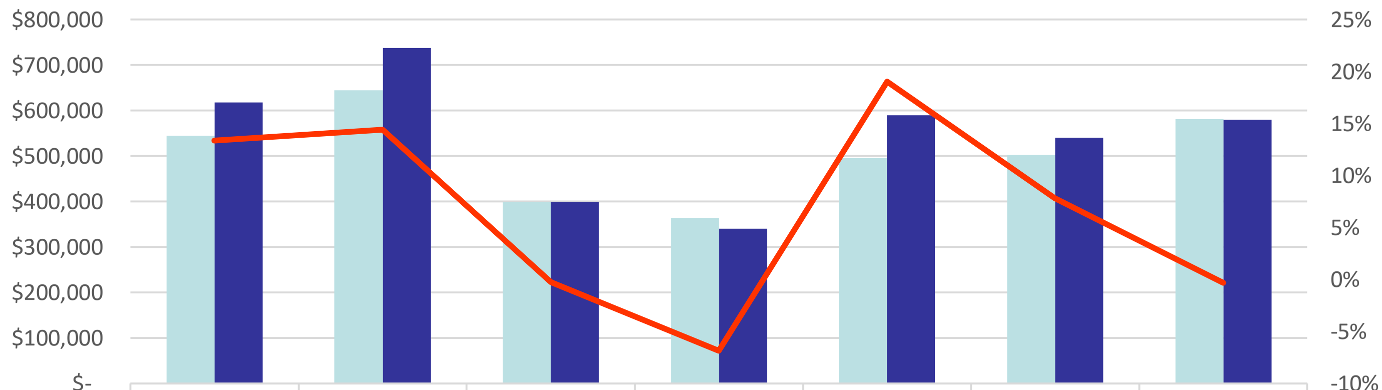


Taxable Sales Per Capita					
Orange County	Los Angeles	Riverside	San Bernardino	San Diego	California
$20,089	$15,530	$14,977	$17,563	$17,099	$16,922

Source: California Department of Finance and State Board of Equalization

Home Prices at Historic Levels





	Los Angeles	Orange	Riverside	San Bernardino	San Diego	Southern California	Ventura
June 2007 Median Price	$545,000	$645,000	$400,000	$365,000	$495,500	$502,000	$582,000
June 2019 Median Price	$618,000	$738,000	$399,000	$340,000	$590,000	$541,250	$580,000
% Change from June 2007	13%	14%	0%	-7%	19%	8%	0%

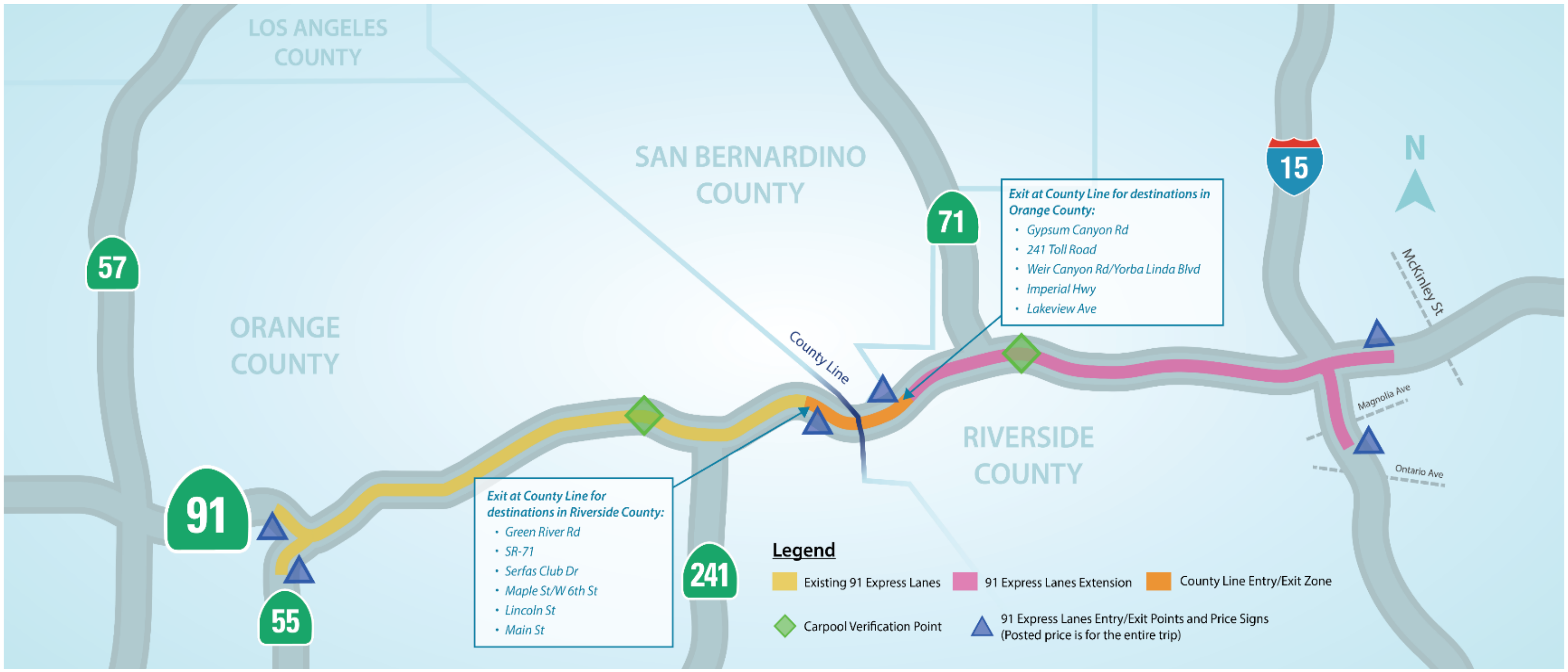
Source: CoreLogic, June 2019

OCTA

September 2019

III. 91 Express Lanes

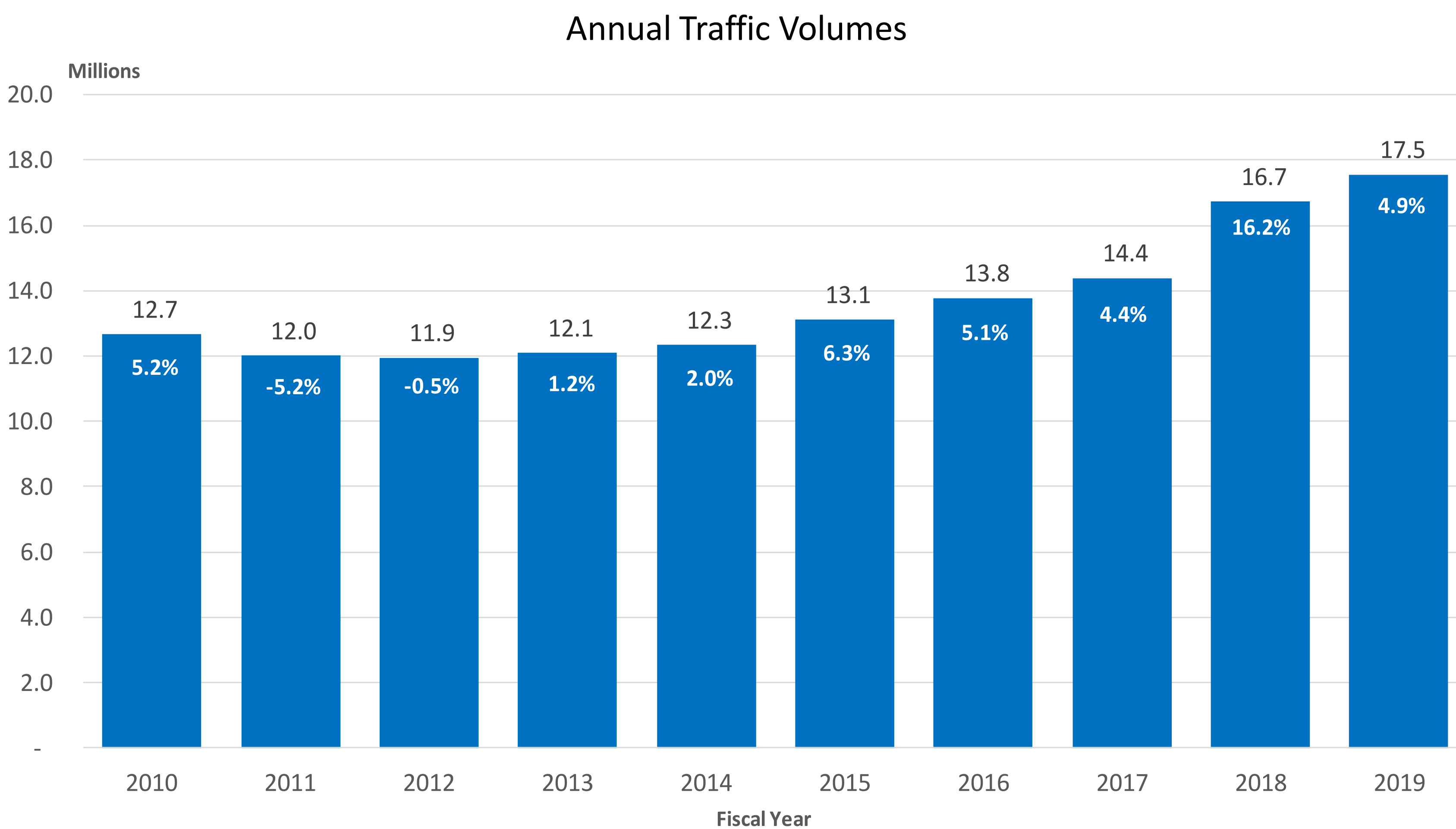
SR-91 Corridor in Orange and Riverside Counties



Summary of Fiscal Year 2019

- Traffic volumes, toll revenues, and the number of accounts reached historic levels
- Received Board of Directors approval for:
  - New account structures
  - Updated California Highway Patrol contract
  - Release of the procurement for back-office systems/customer service center
- Moved customer service center to a new location in Corona
- Began processing new paper license plates effective January 1, 2019
- Applied quarterly toll adjustments to peak period hours
- Generated excess toll revenues and transferred those funds into separate reserve funds

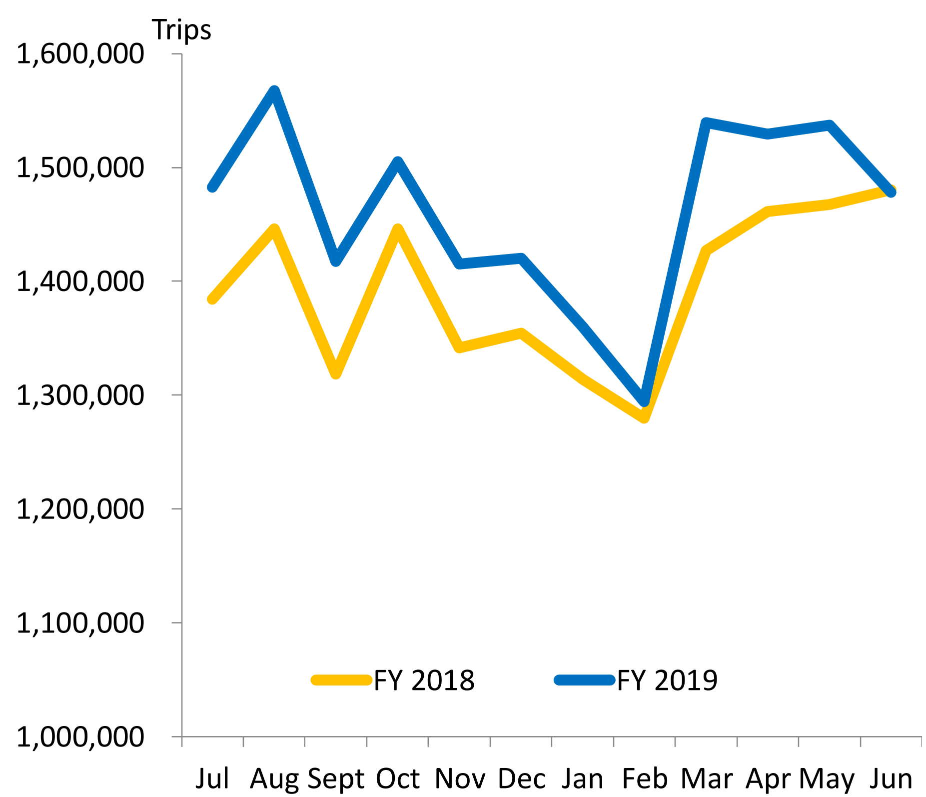
Traffic Volumes Reach 17.5 Million



Growth in Traffic Volumes Driven by Westbound Direction

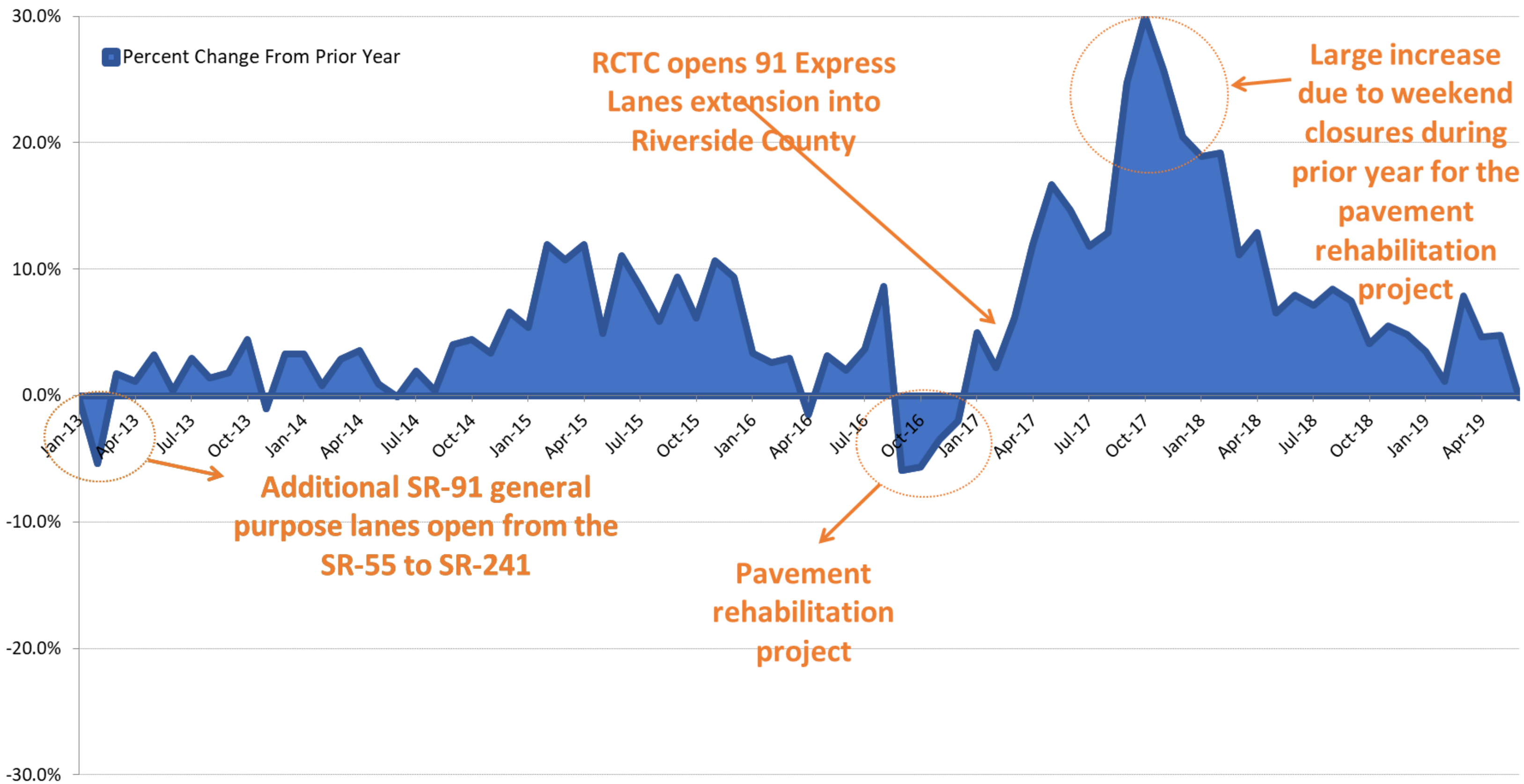
Traffic Volume Change From Prior Year			
	Eastbound	Westbound	Total
Jul 2018	6.1%	8.2%	7.1%
Aug 2018	7.3%	9.6%	8.4%
Sep 2018	7.1%	7.9%	7.5%
Oct 2018	7.4%	0.8%	4.1%
Nov 2018	3.9%	7.3%	5.5%
Dec 2018	2.3%	7.7%	4.8%
Jan 2019	1.7%	5.5%	3.5%
Feb 2019	0.4%	2.0%	1.2%
Mar 2019	4.9%	11.1%	7.9%
Apr 2019	3.5%	5.9%	4.7%
May 2019	3.6%	5.9%	4.7%
Jun 2019	-0.3%	0.0%	-0.1%
Jul 2019	2.8%	5.8%	4.3%

Monthly Traffic Volumes over the Past Two Years



Closer Look at Traffic Volumes Since 2013

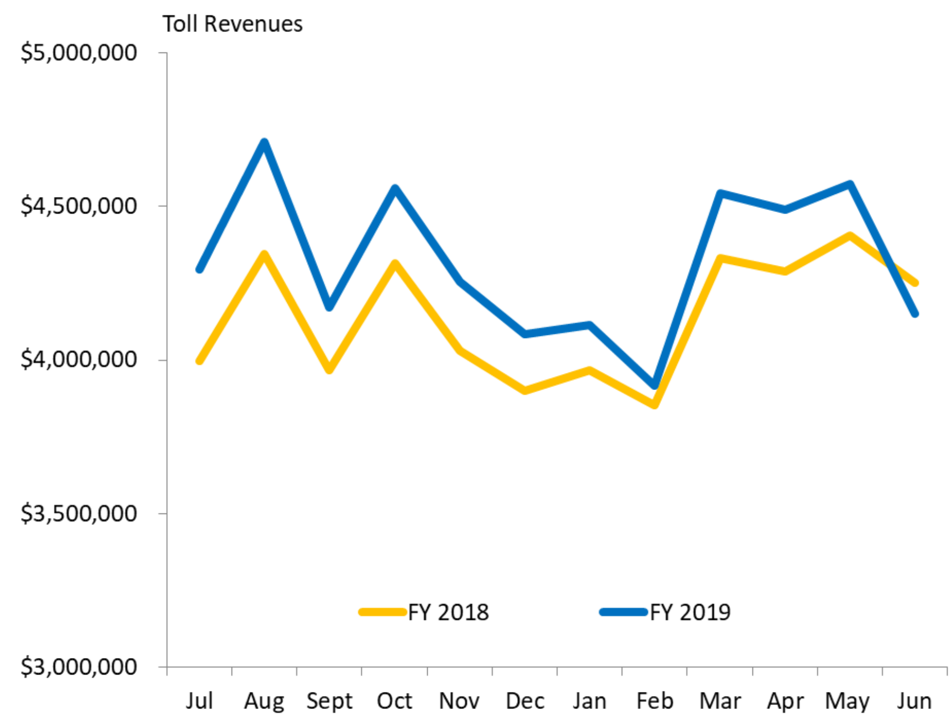
Change in Monthly Traffic Volumes from the Previous Year



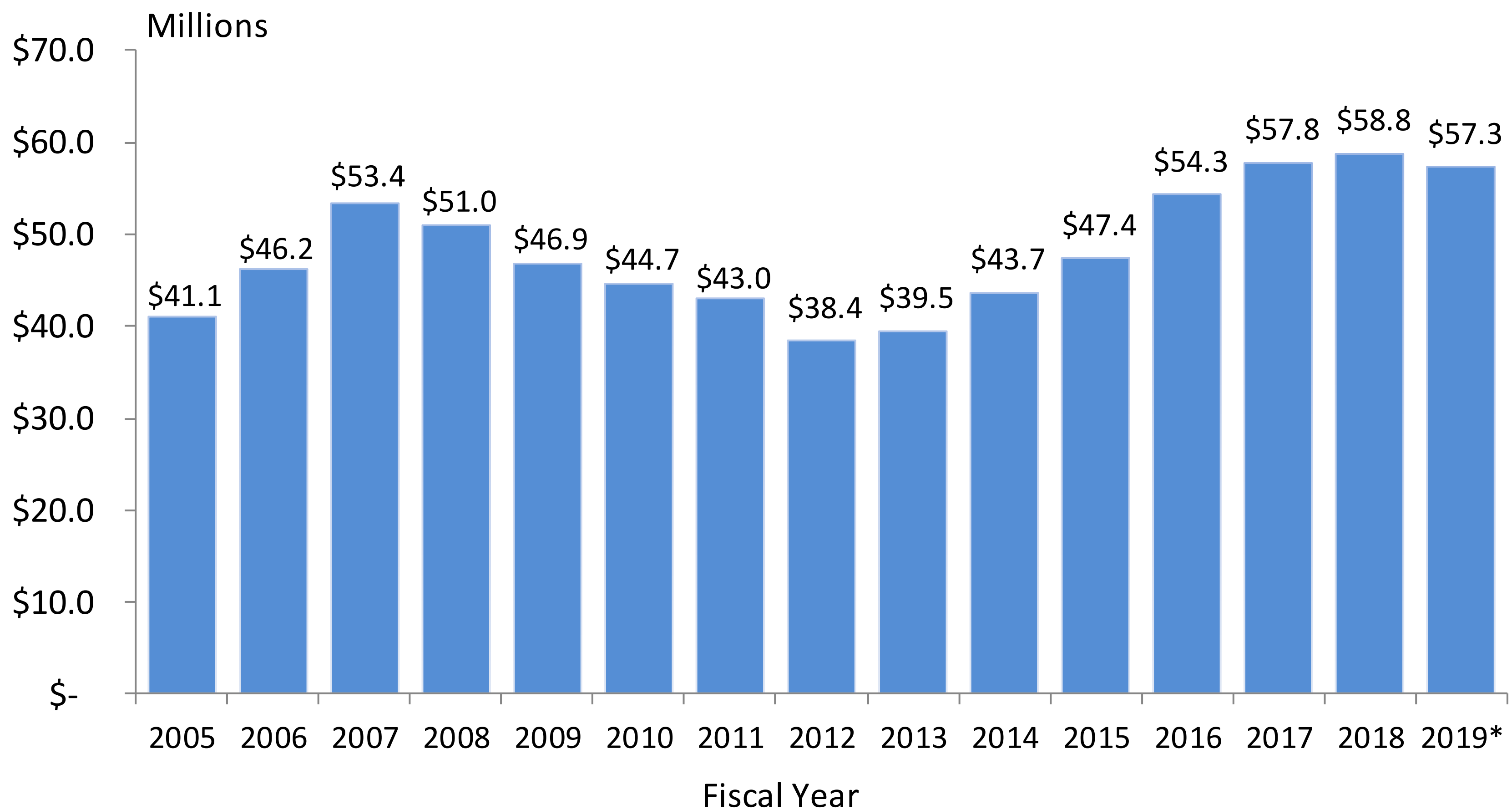
Toll Revenues Continue to Grow

Toll Revenue Change From Prior Year			
	Eastbound	Westbound	Total
Jul 2018	6.3%	9.1%	7.4%
Aug 2018	7.9%	9.1%	8.4%
Sep 2018	4.2%	6.5%	5.1%
Oct 2018	9.9%	-0.1%	5.6%
Nov 2018	4.1%	7.9%	5.6%
Dec 2018	2.1%	8.6%	4.7%
Jan 2019	1.5%	7.3%	3.7%
Feb 2019	0.5%	3.5%	1.7%
Mar 2019	1.0%	10.8%	4.8%
Apr 2019	2.9%	7.1%	4.6%
May 2019	2.6%	5.5%	3.8%
Jun 2019	-3.8%	-0.1%	-2.3%
Jul 2019	1.0%	6.8%	3.4%

Monthly Toll Revenues over the Past Two Years



Historical Total Revenues



** - Estimate for Fiscal Year 2019*

Toll Rates as of July 1, 2019

Westbound

Riverside County Line to SR-55

	Sun	M	Tu	W	Th	F	Sat
Midnight	$1.70	$1.70	$1.70	$1.70	$1.70	$1.70	$1.70
1:00 AM	$1.70	$1.70	$1.70	$1.70	$1.70	$1.70	$1.70
2:00 AM	$1.70	$1.70	$1.70	$1.70	$1.70	$1.70	$1.70
3:00 AM	$1.70	$1.70	$1.70	$1.70	$1.70	$1.70	$1.70
4:00 AM	$1.70	$3.05	$3.05	$3.05	$3.05	$3.05	$1.70
5:00 AM	$1.70	$4.95	$4.95	$4.95	$4.95	$4.70	$1.70
6:00 AM	$1.70	$5.15	$5.15	$5.15	$5.15	$4.95	$1.70
7:00 AM	$1.70	$5.65	$5.65	$5.65	$5.65	$5.50	$2.15
8:00 AM	$2.15	$5.15	$5.15	$5.15	$5.15	$4.95	$2.50
9:00 AM	$2.15	$4.10	$4.10	$4.10	$4.10	$4.10	$3.20
10:00 AM	$3.20	$2.50	$2.50	$2.50	$2.50	$2.50	$3.20
11:00 AM	$3.20	$2.50	$2.50	$2.50	$2.50	$2.50	$3.60
Noon	$3.20	$2.50	$2.50	$2.50	$2.50	$2.50	$3.60
1:00 PM	$3.60	$2.50	$2.50	$2.50	$2.50	$2.50	$3.60
2:00 PM	$3.60	$2.50	$2.50	$2.50	$2.50	$2.50	$3.60
3:00 PM	$3.60	$2.50	$2.50	$2.50	$2.50	$3.20	$3.60
4:00 PM	$3.75	$2.50	$2.50	$2.50	$2.50	$3.20	$3.75
5:00 PM	$3.75	$2.50	$2.50	$2.50	$2.50	$3.20	$3.75
6:00 PM	$3.75	$2.50	$2.50	$2.50	$2.50	$3.70	$3.20
7:00 PM	$3.20	$1.70	$1.70	$1.70	$1.70	$2.50	$2.50
8:00 PM	$3.20	$1.70	$1.70	$1.70	$1.70	$1.70	$1.70
9:00 PM	$3.20	$1.70	$1.70	$1.70	$1.70	$1.70	$1.70
10:00 PM	$1.70	$1.70	$1.70	$1.70	$1.70	$1.70	$1.70
11:00 PM	$1.70	$1.70	$1.70	$1.70	$1.70	$1.70	$1.70

OCTA Westbound Maximum Rate: $5.65
RCTC Westbound Maximum Rate: $21.90

Eastbound

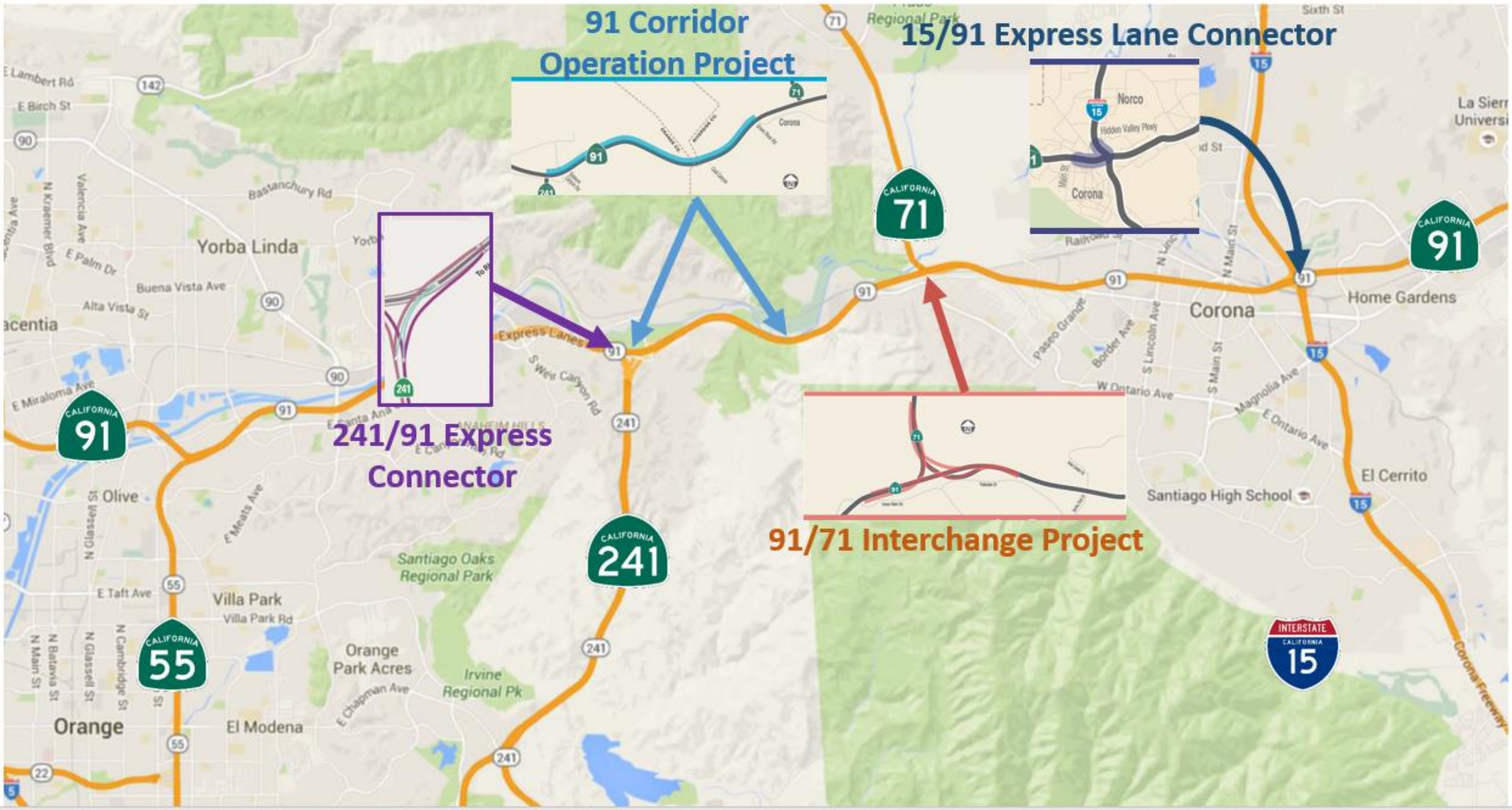
SR-55 to Riverside County Line

	Sun	M	Tu	W	Th	F	Sat
Midnight	$1.70	$1.70	$1.70	$1.70	$1.70	$1.70	$1.70
1:00 AM	$1.70	$1.70	$1.70	$1.70	$1.70	$1.70	$1.70
2:00 AM	$1.70	$1.70	$1.70	$1.70	$1.70	$1.70	$1.70
3:00 AM	$1.70	$1.70	$1.70	$1.70	$1.70	$1.70	$1.70
4:00 AM	$1.70	$1.70	$1.70	$1.70	$1.70	$1.70	$1.70
5:00 AM	$1.70	$1.70	$1.70	$1.70	$1.70	$1.70	$1.70
6:00 AM	$1.70	$2.50	$2.50	$2.50	$2.50	$2.50	$1.70
7:00 AM	$1.70	$2.50	$2.50	$2.50	$2.50	$2.50	$1.70
8:00 AM	$2.05	$2.50	$2.50	$2.50	$2.50	$2.50	$2.50
9:00 AM	$2.05	$2.50	$2.50	$2.50	$2.50	$2.50	$2.50
10:00 AM	$3.20	$2.50	$2.50	$2.50	$2.50	$2.50	$3.20
11:00 AM	$3.20	$2.50	$2.50	$2.50	$2.50	$2.50	$3.20
Noon	$3.70	$2.50	$2.50	$2.50	$2.50	$3.85	$3.70
1:00 PM	$3.70	$3.55	$3.55	$3.55	$3.85	$6.00	$3.70
2:00 PM	$3.70	$5.15	$5.15	$5.15	$6.70	$7.10	$3.70
3:00 PM	$3.20	$5.50	$5.75	$7.75	$6.75	$9.15	$3.70
4:00 PM	$3.20	$5.35	$5.50	$7.50	$8.30	$8.95	$3.70
5:00 PM	$3.20	$5.30	$5.40	$6.40	$8.70	$7.05	$3.70
6:00 PM	$3.20	$5.50	$3.95	$3.95	$4.85	$6.55	$3.20
7:00 PM	$3.20	$3.85	$3.85	$3.85	$5.60	$6.05	$2.50
8:00 PM	$3.20	$2.50	$2.50	$2.50	$3.55	$5.60	$2.50
9:00 PM	$2.50	$2.50	$2.50	$2.50	$2.50	$3.55	$2.50
10:00 PM	$1.70	$1.70	$1.70	$1.70	$1.70	$2.50	$1.70
11:00 PM	$1.70	$1.70	$1.70	$1.70	$1.70	$1.70	$1.70

OCTA Eastbound Maximum Rate: $9.15
RCTC Eastbound Maximum Rate: $19.65

Maximum toll for each direction is highlighted in yellow

Near-Term Improvement Projects Planned in the SR-91 Corridor



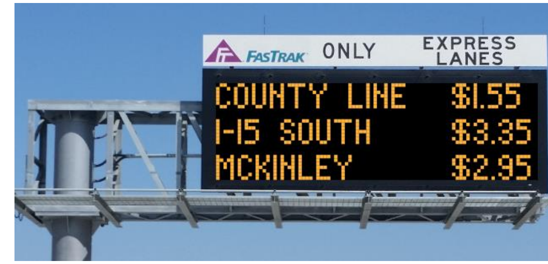
Upcoming Events

- ❑ Review traffic volumes at quarter end and determine any toll adjustments for October 1, 2019

- ❑ Complete transition to new account structure and distribute 6C transponders

- ❑ Approve selection of Operating Services Provider (back-office system, customer service center, traffic operations center, etc.) – required by June 2021

- ❑ Update traffic and revenue forecast



IV. Agency Update

CEO 2019 Initiatives & Action Plan in Line with Board Strategic Initiatives

1 CULTIVATE ORGANIZATIONAL EXCELLENCE
- Board approval of the maintenance CBA between OCTA and Teamsters Union
- Develop and implement the action plan from the 2018 Employee Engagement Survey

2 DELIVER ON THE PROMISES OF MEASURE M
- Continue progressing freeway projects throughout the county
- Initiate bridge construction on the I-405 Improvement Project

3 ENHANCE SAFETY & SECURITY MEASURES
- Conduct a pilot program to evaluate if the use of safety awareness monitors and operator barriers improve coach operator safety
- Conduct training on the OCTA Crisis Communications Plan and revise as necessary

4 EXPAND TRANSIT OPPORTUNITIES
- Put into service Hydrogen Fuel Cell Buses
- Award the contract for the Operations and Maintenance of the OC Streetcar

5 IMPLEMENT MAJOR CAPITAL PROJECTS
- Award construction contract for the Anaheim Canyon Metrolink Station Improvements
- Report on status of construction to meet scheduled service start of the OC Streetcar

6 MAINTAIN OPEN COMMUNICATION WITH STAKEHOLDERS
- Develop priorities for upcoming Transportation Act consistent with legislative platforms
- Conduct and present results of the Bus Customer Survey

7 OPTIMIZE EXPRESS & MANAGED LANES
- Begin operations of the new customer service center for the 91 Express Lanes
- Release the RFP for back-office system, customer service and traffic operations staffing

8 PLAN FOR FUTURE GROWTH
- Award consultant contract for the OC to LA Transit Connections Study
- Award contract to study multi-modal transportation needs in South Orange County

9 PRESERVE FISCAL SUSTAINABILITY THROUGH PRUDENT FINANCIAL PLANNING
- Administer reimbursements from the Federal Full Funding Grant Agreement for the OC Streetcar
- Successfully draw from the TIFIA loan and from M2 Sales Tax revenue bonds

10 PROMOTE ENVIRONMENTAL STEWARDSHIP & ALTERNATIVE TRANSPORTATION
- Award consultant contract for Safe Routes to School Action Plan
- Approve grant funding allocations for M2, Tier 1 Water Quality program

OCTA Updates

- Workforce Development
  - Leadership Development Academy
  - Management Development Academy
  - Early Career, Mentor and Job Shadow programs
  - Variety of internal training classes offered
- Cybersecurity
  - Maintain vulnerability scanning and remediation
  - Provide regular agency-wide training
  - Continue 3rd party and internal risk assessments
  - Multi-year planning effort
- Project Updates
  - I-405 Improvement Project
  - OC Streetcar
  - OC Bus 360°

OC STREETCAR

September 2019

I-405 Significant Project Features

- ❑ Two new lanes in each direction (one general purpose lane and one tolled express lane)
- ❑ 18 bridge replacements plus new and widened bridges
- ❑ Interchange reconfigurations
- ❑ Merge lane improvements
- ❑ Arterial street improvements
- ❑ New and replaced soundwalls
- ❑ New bike lanes and sidewalks
- ❑ Anticipated 6-year design-build contract duration

- ❑ Project cost totals approximately $1.9 billion

I-405 Financing and Project Update

- Design-Builder current tasks include:
  - Finalizing design
  - Significant drainage and paving construction has begun
  - 12 bridges in construction
  - Over 20 walls in construction
- Right-of-way acquisition is on schedule
- Utility relocations and other risk items generally proceeding well
- Schedule mitigations to avoid delay to project completion
- Project expenditures through June of 2019 of $622 million
- Two draws on the TIFIA loan totaling $287 million
  - The September 2019 draw is being deferred based on strong cash balance

I-405 Preliminary Bridge Construction Timeline

OCTA

September 2019

I-405 Milestones and Next Steps

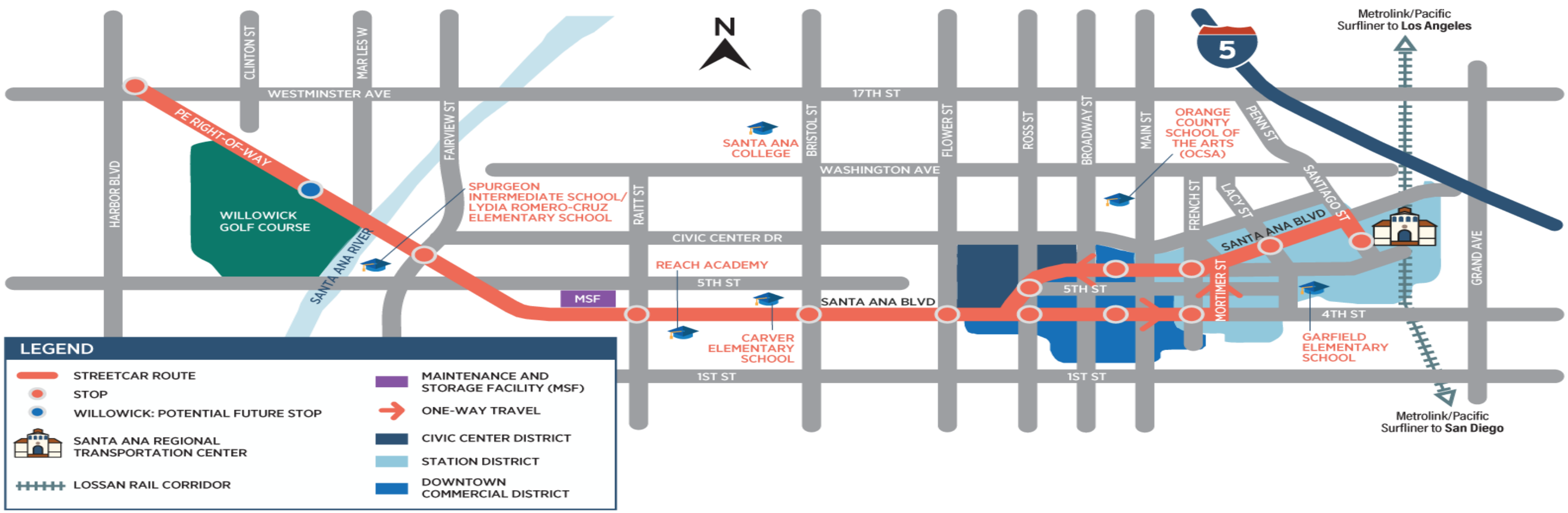
Activity/Milestone	Completion Date
Design-Build Implementation	
Construction began	March 2018
Design and construction	2017-2023
405 Express Lanes/Project opening	Early 2023
Toll Lanes System Integrator	
Contract awarded	May 2018
Back Office Support and Customer Service Procurement	
Request for proposal release	Early 2020
Project Financing	
Measure M2 debt issuance - $400 million in proceeds	February 2019
Measure M2 debt issuance - $500 million in proceeds	Spring 2021

OC Streetcar Update

- The OC Streetcar is planned to travel along a 4.1-mile route from the Santa Ana Regional Transportation Center, through Downtown Santa Ana and the Civic Center, along the Pacific-Electric right-of-way, and connect to a new multimodal transit hub at Harbor Boulevard and Westminster Avenue in Garden Grove
- OCTA is the lead agency developing the project, which is expected to cost approximately $407.7 million overall
- Federal funds to support half the cost of the project

OC Streetcar Timeline

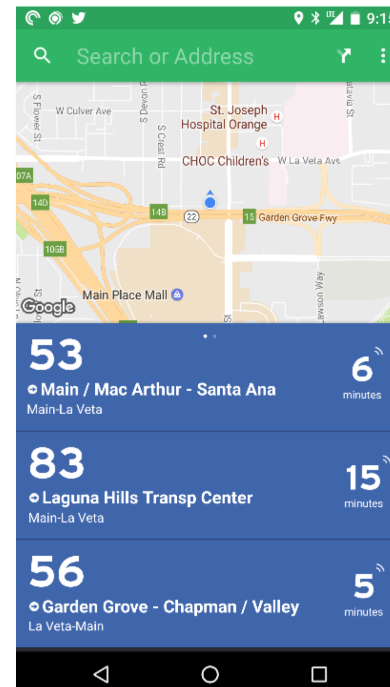
- ❑ Siemens Industries, Inc. was selected on March 26, 2018 to provide eight streetcar vehicles
- ❑ Walsh Construction selected on September 24, 2018 to provide construction services for the project
- ❑ Full Funding grant agreement executed by the Federal Transit Administration on November 30, 2018, securing $149 million for the project
- ❑ Award of operations and maintenance contract anticipated for first quarter 2020



OC Bus 360° – Reinventing Bus Service

- Over the past several years, there have been continued declines in bus ridership and fare revenue

- To reverse this trend and build a bus system to meet customer needs, OCTA has:
  - Shifted 160,000 revenue hours to improve frequencies on high-demand corridors
  - Implemented electronic mobile ticketing readers on fixed-route buses
  - Implemented a new Bravo! Route 529 on Beach Boulevard in February 2019
  - Pass programs with Santa Ana, Santiago Canyon, Fullerton and Golden West Colleges with a valid student identification
  - Implemented OC Flex on-demand service in Fall 2018 in two communities



- Additional service to improve ridership
  - Reallocation of revenue hours to improve service continues in October 2019 and February 2020

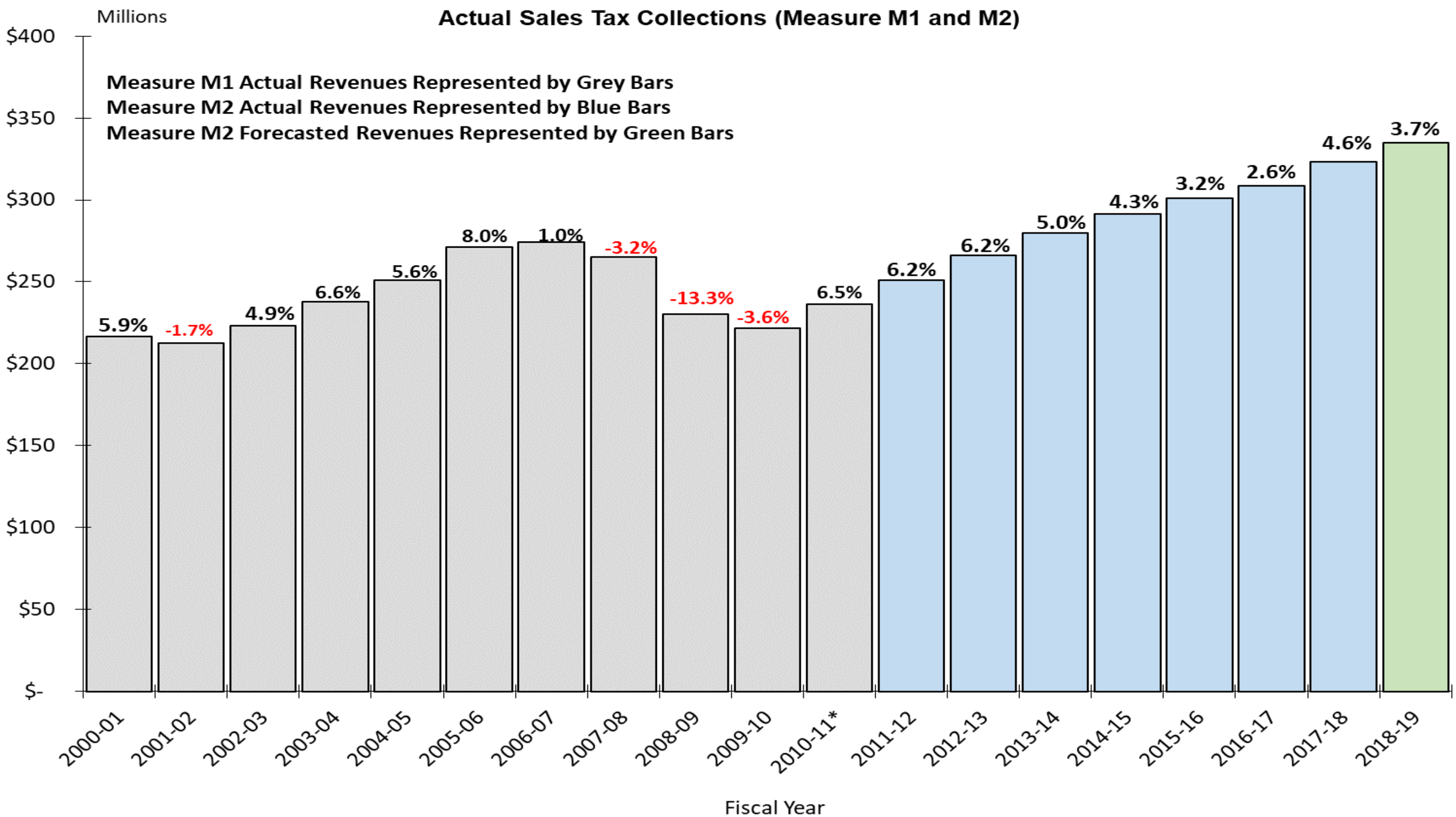
V. Measure M2 Sales Tax Program

Measure M2 Update

- Actual M2 sales tax collections increased by 4.6% in FY 2018 and is budgeted to grow by 3.7% in FY 2019
- M2 sales tax forecast to total $13.1 billion for 30 years
- Issued M2 Sales Tax Revenue Bonds, Series 2019 (par amount of $376.7 million) and closed-out the initial tranche of the $900 million line of credit secured by M2 revenues, reducing the line of credit to $500 million
- Advanced over $2.5 billion dollars for Measure M2 projects through June 30, 2019
- Board adopted updated Next 10 Plan in November 2018
- Taxpayers Oversight Committee determined that M2 is being delivered as promised to Orange County voters for the 28th consecutive year

Sales Tax Collections (Measure M1 and M2)

Actual Sales Tax Collections Have Grown Seven Straight Years



** Fiscal Year 2010-11 represents a combination of Measure M1 (three quarters of the year) and Measure M2 (one quarter of the year) sales tax revenues.*

Updated Next 10 Plan

▲ Deliver $4.3 billion in freeway projects

▲ Allocate approximately $1 billion of funding for streets and roads improvements

▲ Invest up to $1 billion to enhance access to rail and transit, including delivery of the OC Streetcar

▲ Ensure ongoing preservation of open space preserves and provide $40 million in water quality grants

Freeways

- $3.5 billion of improvements approved through construction
- Invest $715 million more in revenues for a total of $4.3 billion in freeway improvements

Streets & Roads

- $400 million competitive funding to expand roadway capacity and synchronize signals
- $600 million flexible funding to maintain aging streets or other transportation needs

Transit

- Extend Metrolink from OC to LA
- OC Streetcar
- $115 million to expand mobility choices for seniors or persons with disabilities
- Provide grants for local agencies to implement efficient local transit services
- $7 million to improve 100 busiest bus stops and modernize system

Environmental

- Preservation of purchased open space
- Collaborate with Environmental Cleanup Allocation Committee to develop next tiers of water quality programs with goal to provide $40 million in grants
- Improve water quality on a regional scale

NEXT 10 OC GO DELIVERY PLAN

M2 Funds Advanced to Date (as of June 30, 2019)

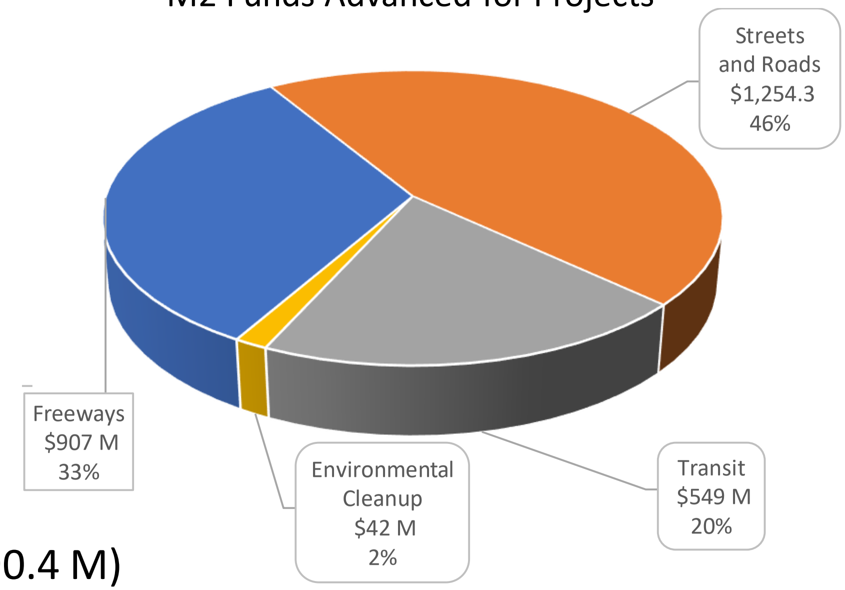
- Freeway Projects: $907 million
  - I-405 Improvements ($488.4 M)
  - I-5 South of El Toro ($143.4 M)
  - Freeway Mitigation ($53.4 M)
  - SR-57 Improvements (51.2 M)

- Streets & Roads Projects: $1.254 billion
  - Regional Capacity Program ($742.5 M)
  - Local Fair Share Program ($401.6 M)

- Transit Projects: $549 million
  - High Frequency Metrolink Service ($290.4 M)
  - Metrolink Gateways ($98.2 M)
  - Mobility Choices for Seniors and Persons with Disabilities ($71.6 M)

- Environmental Cleanup Projects: $42 million
  - Clean Up Highway and Street Runoff ($41.9 M)

Approximately $2.7 Billion in M2 Funds Advanced for Projects



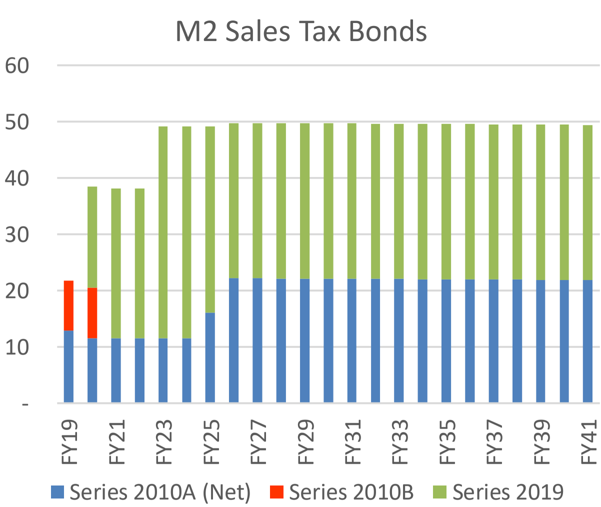
VI. Debt Programs and Financing Plans

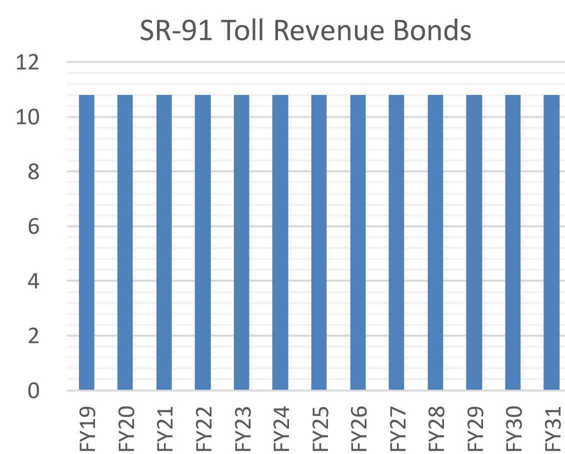
Debt Profile - Outstanding Debt Totals $1,013.9 Million

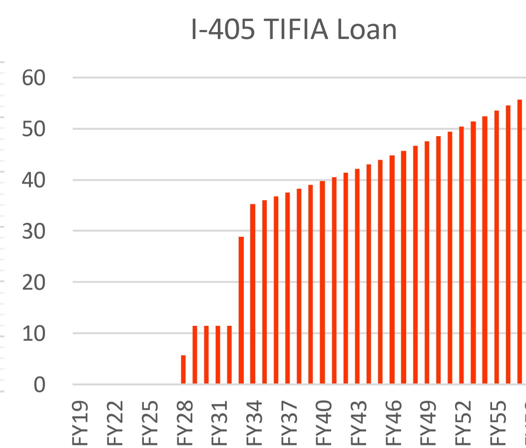
Debt Summary

Credit	Original Par Amount	Outstanding Par Amount	Final Maturity	Ratings (Fitch/Moody's/S&P)
M2 Sales Tax Revenue Bonds				
2010 Series A (Taxable BABs)	$ 293,540,000	$ 250,000,000	2041	AA+/Aa2/AA+
2010 Series B (Tax-Exempt)	$ 59,030,000	$ 8,530,000	2020	AA+/Aa2/AA+
2019 Series (Tax-Exempt)	$ 376,690,000	$ 376,690,000	2041	AA+/--/AA+
91Toll Revenue Bonds (91 Express Lanes)				
2013 Series Refunding Bonds	$ 124,415,000	$ 91,685,000	2030	A+/A1/AA-
I-405 Toll Revenue Bonds (I-405 Express Lanes)				
2017 TIFIA Loan	$ 628,930,000	$ 287,000,000	2058	Baa2
Total		**$ 1,013,905,000**		

Debt Service By Credit ($MM)







September 2019

91 Express Lanes Debt

- ❑ As of August 31, 2019, there is $91.7 million in Senior Lien Toll Road Revenue Refunding Bonds (Series 2013) outstanding for the 91 Express Lanes program
- ❑ Structure of the outstanding debt includes:
  - Fixed-rate debt with level annual debt service
  - Average debt service per year of $10.8 million
  - Final maturity of December 2030
  - Open lien indenture
- ❑ Indenture-required reserves are fully funded:
  - Operating Reserve Fund at $3 million
  - Major Maintenance Reserve Fund at $10 million
  - Debt Service Reserve Fund at $10.8 million
- ❑ Funded two additional OCTA reserves
  - Capital Reserve: $23.4 million
  - SR-91 Corridor Projects Reserve: $41 million
- ❑ Franchise Agreement terminates in 2065

91 Express Lanes Historical Coverage

$ in Millions	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19 (Estimate)
Gross Potential Toll Revenues	$ 36.17	$ 39.31	$ 41.91	$ 44.59	$ 49.65	$ 51.85
Tolls	34.05	36.65	39.04	41.40	45.33	46.65
Add: Non-Toll Revenues	9.66	10.71	15.20	16.43	13.46	10.67
Revenues	43.70	47.36	54.25	57.83	58.79	57.32
Less: Current Expenses	(15.83)	(16.53)	(18.69)	(31.83) *	(16.40)	(14.68)
Net Revenues for Debt Service	$ 27.88	$ 30.83	$ 35.56	$ 25.99	$ 42.39	$ 42.64
Debt Service	$ 10.74	$ 10.80	$ 10.80	$ 10.80	$ 10.79	$ 10.80
Debt Service Coverage Ratio	2.60x	2.86x	3.29x	2.41x	3.93x	3.95

** Current Expenses in FY 2017 include $13.7 million for the pavement rehabilitation project which was classified as an operating expense instead of a capital expense. The project was funded with 91 Express Lanes capital reserve funds.*

91 Express Lanes Coverage Projections

$ in Millions	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Gross Potential Toll Revenues *(1)*	$ 57.30	$ 59.20	$ 62.80	$ 66.60	$ 70.70	$ 75.00	$ 79.10	$ 83.30	$ 87.90	$ 92.70
Tolls *(2)*	54.44	56.24	59.66	63.27	67.17	71.25	75.15	79.14	83.51	83.51
Add: Non-Toll Revenues *(3)*	7.66	7.72	7.78	7.85	7.91	7.97	8.04	8.10	8.17	8.23
Revenues	62.10	63.96	67.44	71.12	75.07	79.22	83.18	87.24	91.68	91.74
Less: Current Expenses *(4)*	(19.00)	(19.67)	(20.35)	(21.07)	(21.80)	(22.57)	(23.36)	(24.17)	(25.02)	(25.90)
Net Revenues for Debt Service	$ 43.10	$ 44.30	$ 47.09	$ 50.05	$ 53.27	$ 56.66	$ 59.83	$ 63.06	$ 66.66	$ 65.85
2013 Bonds Debt Service	$ 10.80	$ 10.80	$ 10.80	$ 10.79	$ 10.80	$ 10.80	$ 10.80	$ 10.80	$ 10.80	$ 10.80
Debt Service Coverage Ratio for Outstanding Bonds	3.99x	4.10x	4.36x	4.64x	4.93x	5.25x	5.54x	5.84x	6.17x	6.10x

(1) Per Stantec, May 2017

(2) Tolls reflect 95% of Gross Potential Toll Revenues

(3) Non-toll revenues are estimated to increase by 0.8% per year

(4) Current expenses are estimated to increase by an average of 3.5% per year

OCTA Financing Plans

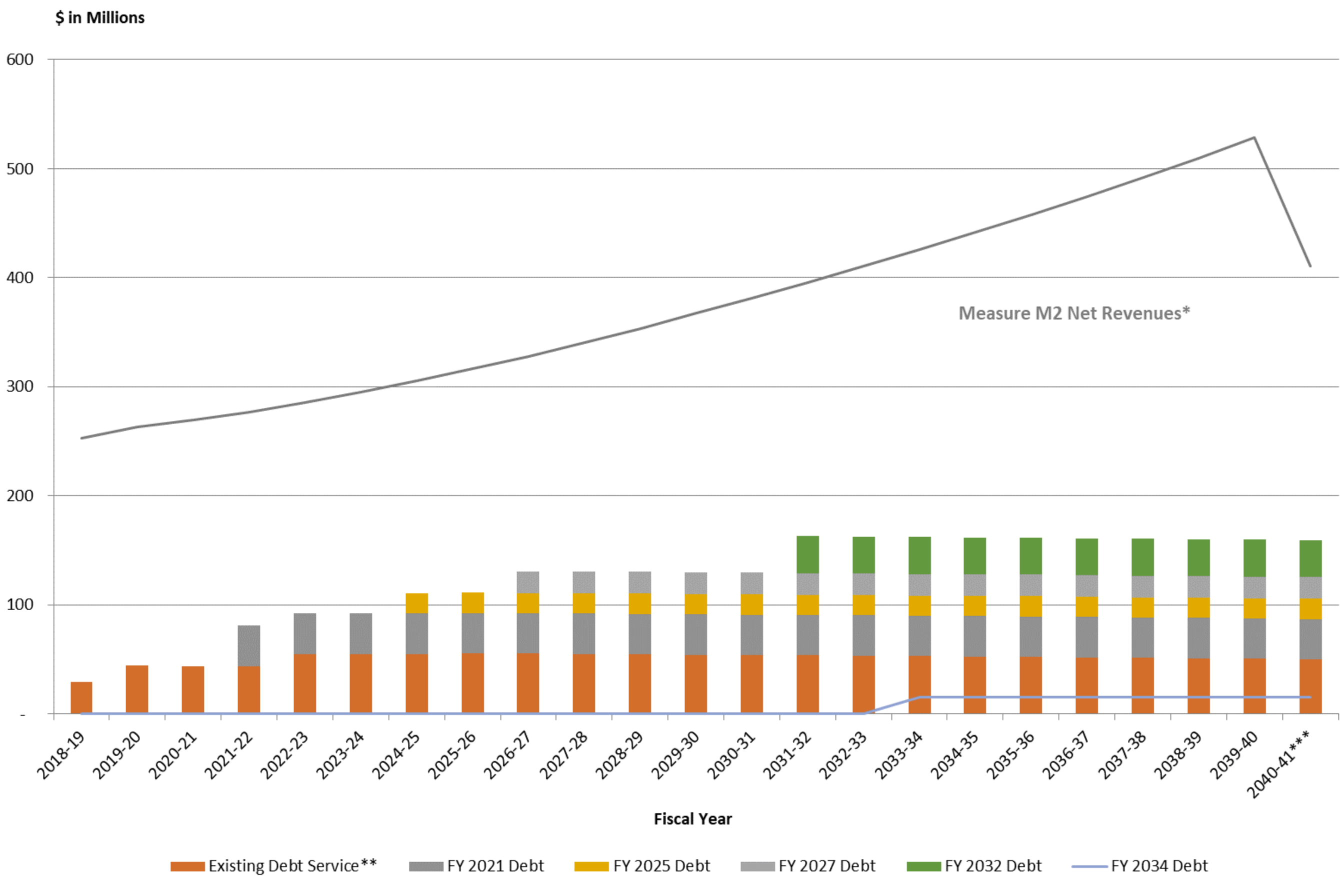
- No additional debt currently planned for the 91 Express Lanes

- Plan to draw up to $629 million in TIFIA proceeds for I-405 Improvement Project
  - $287 million drawn (as of June 2019)
  - Non-recourse debt is secured by 405 Express Lanes net toll revenues

- M2 debt issuances planned for the I-405 Improvement Project in FY 2021
  - FY 2021 - $500 million

- Additional M2 debt issuances planned in the future include:
  - FY 2025 - $225 million
  - FY 2027 - $225 million
  - FY 2032 - $275 million
  - FY 2034 - $100 million

M2 Coverage Projections with Additional Debt



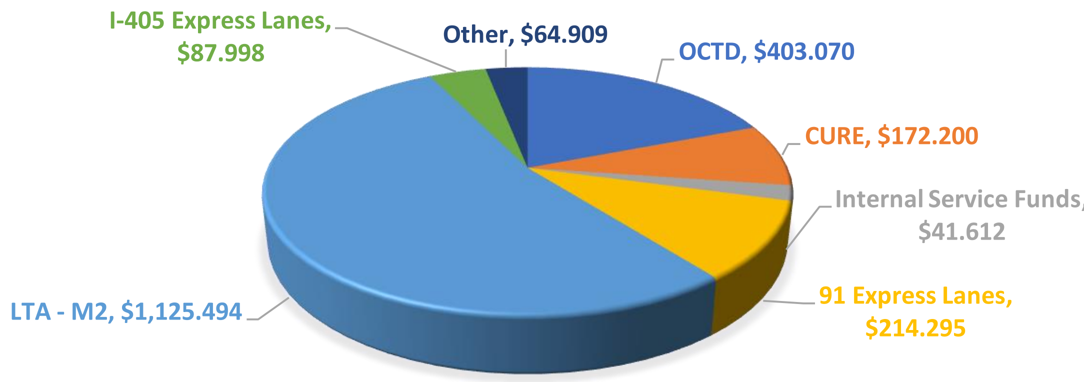
Fiscal Year	Coverage
2018-19	8.77
2019-20	5.97
2020-21	6.15
2021-22	3.42
2022-23	3.11
2023-24	3.22
2024-25	2.77
2025-26	2.85
2026-27	2.51
2027-28	2.61
2028-29	2.72
2029-30	2.83
2030-31	2.95
2031-32	2.43
2032-33	2.53
2033-34	2.40
2034-35	2.49
2035-36	2.59
2036-37	2.69
2037-38	2.80
2038-39	2.90
2039-40	3.02
2040-41	2.35

** Measure M2 sales tax revenues less State Board of Equalization fees, Oversight Audit fees, Environmental Cleanup allocation, and Local Fair Share funds.*

*** Existing debt service includes 2010 taxable and tax-exempt debt, and Series 2019.*

**** Represents three quarters of a year of sales tax collections since the Measure M2 program ends March 31, 2041.*

Cash Balance Totals $2.1 Billion (as of June 2019)



OCTD - Orange County Transit District	LTA - Local Transportation Authority (M2)	CURE - Commuter Rail Endowment Fund	Internal Service Funds	91 Express Lanes	I-405 Express Lanes	Other
Fund supporting administrative, operational, and capital functions of fixed route, rail feeder, express, and paratransit bus service	Fund accounts for all Measure M2 revenues, bond proceeds, interest earnings, debt service, and project expenditures	Fund finances operating expenses for OCTA's participation in Metrolink's commuter rail services	Funds established to account for the costs of OCTA's liabilities and insurance programs	Fund established to account for the revenues and expenditures associated with the 91 Express Lanes	Fund established to account for the revenues and expenditures associated with the I-405 Express Lanes	Includes Orange County Unified Transportation Trust Fund, Local Transportation Fund, Service Authority for Freeway Emergencies, Transportation Development Capital, ARBA Trust Fund, etc.

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OCTA

September 2019