




September 2, 2021

To: Executive Committee

From: Darrell E. Johnson, Chief Executive Officer 

Subject: Measure M2 Quarterly Progress Report for the Period of April 2021 Through June 2021

Overview

Staff has prepared the Measure M2 quarterly progress report for the fourth quarter of fiscal year 2020-21 as information for the Orange County Transportation Authority Board of Directors. This report highlights progress on Measure M2 projects and programs and is available to the public via the Orange County Transportation Authority website.

Recommendation

Receive and file as an information item.

Background

On November 7, 2006, Orange County voters, by nearly 70 percent, approved the Renewed Measure M 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 the requirements for implementing the Plan. Ordinance No. 3 (M2 Ordinance) designates the Orange County Transportation Authority (OCTA) as responsible for administering the Plan and ensuring that OCTA's contract with the voters is followed.

OCTA is committed to fulfilling the promises made in M2. This means not only completing the projects described in the Plan but also adhering to numerous specific requirements and high standards of quality called for in the measure, as identified in the M2 Ordinance. The M2 Ordinance requires that quarterly status reports regarding the major projects detailed in the Plan be brought to the Board of Directors (Board). The Board is also provided with individual project staff reports and overall reports on the status of various capital projects by the Capital Programs Division.

Discussion

This quarterly report reflects current activities and progress across all M2 programs for the period of April 1, 2021 through June 30, 2021 (Attachment A). The report includes project budget and schedule information as provided and reported in the Capital Action Plan. Information on the Local Fair Share and Senior Mobility Program (SMP) payments made to cities during the quarter is also included.

Additionally, Attachment A includes a summary of the Program Management Office (PMO) activities. Two areas are highlighted below.

M2 Ordinance Tracking Matrix

The PMO created and annually updates a compliance matrix to track compliance with the numerous requirements in the M2 Ordinance. The matrix details the status of each requirement and includes supporting documentation. The annual update is shared with the Taxpayer Oversight Committee (TOC) as a resource for committee members. This quarter, the TOC met on June 8, 2021, to conduct the required annual M2 hearing and determined that M2 is being delivered as promised to Orange County voters for the 30th consecutive year.

Triennial Performance Assessment

To evaluate OCTA's efficiency and effectiveness in the delivery of M2, the M2 Ordinance requires a performance assessment to be conducted at least once every three years. Four prior performance assessments have been completed to date, with the most recent report covering the period between July 1, 2015, and June 30, 2018. During the quarter, a consultant was selected to conduct the fifth performance assessment covering the period between July 1, 2018, and June 30, 2021. Assessment efforts are underway, with the final report anticipated to be complete in early 2022.

Progress Update

The following provides an overview of M2 accomplishments to date by mode, as well as highlights of activities that occurred during the fourth quarter of fiscal year (FY) 2020-21.

Freeway Program

The M2 Freeway Program consists of 30 project segments to be delivered by 2041. Currently, while in year 11 of the 30-year program, 13 project segments are complete, four are in construction, and another five are readying for

construction. The remaining eight project segments are in various stages of project development.

- Interstate 5 (I-5) between Interstate 405 (I-405) and State Route 55 (SR-55) - This project is split into two segments at Yale Avenue, both of which are being prepared to advance into the design phase. On May 10, 2021, the Board approved selecting a consultant to prepare plans, specifications, and estimates (PS&E) for the southerly segment between I-405 and Yale Avenue. In addition, the contract with the Board-approved consultant for the PS&E of the northerly segment between Yale Avenue and SR-55 was executed on May 6, 2021. (Project B)
- SR-55 between I-405 and I-5 - To prepare this project for the construction phase, the Board approved a consultant to provide construction management support services on April 12, 2021, and a consultant to provide public outreach services on April 26, 2021. (Project F)
- I-405 between State Route 73 and Interstate 605 - Construction on the project is proceeding, and a project update was provided to the Board on April 26, 2021. During the quarter, the Talbert Avenue and Magnolia Street overcrossing bridges were completed and opened to traffic in April and May 2021, respectively. In addition, the first half of the new Bolsa Avenue overcrossing bridge opened to traffic in June 2021, with the other half anticipated to be completed in late 2022. This project is currently 62 percent complete. (Project K)

Streets and Roads

Since 2011, approximately \$959 million has been allocated to local jurisdictions for transportation improvements through the streets and roads competitive and formula funding programs. To date, 431 project phases have been allocated through the streets and roads competitive funding programs. Of the 431 project phases, 288 phases, equating to approximately 67 percent, have been completed. Additionally, M2 provided \$149 million, a portion of the \$668.7 million total program cost, to grade-separate seven streets and rail crossings, leveraging the majority of the funds (\$519.7 million) from local, state, and federal sources.

- On May 10, 2021, the Board approved programming recommendations for the 2021 Regional Capacity Program and Regional Traffic Signal Synchronization Program (RTSSP) call for projects for 12 projects totaling \$28.6 million. (Project O and Project P)

- A biannual RTSSP update was provided to the Board on June 14, 2021. To date, OCTA and local agencies have successfully implemented traffic signal synchronization timing on 89 corridors, with another 31 projects planned or underway. (Project P)

Transit

The M2 transit mode includes several programs designed to provide additional transportation options. M2 is the primary funding source for Metrolink commuter rail service in Orange County and includes funding for rail station improvements and transit connections to extend the reach of the services. Due to the coronavirus (COVID-19) pandemic, Metrolink implemented temporary service reductions. The three lines serving Orange County now operate 41 weekday trains, a 24 percent reduction from 54 weekday trains. During the quarter, ridership recovery trended positively, as total boardings on the Orange County Line increased on average by approximately 127 percent compared to the same quarter last year. As such, Metrolink and OCTA will continue to reassess the service needs in Orange County.

Since 2011, M2 has provided competitive multi-year transit funding commitments for bus and station van extension services connecting to Metrolink (\$483,133 to date), local community-based transit circulators and planning studies (\$41.9 million to date), and bus stop improvements (\$2.9 million to date). In parallel, M2 provides a set amount of annual funding to support three programs intended to expand mobility choices for seniors and persons with disabilities (\$91.7 million¹ to date).

- OC Streetcar – A quarterly update was provided to the Transit Committee on April 8, 2021, and to the Board on April 26, 2021, providing information on the status of construction activities, vehicle manufacturing, and public outreach. (Project S)
- SMP – To continue to provide M2 funding to support local, community-based transportation services for seniors, on May 24, 2021, the Board approved new cooperative agreements with the 32 cities and three non-profit agencies. (Project U)
- Senior Non-Emergency Medical Transportation (SNEMT) – On May 24, 2021, the Board approved a new cooperative agreement with the County of Orange to continue providing funds for the SNEMT Program.

¹ Only includes disbursed funds. On October 12, 2020, the Board approved a temporary exception to the SMP Guidelines, which allows for OCTA to hold allocations in reserve for agencies with suspended services due to the COVID-19 pandemic. The funds will be held until the State lifts the State of Emergency or transportation services resume, whichever occurs first.

The SNEMT Program provides non-emergency services, such as trips to the doctor, dentist, therapy, dialysis, and pharmacy. (Project U)

Environmental Programs

The M2 Program includes two innovative programs, the Environmental Cleanup Program (ECP) with specific activity, and the Environmental Mitigation Program (EMP) through funding provided from the M2 Freeway Program. The ECP improves water quality by addressing transportation-related pollutants, while the EMP offsets the biological impacts of freeway projects.

Since 2011, the ECP has allocated approximately \$51.4 million to local jurisdictions for 178 projects for trash removal devices (Tier 1), and 18 projects for large-scale water quality best management practices projects (Tier 2). It is estimated that nearly 33 million gallons of trash have been captured since the inception of the program, which is the equivalent of filling nearly 78 football fields with one foot deep of trash.

Additionally, the Board previously authorized \$55 million for the EMP to acquire conservation lands, fund habitat restoration projects, and develop the Natural Community Conservation Plan/Habitat Conservation Plan. OCTA has acquired more than 1,300 acres (Preserves) and funded 12 restoration projects to restore habitat on 350 acres of open space across Orange County to fulfill the necessary freeway program mitigation needs.

The wildlife and habitat on the acquired lands are protected in perpetuity, and long-term management of the properties will be funded by an established endowment. OCTA makes annual deposits of approximately \$2.9 million into the endowment. The performance of the fund may affect the timeframe for full funding of the endowment. Current projections indicate that OCTA remains on track to meet the endowment target of \$46.2 million in FY 2027-28. As of June 30, 2021, the balance of the endowment was \$19.2 million.

During the quarter, a biannual update for the EMP was presented to the Regional Planning and Highways Committee on June 7, 2021, and to the Board on June 14, 2021. The update highlighted progress on restoration projects wild-fire repair, the Conservation Plan, preserve management, fire management plans, Clean Water Act permits, and projects that benefited from the EMP.

Challenges

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

- Activities for the SR-55 project between I-405 and I-5 continue to be focused on preparing the project for construction advertisement in December 2021. The work requires close coordination with the California Department of Transportation for complex right-of-way acquisition, as well as timing of funding allocations.
- The OC Streetcar Project has faced many challenges, such as unforeseen utility conflicts and conditions, contaminated materials, construction quality control and compliance, added oversight and approvals, and several change requests. To utilize additional federal funds, OCTA continues to work with the Federal Transit Administration project management oversight consultant on a comprehensive project risk, cost, and schedule assessment. Additionally, at the August 2, 2021 Executive Committee meeting, the committee directed staff to prepare a comprehensive OC Streetcar Project briefing to the Board prior to presenting an update to the project cost and schedule, which is anticipated by November 2021.
- From mid-2020 to early 2021, highway project construction bids in the region continued to reflect a favorable market with a high number of bidders and competitive bids priced below the engineer's estimate. There have still been a high number of bidders; however, recent fuel, labor, steel, and lumber material pricing has increased. Bids have varied significantly due to demand, production capacity, and supply chain issues. Staff will continue to monitor market pricing trends and material availability, along with the impacts on construction in the region. In addition, the Board receives an annual report on market conditions key indicators analysis and forecast to provide insight into potential project delivery cost drivers. The next update is anticipated in October 2021.
- Staff has been tracking and monitoring elements of M2 that have been affected by COVID-19, such as the sales tax revenue forecast, traffic patterns, transit ridership, and administrative processes. On a semi-annual basis, projects funded through the Comprehensive Transportation Funding Programs are reviewed to provide opportunities for local agencies to update project information and request project modifications. For the March 2021 review, 59 of the total 79 project adjustment requests were at least partially COVID-19-related. These adjustments were approved by the Board on June 14, 2021.

Staff will continue to monitor all COVID-19 impacts and program challenges closely to ensure M2 remains deliverable as promised to voters.

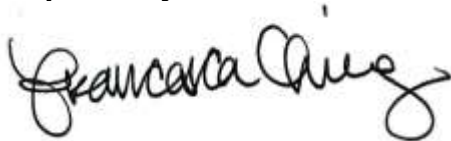
Summary

As required by the M2 Ordinance, a quarterly report covering activities from April 2021 through June 2021, is provided to update progress in implementing the Plan. The above information and the attached details indicate significant progress on the overall M2 Program despite facing challenges. To be cost-effective and to facilitate accessibility and transparency of information available to stakeholders and the public, the M2 Quarterly Progress Report is made available through the OCTA website. Hard copies are available by mail upon request.

Attachment

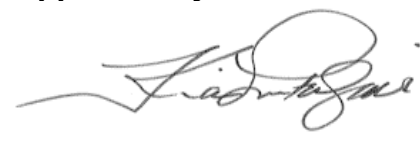
- A. Measure M2 Quarterly Progress Report, Fourth Quarter of Fiscal Year 2020-21, April 1, 2021 through June 30, 2021

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