



Orange County Transportation Authority

Executive Committee Agenda

Monday, November 6, 2023 at 9:00 a.m.

Board Room, 550 South Main Street, Orange, California

Gene Hernandez, Chairman
Tam Nguyen, Vice Chairman
Andrew Do
Brian Goodell
Michael Hennessey
Steve Jones

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

Agenda Descriptions

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

Public Availability of Agenda Materials

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

Meeting Access and Public Comments on Agenda Items

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

In-Person Comment

Members of the public may attend in-person and address the Board regarding any item. Please complete a speaker's card and submit it to the Clerk of the Board or notify the Clerk of the Board the item number on which you wish to speak. Speakers will be recognized by the Chairman at the time the agenda item is to be considered. Comments shall be limited to three minutes.

Written Comment

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

EXECUTIVE COMMITTEE MEETING AGENDA

Call to Order

Pledge of Allegiance

Director Goodell

Closed Session

There are no Closed Session items scheduled.

Special Calendar

1. Proposed 2024 Board of Directors Meetings Calendar

Andrea West/Jennifer L. Bergener

Overview

Presented for consideration and approval are the proposed 2024 Board of Directors and Committee meetings calendars, depicting the dates of the Board of Directors and Committee meetings and holidays for the year.

Recommendation

Approve the Orange County Transportation Authority and affiliated agencies 2024 Board of Directors meetings calendar.

Attachments:

[Staff Report](#)

[Attachment A](#)

[Attachment B](#)

[Attachment C](#)

Consent Calendar (Items 2 and 3)

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.

2. Approval of Minutes

Clerk of the Board

Recommendation

Approve the minutes of the August 31, 2023 Executive Committee meeting.

Attachments:

[Minutes](#)

EXECUTIVE COMMITTEE MEETING AGENDA

3. Agreement with Grand Jurors Association of Orange County for Recruitment Services for Measure M2 Taxpayer Oversight Committee

Christina Byrne/Maggie McJilton

Overview

The Renewed Measure M Transportation Ordinance and Investment Plan Ordinance No. 3 calls for the establishment of a Taxpayer Oversight Committee for the purpose of determining whether the Orange County Local Transportation Authority is proceeding in accordance with what was promised to the voters. Eleven members serve staggered three-year terms, and each year the Grand Jurors Association of Orange County, as mandated by the ordinance, conducts a recruitment to replace outgoing members whose terms have expired. Board of Directors' approval is requested to execute a new five-year agreement with the Grand Jurors Association of Orange County for Taxpayer Oversight Committee recruitment services.

Recommendation

Authorize the Chief Executive Officer to negotiate and execute sole source Agreement No. C-3-2908 between the Orange County Transportation Authority and the Grand Jurors Association of Orange County, in the amount of \$50,000, for managing the annual Taxpayer Oversight Committee recruitment process through June 30, 2028.

Attachments:

[Staff Report](#)

Regular Calendar

4. First Quarter Fiscal Year 2023-24 Capital Action Plan Performance Metrics

James G. Beil

Overview

Staff has prepared a quarterly progress report on capital project delivery covering the period of July 2023 through September 2023, for review by the Orange County Transportation Authority Board of Directors. This report highlights the Capital Action Plan for project delivery, which is used as a performance metric to assess delivery progress on highway and transit capital improvement projects.

Recommendation

Receive and file as an information item.

Attachments:

[Staff Report](#)

[Attachment A](#)

[Attachment B](#)

EXECUTIVE COMMITTEE MEETING AGENDA

5. **Measure M2 2023 Update: Next 10 Delivery Plan**

Francesca Ching/Kia Mortazavi

Overview

The Measure M2 Next 10 Delivery Plan aims to strategically deliver Measure M2 freeway, roadway, transit, and environmental projects. A comprehensive review of the M2 Next 10 Delivery Plan was recently conducted to incorporate updates to the Measure M2 sales tax revenue forecast, external funding assumptions, and project information. As a result of this review, staff has prepared the 2023 update of the Measure M2 Next 10 Delivery Plan. The 2023 update verifies the realization of Measure M2 near-term commitments through fiscal year 2032, maintains fiscal sustainability, and strives to deliver transportation benefits expeditiously to the benefit of the Orange County community. The draft update is presented to the Board of Directors for review and approval.

Recommendations

- A. Adopt the 2023 Measure M2 Next 10 Delivery Plan.
- B. Direct staff to continue to work with Metrolink to develop a financially sustainable service plan.
- C. Direct staff to continue to monitor revenue and project cost shifts that could affect the delivery plan and return to the Board of Directors with changes if necessary.

Attachments:

[Staff Report](#)

[Attachment A](#)

[Attachment B](#)

[Attachment C](#)

[Attachment D](#)

[Presentation](#)

6. **Proposed Amendment to the Orange County Local Transportation Authority Measure M2 Ordinance No. 3**

Francesca Ching/Kia Mortazavi

Overview

The Renewed Measure M Transportation Ordinance and Investment Plan Ordinance No. 3 requires an independent Taxpayer Oversight Committee to review annual audits and make a determination whether the Orange County Local Transportation Authority is proceeding in accordance with what was promised to the voters. In addition, it requires the Chair of the Taxpayer Oversight Committee to provide an annual certification of whether revenues have been spent in compliance with the Renewed Measure M Transportation Investment Plan. An amendment is being proposed to provide additional clarity to the well-established functions and responsibilities of the Taxpayer Oversight Committee and the Chair of the Taxpayer Oversight Committee.

EXECUTIVE COMMITTEE MEETING AGENDA

Recommendations

- A. Direct staff to set a date of January 8, 2024, for a public hearing and Board of Directors action to consider adoption of the amendment to the Orange County Local Transportation Authority Measure M2 Ordinance No. 3 to address inconsistencies and interpretations of the individual responsibility of the Chair of the Taxpayer Oversight Committee as it relates to the annual certification that revenues have been spent in compliance with the Renewed Measure M Transportation Investment Plan.
- B. Direct staff to initiate the process to amend the Orange County Local Transportation Authority Measure M2 Ordinance No. 3 to clarify the functions and responsibilities of the Taxpayer Oversight Committee and the Chair of the Taxpayer Oversight Committee in providing annual certification that revenues have been spent in compliance with the Renewed Measure M Transportation Investment Plan.

Attachments:

[Staff Report](#)

[Attachment A](#)

[Attachment B](#)

[Attachment C](#)

7. Proposed Revisions to Orange County Transportation Authority's Procurement Policies and Procedures

Pia Veesapen/Andrew Oftelie

Overview

The Orange County Transportation Authority Board of Directors has adopted policies and procedures that guide all procurement activities. The Board of Directors periodically reviews these policies and procedures and may make changes as necessary in an effort to conform to changing business needs while continuing to ensure procurements are conducted in a fair, transparent, and equitable manner for all vendors and provide for the best value and use of taxpayer dollars.

Recommendation

Adopt the proposed revisions to the Orange County Transportation Authority's Procurement Policies and Procedures and authorize staff to implement the recommended changes.

Attachments:

[Staff Report](#)

[Attachment A](#)

[Attachment B](#)

[Presentation](#)

EXECUTIVE COMMITTEE MEETING AGENDA

Discussion Items

- 8. Public Comments**
- 9. Chief Executive Officer's Report**
- 10. Committee Members' Reports**
- 11. Adjournment**

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

9:00 a.m. on Monday, December 4, 2023

OCTA Headquarters
Board Room
550 South Main Street
Orange, California



November 6, 2023

To: Executive Committee
From: Darrell E. Johnson, Chief Executive Officer
Subject: Proposed 2024 Board of Directors Meetings Calendar

Overview

Presented for consideration and approval are the proposed 2024 Board of Directors and committee meeting calendars, depicting the dates of the Board of Directors and committee meetings and holidays for the year.

Recommendation

Approve the Orange County Transportation Authority and affiliated agencies 2024 Board of Directors meetings calendar.

Discussion

The 2024 meetings calendar for the Orange County Transportation Authority's Board of Directors (Board) and affiliated agencies has been prepared by the Clerk of the Board and is presented for approval and adoption.

In order to mitigate scheduling conflicts for Board Members, the proposed calendar takes into consideration the scheduled meetings of the:

- Orange County Board of Supervisors
- Southern California Regional Rail Authority
- Southern California Association of Governments - Regional Council
- Local Agency Formation Commission
- Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency
- Air Quality Management District – Mobile Source Air Pollution Reduction Review Committee
- Transportation Corridor Agencies
- Conferences and events regularly attended by members of the Board

The proposed 2024 calendar reflects 23 regular Board meetings occurring on the second and fourth Mondays of the month, consistent with well-established past scheduling practices (Attachment A). Only one Board meeting is scheduled for December due to holidays.

The Chairman retains the right to call a Special Meeting at any time should unforeseen circumstances arise which need to be addressed.

For planning purposes, a draft committee calendar has been provided. Once the committee chairs have been assigned and committee members appointed by the Board on January 22, 2024, changes to the proposed 2024 committee meeting schedules may occur.

Each committee will approve their respective meeting schedules in February 2024 (Attachment B), and exceptions to the standard monthly meeting schedule are noted (Attachment C).

Summary

Approval is requested for the proposed Board meetings calendar, which sets dates for the regular Board meetings in 2024.

Attachments

- A. Orange County Transportation Authority 2024 Board Meetings and Holidays - Draft 11.6.23
- B. Orange County Transportation Authority 2024 Board and Committee Calendar – Draft 11.6.23
- C. 2024 Board and Committee Calendar – Proposed Exceptions

Prepared by:

Andrea West
Clerk of the Board
(714) 560-5676

Approved by:

Jennifer L. Bergener
Deputy Chief Executive Officer
(714) 560-5462



2024 OCTA BOARD MEETINGS CALENDAR

JANUARY						
SUN	MON	TUE	WED	THU	FRI	SAT
	1	2	3	4	5	6
7	8	9	10	11	12	13
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FEBRUARY						
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MARCH						
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APRIL						
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JULY						
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AUGUST						
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OCTOBER						
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DECEMBER						
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OCTA, OCTD, OCLTA, and OCSAFE regular Board meeting

9:00 a.m., OCTA Headquarters

550 South Main Street, Board Room - Conf. Room 07-08, Orange CA

Holidays

2024 OCTA BOARD AND COMMITTEE CALENDAR



JANUARY						
SUN	MON	TUE	WED	THU	FRI	SAT
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FEBRUARY						
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MARCH						
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APRIL						
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MAY						
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JUNE						
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JULY						
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AUGUST						
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SEPTEMBER						
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OCTOBER						
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NOVEMBER						
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DECEMBER						
SUN	MON	TUE	WED	THU	FRI	SAT
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OCTA, OCTD, OCLTA, and OCSAFE regular Board meeting
 9:00 a.m., OCTA Headquarters
 550 South Main Street, Board Room - Conf. Room 07-08, Orange CA

Holidays

EXEC
 9:00 a.m.

Transit
 9:00 a.m.

RTP
 10:30 a.m.

F & A
 10:30 a.m.

L & C
 9:00 a.m.

2024 Board and Committee Calendar - Proposed Exeptions**Standard monthly meeting dates and times are as follows:**

Board meetings – 2nd and 4th Monday at 9 a.m.

Executive Committee – 1st Monday at 9 a.m.

Regional Transportation Planning (RTP) Committee – 1st Monday at 10:30 a.m.

Finance and Administration Committee (F&A) – 2nd and 4th Wednesday at 10:30 a.m.

Transit Committee – 2nd Thursday at 9 a.m.

Legislative and Communications (L&C) Committee – 3rd Thursday at 9 a.m.

Month	Proposed Exceptions to the Standard Meeting Dates
January	Adjust Executive and RTP Committees to Tuesday, January 2, due to New Year's holiday.
February	No change
March	No change
April	No change
May	F&A Committee meets once. Adjust May 27 Board meeting to Tuesday, May 28 to accommodate Memorial Day holiday.
June	No change
July	No change
August	Adjust the September Executive and RTP Committees to Thursday, August 29, due to the Labor Day holiday.
September	F&A Committee meets once See the month of August for adjustments to the Executive and RTP Committees.
October	No change
November	F&A Committee meets once. Note: November 11 Board meeting occurs on Veteran's Day
December	F&A Committee meets once on the 1 st Wednesday. Board meets once.

Committee meeting calendars are pending approval by each committee in February 2024



Committee Members Present

Gene Hernandez, Chairman
Brian Goodell
Michael Hennessey
Steve Jones

Staff Present

Darrell E. Johnson, Chief Executive Officer
Gina Ramirez, Clerk of the Board Specialist, Principal
Allison Cheshire, Clerk of the Board Specialist, Senior
James Donich, General Counsel
OCTA Staff

Committee Members Absent

Tam Nguyen, Vice Chairman
Andrew Do

Call to Order

The August 31, 2023, Executive Committee regular meeting was called to order by Chairman Hernandez at 9:00 a.m.

Special Calendar

There were no Special Calendar matters.

Consent Calendar (Item 1)

1. Approval of Minutes

A motion was made by Director Jones, and seconded by Director Goodell and declared passed by those present, to approve the minutes of the August 7, 2023 Executive Committee meeting.

Regular Calendar

2. Public Member Appointment to the Board of Directors

Darrell E. Johnson, Chief Executive Officer, presented opening comments on this item.

Due to a lack of quorum for this item, the Committee members directed staff to forward this item to the full Board of Directors to consider the reappointment of Director Michael Hennessey for a four-year term as a Public Member of the Board of Directors to commence on October 8, 2023.

Director Hennessey abstained from voting on this item.



3. Measure M2 Quarterly Progress Report for the Period of April 2023 Through June 2023

Kia Mortazavi, Executive Director of Planning, provided an update on this item.

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

Discussion Items

4. Public Comments

There were no public comments.

5. Chief Executive Officer's Report

Mr. Johnson, CEO, reported on the following:

- Gap Closure Project Funding
- Orange County Transportation Demand Management Plan

6. Committee Members' Reports

There were no Committee Members' Reports.

7. Adjournment

The meeting adjourned at 9:30 a.m.

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

9:00 a.m. on Monday, October 2, 2023

OCTA Headquarters

Board Room

550 South Main Street

Orange, California

Orange County Transportation Authority Page



November 6, 2023

To: Executive Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Agreement with Grand Jurors Association of Orange County for Recruitment Services for Measure M2 Taxpayer Oversight Committee

Overview

The Renewed Measure M Transportation Ordinance and Investment Plan Ordinance No. 3 calls for the establishment of a Taxpayer Oversight Committee for the purpose of determining whether the Orange County Local Transportation Authority is proceeding in accordance with what was promised to the voters. Eleven members serve staggered three-year terms, and each year the Grand Jurors Association of Orange County, as mandated by the ordinance, conducts a recruitment to replace outgoing members whose terms have expired. Board of Directors' approval is requested to execute a new five-year agreement with the Grand Jurors Association of Orange County for Taxpayer Oversight Committee recruitment services.

Recommendation

Authorize the Chief Executive Officer to negotiate and execute sole source Agreement No. C-3-2908 between the Orange County Transportation Authority and the Grand Jurors Association of Orange County, in the amount of \$50,000, for managing the annual Taxpayer Oversight Committee recruitment process through June 30, 2028.

Discussion

The Taxpayer Oversight Committee (TOC) is required by Ordinance No. 3 – the Renewed Measure M Transportation Ordinance and Investment Plan (Measure M2). The TOC is an independent committee representing all five supervisorial districts in Orange County. Committee members serve three-year terms. The TOC is responsible for ensuring the transportation projects in Measure M2 are implemented according to the investment plan

approved by the voters in 2006. Currently, the TOC meets quarterly to review progress on the Measure M2 program.

To ensure an independent committee member selection process, the recruitment and selection of finalists must be conducted by a neutral body serving the interests of the citizens of Orange County. The Grand Jurors Association of Orange County (GJAOC) was originally selected in 1990 to screen and recommend potential candidates as required by the Measure M1 Ordinance based upon the following criteria:

- part of an independent organization without any political affiliation
- familiarity with evaluating government functions
- capable of understanding the function of an oversight committee
- not part of a local government agency

The Measure M2 Ordinance also mandates the GJAOC, as the contracted organization, to screen and recommend TOC candidates. An agreement was negotiated in 1990 with the GJAOC for an annual fee, which includes application processing, data compilation and organization, copying, initial screening, and meeting and mileage expenses. The GJAOC performed the recruitment function for the formation of the initial Measure M Oversight Committee (formerly the Citizens Oversight Committee) in 1990 and has since conducted the annual recruitment for new members each spring to fill vacancies on the TOC. A five-member GJAOC selection panel screens all applications, interviews qualified individuals, and recommends candidates for membership on the committee. A list of potential TOC member candidates is forwarded to the Orange County Transportation Authority (OCTA) Board of Directors (Board) for selection via a lottery process each June.

In 2018, the OCTA Board authorized the Chief Executive Officer to execute the current five-year agreement with the GJAOC to conduct five annual recruitments. This agreement is set to expire on June 30, 2023. Staff is requesting a new sole source agreement be executed for the next five years, through June 30, 2028.

As in previous years, the agreement stipulates an annual fee for managing the TOC application process and selecting the finalists. The GJAOC has requested an increase of the annual fee from \$6,000 to \$6,500 per the request of the GJAOC. The fee is paid to the GJAOC upon completion of services specified in the scope of work for each year. The fee was last increased in 2009 from \$4,000 to \$6,000 annually. In addition, selection panel members will be paid \$50 per meeting for review of applications and interviews and are reimbursed for actual mileage and any duplication or copying costs. These expenses are anticipated to be approximately \$3,500 per year. The total cost per year of the agreement,

including the annual fee and expenses, is \$10,000. The five-year total for the contract is \$50,000.

Procurement Approach

This procurement was handled in accordance with OCTA's Board-approved policies and procedures for a sole source procurement.

The requirement was handled as a sole source procurement due to the unique circumstance in which OCTA is mandated to specifically contract with GJAOC to provide the services related to the formation of a TOC membership recommendation panel. The GJAOC has been providing this service to OCTA since 1990.

In accordance with OCTA's sole source procurement procedures, the Contracts Administration and Materials Management (CAMM) Department conducted a price review of GJAOC's proposed rates. The total cost per year increased from \$9,500 to \$10,000 from the existing contract executed in 2019. This represents a five percent increase; however, the GJAOC has held the same rates since 2009. Additionally, the total cost per year is lower than the OCTA project manager's independent cost estimate. Therefore, CAMM determined the proposed rates are deemed fair and reasonable.

Based on the above, it is recommended that the contract is awarded to GJAOC.

Fiscal Impact

This project was approved in OCTA's Fiscal Year 2023-24 Budget, External Affairs, Public Communications, Account No. 0017-7629-M0201-JR8, and is funded through Measure M.

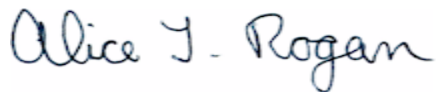
Summary

The annual recruitment to fill four positions on the Measure M2 Taxpayer Oversight Committee is beginning in January 2024. Staff recommends the Board authorize the Chief Executive Officer to negotiate and execute sole source Agreement No. C-3-2908 with the Grand Jurors Association of Orange County, as required by the Measure M2 Ordinance, to manage the annual TOC new member recruitment process, in the amount of \$50,000, through June 30, 2028.

Attachment

None.

Prepared by:



Alice T. Rogan
Director, Marketing and Public
Outreach
714-560-5577



Pia Veasapen
Director, Contracts Administration and
Materials Management
714-560-5619

Approved by:



Maggie McJilton
Executive Director,
People and Community Engagement
714-560-5824



November 6, 2023

To: Executive Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: First Quarter Fiscal Year 2023-24 Capital Action Plan Performance Metrics

Overview

Staff has prepared a quarterly progress report on capital project delivery covering the period of July 2023 through September 2023, for review by the Orange County Transportation Authority Board of Directors. This report highlights the Capital Action Plan for project delivery, which is used as a performance metric to assess delivery progress on highway and transit capital improvement projects.

Recommendation

Receive and file as an information item.

Background

The Orange County Transportation Authority (OCTA) delivers highway and transit capital improvement projects from the beginning of the environmental approval phase through construction completion. Project delivery milestones are planned carefully with consideration of project scope, costs, schedule, and assessment of risks. The milestones reflected in the Capital Action Plan (CAP) are OCTA's planned and budgeted major project delivery commitments.

This report is a quarterly progress report on the CAP performance metrics, which are a snapshot of the planned CAP project delivery milestones in the budgeted fiscal year (FY).

Discussion

OCTA's objective is to deliver projects on schedule and within the approved project budget. Key project cost and schedule commitments are captured in the CAP, which is regularly updated with project status and any new

projects (Attachment A). The CAP is categorized into key project groupings of freeway, grade separation, and transit improvement projects. Transit improvement projects include passenger rail, bus transit and maintenance, and OC Streetcar infrastructure projects. Project schedule milestones are used as performance indicators of progress in project delivery. The CAP performance metrics report provides a FY snapshot of the milestones targeted for delivery in the FY and provides transparency and performance measurement of capital project delivery.

The CAP project costs represent the total cost across all phases of project delivery, including support costs, right-of-way (ROW), and construction capital costs. Baseline costs, if established, are shown in comparison to either the actual or forecast cost. Baseline costs may be shown as to-be-determined (TBD) if project scoping studies and estimates have not been developed or approved and may be updated as delivery progresses, and milestones achieved. Projects identified in the Orange County local transportation sales tax Measure M2 (M2) are identified with the corresponding M2 project logo. The CAP status update is also included in the M2 Quarterly Progress Report.

The CAP summarizes the very complex critical path project delivery schedules into eight key milestones.

Begin Environmental	The date work on the environmental clearance, project report, or preliminary engineering phase begins.
Complete Environmental	The date environmental clearance and project approval is achieved.
Begin Design	The date final design work begins, or the date when a design-build contract begins.
Complete Design	The date when final design work is 100 percent complete and approved.
Construction Ready	The date contract bid documents are ready for advertisement, including certification of ROW, all agreements executed, and contract constraints cleared.
Advertise for Construction	The date a construction contract is advertised for construction bids.
Award Contract	The date the construction contract is awarded.

Construction Complete

The date all construction work is completed, and the project is open to public use.

These delivery milestones reflect progression across typical project delivery phases shown below.



Project schedules reflect planned baseline milestone dates in comparison to forecast or actual milestone dates. Milestone dates may be shown as TBD if project scoping or approval documents have not been finalized and approved, or if the delivery schedule has not been negotiated with a partnering agency or consultant implementing the specific phase of a project. Planned milestone dates can be revised to reflect new dates from approved baseline schedule changes. Project schedules are reviewed monthly, and milestone achievements and updated forecast dates are included to reflect project delivery status.

CAP milestones achieved in the first quarter FY 2023-24 include:

- The complete construction milestone for the emergency railroad track stabilization at Cyprus Shores in San Clemente was achieved. Closeout work on required ROW easements and resource agency emergency permitting continue, and cost updates will be provided to the Board of Directors (Board) when determined.

The following CAP milestone missed the planned delivery through the first quarter of FY 2023-24:

Highway Projects

- The complete design milestone was missed on the tolled State Route 241/ 91 Express Lanes Connector (ELC) which is being implemented by the Transportation Corridor Agencies (TCA). The final plans, specifications, and estimates still need to be approved by the California Department of Transportation. In addition, two required environmental revalidations, multiple interagency operating and cooperative agreements, and the California Transportation Commission public hearing approval have not been completed. Final delivery milestones to deliver this project cannot be determined until these activities are completed.

Recap of FY 2022-23 Performance Metrics Through the First Quarter

The performance metrics snapshot provided at the beginning of FY 2023-24 reflected two planned major project delivery milestones to be accomplished (Attachment B). One of the two planned milestones was delivered.

Notable CAP Milestone and Cost Updates

The forecast complete environmental milestone for the Interstate 5 (I-5) improvements to add carpool lanes between Avenida Pico and San Diego County was delayed until October 2024. This allows time to refine and gain agreement on vehicle miles traveled (VMT) modeling, determine appropriate VMT mitigations, and assure community input is appropriately received and addressed in the public comment phase.

The forecast complete design milestone for the ELC was moved to March 2024 based on TCA's reported progress.

The forecast construction complete milestone for the OC Streetcar project has been revised from November 2024 to August 2025, to reflect actual contractor progress and full use of schedule risk contingencies on remaining work.

The forecast final delivery milestones for the Transportation Security and Operations Center (TSOC) were added to the CAP.

FY 2023-24 Cost and Performance Metrics Risks

OC Streetcar project cost and construction schedule risks related to contractor performance and design deficiencies continue to challenge the project. Efforts to mediate the lawsuit filed by the contractor against OCTA are ongoing. Staff will continue making regular reports to the Board on the status of construction and cost.

Construction projects are under severe cost pressure due to continuing escalation of materials and labor pricing. This includes the three segments of I-5 improvements between State Route 73 and El Toro Road, and the State Route 55 (SR-55) improvements between Interstate 405 and I-5. Southern California Edison (SCE) electrical utility relocation delays are impacting the SR-55 construction by up to 18 months. SCE indicates their relocation schedules are burdened by resource availability, changes in priority, and city permitting requirements. Forward priced labor and materials related to contract changes and delays are affecting project costs, and delay claims submitted by contractors are being assessed for merit.

The TSOC final design package is still completing plan check with the City of Anaheim. The final engineer's estimate of cost to construct the project is projecting higher than budgeted. Staff will be assessing the cost estimate and bring any needed programing recommendations to the Board for consideration.

The Orange County Business Council (OCBC) updated OCTA's Infrastructure Cost Index in September 2023, and the update reflects an expected gradual decline in inflation over the next few years. Forecast construction cost escalation will begin to soften to two-to-six percent through 2024, and to one-to-two percent in 2025 and 2026. However, OCBC cautioned that there are many systematic and idiosyncratic risks that may impact this forecast and it should be reassessed in six months. Staff will continue to monitor market pricing trends and material availability along with the impacts on heavy civil construction in the region.

Summary

Capital project delivery continues to progress and is reflected in the CAP. The planned FY 2023-24 performance metrics created from forecast project schedules will be used as a general project delivery performance indicator throughout the FY. Staff will continue to manage project costs and schedules across all project phases to meet project delivery commitments and report quarterly.

Attachments

- A. Capital Action Plan, Status Through September 2023
- B. Capital Programs Division, Fiscal Year 2022-23 Performance Metrics Through September 2023

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Capital Action Plan

Status Through September 2023

Updated: October 13, 2023

Capital Projects	Cost Baseline/Forecast	Schedule Plan/Forecast							
		Begin Environmental	Complete Environmental	Begin Design	Complete Design	Construction Ready	Advertise Construction	Award Contract	Complete Construction
	(millions)								
Freeway Projects:									
I-5, Pico to San Diego County	TBD	Feb-21	Apr-24	TBD	TBD	TBD	TBD	TBD	TBD
	TBD	Feb-21	Oct-24	TBD	TBD	TBD	TBD	TBD	TBD
 I-5, Pico to Vista Hermosa	\$113.0	Jun-09	Dec-11	Jun-11	Oct-13	Feb-14	Oct-14	Dec-14	Aug-18
Project C	\$83.6	Jun-09	Oct-11	Jun-11	Oct-13	May-14	Sep-14	Dec-14	Aug-18
 I-5, Vista Hermosa to Pacific Coast Highway	\$75.6	Jun-09	Dec-11	Jun-11	Feb-13	Jun-13	Oct-13	Dec-13	Mar-17
Project C	\$75.3	Jun-09	Oct-11	Jun-11	May-13	Aug-13	Feb-14	Jun-14	Jul-17
 I-5, Pacific Coast Highway to San Juan Creek Road	\$70.7	Jun-09	Dec-11	Jun-11	Jan-13	May-13	Aug-13	Oct-13	Sep-16
Project C	\$74.3	Jun-09	Oct-11	Jun-11	Jan-13	Apr-13	Aug-13	Dec-13	Jul-18
 I-5, I-5/Ortega Interchange	\$90.9	Sep-05	Jun-09	Jan-09	Nov-11	Mar-12	Jun-12	Aug-12	Sep-15
Project D	\$79.8	Sep-05	Jun-09	Jan-09	Dec-11	Apr-12	Jun-12	Aug-12	Jan-16
 I-5, I-5/Ortega Interchange (Landscape)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Project D	N/A	N/A	N/A	Jan-14	Oct-14	Feb-15	Aug-15	Sep-15	Sep-16
 I-5, SR-73 to Oso Parkway	\$151.9	Sep-11	Jun-14	Mar-15	Jan-18	May-18	Aug-18	Dec-18	Apr-25
Project C & D	\$229.4	Oct-11	May-14	Mar-15	Aug-18	May-19	Aug-19	Dec-19	Nov-24
 I-5, Oso Parkway to Alicia Parkway	\$196.2	Sep-11	Jun-14	Nov-14	Jun-17	Dec-17	Feb-18	Jun-18	Nov-23
Project C & D	\$228.3	Oct-11	May-14	Nov-14	Dec-17	Jun-18	Nov-18	Mar-19	Sep-24
 I-5, Alicia Parkway to El Toro Road	\$133.6	Sep-11	Jun-14	Mar-15	Jun-18	Dec-18	Jan-19	May-19	Oct-24
Project C	\$203.5	Oct-11	May-14	Mar-15	May-19	Apr-20	May-20	Sep-20	Nov-24
 I-5, SR-73 to El Toro Road (Landscape)	TBD	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Project C	\$12.4	N/A	N/A	Mar-23	Dec-24	Apr-25	Jun-25	Sep-25	Mar-27
 I-5, I-5/El Toro Road Interchange	TBD	Apr-17	Apr-26	TBD	TBD	TBD	TBD	TBD	TBD
Project D Cost/Schedule Risk	TBD	Apr-17	Apr-26	TBD	TBD	TBD	TBD	TBD	TBD
 I-5, I-405 to Yale Avenue	\$230.5	May-14	Aug-18	Oct-21	May-24	May-25	Dec-25	Feb-26	Sep-29
Project B	\$230.5	May-14	Jan-20	Oct-21	Sep-24	May-25	Dec-25	Feb-26	Sep-29
 I-5, Yale Avenue to SR-55	\$200.4	May-14	Aug-18	May-21	Feb-25	Aug-25	Nov-25	Mar-26	Sep-29
Project B Cost/Schedule Risk	\$200.4	May-14	Jan-20	May-21	Jul-24	Aug-25	Nov-25	Mar-26	Sep-29
 I-5, SR-55 to SR-57	\$38.1	Jul-11	Jun-13	Jun-15	Mar-17	Jul-17	Sep-17	Dec-17	Apr-21
Project A	\$38.9	Jun-11	Apr-15	Jun-15	Jun-17	Dec-17	Mar-18	Nov-18	Jan-21

Capital Action Plan

Status Through September 2023

Updated: October 13, 2023

	Capital Projects	Cost	Schedule							
		Baseline/Forecast	Plan/Forecast							
		(millions)	Begin Environmental	Complete Environmental	Begin Design	Complete Design	Construction Ready	Advertise Construction	Award Contract	Complete Construction
	SR-55, I-405 to I-5	\$410.9	Feb-11	Nov-13	Sep-17	Apr-20	Dec-20	Apr-21	May-22	Feb-27
	Project F Cost/Schedule Risk	\$505.7	May-11	Aug-17	Sep-17	Apr-20	Sep-21	Dec-21	May-22	Feb-27
	SR-55, I-5 to SR-91	\$131.3	Dec-16	Jan-20	Aug-22	Jul-25	Dec-25	Apr-26	Jul-26	Oct-29
	Project F	\$131.3	Dec-16	Mar-20	Aug-22	Jul-25	Dec-25	Apr-26	Jul-26	Oct-29
	SR-57 Northbound (NB), Orangewood Avenue to Katella Avenue	\$71.8	Apr-16	Dec-18	Mar-22	Jul-24	Feb-25	Jul-25	Nov-25	Jun-28
	Project G	\$71.8	Apr-16	Mar-19	Mar-22	Aug-24	Jan-25	Jun-25	Oct-25	May-28
	SR-57 (NB), Katella Avenue to Lincoln Avenue	\$78.7	Apr-08	Jul-09	Jul-08	Nov-10	Mar-11	May-11	Aug-11	Sep-14
	Project G	\$38.0	Apr-08	Nov-09	Aug-08	Dec-10	Apr-11	Jul-11	Oct-11	Apr-15
	SR-57 (NB), Katella Avenue to Lincoln Avenue (Landscape)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Project G	N/A	N/A	N/A	May-09	Jul-10	Jun-17	Jul-17	Sep-17	Jun-18
	SR-57 (NB), Orangethorpe Avenue to Yorba Linda Boulevard	\$80.2	Aug-05	Dec-07	Feb-08	Dec-09	Apr-10	Jun-10	Oct-10	May-14
	Project G	\$52.3	Aug-05	Dec-07	Feb-08	Jul-09	Dec-09	May-10	Oct-10	Nov-14
	SR-57 (NB), Yorba Linda Boulevard to Lambert Road	\$79.3	Aug-05	Dec-07	Feb-08	Dec-09	Apr-10	Jun-10	Oct-10	Sep-14
	Project G	\$54.1	Aug-05	Dec-07	Feb-08	Jul-09	Mar-10	May-10	Oct-10	May-14
	SR-57 (NB), Orangethorpe Avenue to Lambert Road (Landscape)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Project G	N/A	N/A	N/A	Oct-14	Aug-17	Dec-17	Jan-18	Feb-18	Apr-19
	SR-57 (NB), Lambert Road to Tonner Canyon	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
	Project G	TBD	Sep-25	May-28	TBD	TBD	TBD	TBD	TBD	TBD
	SR-91 Westbound (WB), I-5 to SR-57	\$78.1	Jul-07	Apr-10	Oct-09	Feb-12	Jul-12	Aug-12	Nov-12	Apr-16
	Project H	\$59.2	Jul-07	Jun-10	Mar-10	Apr-12	Aug-12	Oct-12	Jan-13	Jun-16
	SR-91 Westbound (WB), I-5 to SR-57 (Landscape)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Project H	N/A	N/A	N/A	Nov-14	Aug-16	Dec-16	Feb-17	Mar-17	Nov-17
	SR-91, SR-55 to Lakeview Avenue (Segment 1)	\$100.9	Jan-15	Oct-18	Mar-20	Jan-23	Aug-23	Oct-23	Feb-24	Sep-27
	Project I	\$126.3	Jan-15	Jun-20	Mar-20	Mar-23	Jan-24	Apr-24	Jul-24	Mar-28
	SR-91, La Palma Avenue to SR-55 (Segment 2)	\$208.4	Jan-15	Oct-18	Jun-20	Jul-23	Feb-24	Mar-24	Jul-24	Mar-28
	Project I	\$208.4	Jan-15	Jun-20	Jun-20	Dec-24	Aug-25	Oct-25	Jan-26	Jan-30
	SR-91, Acacia Street to La Palma Ave (Segment 3)	\$116.2	Jan-15	Oct-18	Nov-20	Apr-24	Nov-24	Jan-25	Apr-25	Sep-28
	Project I	\$116.2	Jan-15	Jun-20	Nov-20	Aug-24	May-25	Sep-25	Dec-25	Jun-29

Capital Action Plan

Status Through September 2023

Updated: October 13, 2023

Capital Projects	Cost	Schedule							
	Baseline/Forecast	Plan/Forecast							
	(millions)	Begin Environmental	Complete Environmental	Begin Design	Complete Design	Construction Ready	Advertise Construction	Award Contract	Complete Construction
 SR-91 (WB), Tustin Interchange to SR-55 Project I	\$49.9 \$42.5	Jul-08 Jul-08	Jul-11 May-11	Jul-11 Jun-11	Mar-13 Feb-13	Jul-13 Apr-13	Aug-13 Jun-13	Oct-13 Oct-13	Jul-16 Jul-16
 SR-91, SR-55 to SR-241 Project J	\$128.4 \$79.7	Jul-07 Jul-07	Jul-09 Apr-09	Jun-09 Apr-09	Jan-11 Aug-10	Apr-11 Dec-10	Jun-11 Feb-11	Sep-11 May-11	Dec-12 Mar-13
 SR-91, SR-55 to SR-241 (Landscape) Project J	N/A N/A	N/A N/A	N/A N/A	N/A May-12	N/A Feb-13	N/A Apr-13	N/A Jul-13	N/A Oct-13	N/A Feb-15
 SR-91 Eastbound, SR-241 to SR-71 Project J	\$104.5 \$57.8	Mar-05 Mar-05	Dec-07 Dec-07	Jul-07 Jul-07	Dec-08 Dec-08	Mar-09 May-09	May-09 Jun-09	Jul-09 Aug-09	Nov-10 Jan-11
91 Express Lanes to SR-241 Toll Connector	TBD	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	TBD	Nov-13	Jan-20	Jun-16	Mar-24	May-24	May-24	Nov-24	Nov-27
 I-405, I-5 to SR-55 Project L	TBD TBD	Dec-14 Dec-14	Jul-18 Aug-18	TBD TBD	TBD TBD	TBD TBD	TBD TBD	TBD TBD	TBD TBD
 I-405, SR-55 to I-605 (Design-Build) Project K	\$2,160.0 \$2,160.0	Mar-09 Mar-09	Mar-13 May-15	Mar-14 Mar-14	Nov-15 Nov-15	Feb-16 Feb-16	Mar-16 Mar-16	Nov-16 Nov-16	Feb-24 Feb-24
I-405/SR-22 HOV Connector	\$195.9	N/A	N/A	Sep-07	Sep-09	Mar-10	May-10	Aug-10	Aug-14
	\$120.8	N/A	N/A	Sep-07	Jun-09	Sep-09	Feb-10	Jun-10	Mar-15
I-405/I-605 HOV Connector	\$260.4	N/A	N/A	Sep-07	Sep-09	Mar-10	May-10	Oct-10	Jan-15
	\$172.6	N/A	N/A	Sep-07	Sep-09	Feb-10	May-10	Oct-10	Mar-15
I-405/SR-22/I-605 HOV Connector (Landscape)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	Jun-08	May-09	Feb-16	May-16	Jul-16	Feb-18
 I-605, I-605/Katella Avenue Interchange Project M	\$29.0 \$29.0	Aug-16 Aug-16	Nov-18 Oct-18	Dec-20 Dec-20	Mar-23 Jan-23	Jul-23 Apr-24	Nov-23 Aug-24	Feb-24 Nov-24	Nov-25 Jul-26
Grade Separation Projects:									
 Sand Canyon Avenue Railroad Grade Separation Project R	\$55.6 \$61.9	N/A N/A	Sep-03 Sep-03	Jan-04 Jan-04	Jul-10 Jul-10	Jul-10 Jul-10	Oct-10 Oct-10	Feb-11 Feb-11	May-14 Jan-16
 Raymond Avenue Railroad Grade Separation Project O	\$77.2 \$126.2	Feb-09 Feb-09	Nov-09 Nov-09	Mar-10 Mar-10	Aug-12 Dec-12	Nov-12 Jul-13	Feb-13 Oct-13	May-13 Feb-14	Aug-18 May-18
 State College Boulevard Railroad Grade Separation (Fullerton) Project O	\$73.6 \$99.6	Dec-08 Dec-08	Jan-11 Apr-11	Jul-06 Jul-06	Aug-12 Feb-13	Nov-12 May-13	Feb-13 Sep-13	May-13 Feb-14	May-18 Mar-18
 Placentia Avenue Railroad Grade Separation Project O	\$78.2 \$64.5	Jan-01 Jan-01	May-01 May-01	Jan-09 Jan-09	Mar-10 Jun-10	May-10 Jan-11	Mar-11 Mar-11	Jun-11 Jul-11	Nov-14 Dec-14
 Kraemer Boulevard Railroad Grade Separation Project O	\$70.4 \$63.8	Jan-01 Jan-01	Sep-09 Sep-09	Jan-09 Feb-09	Jul-10 Jul-10	Jul-10 Jan-11	Apr-11 Jun-11	Aug-11 Sep-11	Oct-14 Dec-14

Capital Action Plan

Status Through September 2023

Updated: October 13, 2023

Capital Projects	Cost	Schedule							
	Baseline/Forecast	Plan/Forecast							
	(millions)	Begin Environmental	Complete Environmental	Begin Design	Complete Design	Construction Ready	Advertise Construction	Award Contract	Complete Construction
 Orangethorpe Avenue Railroad Grade Separation Project O	\$117.4 \$105.9	Jan-01 Jan-01	Sep-09 Sep-09	Feb-09 Feb-09	Dec-11 Oct-11	Dec-11 Apr-12	Feb-12 Sep-12	May-12 Jan-13	Sep-16 Oct-16
 Tustin Avenue/Rose Drive Railroad Grade Separation Project O	\$103.0 \$96.6	Jan-01 Jan-01	Sep-09 Sep-09	Feb-09 Feb-09	Dec-11 Jul-11	Mar-12 Jun-12	May-12 Oct-12	Aug-12 Feb-13	May-16 Oct-16
 Lakeview Avenue Railroad Grade Separation Project O	\$70.2 \$110.7	Jan-01 Jan-01	Sep-09 Sep-09	Feb-09 Feb-09	Oct-11 Jan-13	Oct-12 Apr-13	Feb-13 Sep-13	May-13 Nov-13	Mar-17 Jun-17
 17th Street Railroad Grade Separation Project R	TBD TBD	Oct-14 Oct-14	Jun-16 Nov-17	TBD TBD	TBD TBD	TBD TBD	TBD TBD	TBD TBD	TBD TBD
Transit Projects:									
 Rail-Highway Grade Crossing Safety Enhancement Project R	\$94.4 \$90.4	Jan-08 Jan-08	Oct-08 Oct-08	Jan-08 Jan-08	Sep-08 Sep-08	Sep-08 Sep-08	Sep-08 Sep-08	Aug-09 Aug-09	Dec-11 Dec-11
 San Clemente Beach Trail Safety Enhancements Project R	\$6.0 \$5.0	Sep-10 Sep-10	Jul-11 Jul-11	Feb-12 Feb-12	Apr-12 Jun-12	Apr-12 Jun-12	Jul-12 Oct-12	Oct-12 May-13	Jan-14 Mar-14
 Emergency Track Stabilization at Mile Post 206.8 Project R Cost/Schedule	N/A \$14.9	N/A N/A	N/A N/A	N/A N/A	N/A N/A	N/A N/A	N/A Sep-22	N/A Oct-22	N/A Aug-23
San Juan Capistrano Passing Siding	\$25.3 \$33.2	Aug-11 Aug-11	Jan-13 Mar-14	Mar-15 Mar-15	May-16 Aug-18	May-16 Aug-18	Aug-16 Aug-18	Dec-16 Mar-19	Feb-21 Nov-20
 OC Streetcar Project S Cost/Schedule Risk	\$595.8 \$595.8	Aug-09 Aug-09	Mar-12 Mar-15	Feb-16 Feb-16	Sep-17 Nov-17	Oct-17 Dec-17	Dec-17 Dec-17	Aug-18 Sep-18	Aug-25 Aug-25
Transit Security and Operation Center (TSOC) Cost/Schedule Risk	N/A \$77.8	Jun-17 Jun-17	Jun-20 Jun-20	Jun-20 Jun-20	Oct-23 Nov-23	Nov-23 Nov-23	Jan-24 Jan-24	Sep-24 Sep-24	Sep-26 Sep-26
 Placentia Metrolink Station and Parking Structure Project R Cost/Schedule Risk	\$34.8 \$40.1	Jan-03 Jan-03	May-07 May-07	Oct-08 Oct-08	Jan-11 Feb-11	TBD TBD	TBD TBD	TBD TBD	TBD TBD
 Orange County Maintenance Facility - ON HOLD Project R	TBD TBD	Apr-20 Apr-20	Apr-22 Jan-24	TBD TBD	TBD TBD	TBD TBD	TBD TBD	TBD TBD	TBD TBD
 Irvine Station Improvements - ON HOLD Project R	TBD TBD	Jan-22 Jan-22	TBD TBD	TBD TBD	TBD TBD	TBD TBD	TBD TBD	TBD TBD	TBD TBD
Anaheim Canyon Station	\$27.9 \$34.2	Jan-16 Jan-16	Dec-16 Jun-17	Mar-19 Mar-18	May-19 Oct-20	May-19 Oct-20	Jul-19 Oct-20	Nov-19 Mar-21	Jan-23 Jan-23

Capital Action Plan

Status Through September 2023

Updated: October 13, 2023

Capital Projects	Cost	Schedule							
	Baseline/Forecast	Plan/Forecast							
	(millions)	Begin Environmental	Complete Environmental	Begin Design	Complete Design	Construction Ready	Advertise Construction	Award Contract	Complete Construction
Orange Station Parking Expansion	\$33.2	Dec-09	Dec-12	Nov-10	Apr-13	Jul-16	Jul-16	Nov-16	Feb-19
	\$30.9	Dec-09	May-16	Nov-10	Apr-16	Jul-16	Jul-16	Jun-17	Feb-19
Fullerton Transportation Center - Elevator Upgrades	\$3.5	N/A	N/A	Jan-12	Dec-13	Dec-13	Jun-14	Sep-14	Mar-17
	\$4.2	N/A	N/A	Jan-12	Dec-13	Dec-13	Aug-14	Apr-15	May-19
Laguna Niguel/Mission Viejo Station ADA Ramps	\$3.5	Jul-13	Jan-14	Jul-13	Aug-14	Aug-14	Sep-14	Jan-15	Apr-17
	\$5.2	Jul-13	Feb-14	Jul-13	Jul-15	Jul-15	Jul-15	Oct-15	Sep-17
Anaheim Regional Transportation Intermodal Center	\$227.4	Apr-09	Feb-11	Jun-09	Feb-12	Feb-12	May-12	Jul-12	Nov-14
Project R & T	\$232.2	Apr-09	Feb-12	Jun-09	May-12	May-12	May-12	Sep-12	Dec-14

Note: Costs associated with landscape projects are included in respective freeway projects.

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

Begin Environmental: The date work on the environmental clearance, project report, or preliminary engineering phase begins.

Complete Environmental: The date environmental clearance and project approval is achieved.

Begin Design: The date final design work begins, or the date when a design-build contract begins.

Complete Design: The date final design work is 100 percent complete and approved.

Construction Ready: The date contract bid documents are ready for advertisement, including certification of right-of-way, all agreements executed, contract constraints are cleared.

Advertise for Construction: The date a construction contract is both funded and advertised for bids.

Award Contract: The date the construction contract is awarded.

Construction Complete: The date all construction work is completed and the project is open to public use.

Acronyms

I-5 - Santa Ana Freeway (Interstate 5)

SR-73 - San Joaquin Freeway (State Route 73)

SR-55 - Costa Mesa Freeway (State Route 55)

SR-57 - Orange Freeway (State Route 57)

SR-91 - Riverside Freeway (State Route 91)

SR-71 - Corona Expressway (State Route 71)

SR-22 - Garden Grove Freeway (State Route 22)

I-405 - San Diego Freeway (Interstate 405)

SR-241 - Foothill/Eastern Transportation Corridor (State Route 241)

I-605 - San Gabriel River Freeway (Interstate 605)

ADA - Americans with Disabilities Act

HOV - high-occupancy vehicle

Capital Programs Division

Fiscal Year 2023-24 Performance Metrics Through September 2023

Begin Environmental

Project Description	FY 24 Qtr 1		FY 24 Qtr 2		FY 24 Qtr 3		FY 24 Qtr 4		FY 24 Fcst
	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst	Actual	
No "Begin Environmental" milestones scheduled for FY 2023-24									
Total Forecast/Actual	0	0	0	0	0	0	0	0	0

Complete Environmental

Project Description	FY 24 Qtr 1		FY 24 Qtr 2		FY 24 Qtr 3		FY 24 Qtr 4		FY 24 Fcst
	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst	Actual	
Orange County Maintenance Facility					X				
Total Forecast/Actual	0	0	0	0	1	0	0	0	1

Begin Design

Project Description	FY 24 Qtr 1		FY 24 Qtr 2		FY 24 Qtr 3		FY 24 Qtr 4		FY 24 Fcst
	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst	Actual	
No "Begin Design" milestones scheduled for FY 2023-24									
Total Forecast/Actual	0	0	0	0	0	0	0	0	0

Complete Design

Project Description	FY 24 Qtr 1		FY 24 Qtr 2		FY 24 Qtr 3		FY 24 Qtr 4		FY 24 Fcst
	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst	Actual	
91 Express lanes to SR-241 Toll Connector	X								
Total Forecast/Actual	1	0	0	0	0	0	0	0	1

Construction Ready

Project Description	FY 24 Qtr 1		FY 24 Qtr 2		FY 24 Qtr 3		FY 24 Qtr 4		FY 24 Fcst
	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst	Actual	
91 Express lanes to SR-241 Toll Connector			X						
SR-91, SR-55 to Lakeview Avenue (Segment 1)					X				
I-605, I-605/Katella Avenue Interchange							X		
Total Forecast/Actual	0	0	1	0	1	0	1	0	3

Advertise Construction

Project Description	FY 24 Qtr 1		FY 24 Qtr 2		FY 24 Qtr 3		FY 24 Qtr 4		FY 24 Fcst
	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst	Actual	
91 Express lanes to SR-241 Toll Connector			X						
SR-91, SR-55 to Lakeview Avenue (Segment 1)							X		
Total Forecast/Actual	0	0	1	0	0	0	1	0	2

Capital Programs Division

Fiscal Year 2023-24 Performance Metrics Through September 2023

Award Contract

Project Description	FY 24 Qtr 1		FY 24 Qtr 2		FY 24 Qtr 3		FY 24 Qtr 4		FY 24 Fcst
	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst	Actual	
91 Express lanes to SR-241 Toll Connector							X		
Total Forecast/Actual	0	0	0	0	0	0	1	0	1

Complete Construction

Project Description	FY 24 Qtr 1		FY 24 Qtr 2		FY 24 Qtr 3		FY 24 Qtr 4		FY 24 Fcst
	Fcst	Actual	Fcst	Actual	Fcst	Actual	Fcst	Actual	
Emergency Track Stabilization at Mile Post 206.8	X	✔							
I-405, SR-55 to I-605 (Design-Build)					X				
Total Forecast/Actual	1	1	0	0	1	0	0	0	2

Totals	2	1	2	0	3	0	3	0	10
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Begin Environmental: The date work on the environmental clearance, project report, or preliminary engineering phase begins.

Complete Environmental: The date environmental clearance and project approval is achieved.

Begin Design: The date final design work begins or the date when a design-build contract begins.

Complete Design: The date final design work is 100 percent complete and approved.

Construction Ready: The date contract bid documents are ready for advertisement, right-of-way certified, all agreements executed, and contract constraints are cleared.

Advertise for Construction: The date a construction contract is both funded and advertised for bids.

Award Contract: The date the construction contract is awarded.

Construction Complete: The date all construction work is completed and the project is open to public use.

Acronyms

FY - fiscal year

SR-55 - Costa Mesa Freeway (State Route 55)

SR-91 - Riverside Freeway (State Route 91)

I-605 - San Gabriel River Freeway (Interstate 605)

I-405 - San Diego Freeway (Interstate 405)

SR-241 - Foothill/Eastern Transportation Corridor (State Route 241)

X = milestone forecast in quarter

✔ = milestone accomplished in quarter



November 6, 2023

To: Executive Committee
From: Darrell E. Johnson, Chief Executive Officer
Subject: Measure M2 2023 Update: Next 10 Delivery Plan

Overview

The Measure M2 Next 10 Delivery Plan aims to strategically deliver Measure M2 freeway, roadway, transit, and environmental projects. A comprehensive review of the M2 Next 10 Delivery Plan was recently conducted to incorporate updates to the Measure M2 sales tax revenue forecast, external funding assumptions, and project information. As a result of this review, staff has prepared the 2023 update of the Measure M2 Next 10 Delivery Plan. The 2023 update verifies the realization of Measure M2 near-term commitments through fiscal year 2032, maintains fiscal sustainability, and strives to deliver transportation benefits expeditiously to the benefit of the Orange County community. The draft update is presented to the Board of Directors for review and approval.

Recommendations

- A. Adopt the 2023 Measure M2 Next 10 Delivery Plan.
- B. Direct staff to continue to work with Metrolink to develop a financially sustainable service plan.
- C. Direct staff to continue to monitor revenue and project cost shifts that could affect the delivery plan and return to the Board of Directors with changes if necessary.

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 a period of 30 years through 2041. The M2 Plan defines the general scope of the programs and projects that are to be delivered within four primary categories: freeways, streets and roads, transit, and environmental programs. The M2 Plan summary page is included as Attachment A.

The Orange County Transportation Authority (OCTA) is committed to delivering the programs and projects in the M2 Plan, fulfilling the promises made to voters. Fulfilling this commitment began with the development of delivery plans to expedite the implementation of M2 projects and programs. The delivery plans validate OCTA's ability to deliver the M2 Plan consistent with commitments to voters, outline a near-term work plan to promote effectiveness and efficiency, establish a common understanding among M2 stakeholders, set a baseline upon which future changes are measured, and provide the basis for the preparation of OCTA's budgets and financial plans for capital projects. To date, the Board of Directors (Board) has adopted three types of delivery plans:

- The 2007 Early Action Plan to mobilize the M2 Plan;
- The 2012 M2020 Plan to outline a delivery plan through 2020;
- The 2016 Next 10 Delivery Plan (Next 10 Plan), which replaced the M2020 plan and addressed economic changes and impacts to M2 Plan delivery.

Since 2016, the Next 10 Plan has been regularly updated. The latest update of the Next 10 Plan was presented to the Board in November 2022 and spanned fiscal year (FY) 2022-23 to FY 2031-32. The draft 2023 update of the Next 10 Plan maintains the same time frame. The Next 10 Plan is intended to be a living document with delivery time frames that shift every two years to ensure the outlook on revenues, project costs, and delivery schedules remain current and provides a path forward.

OCTA receives annual updates to the M2 sales tax revenue forecasts; the most recent update was presented to the Board on October 9, 2023. Sales tax collections for FY 2022-23 grew by 3.35 percent to \$439 million, which is the highest annual sales tax collection for M2. Despite this, the 2023 M2 sales tax revenue forecast is estimated to be \$14.8 billion, which represents a 1.3 percent decrease from what was assumed in the 2022 Next 10 Plan. In the long term, the revenue forecasts assume an annual average growth rate of approximately 3.3 percent. While a reduction in sales tax revenues affects the M2 Program as a whole, in most areas of the M2 Plan, programs can be scaled to available revenues.

OCTA also monitors construction market conditions key indicators to provide insight on potential construction cost drivers that could affect projects delivered within the Next 10 Plan timeframe. On October 9, 2023, the fall market conditions analysis and forecast which was presented to the Board, indicated a potential for a return to a normal inflationary environment due to a gradual decline of inflation in the near term.

Discussion

The 2023 Next 10 Plan, as well as prior delivery plans, were developed based on three fundamental principles: fulfill the commitment to voters, ensure fiscal sustainability, and implement projects and programs effectively and expeditiously. First, the annual review of the Next 10 Plan tests and validates whether the complete M2 Plan can be delivered consistent with the commitments to voters. Second, financial analysis of the latest revenue forecast and project information ensures that the rate of expenditures is financially sustainable and that M2 can withstand economic fluctuations over the life of M2 through 2041. Third, the Next 10 Plan aims to implement projects and programs effectively and expeditiously so the public can realize the benefits of M2 as early as possible.

The 2023 update of the Next 10 Plan, included as Attachment B, incorporates the \$14.8 billion 2023 M2 sales tax revenue forecast, programmed external revenues, and refined project information. Through this effort, OCTA can confirm that the M2 Plan remains deliverable; however, this update continues to emphasize that Metrolink operations require close monitoring. Additional details on Metrolink are included under the transit section of this report. The 2023 update also continues progress on near-term projects and prepares additional projects for delivery while optimizing the level of debt financing, which assumes no additional bond issuances through 2041. An M2 cash flow summary chart reflecting prudent annual ending balances through 2041 is included as Attachment C.

Sales tax revenues and market pressures will continue to fluctuate due to unpredictable changes in the economy. OCTA will also need to monitor and manage regulatory risks. However, these uncertainties do not alter the M2 commitments. Some of the strategies that OCTA will continue to employ to uphold voter-commitments include using innovative project delivery methods, managing the scope and cost of remaining freeway projects in conjunction with the California Department of Transportation, working proactively with stakeholders and communities, continuing to closely monitor market conditions, and pursuing external grants to supplement M2 funds.

The 2023 Next 10 Plan outlines an investment of approximately \$5.6 billion to improve the local transportation system from FY 2022-23 through FY 2031-32 (Attachment C); the planned deliverables along with progress to date are included as Attachment D. The following sections provide a brief overview of what is included in the 2023 Next 10 Plan.

Freeway Program

The M2 Freeway Program consists of 13 projects listed in the M2 Plan, which have been subdivided into 30 project segments for delivery purposes. The included projects have defined project scopes and cannot be scaled to available revenue. As of June 2023, 13 project segments have been completed, five are in construction, and eight are initiating design/readying for construction. The remaining four project segments are currently in various stages of project development. With this progress, OCTA remains on track to complete 27 of the 30 freeway projects, effectively 90 percent of the M2 Freeway Program by 2030, ten years in advance of the M2 Plan horizon. This outcome fulfills the goal of delivering project benefits early, despite extraordinary financial and regulatory challenges.

Included in the M2 Freeway Program is the Environmental Mitigation Program. OCTA has purchased seven properties and is addressing the balance of the freeway program mitigation needs through restoration projects on 12 publicly owned properties. The 2023 Next 10 Plan accounts for the recurring costs for the management and support of the program, as well as an annual deposit of approximately \$2.9 million to fund a non-wasting endowment to maintain the purchased properties. While the performance of the endowment fund may affect the timeframe for full funding, current projections indicate that OCTA remains on track to meet the endowment target of \$46.2 million in FY 2027-28. Regular reports on the status of the endowment are provided to the Board as a standalone item.

Streets and Roads Program

The M2 streets and roads elements are programmatic and scale to available revenues. The M2 Streets and Roads Program includes three programs: Regional Capacity Program (RCP {Project O}), Regional Traffic Signal Synchronization Program (RTSSP {Project P}), and the Local Fair Share Program (Project Q). The RCP makes funding available on an annual basis to address roadway bottlenecks and close gaps in the regional roadway network. The RTSSP provides ongoing funding support to ensure a network of 2,000 intersections across the County remain coordinated to minimize stop-and-go traffic. Lastly, the Local Fair Share Program will continue to provide flexible funding to local jurisdictions to improve and maintain streets or for other local transportation priorities including bicycle trails, sidewalks, or community transit services. The assumptions for the funding of the three programs remain on a pay-as-you-go basis. The 2023 Next 10 Plan assumes annual calls for projects (call) for Project O and Project P, as well as provide a reliable, flexible funding source for local jurisdictions for transportation improvements through 2041.

Transit Program

The M2 Transit Program includes funding for Metrolink operations, station and infrastructure improvements (Project R), implementation of the OC Streetcar (Project S), expanded mobility for seniors and persons with disabilities (Project U), funding for community-based transit circulators (Project V), and enhanced passenger amenities for Orange County's busiest transit stops (Project W).

Close monitoring of Metrolink operations is necessary to ensure sustainability through 2041. Metrolink ridership recovery continues to struggle, which impacts farebox revenues and cost recovery. To exacerbate this shortfall, operating costs have also increased. Metrolink has maintained approximately 85 percent of pre-pandemic service levels in order to manage costs while also working on campaigns to attract more riders and studies to enhance crew and equipment efficiency. Without changes in service levels, ridership growth, and operations and rehabilitation costs, the current service cannot be sustained beyond FY 2031-32. Staff has identified and is proposing to program Transit and Intercity Rail Capital Program formula funds to help sustain Metrolink service. If this is approved in the coming months, the infusion of external funds is anticipated to extend Metrolink operations through FY 2037-38. OCTA will continue to actively engage with Metrolink and the other member agencies to monitor ridership levels and the financial impacts to M2.

Railroad track stabilization efforts in south Orange County have become a major focus area given its importance to continued operation of Metrolink in Orange County. To date, OCTA has invested \$12 million of M2 funds along with \$16 million of state and federal funds to ensure the safety of the railroad track. While emergency work has been completed and service has resumed, long-term solutions need to be developed to ensure the ability to provide rail service in this portion of the County. In partnership with key stakeholders, a planning study is currently underway to identify and evaluate short- and medium-term solutions with the goal of protecting the rail line in place. A separate study will follow to evaluate potential long-term solutions which may include relocation of the rail line. The lead agency for the long-term study has not been identified. As these studies progress, future updates to the Next 10 Plan will incorporate more current information.

Project S, transit extensions to Metrolink, funds the capital and long-term operating cost of the OC Streetcar, which is slated to be operational in 2024/early 2025. In addition, the amount of funding through 2041 for any additional extensions to Metrolink has been updated and is estimated to be approximately \$704 million in the current plan.

Project U is made up of three programs: Senior Mobility Program, Senior Non-Emergency Medical Transportation Program, and Fare Stabilization Program. While all three programs adjust to available revenue, the Fare Stabilization Program requires a minimum level of funding, which presented a challenge when sales tax revenues significantly decreased. OCTA proactively addressed this challenge with an early amendment to M2 Ordinance No. 3 to provide additional funding by transferring the savings from completed transit projects to this program. The 2023 Next 10 Plan projects adequate and stable funding for all three Project U programs through 2041.

Both Project V and Project W are funded on a pay-as-you-go basis. OCTA continues to communicate with local cities to support successful Project V services and evaluate opportunities for future service additions. The next Project V call for project is anticipated for issuance in late 2023. Through Project W, OCTA will continue to have the capacity to invest in amenities at the County's busiest transit stops.

Environmental Cleanup Program

The Environmental Cleanup Program (ECP) also adjusts to available revenues and is funded on a pay-as-you-go basis. ECP projects prevent the flow of trash and debris into waterways. The 2023 Next 10 Plan assumes continued commitment to annual water quality spot-improvement grants. Funding for larger scale, system-level improvements are assumed to occur in 2024, with future grant opportunities based on project success, local jurisdiction interest, and detailed cash flow analysis.

Key Risks and Actions to Protect M2 Delivery

Delivering a major program such as M2 is not without challenges. OCTA remains cognizant and continues to monitor delivery risks. A table of risks is included on pages six through eight in Attachment B, with the two key risks highlighted below.

- Financial – The 2023 sales tax revenue forecast of \$14.8 billion represents a slight decrease. While this may not affect the M2 programs that can scale to available revenue, programs that cannot do so easily, such as Metrolink, may be impacted. Additionally, 18 years of M2 delivery remain; fluctuations in economic conditions may affect future sales tax revenue forecasts.

Current external funding commitments are assumed in the M2 cash flow for the 2023 Next 10 Plan, but prospects of future revenues for highway projects are uncertain. State transportation policies continue to shift towards projects that reduce automobile travel, which could affect access to currently programmed, as well as future, state funding opportunities for

the M2 Freeway Program. These policies are more suited for the advancement of transit projects where OCTA has more flexibility in defining the scale of project scopes. However, external funding opportunities for transit capital projects are contingent on developing plans to sustain the ongoing operational cost of such services as the grants primarily fund the initial capital costs. Future updates of the Next 10 Plan may include outcome of transit project development activities.

- **Regulatory** – Current state planning and project approval policies place great emphasis on reducing travel by automobile and encourage project alternatives that promote short trips where possible, such as travel by transit, bicycling or walking, and use of zero-emission vehicles. These requirements will affect the project environmental review process. The majority of M2 freeway projects, where this risk could manifest itself, have obtained the necessary approvals, but if the approvals require a review or revision, these new requirements could impact delivery. This risk is compounded by the fact that the current rules do not permit OCTA to take credit for M2-funded services such as regional rail service or community-based transit circulators.
- **Climate** – Over the past several years, coastal storm surges, combined with several other environmental factors, have damaged the Los Angeles – San Diego - San Luis Obispo rail corridor. These events have required increased maintenance and emergency repairs to stabilize the rail infrastructure. The emergency repairs have also led to intermittent service loss and delays. Although the affected portion of the railroad tracks in the City of San Clemente is located in Orange County, this rail corridor is vital for State-supported intercity rail (Pacific Surfliner), freight connection to the Port of San Diego, and plays a strategic role in the operations of Camp Pendleton. The long-term solution will require collaboration from key stakeholders to develop and implement. OCTA will be an active participant in the process; future implications to M2 with respect to service levels or costs are unknown at this time.

Updated revenue assumptions and commitments result in a delivery plan that ensures the M2 promises to voters are upheld. This balanced plan not only allows OCTA to maintain current commitments but will also allow OCTA to weather reasonable changes to cost or revenues in the future while reducing reliance on debt financing.

Summary

Staff has reviewed and updated the Next 10 Plan with the \$14.8 billion sales tax revenue forecast, revised external funding, and refined project information. Strategic financial decisions to date result in a delivery plan that fulfills OCTA's commitment to the voters of Orange County. The 2023 updated Next 10 Plan is presented for Board review and approval.

Attachments

- A. Measure M Investment Summary
- B. 2023 Update, Next 10 Delivery Plan, 2023-2032, Draft
- C. 2023 Updated Next 10 Delivery Plan, Measure M2 Investments
- D. 2023 Updated Next 10 Delivery Plan, Progress on Deliverables

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Measure M Investment Summary

LOCATION		PROJECTS	COSTS 2005 estimates in millions	
Freeway Projects (in millions)				\$4,871.1
I-5	Santa Ana Freeway Interchange Improvements	A	\$470.0	
I-5	Santa Ana/San Diego Freeway Improvements	B C D	1,185.2	
SR-22	Garden Grove Freeway Access Improvements	E	120.0	
SR-55	Costa Mesa Freeway Improvements	F	366.0	
SR-57	Orange Freeway Improvements	G	258.7	
SR-91	Riverside Freeway Improvements	H I J	908.7*	
I-405	San Diego Freeway Improvements	K L	1,392.5*	
I-605	Freeway Access Improvements	M	20.0	
All	Freeway Service Patrol	N	150.0	
Streets & Roads Projects (in millions)				\$3,625.0
	Regional Capacity Program	O	\$1,132.8	
	Regional Traffic Signal Synchronization Program	P	453.1	
	Local Fair Share Program	Q	2,039.1	
Transit Projects (in millions)				\$2,832.0
	High Frequency Metrolink Service	R	\$1,129.8*	
	Transit Extensions to Metrolink	S	1,000.0	
	Metrolink Gateways	T	57.9*	
	Expand Mobility Choices for Seniors and Persons with Disabilities	U	392.8*	
	Community Based Transit/Circulators	V	226.5	
	Safe Transit Stops	W	25.0	
Environmental Cleanup (in millions)				\$237.2
	Clean Up Highway and Street Runoff that Pollutes Beaches	X	\$237.2	
Taxpayer Safeguards and Audits (in millions)				\$296.6
	Collect Sales Taxes (State charges required by law)		\$178.0	
	Oversight and Annual Audits		118.6	
Total (2005 dollars in millions)				\$11,861.9

*Asterisk notes project estimates that have been amended since 2006.



Local Tax Dollars at Work

2023
UPDATE

NEXT 10 DELIVERY PLAN

2023-2032

DRAFT



----- UPDATED NOVEMBER 2023 -----



On November 13, 2023, the Orange County Transportation Authority (OCTA) Board of Directors (Board) will consider adoption of the Draft 2023 Updated Next 10 Delivery Plan (Next 10 Plan). The 2023 Next 10 Plan maintains the time frame of fiscal year (FY) 2022-23 through FY 2031-32 and incorporates refined project information including cost estimates, schedules, and available external funding.

Printed November 2023

**For the latest version of the Next 10 Plan,
including any edits or corrections,
please visit: www.octa.net/Next10**

**For status updates on M2 projects and programs,
including quarterly progress reports,
please visit: www.octa.net/m2**

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2023
UPDATE

NEXT 10

DELIVERY PLAN

Introduction

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2023 UPDATE NEXT 10 DELIVERY PLAN



1.1. Introduction

Voters initially endorsed Measure M (M1) in 1990 with a sunset in 2011. 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. With the approval of M2, the voters agreed to a continued investment of local tax dollars in Orange County's transportation infrastructure for another 30 years to 2041.

Since M2 (also branded externally as OC Go) approval, the OCTA Board has continued to pursue the expeditious implementation of M2 through the adoption of delivery plans. These delivery plans validate OCTA's ability to deliver the entire slate of M2 Plan elements, outline a near-term work plan to promote effectiveness and efficiency, establish a common understanding among M2 stakeholders, set a baseline upon which future changes are measured, and provide the basis for the preparation of OCTA's annual budgets for capital projects. They are developed based on three fundamental principles: to fulfill the commitments as promised to the voters, ensure fiscal sustainability, and implement projects and programs effectively and expeditiously. The goal is to bring transportation improvements to Orange County residents and commuters earlier, and as appropriate, address changes in sales tax revenue projections through strategic financing and augmenting the M2 Program with external revenue.

To date, there have been three delivery plans: Early Action Plan (EAP) adopted in 2007, M2020 Plan adopted in 2012 (intended to go through 2020), and the Next 10 Plan adopted on November 14, 2016. Due to significant changes in sales tax revenue projections, the M2020 Plan was replaced after four years with the Next 10 Plan that covered fiscal year (FY) 2016-17 through FY 2025-26. The Next 10 Plan was last updated in 2022 and spanned FY 2022-23 to FY 2031-32; the 2023 update maintains the same time frame. The intent is for the Next 10 Plan to be a living document with delivery time frames shifted every two years to ensure revenue and project information stay current.

To ensure and reconfirm the ability to deliver M2 through 2041, annual reviews and updates of the Next 10 Plan have taken place incorporating changes in sales tax revenue forecast assumptions, external revenue, and project cost and schedule refinement.

A summary of the adopted Next 10 Plan and annual updates of the base assumptions follow:

- The 2016 adopted Next 10 Plan set M2 project and program priorities based on a revenue forecast of \$14.2 billion through 2041. The Next 10 Plan revenues were augmented by net excess 91 Express Lanes revenue, in an amount not to exceed the project costs for two eligible projects on State Route 91 (SR-91) – Project I between State Route 57 (SR-57) and State Route 55 (SR-55) and Project J between State Route 241 (SR-241) and the Riverside County Line. Net excess 91 Express Lanes revenue is designated for improvements on the SR-91 corridor.
- The 2017 update incorporated a revised \$13.5 billion revenue forecast and required bonding adjustments and inclusion of the full amount of eligible excess 91 Express Lanes revenue. The update also designated Project I as one of the priority projects for advancement through construction.
- The 2018 update incorporated a revised \$13.1 billion revenue forecast offset by an early \$300 million increase in captured external revenue. The update also responded to construction market concerns of potential project cost increases in the freeway program by incorporating a program level line item for economic uncertainty to ensure OCTA could weather fluctuations in M2 revenue receipts. The 2018 update anticipated up to four bond issuances during the Next 10 Plan period to accommodate market changes if necessary.
- The 2019 update incorporated a revised \$13.4 billion revenue forecast, which was the first increase in the M2 forecast since 2014. The increase was driven by the growing economy and the implementation of the Wayfair decision in California. The Wayfair related legislation enabled the collection of sales tax for out-of-state transactions. As a result of the decision, increased sales tax receipts were incorporated in the short-term forecast provided by MuniServices, LLC, which increased the overall long-term forecast.
- The 2020 update incorporated a revised \$11.6 billion revenue forecast, the lowest since M2 inception. The substantial decrease was driven by uncertainties regarding the economic impacts of the coronavirus (COVID-19) pandemic. The update also shifted the time frame from FY 2016-17 through FY 2025-26 to FY 2020-21 through FY 2029-30 for more strategic, forward-thinking planning and adjusted commitments as appropriate. To maintain progress on near-term projects and ready additional projects for delivery per Board direction, one bond issuance was anticipated.
- The 2021 update incorporated a revised \$13.2 billion revenue forecast. While the COVID-19 pandemic negatively impacted sales tax revenues through the first half of FY 2020-21, the second half of the FY showed tremendous growth as the Orange County economy began emerging from the pandemic. Sales tax collections for FY 2021-22 grew by 8.6 percent to \$345 million. As a result of higher sales tax

collections, the 2021 update reduced the amount of the one bond issuance anticipated.

- The 2022 update incorporated a revised \$15 billion revenue forecast. Orange County's economy continued to strongly emerge from the COVID-19 pandemic. Sales tax collections for FY 2021-22 grew by 23 percent to \$424 million, which is the highest annual sales tax collection for M2. As a result of the higher sales tax collections, the 2022 update eliminated the one bond issuance with no additional bonding anticipated through 2041.

1.2. 2023 Review

The 2023 M2 sales tax revenue forecast of \$14.8 billion was presented to the Board on October 9, 2023. This represents a -1.3 percent, or a \$200 million decrease from what was assumed in the 2022 Next 10 Plan. Sales tax collections for FY 2022-23 grew by 3.35 percent to \$439 million, which is the highest annual sales tax collection for M2. Future year annual growth rates are forecasted to average approximately 3.3 percent. While a reduction in sales tax revenues affects the M2 Program as a whole, in most areas of the M2 Plan, programs can be scaled to available revenues.

Staff has reviewed and updated the cash flow for the complete M2 Plan of projects and programs. The 2023 update incorporates the latest M2 sales tax revenue forecast, current programmed external revenues, revised bonding assumptions, and refined project information. Through this process, staff confirms that the M2 Program remains deliverable; however, this update continues to emphasize that Metrolink operations require close monitoring.

1.3. Next 10 Plan Delivery Risks

Delivering a major program such as M2 is not without challenges. OCTA remains cognizant and continues to monitor delivery risks. Three key risks are highlighted below.

Financial – The 2023 sales tax revenue forecast of \$14.8 billion represents a slight decrease. While this may not affect the M2 programs that can scale to available revenue, programs that cannot do so easily such as Metrolink may be impacted. Additionally, 18 years of M2 delivery remain; fluctuations in economic conditions may affect future sales tax revenue forecasts.

Current external funding commitments are assumed in the M2 cash flow for the 2023 Next 10 Plan, but prospects of future revenues for highway projects are uncertain. State transportation policies continue to shift towards projects that reduce automobile travel, which could affect access to currently programmed as well as future state funding opportunities for the M2 Freeway Program.

Regulatory – Current state planning and project approval policies place great emphasis on reducing travel by automobile and encourage project alternatives that promote short trips where possible, travel by transit, bicycling or walking, and use of zero-emission vehicles. These requirements will affect the project environmental review process. The majority of M2 freeway projects, where this risk would manifest itself, have obtained the necessary approvals, but if the approvals require a review or revision, these new requirements could impact delivery.

Climate – Over the past several years, coastal storm surges, combined with several other environmental factors, have damaged the Los Angeles – San Diego - San Luis Obispo rail corridor. These events required increased maintenance and emergency repairs to stabilize the rail infrastructure. The emergency repairs have also led to intermittent service loss and delays. Although the affected portion of the railroad tracks in the City of San Clemente is located in Orange County, this rail corridor is vital for State-supported intercity rail (Pacific Surfliner), freight connection to the Port of San Diego, and plays a strategic role in the operations of Camp Pendleton. The long-term solution will require collaboration from key stakeholders to develop and implement. OCTA will be an active participant in the process; future implications to M2 with respect to service levels or costs are unknown at this time.

A summary of risks, explanations, and suggested management actions are included in Exhibit 1.3. These are tracked, updated, and included in the M2 Quarterly Progress Reports presented to the Board throughout the year.

Exhibit 1.3: Summary of Delivery Risks

Risk		Explanation	Action
	Moderate		One to Watch
Financial			
1	Sales tax revenues are driven by economic conditions. The 2023 M2 revenue forecast is \$14.8 billion, which represents a \$200 million (-1.3 percent) year-over-year decrease from the 2022 forecast.	While the 2023 M2 sales tax revenue forecast is slightly lower, in most areas of the M2 Plan, programs can be scaled to available revenues. Additionally, 18 years of M2 delivery remain and fluctuations in economic conditions may affect future revenue projections.	Staff will continue to monitor sales tax revenue receipts to ensure delivery of M2 as promised to voters.
2	Reduced external funding opportunities for the M2 freeway program.	State and federal priorities continue to shift and favor projects that reduce automobile travel, which could affect access to currently programmed as well as future external funding opportunities for the M2 freeway projects.	Current external funding commitments are assumed in the M2 cash flow for the 2023 Next 10 Plan, but prospects of future revenues for freeway projects are low.

Risk		Explanation	Action
3	Potential for an environment of increasing cost for M2 capital projects.	The fall 2023 update of the Next 10 Plan Market Conditions Forecast and Risk Analysis anticipates a tempering of inflationary pressures in 2024, 2025, and 2026. This is due to a decline of building permits, a slight increase in California unemployment rates, and moderating construction wages. Additionally, a majority of construction material costs declined.	The Next 10 Plan Market Conditions Forecast and Risk Analysis report is updated biannually and provides a three-year look ahead. OCTA will continue to monitor bid results and market conditions affecting project costs.
4	Schedule and scope changes on capital projects that impact delivery and project costs.	Changes as a result of updated highway standards, new regulatory requirements, or issues identified in the field may impact scope, schedule, and costs substantially.	OCTA will work closely with project partners and project contractors to limit changes in scope and schedules.
5	Increase Southern California Regional Rail Authority (Metrolink) train service as an alternative to driving within the limits of available revenue.	COVID-19 altered travel behavior, which has affected ridership and farebox revenues. The cost of Metrolink service continues to grow as contracted rates increase, the system ages, track-sharing arrangements with BNSF Railway Company (BNSF) are revised, and new air quality requirements are implemented.	External funding (one-time federal funds through the Coronavirus Aid, Relief and Economic Security Act, Coronavirus Response and Relief Supplemental Appropriations Act, and Infrastructure Investment and Jobs Act) has helped alleviate some near-term financial concerns, but increasing operational costs and slow ridership recovery affect long-term sustainability. OCTA will continue to work closely with Metrolink and member agencies to ensure cost increases are minimized, while continuing to seek external revenue.
Resource			
6	Substantial work underway in the region has resulted in significant demand for professional and skilled labor which may impact delivery given the volume of the M2 capital program.	The fall 2023 update of the Next 10 Plan Market Conditions Forecast and Risk Analysis reflects a slight increase in unemployment rates. This may temper costs and reduce delivery risk.	OCTA will monitor resources for professional and skilled labor needed for project delivery. Expert and timely coordination between OCTA and project partners is imperative to manage this risk.

Risk	Explanation	Action
7 New operational responsibilities with the OC Streetcar.	With the implementation of the OC Streetcar service, OCTA will be increasing its overall role in operations.	To ensure the success of the OC Streetcar, OCTA hired a streetcar operations manager with proven start-up experience to oversee start-up and daily operations. A contractor with extensive experience in operations of rail systems was selected to handle the startup and revenue operation phases.
Climate		
8 Climate-related hazards could affect M2 investments.	OCTA has experienced hazards affecting M2 investments. The 2022 Coastal Fire impacted the M2 Environmental Mitigation Program (EMP) Pacific Horizon Preserve. Additionally, tidal events, ocean currents and waves, storm surges, and slope movement affect OCTA's railroad track in San Clemente.	OCTA has developed Fire Management Plans (FMP) for the seven properties purchased as part of the M2 Freeway EMP. Additionally, the Board adopted resolutions to authorize OCTA to take all necessary actions to address the emergency need for railroad track stabilization and protection.
Regulatory		
9 Changing federal and state directives could affect M2 freeway project approvals.	Current state planning and project approval policies place great emphasis on reducing travel by automobile and encourage project alternatives that promote short trips where possible, travel by transit, bicycling or walking, and use of zero-emission vehicles. These requirements will affect the project environmental review process.	The majority of M2 freeway projects, where this risk would manifest itself, have obtained the necessary approvals. If the approvals require a review or revision, these new requirements could impact delivery.

1.4. Guiding Principles

During the development of the EAP, guiding principles were established that set direction for staff on establishing priorities for freeway project delivery. These guiding principles continue to instruct us and were used to identify projects to recommend moving from the environmentally cleared/shelf-ready list to advancement through construction.

- Project Readiness
- Congestion Relief and Demand
- External Funding Availability
- Public Opinion and Support
- Project Sequencing and Connectivity
- Project Duration

1.5. Updated Next 10 Plan Deliverables

Significant M2 progress and accomplishments have been made since 2007. The 2023 update of the Next 10 Plan confirms that M2 can be delivered consistent with the commitment to voters, however, Metrolink operations require close monitoring. To outline a near-term work plan to promote effectiveness and efficiency, ten deliverables on program and project delivery have been defined during the ten-year period from FY 2022-23 through FY 2031-32, equating to approximately \$5.6 billion invested to improve the local transportation system.

Freeways

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

Status: The M2 Freeway Program is currently made up of 30 projects/project segments of which 13 have been completed to date. Deliverable 1 includes 13 projects to be delivered through construction; Exhibit 1.5.1 reflects the projects along with latest phase, schedule and cost information. For more details, see updates in Section 2.1.

Exhibit 1.5.1. Phase, Schedule, and Cost of Deliverable 1 Projects

In Construction		Construction Complete	Cost*
1. Project C, D	Interstate 5 (I-5) between State Route 73 (SR-73) and Oso Parkway/Avery Parkway Interchange	2024	\$229.4
2. Project C, D	I-5 between Oso Parkway and Alicia Parkway/La Paz Road Interchange	2024	\$227.0
3. Project C	I-5 between Alicia Parkway and El Toro Road	2024	\$203.5
Project C, D	I-5 between SR-73 and El Toro Road Landscaping	2027	\$12.4
4. Project F	SR-55 between Interstate 405 (I-405) and I-5	2027	\$505.7
5. Project K	I-405 between SR-73 and Interstate 605 (I-605)	2024	\$1,620.0
		Subtotal	\$2,798.0
In Design		Construction Complete	Cost*
6. Project B	I-5 between I-405 and Yale Avenue	2029	\$230.5
7. Project B	I-5 between Yale Avenue and SR-55	2029	\$200.4
8. Project F	SR-55 between I-5 and SR-91	2029	\$131.3
9. Project G	SR-57 Northbound from Orangewood Avenue to Katella Avenue	2028	\$71.8
10. Project I	SR-91 between SR-55 and Lakeview Avenue	2028	\$126.3
11. Project I	SR-91 between La Palma Avenue and SR-55	2030	\$208.4

In Design		Construction Complete	Cost*
12. Project I	SR-91 between Acacia Street and La Palma Avenue	2029	\$116.2
13. Project M	I-605 Katella Avenue Interchange	2026	\$29.0
		Subtotal	\$1,113.9
		Deliverable 1 Total	\$3,911.9

*Cost in millions

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

Status: The four remaining projects (of the 30 total) are environmentally cleared or on track to be cleared by 2032, making them shelf-ready for future advancement; Exhibit 1.5.2 reflects the projects along with environmental clearance schedule and estimated cost. The 2023 update captures additional phases for two projects. Exhibit 2.1.3 reflects project schedules including these additional phases.

- OCTA is proposing to include the final design phase of the SR-57 Northbound from Lambert Road to Orange/Los Angeles County Line project in the 2024 State Transportation Improvement Program (STIP). The Board approved the finalization and submittal of the 2024 STIP on October 9, 2023. The California Transportation Commission (CTC) is anticipated to adopt the program in March 2024.
- OCTA is coordinating with the Riverside County Transportation Commission (RCTC) to advance the SR-91 between SR-241 and State Route 71 (SR-71) project through construction within the Next 10 Plan time frame. M2 is only responsible for the Orange County portion of this project.

The completion of the SR-91 between SR-241 and SR-71 project in addition to the 13 projects in Deliverable 1 would bring the total number of completed projects to 27 by 2030, which equates to approximately 90 percent of the M2 Freeway Program. For more details, see program updates in Section 2.1.

Exhibit 1.5.2. Environmental Clearance Schedule and Cost for Deliverable 2 Projects

Remaining Projects		Environmentally Clear Shelf-Ready	Cost*
1. Project D	I-5 El Toro Road Interchange	2026	\$120.5 ¹
2. Project G	SR-57 Northbound from Lambert Road to Orange/Los Angeles County Line	2028	\$218.6 ¹
3. Project J	SR-91 between SR-241 and Orange/Riverside County Line	2025	\$150.0 ^{1,2}

¹ These cost estimates are preliminary and will be updated once the project alternative is selected at the completion of environmental clearance.

² Project schedule and cost assumptions subject to change and are contingent on the outcome of the environmental review process, availability of funding, and coordination with RCTC.

Remaining Projects		Environmentally Clear Shelf-Ready	Cost*
4. Project L	I-405 between I-5 and SR-55	2018	\$269.6
Remaining M2 Freeway Projects Total			\$758.7 ³

*Cost in millions

Streets and Roads

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

Status: As of June 2023, OCTA has awarded approximately \$525 million in competitive funding through the Regional Capacity Program (RCP {Project O}) and Regional Traffic Signal Synchronization Program (RTSSP {Project P}) through annual competitive calls for projects (call). Additionally, \$660.19 million⁴ in Local Fair Share (LFS {Project Q}) funds have been distributed to local jurisdictions. For more details, see program updates in Section 2.2.

Transit

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

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

Close monitoring of Metrolink operations is necessary to ensure sustainability through 2041. The three lines serving Orange County currently operate 45 weekday trains, a 17 percent reduction from the 54 weekday trains operated prior to COVID-19. Metrolink ridership recovery continues to struggle, which impacts farebox revenues and cost recovery. To exacerbate this shortfall, operating costs have also increased. Without changes in service levels, ridership growth, and operations and rehabilitation costs or availability of external funds, the current service cannot be sustained beyond FY 2031-32. Staff has identified and is proposing to program Transit and Intercity Rail Capital Program (TIRCP) formula funds to help sustain Metrolink service. If this is

³ The total will be revised once the three remaining projects (Project D, G, and J) have a selected project alternative and complete environmental clearance.

⁴ Only includes disbursed funds. On May 22, 2023, the Board determined the City of Cypress ineligible to receive net M2 revenues. Disbursements of net M2 revenues have been suspended until the City of Cypress achieves compliance and the Board reconsiders the matter at a future meeting.

approved in the coming months, this infusion of external funds is anticipated to extend Metrolink operations through FY 2037-38. OCTA will continue to actively engage with Metrolink and the other member agencies to monitor ridership levels and the financial impacts to M2.

Railroad track stabilization efforts in south Orange County have become a major focus area given its importance to continued operation of Metrolink in Orange County. To date, OCTA has invested \$12 million of M2 funds along with \$16 million of State and Federal funds to ensure the safety of the railroad track. While emergency work has been completed and service has resumed, long-term solutions need to be developed to ensure the ability to provide rail service in this portion of the County. In partnership with key stakeholders, a planning study is currently underway to identify and evaluate short- and medium-term solutions with the goal of protecting the rail line in place. A separate study will follow to evaluate potential long-term solutions which may include relocation of the rail line. The lead agency for the long-term study has not been identified. The Next 10 Plan is reviewed annually, which will provide OCTA the opportunity to update and adjust assumptions as needed.

A rail station improvement project identified to be completed in the Next 10 Plan time frame is the Anaheim Canyon Metrolink Station Improvements Project. The project began construction in May 2021, and was completed in January 2023. For more details, see program updates in Section 2.3. Additionally, OCTA remains committed to delivering the Placentia Metrolink Station Project and will include project scope, schedule, and budget as they become available in future Next 10 Plan updates.

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

Status: The 4.15-mile OC Streetcar will serve the Santa Ana Regional Transportation Center (SARTC) through Downtown Santa Ana and the Civic Center to Harbor Boulevard in the City of Garden Grove. Activities underway include construction of the tracks, installation of rail and overhead poles, communication with third parties on utility relocation, continued coordination with the Federal Transit Administration (FTA), and continued construction of the maintenance and storage facility (MSF). All eight cars are in the final stages of manufacturing, with Car 1 successfully completing its final walkthrough and pre-shipment inspection for testing at the MSF. Construction is anticipated to be complete to begin revenue operations in late 2024/early 2025. For more details, see project updates in Section 2.3.

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

Status: Project U is comprised of three programs: the Senior Mobility Program (SMP), the Senior Non-Emergency Medical Transportation (SNEMT) Program, and the Fare Stabilization Program. Since inception, approximately \$120.1 million⁵ has been provided to these three programs. The SMP provides funding to participating cities to design and implement transit service that best fits the needs of seniors (60 and above) in their communities. The SNEMT Program provides funding to the County of Orange Office on Aging for senior (60 and above) transportation to and from medical appointments, dentists, therapies, exercise programs, testing, and other health-related trips at a low cost to the rider than would otherwise be available. The Fare Stabilization Program provides stable discounted fares for seniors and persons with disabilities by lowering the cost of riding transit. For more details, see program updates in Section 2.3.

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

Status: Since inception, OCTA has approved 35 projects and ten planning studies totaling approximately \$52 million through four calls. OCTA receives ridership reports from local agencies on a regular basis to monitor the success of awarded services against performance measures adopted by the Board. As of June 2023, 16 projects are active, 13 have been cancelled (primarily due to low ridership), three have yet not initiated service (two projects are continuations of existing Project V grants with remaining funds and one project is anticipated to start in July 2023), and three have been completed. Staff continues to work with local jurisdictions through letters of interest requests, workshops, Comprehensive Transportation Funding Program Guidelines revisions, calls, and cooperative agreement amendments to fine-tune this program and facilitate successful project implementation. For more details, see program updates in Section 2.3.

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

Status: Through three calls, the Board has approved \$3.1 million to improve 122 city-initiated improvement projects at the busiest OCTA transit stops. The program is designed to ease transfers between bus lines and provide passenger amenities such as installation of bus benches or seating, shelters, improved lighting, and other passenger-related amenities. As of June 2023, 56 improvements have been completed, 56 improvements are in various stages of implementation, and ten improvements have been cancelled by the awarded agency. For more details, see program updates in Section 2.3.

⁵ Only includes disbursed funds. On May 22, 2023, the Board determined the City of Cypress ineligible to receive net M2 revenues. Disbursements of net M2 revenues have been suspended until the City of Cypress achieves compliance and the Board reconsiders the matter at a future meeting.

Environmental

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

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

OCTA makes annual endowment deposits of approximately \$2.9 million. As of June 30, 2023, the endowment balance was \$23,688,239. While the performance of the endowment fund will affect the time frame for full funding, current projections indicate that OCTA is on track to meet the target of \$46.2 million in FY 2027-28. For more details, see program updates in Section 2.1.

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

Status: In May 2010, the Board approved a two-tier approach to funding Project X. Tier 1 consists of funding equipment purchases and upgrades to existing catch basins and related best management practices, such as screens and other low-flow diversion devices. Tier 2 consists of funding regional, potentially multi-jurisdictional, and capital-intensive projects. Since inception, the Board has approved \$33.2 million in funding for 212 Tier 1 projects through 13 calls and \$27.9 million for 22 Tier 2 projects through two calls. For more details, see ECP updates in Section 2.4.

1.6. Oversight and Safeguards

The 2023 Next 10 Plan is taking place with the full oversight and regular reporting promised to the voters. Regular progress reports on implementing the Next 10 Plan are included in the M2 Quarterly Progress Reports that are prepared for the Board. These reports are included on the OCTA website to ensure accessibility and transparency of the information. Contact information for the OCTA staff member responsible for each program or project is also included.

Additionally, as specified in Ordinance No. 3 (M2 Ordinance), Section 10, there will be three performance assessments conducted during the Next 10 Plan time frame. Performance assessments are to be conducted at least once every three years to evaluate the efficiency, effectiveness, economy, and program results of OCTA in satisfying the provisions and requirements of the M2 Plan and M2 Ordinance. These assessments will take place during 2024, 2027, and 2030. The latest performance assessment covering FY 2017-18 through FY 2020-21 was completed and shared with the Board in April 2022. The consultant's report reflected a positive assessment of OCTA's efficiency and effectiveness in the delivery of M2 projects and programs.

Also included in the M2 Ordinance, Section 11, is a ten-year comprehensive review of M2 programs and projects, which will be initiated during the Next 10 Plan time frame. Due to the early initiation of project development activities prior to the start-up of revenue collection in 2011, the first review was completed in FY 2014-15. A second review is planned to take place in FY 2024-25 (or sooner if warranted). The ten-year review includes a comprehensive review of all projects and programs implemented under the M2 Plan to evaluate the performance of the overall program and may result in revisions to further improve performance.

1.7. Sustainable Communities Strategy

It is important to note that M2 also supports and enhances the ability of OCTA to support the regional Sustainable Communities Strategy in Orange County. M2 projects and programs are part of a larger suite of transportation improvements included in the 30-year M2 Plan. Over 50 percent of M2 funds are intended to fulfill transit, system optimization, enhanced environmental elements and infrastructure preservation goals. In addition, the funding eligibility criteria encourages local agencies to consider accommodations for transit and non-motorized transportation.

M2 was publicly reviewed through a Program Environmental Impact Report (EIR) prior to voters approving the ballot measure in November 2006. Since 2008, the M2 Program has been included in the Regional Transportation Plans, Sustainable Communities Strategies, and the associated Program EIR prepared by the Southern California Association of Governments.

In addition to funding freeway improvements, the M2 Program dedicates funding for many transit and local street improvement projects. These include improvements such as:

- New transit connections between major Orange County activity areas that reduce the need for short automobile trips;
- Enhanced convenience and reliability for bus services and Metrolink commuter rail to encourage transit as a dependable commute option;
- Local funding for development of multimodal corridors and roadway preservation that improves the quality of mobility for all users; and
- Signal synchronization on 750 miles of roadways throughout Orange County to reduce congestion and tailpipe emissions.

The M2 freeway EMP has preserved 1,300 acres of wild lands that will be converted to the Preserves to enhance connectivity and wildlife movement between existing conservation areas – such as the Cleveland National Forest, the Chino Hills State Park, and the Irvine Ranch Conservancy lands – and to coastal areas. Furthermore, the program also provides critical habitat for endangered or listed species. Additionally, since M2 inception, the ECP has awarded 234 projects totaling over \$61 million to treat storm water runoff and help keep waterways and beaches clean in Orange County.

The aforementioned transit, local streets, and environmental programs collectively contribute to and enhance the quality of life, as well as provide a sustainable future, and an efficient transportation system that benefits the region.

Brief summaries of the specific programs are listed below.

- ✓ Projects A through N – Freeway improvements and Freeway Service Patrol (FSP) to provide emission reductions through congestion relief.
- ✓ Projects O and P – Signal synchronization and street improvements that provide emission reductions through congestion relief and flexibility to accommodate bike and pedestrian project elements as appropriate.
- ✓ Project Q – Local funding for city-selected transportation projects that provide for preservation of the streets and roads system and includes bicycle, pedestrian, water quality, and transit enhancements as eligible expenditures.
- ✓ Project R – Expanded Metrolink train capacity including improvements to stations and parking to improve transit reliability and convenience and reduce reliance on highways while also supporting potential transit-oriented development.
- ✓ Project S – Transit extensions to improve access between Metrolink stations and residential/employment centers and provide an alternative to driving.
- ✓ Project T – Station improvements to connect to planned future high-speed rail services.
- ✓ Project U – Sustain mobility choices for seniors and persons with disabilities and provides an alternative to driving.
- ✓ Project V – Community-based circulators to complement regional transit services with local communities and provides an alternative to driving.
- ✓ Project W – Transit stop improvements to support transfers between major bus lines and support the implementation of mobile ticketing to ensure ease of fare purchase and convenience for bus passengers.
- ✓ Project X – Water quality improvement programs/projects to meet federal Clean Water Act standards for urban runoff, and augment required mitigations.
- ✓ Freeway Mitigation Program – Natural resource protection strategy to provide for more comprehensive mitigation of environmental impacts from M2 freeway improvements.

1.8. Updated Next 10 Plan Funding Assumptions

The 2023 update of the Next 10 Plan includes funding assumptions for revenue and expenses that are merged into a high-level cash flow model. This effort was conducted to ensure the complete M2 Program could be delivered consistent with commitments provided to the voters as part of M2 approval in November 2006. Revenues are expected to fluctuate over time. The M2 expenditure plan includes programmatic items which are adjusted according to available revenues. However, the freeway portion defines specific project scopes which cannot be easily adjusted to revenue fluctuations. The revenue assumptions incorporate the latest 2023 M2 sales tax revenue forecast of \$14.8 billion and prior commitments in programmed local, state, and federal external revenues.

To support project delivery schedules in the Freeway Program, bond assumptions were included in earlier updates of the Next 10 Plan. Since the 2022 update, the increase in the M2 revenue forecast as well as refined project information eliminated additional bond issuances through 2041. Bonding capacity is available, as OCTA's debt coverage ratios are well above the allowable amount of 1.3x. The minimum forecasted debt coverage ratio during the Next 10 Plan time frame is 9x in 2024. This offers significant financial protection against unforeseen economic changes related to project delivery. For a more detailed discussion on assumed revenues, costs, and debt service, see Section 3.1 of the Appendix.

Funding for the freeway mode assumes \$9.2 billion in total revenue, with costs for the same period totaling \$9.0 billion. To date, OCTA has been very successful in capturing external funding to offset reductions in sales tax revenue and preserve M2 funds. The long-term M2 freeway plan relies on the total receipt of approximately \$1.7 billion in state and federal revenues. Additionally, the program includes \$557 million in net excess 91 Express Lanes revenue and \$495 million in bond proceeds.

As a result of the lower forecasted sales tax and interest revenue, the freeway program net sales tax revenue through 2041 decreased by approximately \$14 million. In addition, each project in the freeway program was reviewed and cost estimates updated. With the majority of the projects now either nearing completion of the design phase or in construction, project cost estimates have a higher level of engineering and are therefore better defined. While net revenues decreased slightly, no future bonding assumptions are included in 2023 Next 10 Plan update, which provides significant savings in the freeway program while maintaining project delivery schedules. Economic uncertainties were slightly reduced, with all of the funds available between FY 2032-33 and FY 2040-41. As noted earlier, there is significant bonding capacity available should the freeway program require additional revenue to support project expenses.

Funding for the streets and roads mode assumes \$5.4 billion in total revenue, with costs for the same period totaling \$5.1 billion. The projects within the Streets and Roads Program are scaled to available revenue and are reflected in the cash flow on a pay-as-you-go basis. The Streets and Roads Program relies on the total receipt of approximately \$571 million in external revenues (state, federal, and local) primarily for the

OC Bridges grade separation projects. For more details, see Section 3.1 of the Appendix and the project updates contained in their respective sections.

For the transit mode, \$4.3 billion in total revenue is assumed, with costs for the same period totaling \$4.1 billion. The majority of projects within the Transit Program are scaled to available revenue with the exception of Project U's Fare Stabilization Program. The M2 Ordinance specifically requires that the Fare Stabilization Program subsidize fares for seniors and persons with disabilities to the extent of maintaining the reduced fare rate effective on July 24, 2006, through FY 2040-41. While this program is not scalable, it remains solvent due to OCTA's proactive amendment to the M2 Ordinance. The remaining transit mode programs are assumed on a pay-as-you-go basis. The funding for the transit mode assumes the total receipt of \$589.24 million in local, state, and federal revenues. This number is inclusive of \$158.36 million in Federal New Starts and \$175.43 million in State Cap-and-Trade revenues to partially fund the OC Streetcar project. For more detailed program assumptions for the Transit Program, see Section 3.1 of the Appendix.

The ECP assumes \$296 million in total revenue, with costs for the same period totaling \$268 million. The projects within the ECP are scaled to available revenue and are reflected in the cash flow on a pay-as-you-go basis. For more detailed program assumptions for the ECP, see Section 3.1 of the Appendix.

1.9. Financing

The Board's vision in developing the EAP created a great opportunity for the M2 Program. While the economy took a significant downturn due to the 2008 Great Recession, OCTA advanced projects years before revenue became available. Projects were accelerated, making them shelf-ready. This allowed OCTA to capture significant one-time external funding provided through State Proposition 1B and the American Recovery and Reinvestment Act. Using the revised forecasting methodology implemented in March 2016, the 2023 M2 sales tax revenue forecast is \$14.8 billion.

When it comes to the bidding environment, OCTA significantly benefited during the recession by capitalizing on a low-cost environment with early project development and acceleration. When the M2020 Plan was adopted in late 2012, staff reported that freeway construction bids were consistently coming in between ten to 20 percent below engineers' estimates. Since that time, construction bids have slowly risen to meet and in some cases exceed the engineers' estimates.

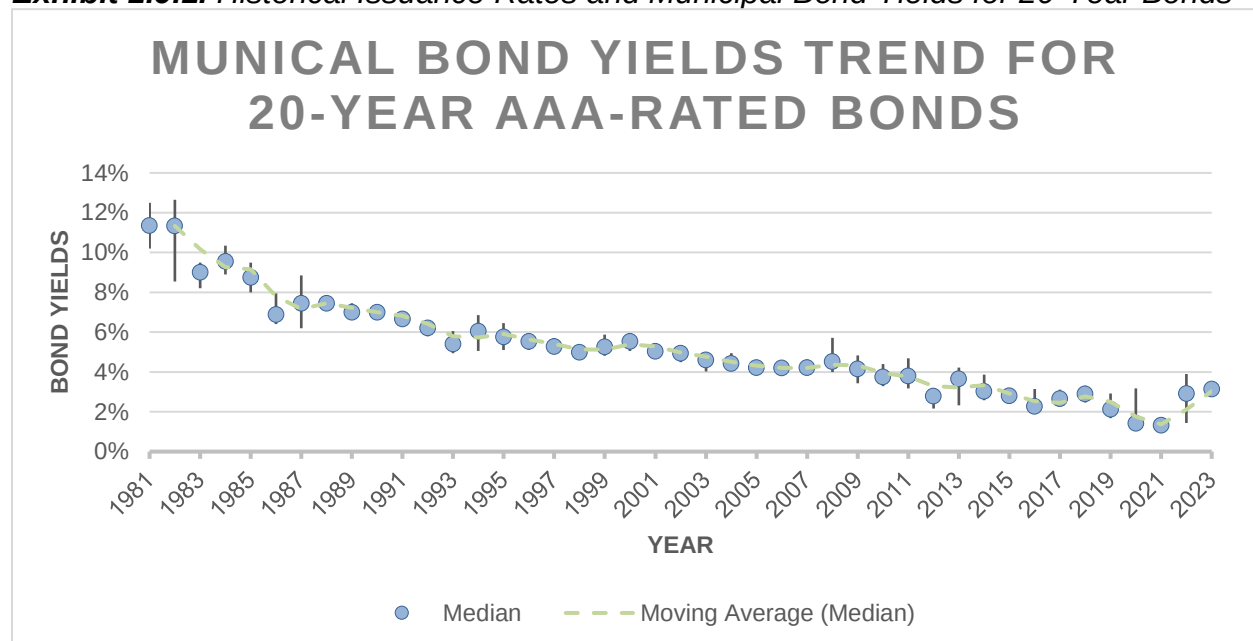
This year's update assumes no additional bonding is required through 2041. The update also continues to maintain prudent annual ending balances and an economic uncertainties allowance, which provides continued financial stability in the event of additional financial fluctuations.

Pay-as-you-go project funding is identified in the M2 Ordinance as the preferred method of financing, while bond financing is an option that is within the purview of the Board. It

takes many years to bring projects to fruition therefore it is prudent to maintain current project schedules to deliver M2 benefits earlier.

While the current cost of debt remains relatively low and trending upwards, there are no additional issuances planned through 2041. Current 20-year bond rates have increased 30 basis points from last year from 2.98 percent to 3.28 percent. See Exhibit 1.9.1 showing historical issuance rates of 20-year bonds.

Exhibit 1.9.1. Historical Issuance Rates and Municipal Bond Yields for 20-Year Bonds



Source: TM3 AAA 20-year GO Bonds (inception through 2010), Bloomberg index of AAA 20-Year Municipal Bonds (2011 to date)

OCTA has a strong track record of successfully delivering projects by utilizing bond financing, as seen in M1, as well as M2, under the EAP and M2020 Plan. While the 2023 Next 10 Plan anticipates no bond financing for the Freeway Program through 2041, OCTA has significant bonding capacity available should the freeway program require additional revenue to support project expenses.

1.10. Future Outlook

As noted in the Next 10 Plan Delivery Risks in Section 1.3, major capital work is underway in the Southern California region that may impact OCTA's ability to secure resources needed for future project and program delivery. Competition for available resources for capital projects has increased with the major capital work currently underway in Los Angeles, Riverside, and San Bernardino counties. For future projects going forward, engineers, right-of-way (ROW) experts, skilled labor, and materials will be in higher demand.

In September 2017, the Board was presented with a Market Conditions Forecast and Risk Analysis report conducted by economists Dr. Wallace Walrod and Dr. Marlon Boarnet through a contract with the Orange County Business Council (OCBC). The result of this analysis identified strong potential for OCTA to experience an increasing-cost environment in the near term. Recognizing the benefits of proactive monitoring and forecasting of market conditions, the Board directed staff to continue to work with OCBC and provide OCTA with cost risk factors for project delivery.

In October 2023, OCBC provided an updated forecast to the Board for 2024 through 2026. OCBC tracked relevant market data and indicators, performed analytics, and incorporated this analysis to provide OCTA with a range of potential cost fluctuations through the use of an Infrastructure Construction Cost Pressure Index (ICCPI), as reflected in Exhibit 1.10.1. The ICCPI incorporates a detailed trend analysis of building permits, unemployment rates, localized labor costs, material costs and general economic conditions.

Exhibit 1.10.1. ICCPI Range of Cost Fluctuations

ICCPI Range of Cost Fluctuations			
Index Score	Low	Midpoint	High
0	-17%	-9.5%	-2%
1	-2%	-0.5%	1%
2	1%	1.5%	2%
3	2%	4%	6%
4	6%	8.5%	11%
5	11%	25.5%	40%

OCBC forecasts a score of three in 2024, which represents a potential cost fluctuation range of two percent to six percent. The forecast for 2025 and 2026 drops to a score of two, which anticipates a tempering of economic conditions. Exhibit 1.10.2 summarizes the forecasts. The updated forecast points to a gradual decline of inflation with the most recent data available. Major drivers include the decline of building permits, a slight increase in unemployment rates, and moderating construction wages. While Portland Cement Concrete structure prices have increased significantly, all other material prices have declined on an annualized basis.

Exhibit 1.10.2. OCBC Orange County Transportation ICCPI Score

OCBC Orange County Transportation ICCPI Score, 2024-2026		
Year	Index Score	Range of Cost Fluctuation
2024	3	2% - 6%
2025	2	1% - 2%
2026	2	1% - 2%

As in prior forecasts, OCBC indicates that OCTA will also need to be aware and ready to respond to cost pressures that cannot be modeled. Examples of such forces include:

- Federal Reserve increasing both the target federal funds rate and pace of increases,
- Economic uncertainty in China could impact foreign investment and supply chains, and
- General political uncertainty both domestically and internationally.

To mitigate cost pressures, OCTA's Project Controls Department monitors and adjusts project cost escalation assumptions according to market trends. Project Controls' cost estimating process uses historical information, as well as current trends in the market, and follows a consistent and defined process. Looking back at the last 20 years, OCTA's cost estimates have included a three percent escalation, which, on average during this time frame, provided the appropriate escalation to deliver projects successfully. Currently, using 3.5 to five percent for construction escalation, as well as incorporating contingency based on the project type and complexity, is staff's preferred approach to cost estimating.

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UPDATE

NEXT 10

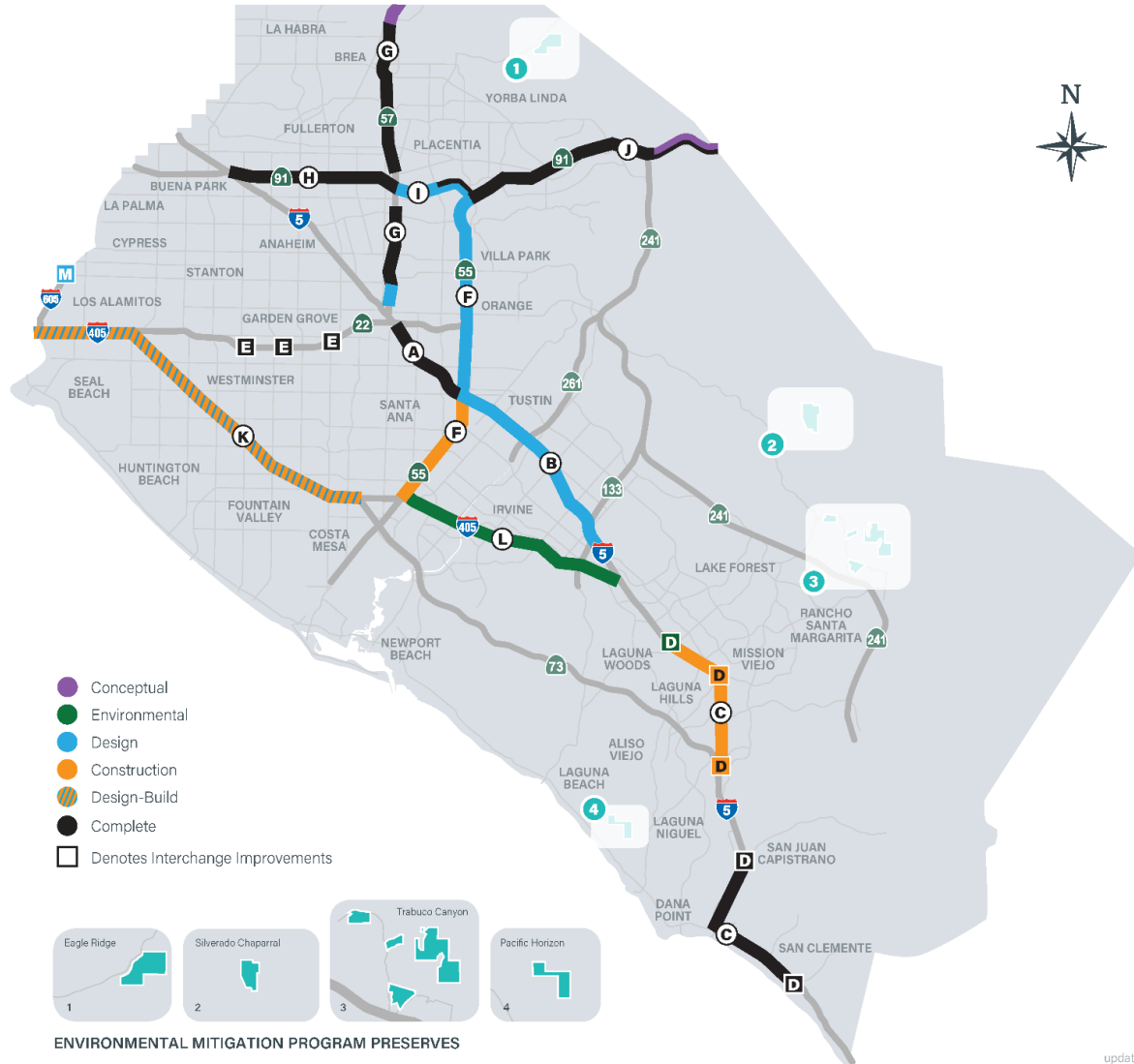
DELIVERY PLAN

Freeway Program

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Exhibit 2.1.1. OC Go Freeway Program Countywide Map

OC GO FREEWAY PROGRAM



ENVIRONMENTAL MITIGATION PROGRAM PRESERVES

updated 8.10.23

- A** I-5 (SR-55 to SR-57)
- B** I-5 (I-405 to SR-55)
- C** I-5 (Avenida Pico to San Juan Creek Road)
- C** I-5 (SR-73 to El Toro Road)
- D** I-5/Ortega Highway Interchange Improvements
- D** I-5/El Toro Road Interchange Improvements
- E** SR-22 Access Improvements
- F** SR-55 (I-405 to I-5)
- F** SR-55 (I-5 to SR-91)
- G** SR-57 NB (Orangewood Avenue to Katella Avenue)
- G** SR-57 NB (Katella Avenue to Lincoln Avenue)
- G** SR-57 NB (Orangethorpe Avenue to Lambert Road)
- G** SR-57 NB (Lambert Road to County Line)
- H** SR-91 WB (I-5 to SR-57)

- I** SR-91 (SR-57 to SR-55)
- I** SR-91 WB (Tustin Avenue to SR-55)
- J** SR-91 (SR-55 to SR-71)
- J** SR-91 (SR-241 to I-15)*
- K** I-405 (SR-73 to I-605)
- L** I-405 (I-5 to SR-55)
- M** I-605/Katella Avenue Interchange Improvements
- N** Freeway Service Patrol (not mapped)
- A-M** Environmental Mitigation Program
 - 1,300 acres of permanent open space
 - 12 restoration projects totaling nearly 350 acres (not mapped)

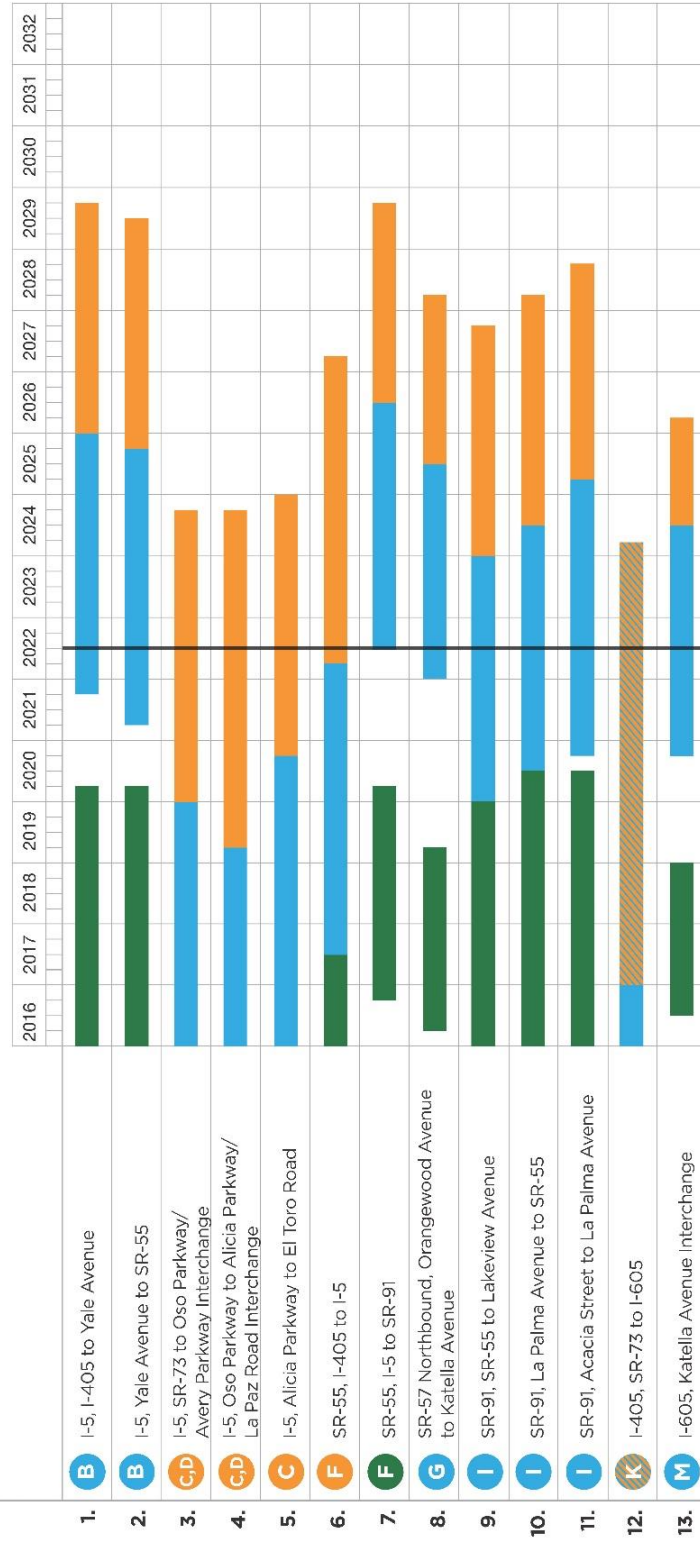
*Project environmentally reviewed as part of the Riverside County Transportation Commission's Corridor Improvement Project. Additional studies needed prior to construction.

Exhibit 2.1.2. OC Go Freeway Projects Through Construction



Environmental Design/Advertise & Award Design-Build Construction

OC Go Freeway Projects Through Construction



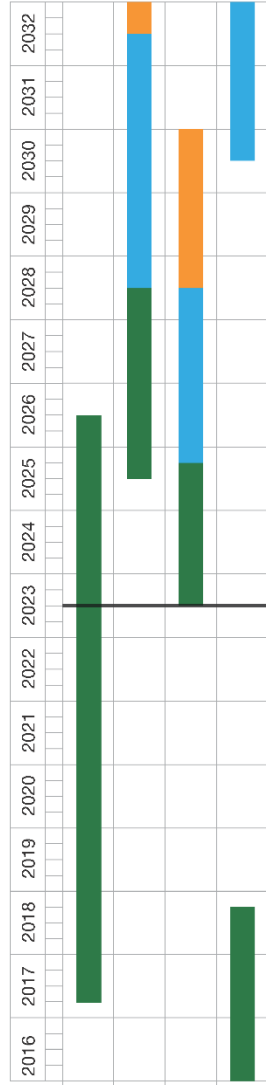
Please note that schedules are updated as of June 30, 2022. Shown schedules are subject to change.

Exhibit 2.1.3. OC Go Freeway Projects Through Environmental Phase/Shelf Ready



Conceptual Environmental Design/Advertise & Award Construction

OC Go Freeway Projects Through Environmental Phase/Shelf Ready



- 1.
- 2.
- 3.
- 4.

Please note that schedules are updated as of June 30, 2023. Projected and active project schedules are subject to change.

The Next 10 Plan provides direction through 2032. Schedules and revenues will be reviewed annually. The Board will adopt an updated delivery plan to provide direction on further advancement as appropriate.

* RCTC is the lead agency for advancing the environmental phase of the 91 Eastbound Corridor Operations Project (operational lane from SR-241 to SR-71) which began in June 2023. Future phases are contingent on the outcome of the environmental review process, availability of funding, and coordination with RCTC.

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2.1. Freeway Program



Overview:

The Freeway Program accounts for 43 percent of the M2 Program. Over the life of M2, approximately \$6.2 billion is expected to be generated in sales tax revenues for freeway Projects A-N (not including the five percent of net revenues apportioned to the EMP). Improving Orange County freeways is a major investment of the M2 Program.

To ensure delivery of the Freeway Program, the Next 10 Plan includes the following framework:

- Bring congestion relief.
- Deliver projects using the guiding principles.
- Work with California Department of Transportation (Caltrans) to seek cost effective measures on freeway projects through changes in scope and design parameters where possible.
- Tightly manage project scopes and schedule to reduce cost escalation risk.

Next 10 Plan Deliverables:

When M2 originally passed, 13 freeway projects were highlighted in the M2 Plan. Since then, these projects have been segmented into 30 projects or project segments. For a list of completed projects, see Exhibit 3.1.1 in the Appendix. Significant progress of the freeway program is included in the Next 10 Plan deliverable goals through 2032:

1. Deliver construction of 13 freeway projects or project segments: five along I-5, one along I-405, two along SR-55, three along SR-91, one along SR-57, and one at the I-605 Interchange (Projects B, C, C/D, F, G, I, K, and M).
2. Prepare the remaining four project segments for delivery. This includes one on I-405, SR-91, and SR-57; and one interchange project at I-5, El Toro Road (Projects D, G, J and L).

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

Description:

Project A reduced freeway congestion by adding a second high-occupancy vehicle (HOV) lane (approximately three miles) in both directions on I-5 between SR-55 and SR-57. See Exhibit 2.1.4 for a map of the approximate limits. The project was generally constructed within the existing ROW.

Cost:

\$38.85 million.

Status:

All lanes opened to traffic in August 2020. Construction was completed in January 2021.

Present Day:

The current daily traffic volume on this segment of I-5 is about 380,000 vehicles and is severely congested. Traffic volumes are expected to increase nearly seven percent by 2035, bringing it up to 406,000 vehicles per

day. The HOV lanes experience more congestion in the peak period than the adjacent general purpose lanes, underscoring the need to add an HOV lane on this freeway segment.

Benefits:

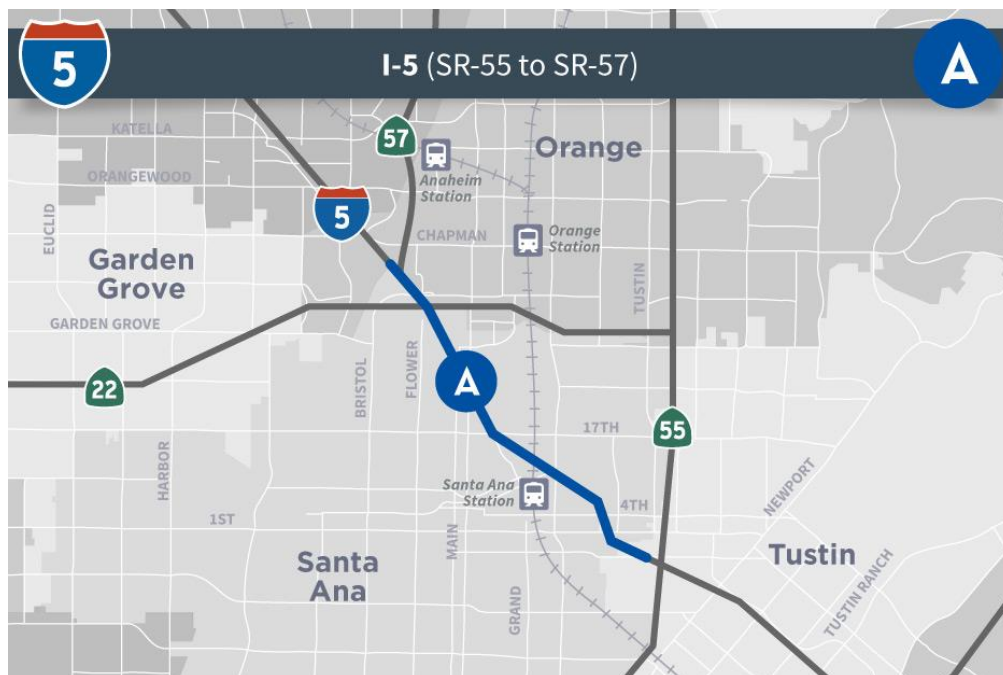
This project improved the HOV facility on I-5 in Santa Ana to meet traffic demands and eliminate bottlenecks. Improvements were needed to accommodate HOV traffic from both the SR-55/I-5 and SR-57/I-5 direct HOV connectors.

Originally considered under this project, the extension of the auxiliary lane from southbound I-5 to southbound SR-55 through the McFadden Avenue exit ramp on SR-55 to Edinger Avenue, was instead studied as part of SR-55 Project F.

External Funding:

The Board has approved \$36.19 million in federal funds to support this project.

Exhibit 2.1.4. Project A – Map of Approximate Limits



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

Risks:

None – project completed.

Related Projects:

Projects B and F.

Other Involved Agencies:

CTC, Caltrans, City of Santa Ana, Federal Highways Administration (FHWA), and Metrolink.

Assumptions:

Cost based on June 2023 M2 Program cash flow.

References:

- OCTA 2022 Long-Range Transportation Plan
- June 2023 Project Status Report
- Capital Funding Program Report – State Highway Project (September 2023)

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

Description:

Project B will reduce congestion by constructing new northbound and southbound general purpose lanes and improving key interchanges in the area between SR-55 and State Route 133 (near the El Toro “Y”). This segment of I-5 is the major route serving activity areas in the cities of Irvine, Santa Ana, and Tustin, and north Orange County. See Exhibit 2.1.5 for a map of the approximate limits. The project will generally be constructed within the existing ROW. The project is divided into two segments as described below.

Segment 1: This project will add one general purpose lane in each direction between I-405 and Yale Avenue (approximately 4.5 miles), improve interchanges, and add auxiliary lanes where needed to improve traffic operations in the Irvine area.

Segment 2: This project will add one general purpose lane in each direction

between Yale Avenue and SR-55 (approximately 4.5 miles), improve interchanges, and add auxiliary lanes where needed to improve traffic operations in Irvine and Tustin areas.

Cost:

Segment 1: \$230.48 million (Year of Expenditure [YOE]).

Segment 2: \$200.44 million (YOE).

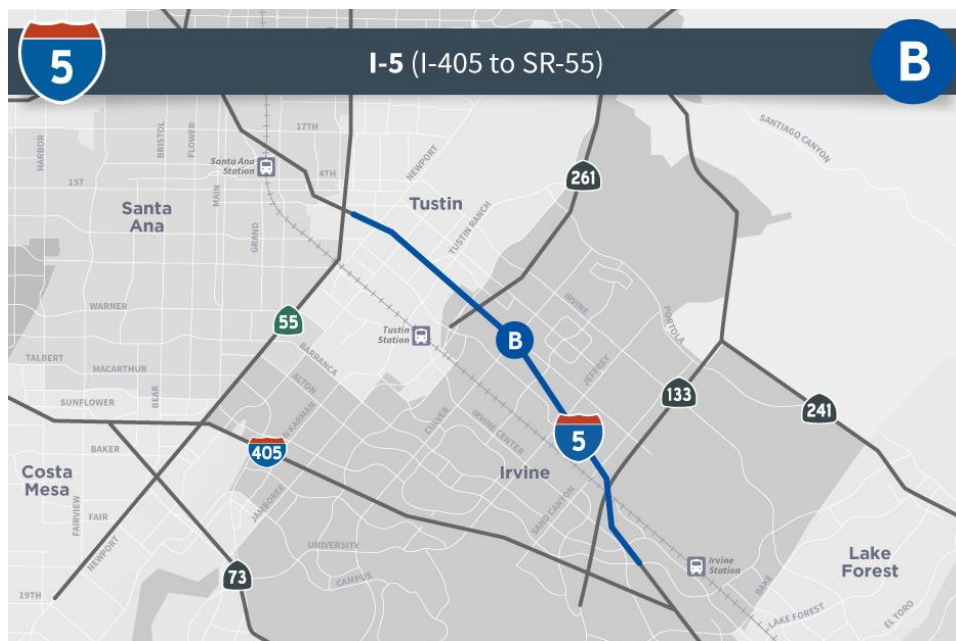
Status:

The environmental phase for both segments was completed in January 2020.

Segment 1: Final design was initiated in October 2021 and is anticipated to be complete in summer 2024.

Segment 2: Final design was initiated in May 2021 and is anticipated to be complete in summer 2024.

Exhibit 2.1.5. Project B – Map of Approximate Limits



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

Present Day:

The current traffic volume on this segment of I-5 is about 358,000 vehicles per day and is expected to increase by nearly 16 percent by 2035, bringing it up to 416,000 vehicles per day.

Benefits:

Project improvements would alleviate congestion and reduce delays.

External Funding:

The Board has approved funding that supports this project including:

Segment 1: \$52.89 million in federal funds and \$106.71 million in state funds.

Segment 2: \$32.53 million in federal funds.

Risks:

Overall time, scope, and costs risks are high with this project due to tight ROW and the need for design variations.

Related Projects:

Projects A and F.

Other Involved Agencies:

Caltrans, cities of Irvine and Tustin, and FHWA.

Assumptions:

Cost based on June 2023 M2 Program cash flow.

References:

- OCTA 2022 Long-Range Transportation Plan
- June 2023 Project Status Report
- Capital Funding Program Report – State Highway Project (September 2023)

C,D. I-5 (SR-73 to El Toro Road includes Avery Parkway and La Paz Road Interchanges)

Description:

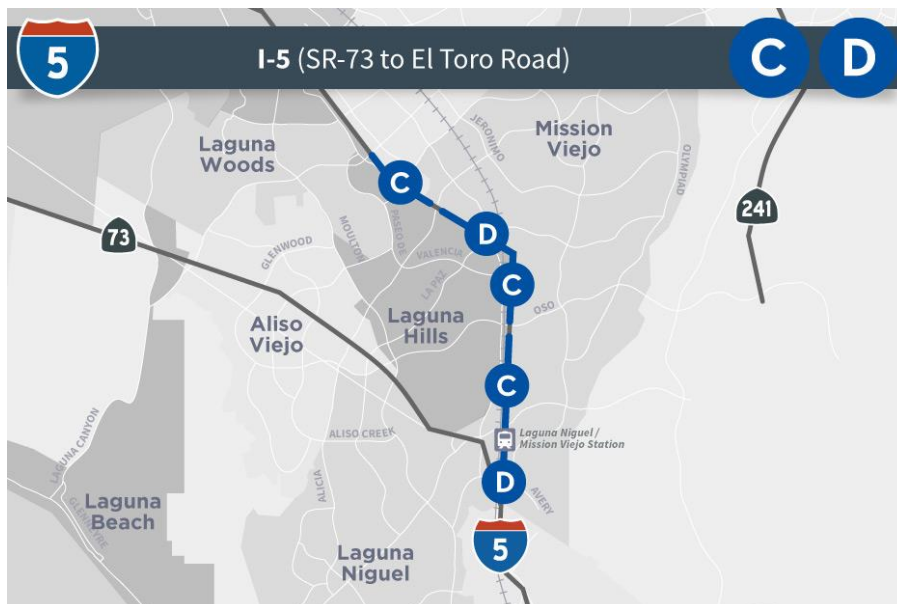
Project C will add new lanes to I-5 from El Toro Road in the City of Lake Forest to the vicinity of SR-73 in the cities of Laguna Hills, Laguna Niguel, Laguna Woods, Lake Forest, and Mission Viejo. Additional improvements include continuous HOV access completion and major improvements at the Avery Parkway and La Paz Road interchanges, as part of Project D. The project will generally be constructed within the existing ROW. See Exhibit 2.1.6 for a map of the approximate limits. This project is divided into three segments as described below.

Segment 1: This project will add one general purpose lane (approximately 2.2 miles) in both directions between SR-73 and Oso Parkway, reconstruct Avery Parkway interchange, and add auxiliary lanes where needed to reduce congestion in Laguna Niguel and Mission Viejo areas.

Segment 2: This project will add one general purpose lane (approximately 2.6 miles) in both directions between Oso Parkway and Alicia Parkway, reconstruct La Paz Road interchange, and add auxiliary lanes where needed to reduce congestion in Laguna Hills and Mission Viejo areas.

Segment 3: This project will add one general purpose lane (approximately 1.7 miles) in the southbound direction between Alicia Parkway and El Toro Road, continue the additional general purpose lane in the northbound direction through Alicia Parkway, extend the second HOV lane (approximately one mile) in both directions from El Toro Road to Alicia Parkway, and add auxiliary lanes where needed to reduce congestion in Laguna Hills, Lake Forest, and Mission Viejo areas.

Exhibit 2.1.6. Project C,D – Map of Approximate Limits



C,D. I-5 (SR-73 to El Toro Road includes Avery Parkway and La Paz Road Interchanges)

Cost:

Segment 1: \$229.38 million (YOE).

Segment 2: \$227.03 million (YOE).

Segment 3: \$203.54 million (YOE).

Landscaping for all three segments: \$12.37 million (YOE).

Status:

Segment 1: Construction began in January 2020 and is anticipated to be complete and open to traffic in 2024.

Segment 2: Construction began in April 2019 and is anticipated to be complete and open to traffic in 2024.

Segment 3: Construction began in October 2020 and is anticipated to be complete and open to traffic in 2024.

Present Day:

The current traffic volume on I-5 near the El Toro “Y” is about 343,000 vehicles per day. This volume will increase in the future by 22 percent by 2035, bringing it up to 420,000 vehicles per day.

Benefits:

This project will help alleviate congestion and reduce traffic delays. The second HOV extension for segment 3 will enable more efficient operation of general purpose lanes for future projected traffic volumes. Adding an additional general purpose lane in Segments 1 and 2 will accommodate future projected traffic volumes. The I-5/La Paz Road and I-5/Avery Parkway interchange improvement projects called for in M2 Project D will reduce chokepoints and congestion, as well as accommodate

future traffic demands on the local roads at each interchange.

External Funding:

The Board has approved funding that supports this project including:

Segment 1: \$34.60 million in federal funds and \$121.81 million in state funds.

Segment 2: \$56.60 million in federal funds.

Segment 3: \$54.63 million in federal funds and \$16.92 million in state funds.

Additionally, \$790,000 in federal funds and \$6.00 million in state funds have been approved for landscape planting across all three segments.

Risks:

Utility relocation and management of contaminated materials pose significant risk to project scope, schedule, and cost.

Related Projects:

Project C (I-5, Avenida Pico to San Juan Creek Road) and Project D (I-5, El Toro Road Interchange).

Other Involved Agencies:

Caltrans, cities of Laguna Hills, Laguna Niguel, and Mission Viejo, CTC, FHWA, and Transportation Corridor Agencies.

Assumptions:

Costs are based on June 2023 (Segment 2 and revised cost estimates for segments 1 and 3) M2 Program cash flow.

C,D. I-5 (SR-73 to El Toro Road includes Avery Parkway and La Paz Road Interchanges)

References:

- OCTA 2022 Long-Range Transportation Plan
- June 2023 Project Status Report (Segment 2)
- July 2023 Project Status Report (Segment 1 and 3)
- Capital Funding Program Report – State Highway Project (September 2023)

C,D. I-5 (Avenida Pico to San Juan Creek Road includes Avenida Pico Interchange)

Description:

Project C extended the HOV lanes on I-5 from Avenida Pico to San Juan Creek Road in the cities of Dana Point, San Clemente, and San Juan Capistrano. Major interchange improvements were also included at Avenida Pico, as part of Project D. See Exhibit 2.1.7 for a map of the approximate limits. This project was generally constructed within the existing ROW and was divided into three segments as described below.

Segment 1: This project added new continuous-access HOV lanes (approximately 0.7 miles) in each direction between Avenida Pico and Avenida Vista Hermosa. The Avenida Pico Interchange was reconstructed to optimize traffic movements within the interchange and

provided bicycle lanes in both directions of Avenida Pico.

Segment 2: This project added new continuous-access HOV lanes (approximately 2.5 miles) in each direction between Avenida Vista Hermosa and Pacific Coast Highway (PCH). The project also reconstructed on- and off-ramps at Avenida Vista Hermosa and Camino de Estrella, and re-established existing auxiliary lanes. Avenida Vaquero undercrossing was widened in both directions to accommodate the new HOV lanes.

Segment 3: This project added new continuous-access HOV lanes (approximately 2.5 miles) in each direction between PCH and San Juan Creek Road. The project also reconstructed on- and off-ramps at

Exhibit 2.1.7. Project C,D – Map of Approximate Limits



C,D. I-5 (Avenida Pico to San Juan Creek Road includes Avenida Pico Interchange)

Camino Las Ramblas/PCH and the I-5/PCH northbound connector and I-5/Camino Las Ramblas undercrossings were widened in both directions.

Cost:

Segment 1: \$83.60 million.

Segment 2: \$75.26 million.

Segment 3: \$74.27 million.

Status:

All segments of Project C opened to traffic at the same time in early 2018. Segment 1 was completed in August 2018, segment 2 in July 2017, and segment 3 in July 2018.

Present Day:

This section of I-5 has high levels of traffic during the weekdays and weekends, as well as holidays, throughout the proposed project limits. The current traffic volume on this segment of I-5 is about 250,000 vehicles per day and is expected to increase by nearly six percent by 2035, bringing it up to 266,000 vehicles per day.

Benefits:

This project eliminated a southbound lane drop at PCH by extending the southbound HOV lane between Camino Capistrano and Avenida Pico, and the northbound HOV lane between Avenida Pico and PCH. Elimination of the lane drop enabled more efficient operation of general purpose lanes and serves projected traffic volumes for the year 2040.

External Funding:

The Board approved funding that supported these projects including:

Segment 1: \$28.47 in federal funds and \$43.74 million in state funds.

Segment 2: \$12.07 million in federal funds and \$46.78 million in state funds.

Segment 3: \$11.33 million in federal funds and \$20.79 million in state funds.

Risks:

No risk to project delivery as the project is complete. Final claims remain pending in segment 3, however, cost risk is low.

Related Projects:

Project D.

Other Involved Agencies:

Caltrans, cities of Dana Point, San Clemente, and San Juan Capistrano, CTC and FHWA.

Assumptions:

Cost based on June 2023 M2 Program cash flow.

References:

- OCTA 2022 Long-Range Transportation Plan
- June 2023 Project Status Report
- Capital Funding Program Report – State Highway Project (September 2023)

D. I-5 (El Toro Road Interchange) Improvements

Description:

Proposed Project D improvements at I-5/El Toro Road Interchange include modifying entrance and exit ramps and modifying or replacing existing bridge structures. See Exhibit 2.1.8 for the location of improvement.

Cost:

\$120.51 million (YOE) is currently included in the cash flow. However, once the selected project alternative is determined this will need to be updated.

Status:

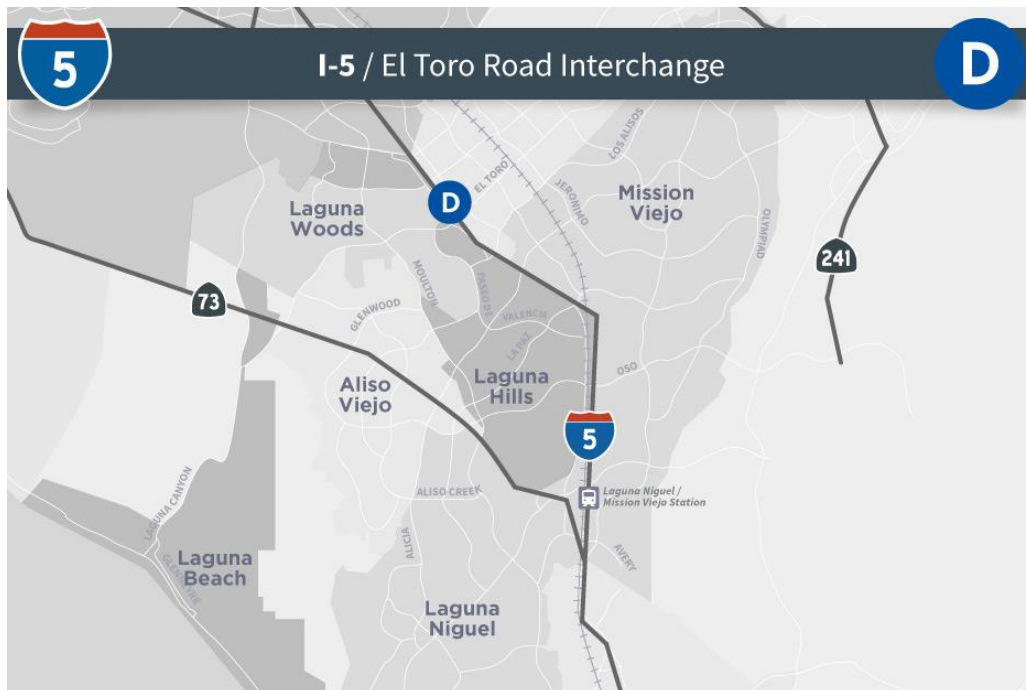
The environmental phase for this project began in April 2017. The Next 10 Plan includes funding this project through environmental. This project has faced challenges determining a build alternative that has local support and consensus with the three stakeholder cities (cities of Laguna Hills, Laguna Woods, and Lake Forest). Built into M2 is a promise that projects will be

delivered in cooperation with local agencies. A consultant was retained in September 2020 by OCTA to provide further assessment of the build alternatives to help facilitate reaching an agreement. The draft final assessment study was completed in October 2021. An agreement has been made with Caltrans and the three cities to include two new alternatives, in addition to the two alternatives from the draft environmental document, to be incorporated into the environmental phase.

Present Day:

This portion of I-5 has high levels of traffic during the weekdays and weekends, as well as holidays, throughout the proposed project limits. The current traffic volume on this segment of I-5 is about 355,000 vehicles per day and is expected to increase nearly nine percent by 2035, bringing it up to 388,000 vehicles per day.

Exhibit 2.1.8. Project D – Location of Improvement



D. I-5 (El Toro Road Interchange) Improvements

Benefits:

This project would reduce the chokepoint and better accommodate forecasted traffic demands. Modification of the entrance and exit ramps would alleviate congestion at adjacent intersections.

External Funding:

The Board has approved \$9.21 million in federal funds for the environmental phase. Future phases are also eligible for state and federal funds. Any additional funding is expected to be submitted for Board approval at a later time.

Risks:

Overall time, scope, and cost risks are high with this project due to the challenging project area with significant ROW impacts with study alternatives under consideration. Community concerns have resulted in a lack of consensus between the three stakeholder local jurisdictions. This project will need local jurisdiction consensus, before moving forward.

Related Projects:

Project C.

Other Involved Agencies:

Caltrans, cities of Laguna Hills, Laguna Woods, and Lake Forest, and FHWA.

Assumptions:

Cost based on conceptual estimates, which was incorporated in the June 2023 M2 Program cash flow.

References:

- OCTA 2022 Long-Range Transportation Plan
- June 2023 Project Status Report
- Capital Funding Program Report – State Highway Project (September 2023)

D. I-5 (Ortega Highway Interchange) Improvements

Description:

Project D improvements included reconstructing the I-5 interchange at State Route 74 (SR-74) in south Orange County, as well as widening SR-74, modifying entrance and exit ramps and replacing the existing bridge structure. See Exhibit 2.1.9 for the location of the improvement.

Cost:

\$79.80 million.

Status:

The project opened to traffic in September 2015 and was officially completed in January 2016.

Present Day:

Prior to completion of the project, the existing freeway overcrossing and on- and off-ramps did not accommodate existing and projected to-and-from street/freeway traffic.

Benefits:

This project alleviated a major chokepoint and reduced congestion by widening the Ortega Highway bridge and improving local traffic flow through reconfigured streets and on- and off-ramps.

External Funding:

\$752,000 in federal funds, \$73.48 million in state funds, \$2.50 million in M1 funds from the regional interchange program, and \$5.01 million in other local funds were used for the project.

Risks:

None – project completed.

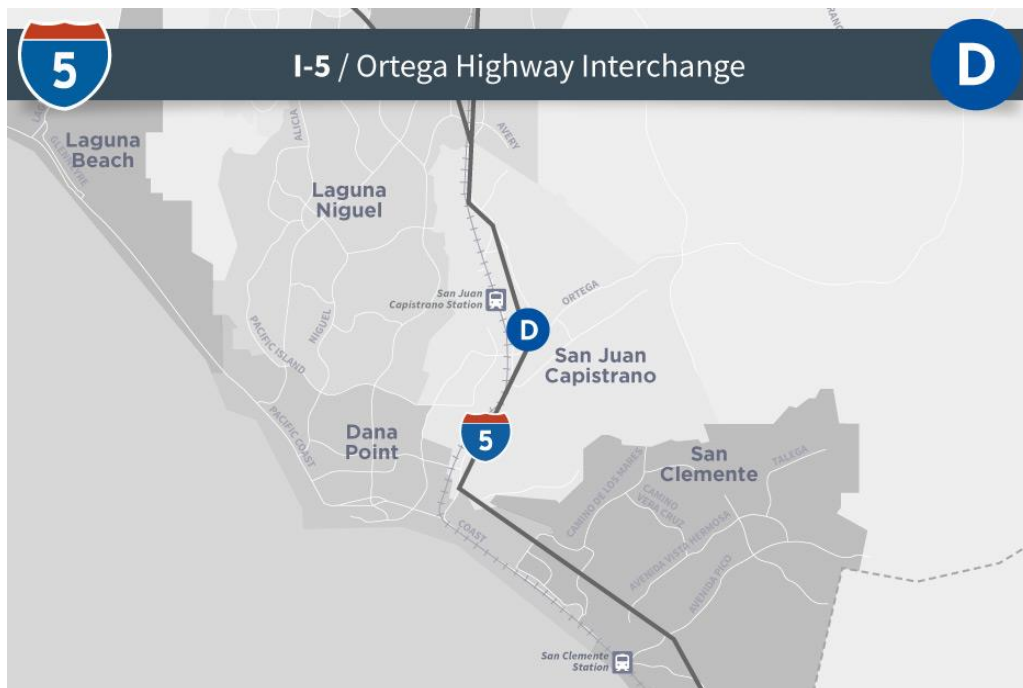
Related Projects:

Project C.

Other Involved Agencies:

Caltrans, City of San Juan Capistrano, and CTC.

Exhibit 2.1.9. Project D – Location of Improvement



D. I-5 (Ortega Highway Interchange) Improvements

Assumptions:

Cost based on January 2020 Project Status Report, which was incorporated in the June 2023 M2 Program cash flow.

References:

- OCTA 2022 Long-Range Transportation Plan
- January 2020 Project Status Report
- Capital Funding Program Report – State Highway Project (September 2023)

E. SR-22 Access Improvements

Description:

Project E constructed interchange improvements at Euclid Street, Brookhurst Street, and Harbor Boulevard to reduce freeway and street congestion near these interchanges. See Exhibit 2.1.10 for the location of the improvements.

Cost:

\$25.80 million.

Status:

These projects were part of the State Route 22 (SR-22) Widening Project completed in 2008 using M1 funds.

Present Day:

This project widened the streets at the interchanges and was designed to improve accommodation of existing and projected traffic.

Benefits:

The project reconstructed the freeway

overcrossings to allow these streets to be widened through the interchange area. These improvements reduced congestion and delay at all three interchanges.

External Funding:

\$15.9 million of M1 funds and \$9.9 million of other non-M2 (federal, state and city) funds were used for the project.

Risks:

None – project completed.

Related Projects:

West County Connector (WCC) improvements at SR-22/I-405 and I-405/I-605 interchanges.

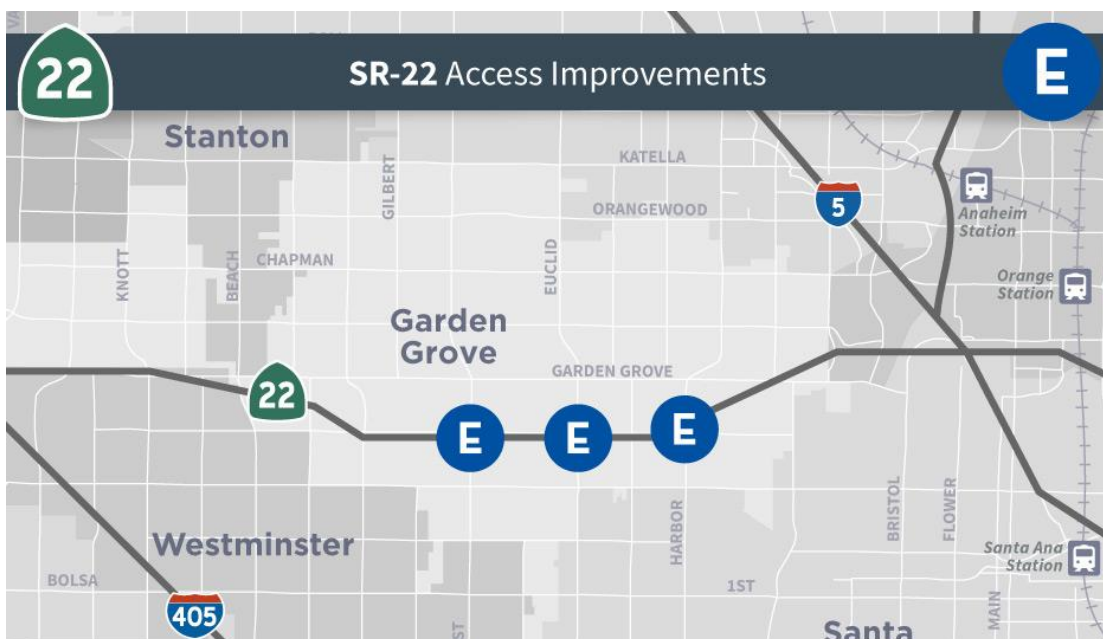
Other Involved Agencies:

Caltrans and City of Garden Grove.

Assumptions:

Completed as part of the M1 SR-22 Design/Build project.

Exhibit 2.1.10. Project E – Location of Improvements



F. SR-55 Improvements

Description:

Project F will reduce congestion by adding lanes and operational improvements to SR-55 between I-405 and SR-91. See Exhibit 2.1.11 for a map of the approximate limits. This project is divided into two segments as described below.

Segment 1: This project will add one general purpose lane (approximately four miles) between I-405 and I-5, including auxiliary lanes between interchanges to smooth traffic flow. The general purpose lane will be funded with M2, state, and federal funds. Concurrent with these efforts, a second HOV lane will also be constructed between I-5 and I-405 with state and local funds, along with a northbound auxiliary lane between MacArthur Boulevard and Edinger Avenue with state funds.

Segment 2: This project will add new lanes (approximately 7.5 miles) between I-5 and SR-22, including merging lanes

between interchanges to smooth traffic flow. Operational improvements between SR-22 and SR-91 would also be incorporated. The environmental phase of this segment was completed in March 2020 and is ready to advance into design and construction. This segment will generally be constructed within the existing ROW.

Cost:

Segment 1: \$505.72 million (YOE) which includes cost for potential ROW risk.

Segment 2: \$131.31 million (YOE).

Status:

Segment 1: Construction began in August 2022 and is anticipated to be complete in February 2027.

Segment 2: The environmental phase was completed in March 2020. The final design was initiated in August 2022.

Exhibit 2.1.11. Project F – Map of Approximate Limits



F. SR-55 Improvements

Present Day:

This freeway carries about 316,000 vehicles on a daily basis. This volume is expected to increase by nearly eight percent by 2035, bringing it up to 340,000 vehicles per day in the future.

Benefits:

This project will improve mobility and reduce congestion in central Orange County areas by adding new lanes and make operational improvements for existing and forecasted traffic volumes (especially for weaving and lane efficiency at ramp junctions).

External Funding:

Segment 1: The Board has approved providing \$160.50 million in federal funds and \$220.00 million in state funds. In addition, \$475,000 in federal earmarks and \$41.90 million in State Highway Operation and Protection Program funds were committed for this project.

Segment 2: The Board has approved providing \$11.00 million in federal funds for this project. This project is eligible for future state and federal funds.

Risks:

Schedule, scope, and cost risks remain high on Segment 1 due to complex ROW impacts which rely on design variations. This may also delay receipt of the State's share of funding.

Overall schedule, scope, cost risks are low on segment 2 at this time.

Related Projects:

Projects A and B.

Other Involved Agencies:

Caltrans, cities of Anaheim, Orange, Santa Ana, and Tustin, and FHWA.

Assumptions:

Cost based on June 2023 M2 Program cash flow.

References:

- OCTA 2022 Long-Range Transportation Plan
- June 2023 Project Status Report
- Capital Funding Program Report – State Highway Project (September 2023)

G. SR-57 Improvements

Description:

Project G will reduce congestion by adding one general purpose lane in the northbound direction from Orangewood Avenue in the City of Orange to approximately Tonner Canyon Road in the City of Brea. See Exhibit 2.1.12 for a map of the approximate limits.

Select northbound undercrossings will also be widened and seismically retrofitted, as required. The project is divided into three segments as described below.

Segment 1: This project consists of three segments that added a northbound general purpose lane from Katella Avenue to Lincoln Avenue (approximately 2.8 miles), Orangethorpe to Yorba Linda Avenue (approximately 2.4 miles), and Yorba Linda Boulevard to

Lambert Road (approximately 2.5 miles) in the cities of Anaheim, Brea, Fullerton, and Placentia.

Segment 2: This project will provide an additional lane (approximately 1.3 miles) and other operational improvements in the northbound direction from Lambert Road to Tonner Canyon Road in the City of Brea (approximately one-half mile south of the Orange County/Los Angeles County Line).

Segment 3: This project will add one northbound general purpose lane (approximately one mile) from Orangewood Avenue in the City of Orange to Katella Avenue in the City of Anaheim. Segment improvements would maintain the existing auxiliary lane and address existing non-standard features between Orangewood Avenue and Katella Avenue.

Exhibit 2.1.12. Project G – Map of Approximate Limits



G. SR-57 Improvements

Cost:

Segment 1: \$144.36 million.

Segment 2: \$218.53 million (YOE).

Segment 3: \$71.78 million (YOE).

Status:

Segment 1: This project was completed and opened to traffic in 2014.

Segment 2: This project is planned to be environmentally cleared during the Next 10 Plan time frame. Through the SB 1 (SB 1) (Chapter 5, Statutes of 2017) Trade Corridor Enhancement Program, an initial phase for interchange improvements at the Lambert Road is currently underway and is anticipated to be completed in late 2023. Phase two, the mainline project, was approved for STIP funding in March 2022 to begin the environmental phase. The preparation of a new project study report-project development support document began in summer 2023 and is anticipated to be complete in 2025. OCTA is proposing to include the final design phase in the 2024 STIP. The Board approved the finalization and submittal of the 2024 STIP on October 9, 2023. The CTC is anticipated to adopt the program in March 2024.

Segment 3: The environmental phase for this segment was completed in March 2019. The final design was initiated in March 2022 and is anticipated to be complete in summer 2024.

Present Day:

This freeway carries about 302,000 vehicles daily. This volume is expected to increase by nearly 13 percent by 2035,

bringing it up to 342,000 vehicles per day in the future.

Benefits:

This project will substantially improve existing and future mobility, reduce congestion, improve mainline weaving, and merge/diverge movements, which will improve both traffic operations and safety. Combined improvements from Orangethorpe Avenue to Tonner Canyon Road could achieve a 40 percent reduction in total delay through the SR-57 northbound corridor.

External Funding:

Segment 1: \$104.85 million in state funds.

Segment 2: The Board approved \$6.50 million in state funds to support the environmental phase of this project.

Segment 3: The Board approved \$14.74 million in federal funds.

Risks:

No risk on segment 1 as the project is complete. For segment 2 and segment 3, overall time, scope, costs, and quality risks are low to medium with this project due to construction within the existing ROW and relatively straightforward design issues. However, risks exist due to the potential need for seismic retrofitting of existing bridges and proximity to the Southern California Regional Rail Authority and future High Speed Rail ROW.

Related Projects:

Project H.

G. SR-57 Improvements

Other Involved Agencies:

Caltrans, cities of Anaheim, Brea, Fullerton, Orange, and Placentia, CTC, and FHWA.

Assumptions:

Cost based on June 2023 M2 Program cash flow.

References:

- OCTA 2022 Long-Range Transportation Plan
- June 2023 Project Status Report
- Capital Funding Program Report – State Highway Project (September 2023)

H. SR-91 (I-5 to SR-57)

Description:

Project H widened westbound SR-91 by connecting existing auxiliary lanes (approximately 4.5 miles) through interchanges, thus forming a fourth continuous general purpose lane between I-5 and SR-57. The project also replaced existing auxiliary lanes on westbound SR-91 between State College Boulevard and Raymond Avenue, and between Euclid Street and Brookhurst Street, and added a new auxiliary lane between Raymond Avenue and Lemon Street. See Exhibit 2.1.13 for a map of the approximate limits.

Cost:

\$59.23 million.

Status:

The project opened to traffic in March 2016 and was officially completed in June 2016.

Present Day:

SR-91 serves as a major commuting route connecting Orange County with Riverside and Los Angeles counties.

SR-91 is also one of the most congested freeways in Southern California. This freeway carries about 290,000 vehicles daily. This volume is expected to increase by nearly five percent by 2035, bringing it up to 304,000 vehicles per day in the future.

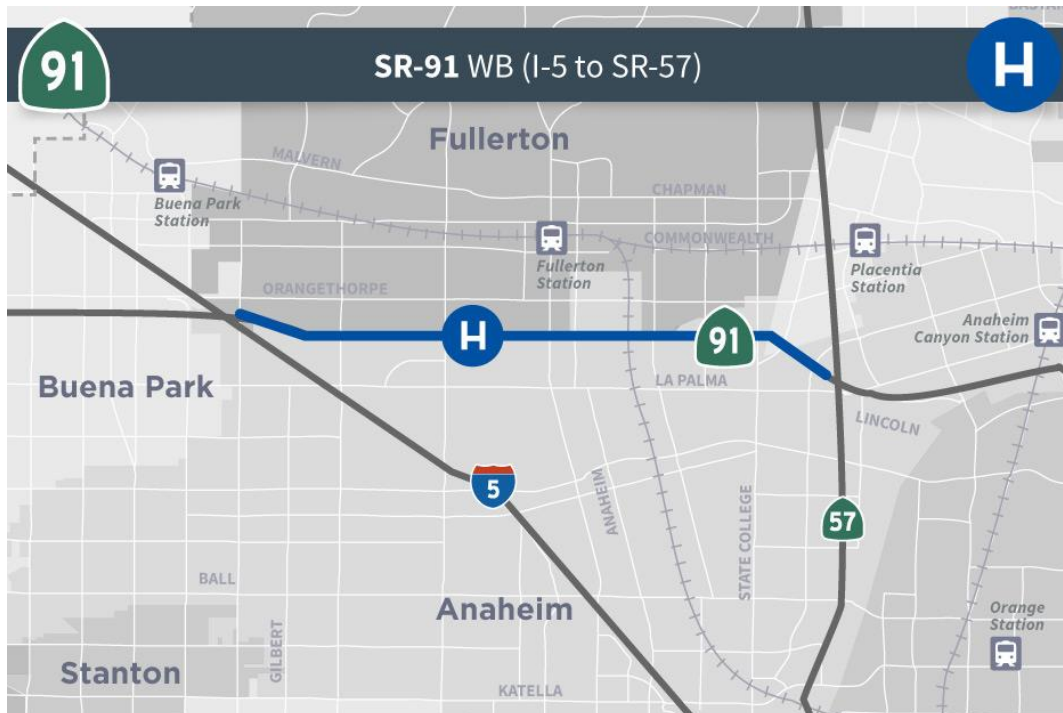
Benefits:

This project alleviated congestion by adding a continuous general purpose lane and replaced existing auxiliary lanes, which improved merging operations at each interchange.

External Funding:

\$27.23 million in state funds were used for the project.

Exhibit 2.1.13. Project H – Map of Approximate Limits



H. SR-91 (I-5 to SR-57)

Risks:

None – project completed.

Related Projects:

Project I.

Other Involved Agencies:

Caltrans, cities of Anaheim and Fullerton, and CTC.

References:

- OCTA 2022 Long-Range Transportation Plan
- June 2023 Project Status Report
- Capital Funding Program Report – State Highway Project (September 2023)

Assumptions:

Cost based on June 2023 M2 Program cash flow.

I. SR-91 (Tustin Avenue Interchange to SR-55)

Description:

Project I from Tustin Avenue Interchange to SR-55 added a westbound auxiliary lane, beginning at the northbound SR-55 to westbound SR-91 connector, through the

Tustin Avenue interchange. The overall segment length was approximately two miles. Additional features of this project included widening the westbound Santa Ana River Bridge to accommodate the auxiliary lane. See Exhibit 2.1.14 for a map of the approximate limits.

Cost:

\$42.47 million.

Status:

The project was completed and opened to traffic in 2016.

Present Day:

SR-91 serves as a major commuting route connecting Orange County with Riverside and Los Angeles counties.

SR-91 is also one of the most congested freeways in Southern California. This freeway carries about 290,000 vehicles daily. This volume is expected to increase by nearly five percent by 2035, bringing it up to 304,000 vehicles per day in the future.

Benefits:

This project addressed chokepoint conditions and reduced operational problems, including weaving and merging maneuvers, which were primarily caused by extensive weaving between the northbound SR-55 to westbound SR-91 connector and the westbound SR-91 off-ramp to Tustin Avenue.

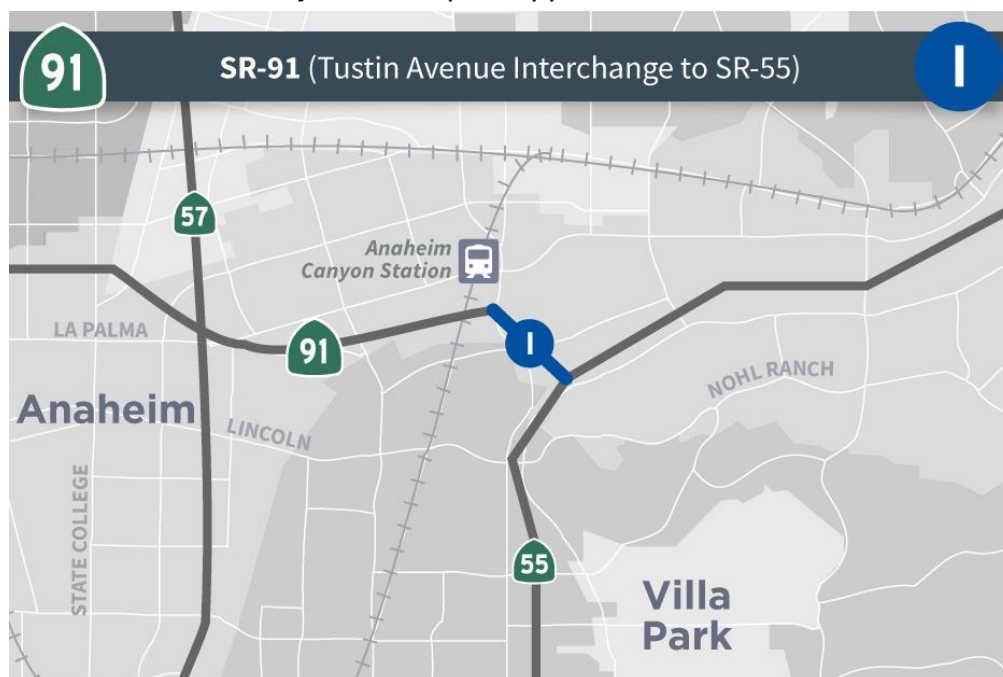
External Funding:

\$29.75 million in state funds were used for the project.

Risks:

None – project completed.

Exhibit 2.1.14. Project I – Map of Approximate Limits



I. SR-91 (Tustin Avenue Interchange to SR-55)

Related Projects:

Projects H, I (SR-57 to SR-55) and J.

Other Involved Agencies:

Caltrans, City of Anaheim, CTC, and FHWA.

Assumptions:

Cost based on January 2019 Project Status Report, which was incorporated in the June 2023 M2 Program cash flow.

References:

- OCTA 2022 Long-Range Transportation Plan
- January 2019 Project Status Report
- Capital Funding Program Report – State Highway Project (September 2023)

I. SR-91 (SR-57 to SR-55)

Description:

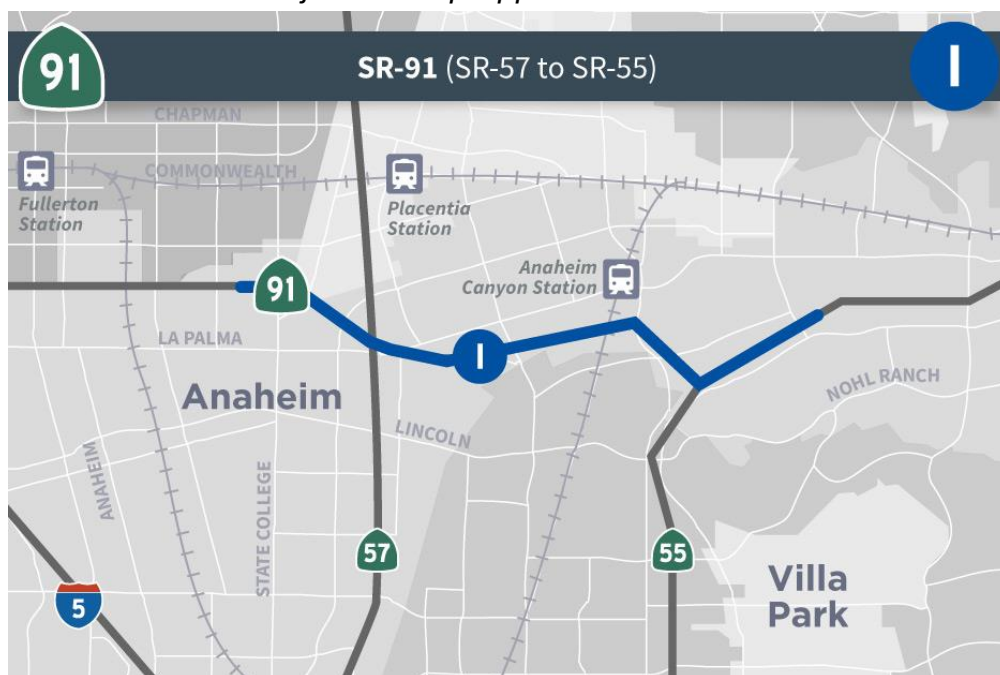
Project I from approximately SR-57 to SR-55 will add one westbound general purpose lane from northbound SR-57 connector to westbound SR-91 connector, and one eastbound general purpose lane between SR-57 and SR-55. See Exhibit 2.1.15 for a map of the approximate limits. The project is divided into three segments as described below.

Segment 1: This project from SR-55 to Lakeview Avenue (approximately 1.4 miles) will realign the westbound SR-91 on-ramp at Lakeview Avenue interchange, replace the Lakeview Avenue overcrossing bridge, and add a new on-ramp from the Lakeview Avenue bridge to connect directly to southbound SR-55 to improve traffic operations in the Anaheim area.

Segment 2: This project will add an eastbound general purpose lane on SR-91 between La Palma Avenue and SR-55 (approximately 2.7 miles) and include bridge widening over the Santa Ana River on eastbound SR-91 and bridge replacements at Glassell Street/Kraemer Boulevard and Tustin Avenue to reduce congestion in the cities of Anaheim and Fullerton.

Segment 3: This project from Acacia Street to La Palma Avenue (approximately 1.7 miles) will add a fourth general purpose lane on westbound SR-91 from northbound SR-57 to westbound SR-91, make improvements to the weave from westbound SR-91 to northbound and southbound SR-57, and replace the bridge at La Palma Avenue to enhance westbound operations on SR-91, to reduce congestion in the cities of Anaheim and Fullerton.

Exhibit 2.1.15. Project I – Map Approximate Limits



I. SR-91 (SR-57 to SR-55)

Cost:

Segment 1: \$126.26 million (YOE).

Segment 2: \$208.45 million (YOE).

Segment 3: \$116.20 million (YOE).

Status:

The environmental phase for all three segments was completed in June 2020.

Segment 1: Final design was initiated in March 2020 and was completed in March 2023. ROW certification is underway, and the project is anticipated to be advertised for construction in spring 2024.

Segment 2: Final design was initiated in June 2020 and is anticipated to be complete in December 2024.

Segment 3: Final design was initiated in November 2020 and is anticipated to be complete in August 2024.

Present Day:

Current freeway volume on this segment of the SR-91 is about 250,000 vehicles per day. This vehicular demand is expected to increase by 12 percent by 2035, bringing it up to 280,000 vehicles per day in the future.

Benefits:

Segment 1: This project is anticipated to alleviate congestion and reduce delay by improving the connection from Lakeview Avenue to southbound SR-55.

Segment 2: This project is anticipated to alleviate congestion in the eastbound direction and improve safety in both directions.

Segment 3: This project will enhance westbound operations.

External Funding:

The Board has approved funding that supports this project including:

Segment 1: \$14.11 million in federal funds, \$42.57 million in state funds, and \$58.76 million in 91 Express Lanes excess revenues.

Segment 2: \$3.46 million in federal funds and \$42.81 million in 91 Express Lanes excess revenue.

Segment 3: \$1.77 million in federal funds and \$16.37 million in 91 Express Lanes excess revenue.

Risks:

Overall time, scope and costs risks are high due to coordination with the Caltrans multi-asset project and refined design options that require Caltrans concurrence, which remains under review.

Related Projects:

Projects H, I (Tustin Avenue Interchange to SR-55), and J.

Other Involved Agencies:

Caltrans, cities of Anaheim, Fullerton, Orange, and Placentia, CTC, and FHWA.

Assumptions:

Cost based on June 2023 (segments 2 and 3 and revised cost estimate for segment 1) M2 Program cash flows.

I. SR-91 (SR-57 to SR-55)

References:

- OCTA 2022 Long-Range Transportation Plan
- June 2023 Project Status Report (Segments 2 and 3)
- July 2023 Project Status Report (Segment 1)
- Capital Funding Program Report – State Highway Project (September 2023)

J. SR-91 (SR-55 to SR-71)

Description:

Project J includes improvements on SR-91 from SR-55 to SR-71 in Riverside County and is divided into three segments. See Exhibit 2.1.16 for a map of the approximate limits.

Segment 1: This project added one eastbound lane (approximately six miles) on SR-91 from one-mile east of SR-241 to SR-71 in Riverside County. This project was led by RCTC in coordination with Caltrans District 8.

Segment 2: This project added one new lane (approximately six miles) in both directions of SR-91 between SR-55 and SR-241 and improved key interchanges. Additional improvements included the widening and seismic retrofitting of the Imperial Highway and Weir Canyon Road undercrossing bridges. This project was led by OCTA in coordination with Caltrans District 12.

Segment 3: This project requires coordination and funding agreements

with RCTC to deliver complementary improvements between SR-241 and SR-71 in Riverside County. M2 is only responsible for the Orange County portion of this project. Improvements beyond SR-71 are overseen by RCTC.

Cost:

Segment 1: \$57.77 million.

Segment 2: \$79.74 million.

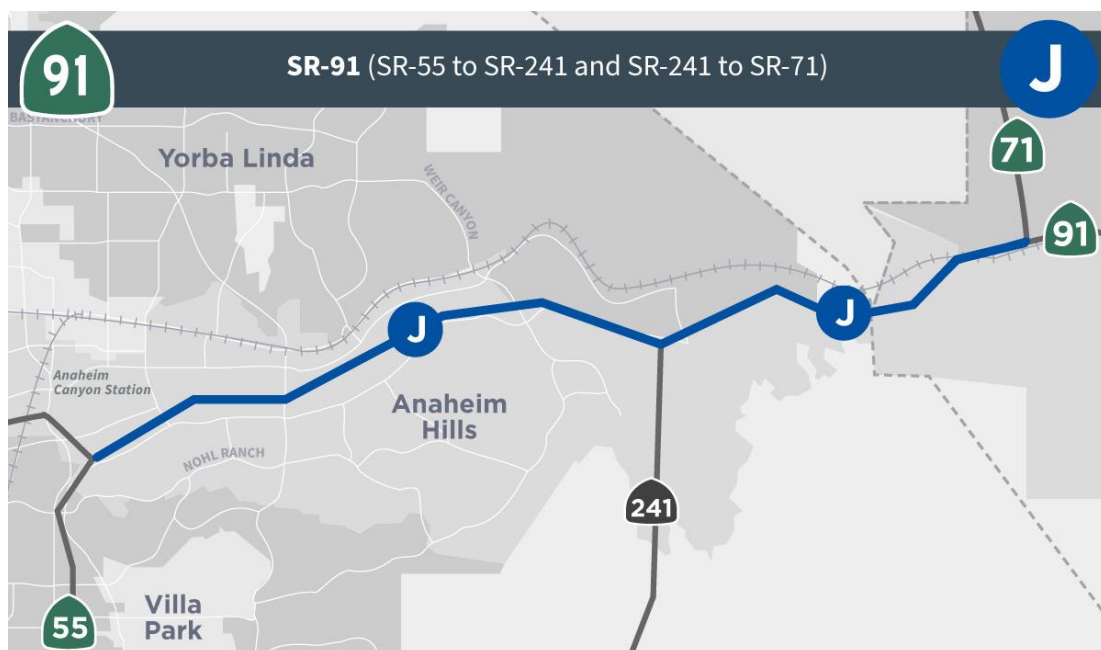
Segment 3: \$150.00 million (YOE), which does not include RCTC's cost share.

Status:

Segment 1 was completed in January 2011, and segment 2 was completed in March 2013.

Segment 3: This project was environmentally reviewed as part of the RCTC's Corridor Improvement Project. RCTC and OCTA advanced the westbound direction of this segment by

Exhibit 2.1.16. Project J – Map of Approximate Limits



J. SR-91 (SR-55 to SR-71)

adding a general purpose lane (two miles in length) from Green River Road to SR-241. RCTC was the lead agency and OCTA contributed \$15 million towards the project. Construction began in November 2020 and was completed in January 2022. A feasibility study to evaluate potential eastbound improvements from SR-241 to SR-71 was completed in April 2022. RCTC is the lead agency for advancing the environmental phase of the eastbound improvements known as the Eastbound Corridor Operations Project (ECOP), which began in June 2023.

Present Day:

Today, this freeway carries about 328,000 vehicles every day. This volume is expected to increase by 15 percent, bringing it up to 378,000 vehicles by 2035.

Benefits:

Segment 1: This project added one general purpose lane, which improved weaving by reducing the volume of exiting vehicles in the SR-91 mainline through lanes that are exiting at Green River Road and SR-71.

Segment 2: This project helped to alleviate congestion and reduce delays.

Segment 3: This project will reduce congestion and delays and improve operational efficiency by reducing the existing chokepoints within the project limits.

External Funding:

Segment 1: \$45.91 million in federal funds and \$4.92 million in local funds were used for this project.

Segment 2: \$76.30 million in state funds were used for this project and \$2.90 million in state funds were used for replacement planting.

Segment 3: \$15.00 million of 91 Express Lanes excess revenue is Board approved for the Orange County portion of this segment.

Risks:

No risks for Segments 1 and 2 as they are complete. For segment 3, time, scope, and costs risks are dependent upon required coordination with RCTC. Eastbound improvements have engineering challenges due to project area topography (Santa Ana Canyon) and natural constraints (Santa Ana River).

Related Projects:

Project I and the Riverside County Corridor Improvement Project.

Other Involved Agencies:

Caltrans, cities of Anaheim and Yorba Linda, Corona, County of Orange, CTC, FHWA, and RCTC.

Assumptions:

Cost based on December 2012 Project Status Report (Segment 1), June 2018 Project Status Report (segment 2), and estimates from RCTC (segment 3) which was incorporated in the June 2023 M2 Program cash flow. ECOP schedule and cost is subject to change and are contingent on the outcome of the environmental phase, availability of funding, and coordination with RCTC.

J. SR-91 (SR-55 to SR-71)

References:

- OCTA 2022 Long-Range Transportation Plan
- December 2012 Project Status Report (segment 1)
- June 2018 Project Status Report (segment 2)
- Capital Funding Program Report – State Highway Project (September 2023)

K. I-405 (SR-73 to I-605)

Description:

Project K includes the addition of new lanes to I-405 between SR-73 and I-605. The project will make the best use of available freeway property by staying generally within the freeway ROW and updating key local interchanges to the current Master Plan of Arterial Highway (MPAH) standards. The project will add one general purpose lane (approximately 14 miles) in each direction of I-405 from Euclid Street to I-605. Additional improvements include reconstruction of local interchanges and improvements to freeway entrances and exits along the corridor from SR-73 to I-605 through the cities of Costa Mesa, Fountain Valley, Garden Grove, Huntington Beach, Los Alamitos, Seal Beach, and Westminster. See Exhibit 2.1.17 for a map of the approximate limits.

Concurrently with Project K, an additional lane (approximately 16 miles) will be added in each direction that would combine with the existing HOV lane to

provide dual express lanes in each direction on I-405 from SR-73 to I-605. The general purpose lanes will be funded with M2, state, and federal funds; the express lanes will be funded solely with toll revenues.

Cost:

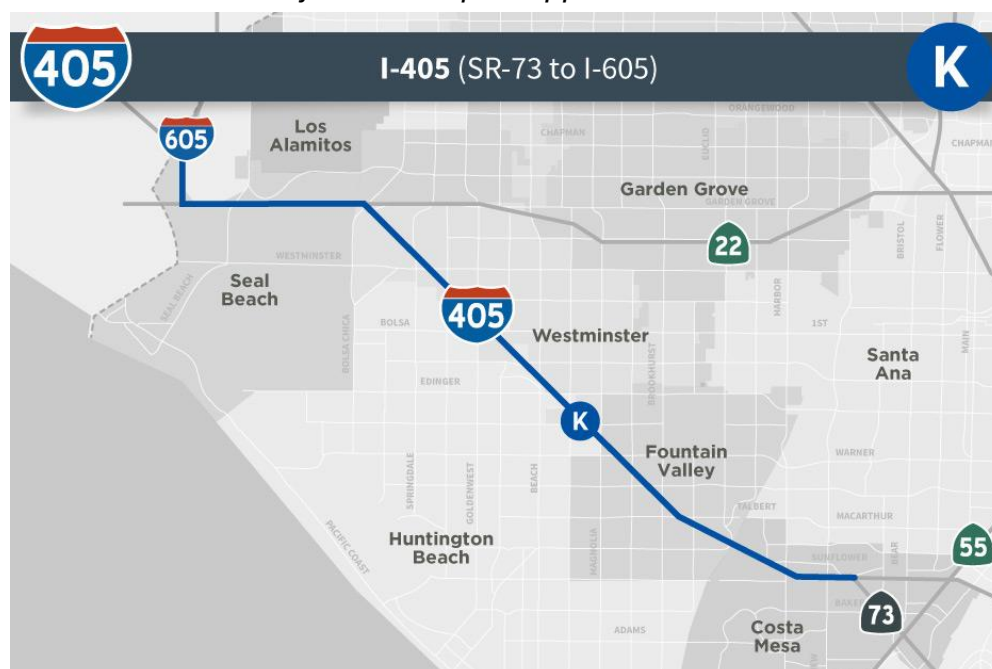
M2 Portion: \$1.62 billion (YOE).

Express Lanes Portion: \$540.00 million (YOE).

Status:

Construction began in January 2017 and is currently over 95 percent complete related to the design/build contract. Design/build is a project delivery method in which one team is hired to perform both the design and construction of the project. The project's substantial completion and opening of the 405 Express Lanes milestones are currently anticipated to be met in late 2023 with full project completion anticipated in early 2024. As of June 30, 2023, 15 of the 18 bridges have been completed and

Exhibit 2.1.17. Project K – Map of Approximate Limits



K. I-405 (SR-73 to I-605)

opened to traffic. The remaining three bridges are in various stages of construction.

Present Day:

On average, I-405 carries approximately 392,000 vehicles daily. The volume is expected to increase by 20 percent by 2035, bringing it up to 472,000 vehicles daily. The project will reduce congestion, enhance operations, increase mobility, improve trip reliability, and maximize throughput on I-405.

Benefits:

Project K includes the addition of auxiliary and general purpose lanes that will help reduce congestion and improve travel times. Additional improvements include interchange and local street improvements, and a direct Express Lanes connector at the I-405/SR-73 interchange.

The express lanes will operate congestion-free throughout the day, due to toll rates that vary based on traffic demand. The express lanes provide commuters with a reliable travel option compared to the adjacent, general purpose lanes.

M2 improvements, in combination with express lanes improvements, will provide more throughput in the corridor. These improvements will add two additional freeway lanes to I-405 in both directions between SR-73 to the I-605 interchange.

External Funding:

The Board has approved funding that supports this project, including \$45.65 million in federal funds and \$89.77 million

in state funds. The project also successfully secured \$628.93 million from Transportation Infrastructure Finance and Innovation Act (TIFIA), a low-cost federal loan. The M2 cash flow will benefit from \$108.93 million in TIFIA revenues for this project. The entire TIFIA loan will be paid back solely with toll revenues.

Risks:

Overall time, scope, utility relocation, archeological discoveries and cost risks are high with this project due to the extensive project scope.

Related Projects:

Project L and WCC improvements at SR-22/I-405 and I-405/I-605 interchanges (mentioned under Project E).

Other Involved Agencies:

Caltrans, Build America Bureau TIFIA Office, cities of Costa Mesa, Fountain Valley, Huntington Beach, Seal Beach, and Westminster, Community of Rossmoor, CTC, and FHWA.

Assumptions:

Costs based on June 2023 M2 Program cash flow. M2 will only pay for the addition of the general purpose lanes. Toll revenues will pay for the 405 Express Lanes.

References:

- OCTA 2022 Long-Range Transportation Plan
- June 2023 Project Status Report
- Capital Funding Program Report – State Highway Project (September 2023)

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

Description:

Project L will add new lanes (approximately 8.5 miles) to I-405 from the vicinity of I-5 to SR-55 to alleviate congestion and reduce delays. See Exhibit 2.1.18 for a map of the approximate limits. The project will generally be constructed within the existing ROW.

Cost:

\$269.60 million (YOE).

Status:

The project completed the environmental phase in August 2018 and is shelf-ready to begin the design phase.

Project B (I-5, I-405 to SR-55) is a parallel project designated for construction. As a result, Project L will follow to avoid excessive inconvenience to the traveling public.

Additionally, a significant Caltrans safety project is scheduled to take place within the Project L project limits and will require additional coordination.

Present Day:

This segment of the freeway carries 296,000 vehicles a day. This number will increase by nearly 22 percent, bringing it up to 362,000 vehicles per day by 2035.

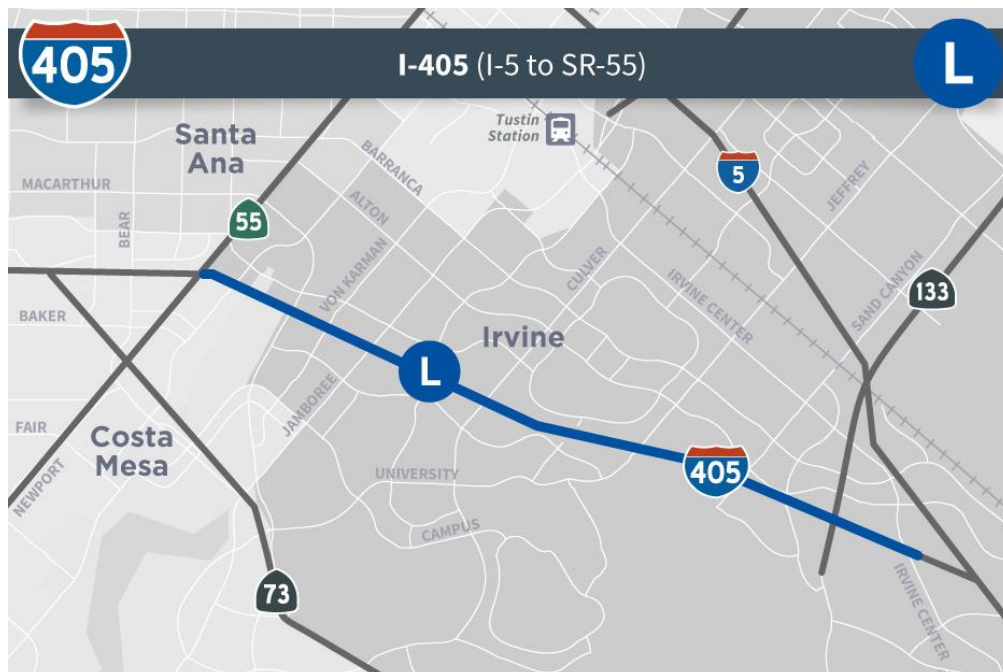
Benefits:

Improvements between I-5 and SR-55 would help alleviate congestion and reduce delays.

External Funding:

The Board approved providing \$8.00 million in federal funds to support the environmental phase of the project. This project is eligible for future state and federal funds.

Exhibit 2.1.18. Project L – Map of Approximate Limits



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

Risks:

Overall time, scope, and costs risks are low with this project due to low ROW impacts and straightforward design.

Related Projects:

Projects B and K.

Other Involved Agencies:

Caltrans, City of Irvine, CTC, FHWA, and Transportation Corridor Agencies.

Assumptions:

Cost based on estimate developed in the environmental phase which was incorporated in the June 2023 M2 Program cash flow.

References:

- OCTA 2022 Long-Range Transportation Plan
- February 2019 Project Status Report
- Capital Funding Program Report – State Highway Project (September 2023)

M. I-605 (Katella Avenue Interchange) Improvements

Description:

Project M includes improvements to I-605 freeway access and the arterial connection at Katella Avenue, which serves communities in the cities of Cypress and Los Alamitos. See Exhibit 2.1.19 for the location of the improvement.

Cost:

\$29.02 million (YOE).

Status:

The environmental phase for this project was completed in late 2018 and was done in cooperation with the City of Los Alamitos. Final design was initiated in December 2020 and was completed in January 2023. ROW Certification is underway and is anticipated to be complete in spring 2024.

Present Day:

The existing interchange design is outdated and results in both arterial congestion and freeway queuing in the interchange area.

Benefits:

The I-605 Katella Avenue interchange project would include both freeway and arterial improvements that would improve interchange traffic operations and improve bicycle and pedestrian facilities while minimizing adjacent ROW and environmental impacts. Additionally, these improvements would reduce congestion, traffic queuing, and delays within the interchange area.

External Funding:

The Board approved providing \$17.80 million in federal funds.

Exhibit 2.1.19. Project M – Location of Improvement



M. I-605 (Katella Avenue Interchange) Improvements

Risks:

Overall time, scope, and costs risks are low with this project due to low ROW impacts and straightforward design.

Related Projects:

Project K and WCC improvements at the SR-22/I-405 and I-405/I-605 interchanges (mentioned under Project E).

Other Involved Agencies:

Caltrans and City of Los Alamitos.

Assumptions:

Cost based on June 2023 M2 Program cash flow.

References:

- OCTA 2022 Long-Range Transportation Plan
- June 2023 Project Status Report
- Capital Funding Program Report – State Highway Project (September 2023)

N. Freeway Service Patrol

Description:

The FSP provides competitively-bid, privately contracted tow truck services to help stranded motorists in addition to clearing disabled vehicles and large debris from freeway lanes to reduce congestion caused by blocked traffic lanes and passing motorists rubbernecking. FSP is available on all Orange County freeways during peak traffic hours, Monday through Friday, and in specific congested areas on weekends. This project assures that this basic level of service will be continued through 2041.

Program Funding:

\$62.86 million in M2 revenue between 2023 and 2032.

Status:

FSP is primarily funded by State Highway Account (SHA) and Road Repair and Accountability Act of 2017 (SB 1) funds. OCTA meets matching fund requirements by utilizing a portion of its share of Service Authority for Freeway Emergencies (SAFE) funds collected by the Department of Motor Vehicles each year. Since June 2012, the FSP has assisted more than 738,197 motorists along Orange County freeways.

As demand, congestion levels, and costs increase, this project will allow the program to maintain existing service hours and extend service throughout the day and on weekends on additional freeway segments.

M2 also helps support the California Highway Patrol (CHP) as the partner responsible for field supervision. M2

funds a full-time dispatcher and CHP Officer overtime to ensure adequate program support seven days a week.

Present Day:

The FSP program assisted 59,129 motorists along the Orange County freeway system in FY 2022-23.

Benefits:

To keep Orange County moving, FSP provides free limited roadside assistance to motorists whose vehicles have become disabled and removes congestion-causing debris on Orange County freeways. Motorist assistance is limited to taping a leaking hose, providing water for a radiator, a jump start, a gallon of gas, a tire change, or towing a disabled vehicle off the freeway to a designated drop zone where the motorist may seek additional assistance.

In FY 2021-22, Orange County received approximately \$5 of congestion relief benefit for every dollar invested in the program.

External Funding:

SHA allocation provided by Caltrans – approximately \$2.2 million annually.

SB 1 allocation provided by Caltrans – approximately \$2 million annually.

SAFE (\$1 per vehicle registration fee) - funds not allocated to the Freeway Call Box and 511 Motorist Assistance and Traveler Information programs are available for FSP program use, to meet local match fund requirements – approximately \$1.2 million annually.

N. Freeway Service Patrol

Risks:

Should the State of California stop funding FSP through the SHA and SB 1, M2 will not be sufficient to maintain existing service levels.

Related Projects:

M2 Project N funds are designated to maintain existing service levels, provide mid-day and weekend service, and limited FSP support services for construction of Projects A-M.

Other Involved Agencies:

Caltrans and CHP.

Assumptions:

Project N is assumed to be funded on a pay-as-you-go basis. Funding provided through the SHA and SB 1 are allocated first, and then M2 funding is applied as needed.

References:

- M2 Project N Guidelines for FSP Project, approved on February 13, 2012

Environmental Mitigation Program



Overview:

The EMP provides for allocation of five percent of the total M2 freeway budget for comprehensive environmental mitigation related to impacts from freeway improvements (projects A-M). The EMP was approved by Orange County voters under the M2 half-cent sales tax for transportation improvements in 2006.

A master agreement between OCTA, Caltrans, and state and federal resource agencies was approved in January 2010. This offers higher-value environmental benefits such as habitat protection, connectivity, and resource preservation in exchange for streamlined project approvals for the 13 (segmented into 30) M2 freeway projects.

To adhere to the promise of M2, the Next 10 Plan includes the following framework for the Mitigation Program as it relates to Projects A-M:

- Streamline freeway projects through the biological permitting process.
- Provide comprehensive environmental mitigation.
- Partner with state and federal resource and regulatory agencies.
- Provide higher-value environmental benefits such as habitat protection, connectivity, and resource preservation.

Next 10 Plan Deliverables:

In 2009, the Board approved a policy to allocate approximately 80 percent of the revenues to acquisitions and 20 percent to fund restoration projects. This policy will need to be revisited periodically to ensure it continues to meet program needs. The Next 10 Plan recommends four major initiatives through 2032 consistent with the above framework:

1. Oversee and manage the Preserves while the endowment is being established and determine potential long-term land manager(s) and endowment holder(s). This includes coordinating with local fire authorities and the Wildlife Agencies to monitor habitat recovery after wildfires impact the Preserves, such as the 2022 Coastal Fire that impacted the Pacific Horizon Preserve.
2. Focus EMP resources funding as a first priority toward the establishment of the endowment for the Preserves.
3. Review and update the resource management plans (RMP) on the Preserves as appropriate. This includes the development of FMPs for each of the Preserves.
4. Complete approximately 350 acres of restoration projects funded through M2 to fulfill the Conservation Plan commitments.

Environmental Mitigation Program

Description:

In 2010, OCTA began preparing a Conservation Plan, which examines habitat resources within broad geographic areas and identifies conservation and mitigation measures to protect habitat and species. This analysis was completed in 2016; in accordance with the master agreement “advance credit” provision, funds were allocated prior to completion of the Conservation Plan. In 2017, the United States Fish and Wildlife Service (USFWS) and the California Department of Fish and Wildlife (CDFW) (collectively, Wildlife Agencies) finalized the issuance of their respective biological opinion, findings, and associated permits, as well as signed the Conservation Plan Implementing Agreement. Receipt of these permits represents the culmination of years of collaboration and support by the Board, environmental community, and Wildlife Agencies.

Concurrent with efforts made toward completing the Conservation Plan and EIR/Environmental Impact Statement (EIS), OCTA collaborated with the United States Army Corps of Engineers (USACE) and the State Water Resources Control Board (SWRCB) – regulatory agencies – to streamline the regulatory permitting process. In 2017, the USACE issued a programmatic permit to OCTA and Caltrans (as owner/operator of the state highway system). The SWRCB provided a letter to OCTA in 2018, which further secured assurances related to advanced mitigation and freeway project permit issuance.

RMPs for each of the seven Preserves were finalized in 2018. These RMPs guide the management of the Preserves as outlined within the Conservation Plan. The Conservation Plan also requires that each Preserve also have a Preserve-specific FMP. These FMPs were developed in coordination with local fire agencies and will require approval from the Wildlife Agencies. The FMPs will be attached to the RMPs. Staff will continue to oversee and manage the Preserves until a long-term management strategy is determined at which time, some or all of the Preserve responsibilities could be transferred to another entity.

Cost:

In 2007, the Board approved approximately \$55 million as part of the EAP. Accordingly, \$42 million and \$10.5 million were allocated for acquisition and restoration, respectively. An additional \$2.5 million was allocated for the Conservation Plan development and program support, including appraisals and biological surveys.

Status:

Since 2010, a total of \$10 million has been allocated for 12 projects to restore approximately 350 acres of open space lands throughout Orange County.

On September 26, 2016, the Board approved the selection of the endowment fund manager. Annually, approximately \$2.9 million is deposited in the endowment. These annual deposits are expected over a ten to 12 year period, or until the fund totals

Environmental Mitigation Program

approximately \$46.2 million. As of June 30, 2023, the balance was \$23,688,239, which includes seven deposits. Annual endowment deposits will continue to be made near the beginning of each FY.

The Wildlife Agencies finalized the issuance of their respective permits, as well as executing the Implementing Agreement in 2017. In early 2018, OCTA secured advanced streamlined state and federal clean water permitting requirements.

All seven Preserves have finalized RMPs and are being managed and protected for an interim period by OCTA staff and contractors. These RMPs will be reevaluated in 2024 and revised as necessary. Staff will continue to oversee and manage the Preserves while a long-term management strategy and manager is determined.

Present Day:

In consultation with the local fire authority, staff have developed FMPs for the seven Preserves. The plans provide guidelines for decision-making at all stages including fire prevention, pre-fire vegetation management, suppression activities, and post-fire responses that are compatible with conservation and stewardship responsibilities. These plans are a requirement of the Conservation Plan and are currently being reviewed for approval by the Wildlife Agencies.

Benefits:

The completed Conservation Plan and regulatory permitting process are tools

by which OCTA obtains biological and regulatory permits/assurances for the 13 (segmented into 30) M2 freeway projects. This comprehensive process enables OCTA to streamline future M2 freeway improvement projects.

External Funding:

Examples of external funding available for this program include:

- USFWS contribution toward the acquisition of open space land in the Trabuco Canyon area.
- USFWS Habitat Conservation Planning Assistant Grant to help fund the completion of the Conservation Plan.
- Restoration project sponsors utilize external funds and resources to implement their projects.

Risks:

To date, five restoration projects have been completed and signed off by the Wildlife Agencies. The success of the restoration projects will support OCTA's Conservation Plan and regulatory permitting processes. However, unforeseeable conditions such as the frequency of drought and wildfires have and may continue to impact plant reestablishment. Additional funding may be necessary to ensure successful implementation of the restoration projects if the Wildlife Agencies do not sign off on the project under current conditions.

OCTA will need to establish the endowment over a ten to 12-year period. OCTA currently holds the title and interim land management responsibility of the Preserves but will

Environmental Mitigation Program

potentially secure a long-term land manager(s) in the future.

Related Projects:
Projects A-M.

Other Involved Agencies:
Caltrans, CDFW, the environmental community, SWRCB, USACE, and USFWS.

Assumptions:
This program is assumed to be funded primarily on a pay-as-you-go basis in the future, in addition to prior bonding issuances. More detailed assumptions are included in the appendices.

References:

- Final Conservation Plan and EIR/EIS
- Additional resources can be found online: www.octa.net/environmental

2023
UPDATE

NEXT 10

DELIVERY PLAN

Streets & Roads Program

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Exhibit 2.2.1. OC Go Streets and Roads Program Map

OC GO STREETS AND ROADS PROGRAM



updated 8.10.23

Ⓞ Regional Capacity Program

- Competitive funding program with annual call for projects for roadway improvements (not mapped)
- OC Bridges Grade Separation Projects

Ⓟ Regional Traffic Signal Synchronization Program

- Competitive funding program with annual call for projects for signal coordination

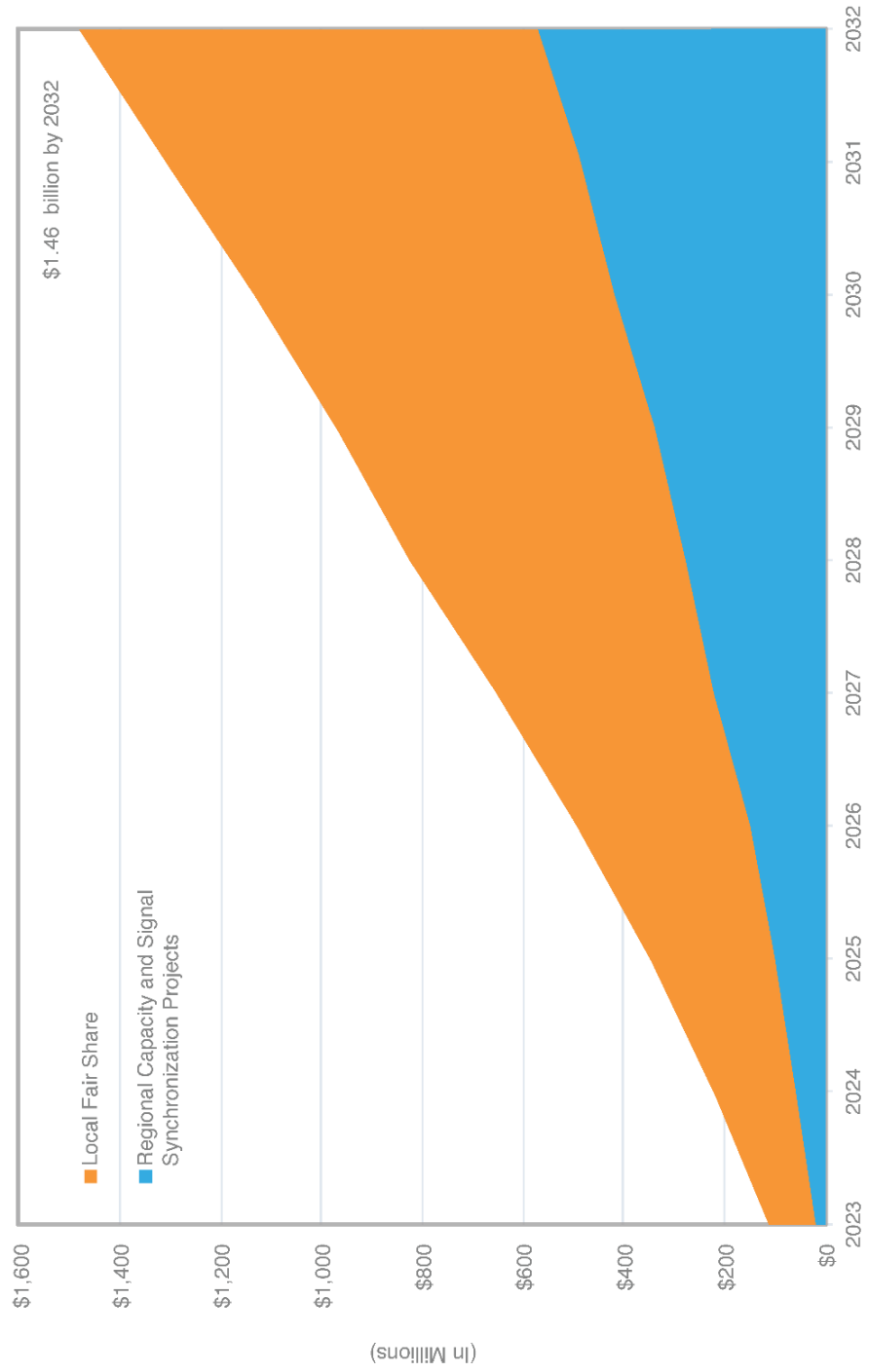
Ⓠ Local Fair Share Program

- Flexible funding to local jurisdictions for street maintenance and improvements (not mapped)

Exhibit 2.2.2 OC Go Streets and Roads Cumulative Expenditures



OC Go Streets and Roads Cumulative Expenditures



2.2. Streets and Roads



Overview:

Local streets provide the capacity for the movement of people and goods which is essential to Orange County's commerce and vitality. Streets carry approximately half of Orange County's car and truck traffic and nearly all of Orange County's bicycle and pedestrian traffic. Keeping people moving on local streets is an essential function of the M2 funding programs for local streets. To meet this broad mobility goal, the Next 10 Plan includes the following framework for the Streets and Roads Program:

- Target M2 competitive program funds for streets with the worst traffic congestion.
- Maintain the value of investments in streets by synchronizing traffic signals and keeping pavement in good condition.
- Consider all modes of travel when planning for added street capacity.

Within this program is the OC Bridges Program, which funded seven over- or underpass grade separations that eliminated car and train conflicts along the BNSF railway in northern Orange County. For more details, see Section 3.1 of the Appendix.

Next 10 Plan Deliverables:

Continue to provide funding to improve the countywide network of streets and roads, making them safer and more efficient. The Next 10 Plan for streets and roads recommends two major initiatives through 2032, consistent with the above framework:

1. Provide annual calls for competitive funding to local jurisdictions to address bottlenecks and gaps in the street system and synchronize signals (Project O and P).
2. Provide flexible funding to local jurisdictions to preserve the quality of streets or for use on other transportation needs as appropriate (Project Q).

O. Regional Capacity Program

Description:

Project O provides funding through a competitive process to local jurisdictions for recommended streets and roads projects which complete the Orange County MPAH, relieve congestion, are cost effective, and can proceed to construction quickly. These projects fall into one of two categories as described below.

RCP: This portion of Project O provides a funding source to complete the Orange County MPAH, a plan for future roadway improvements throughout Orange County. This includes intersection improvements and other projects that help improve street operations and reduce congestion. The M2 goal for these projects is to complete roughly 1,000 miles of new street lanes, mostly in the form of widening existing streets to their ultimate planned width. Matching local funds are required for these projects.

OC Bridges: This portion of Project O funded seven over- or underpass grade separations that eliminate car and train conflicts along the BNSF railway (Orangethorpe Avenue corridor) in northern Orange County. These grade separations increased safety for everyone traveling through the intersections and eliminated delays caused by trains.

Program Funding:

RCP: \$462.67 million between 2023 and 2032.

Status:

To date, OCTA has awarded \$387.63 million, which includes \$32.25 million in M1 and external funding, to 180 projects through 13 competitive RCP calls. Annual calls are planned for projects between 2023 and 2032.

As of November 2017, all seven grade separation projects were opened to traffic (Kraemer Boulevard, Lakeview Avenue, Orangethorpe Avenue, Placentia Avenue, Raymond Avenue, State College Boulevard, and Tustin Avenue/Rose Drive). No future calls for grade separations are anticipated.

Present Day:

Annual RCP calls take place providing local jurisdictions the opportunity to request funding for street improvements.

Benefits:

Completion of the MPAH system, including grade separations, will result in better traffic flow and a more efficient transportation system.

O. Regional Capacity Program

External Funding:

RCP: Local jurisdictions are required to provide a 50 percent local match. Matching funds may be reduced contingent on participation in pavement and signal programs, as well as use of non-M2 funds for local match. While other external state and federal funding are not typically used for RCP projects, there have been seven projects to date which qualified for and were awarded State-Local Partnership Program funds, amounting to approximately \$22.98 million.

OC Bridges: The Board approved the use of \$209.7 in federal funds and \$260.8 million in state funds for this project. Additionally, local jurisdictions provided \$44.4 million in funding. OC Bridges funding includes 75 percent in external local, state, and federal funds.

Risks:

Local jurisdictions must meet and maintain eligibility requirements to receive net M2 funds. Additionally, funds received are subject to M2 timely use of funds provisions.

Related Projects:

Project P and Project Q.

Other Involved Agencies:

All local jurisdictions (cities and County of Orange).

Assumptions:

Project O is assumed to be funded primarily on a pay-as-you-go basis with bonding for the seven OC Bridges projects. More detailed assumptions are included in the appendices.

References:

- M2 Eligibility Guidelines
- Comprehensive Transportation Funding Program Guidelines
- Orange County MPAH Guidelines
- Capital Funding Program Report – Local Road Project (August 2023)

P. Regional Traffic Signal Synchronization Program

Description:

Project P provides funds to local jurisdictions to implement new signal timing on a 750-mile regional network that covers most of Orange County. Optimizing traffic signal timing is a low-cost, high-benefit approach to reducing congestion and improving traffic flow. Better signal timing results in fewer traffic stops, delays, pollution, and saves commuters gas and money.

Program Funding:

\$182.74 million between 2023 and 2032.

Status:

As of June 2023, OCTA has funded approximately \$162.27 million, including \$30.48 million in M1 and external funding, to 131 projects. Since 2008, 101 corridor-based signal synchronization projects have been implemented, 27 are planned or underway, and three have been cancelled. Annual calls are planned for projects between 2023 and 2032. From FY 2022-23 through FY 2031-32, the entire network of signals is anticipated to have been retimed or optimized at least two times. This equates to more than 4,000 intersections retimed over a ten-year period.

Present Day:

In the past, many traffic signal synchronization projects were limited to segments of roads in individual cities. M2 provides funds to expand these projects to benefit neighboring cities and regional corridors.

Benefits:

Optimizing signal timing offers substantial benefits in reducing traffic delays and improving air quality. To date, OCTA has implemented optimized signal timing on 101 corridors with 3,522 intersections covering 903 miles of roadway. On the average, each project resulted in a 13 percent travel time savings for corridor end-to-end travel, saving commuters time and money for a relatively low investment. Future projects may see comparable benefits when combined with capital improvements to reduce physical bottlenecks where appropriate.

External Funding:

Local jurisdictions are required to provide a 20 percent local match. Matching funds may be in-kind services. There may be future needs for more capital-intensive investments as systems age.

Projects that started prior to the 2011 call were funded with \$4.95 million in M1, \$1.77 million in federal Congestion Mitigation and Air Quality Improvement (CMAQ), and \$3.82 million in Prop 1B funds. The 2013 call was partially funded with \$1.25 million in Mobile Source Air Pollution Reduction Review Committee grant money. The 2018 call was able to leverage \$6.69 million in SB 1 Local Partnership Program competitive grant funds. OCTA was also able to leverage \$12 million in SB 1 Solutions for Congested Corridor Program competitive grant funds for three corridor projects outside the 2020 call. In all, external funding (not including funds provided by

P. Regional Traffic Signal Synchronization Program

local jurisdictions) contributed is approximately \$30.48 million.

Risks:

Local jurisdictions must meet and maintain eligibility requirements to receive net M2 funds. Additionally, funds received are subject to M2 timely use of funds provisions.

Related Projects:

Project O (RCP) and Project Q.

Other Involved Agencies:

Caltrans and all local jurisdictions (cities and County of Orange).

Assumptions:

Project P is assumed to be funded on a pay-as-you-go basis.

References:

- M2 Eligibility Guidelines
- Comprehensive Transportation Funding Program Guidelines
- OCTA's Comprehensive Business Plan
- Capital Funding Program Report – Local Road Project (August 2023)

Q. Local Fair Share Program

Description:

Project Q provides formula-based funds that local jurisdictions may use for a variety of transportation purposes and needs, including repairing aging streets, residential street projects, bicycle lanes, and pedestrian safety.

Key among these needs is pavement preservation, which involves extending the useful life of pavement and avoiding costly street reconstruction. Preserving and maintaining roads in good condition is a key goal of M2 and Project Q in particular.

Program Funding:

Up to \$900.47 million will be provided between 2023 and 2032.

Status:

As of June 2023, approximately \$660.19 million⁶ in LFS payments have been provided to local jurisdictions and the County.

Orange County streets are in generally good condition on average (with a pavement condition index of 79 based on the 2020 statewide report, the best in state). As roadway pavement conditions deteriorate, however, the cost for repairs increases exponentially. For example, it costs as much as 14 times more to reconstruct pavement than to preserve it when it is in good condition.

Present Day:

The cost of street rehabilitation has increased substantially in recent years,

and gas tax revenues have not kept pace, which has a direct impact on the ability to fund street maintenance and rehabilitation.

Benefits:

Investments in streets and roads save future costs, keep traffic moving, and offer expanded travel choices.

LFS funds are also flexible and can be used as matching funds for capacity and safety projects, bicycle and pedestrian facilities, as well as local transit services.

External Funding:

This program is not externally funded.

Risks:

Local jurisdictions must meet and maintain eligibility requirements to receive net M2 funds. Additionally, funds received are subject to M2 timely use of funds provisions.

Related Projects:

Project O (RCP) and Project P.

Other Involved Agencies:

All local jurisdictions (cities and County of Orange).

Assumptions:

Project Q is assumed to be funded on a pay-as-you-go basis.

⁶ Only includes disbursed funds. On May 22, 2023, the Board determined the City of Cypress ineligible to receive net M2 revenues. Disbursements of net M2 revenues have been suspended until the City of Cypress achieves compliance and the Board reconsiders the matter at a future meeting.

Q. Local Fair Share Program

References:

- M2 Eligibility Guidelines
- 2018 California Statewide Local Streets and Roads Needs Assessment
- OCTA's Comprehensive Business Plan
- Capital Funding Program Report – Local Road Project (August 2023)

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2023
UPDATE

NEXT 10

DELIVERY PLAN

Transit Programs

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Exhibit 2.3.1. OC Go Transit Programs Map

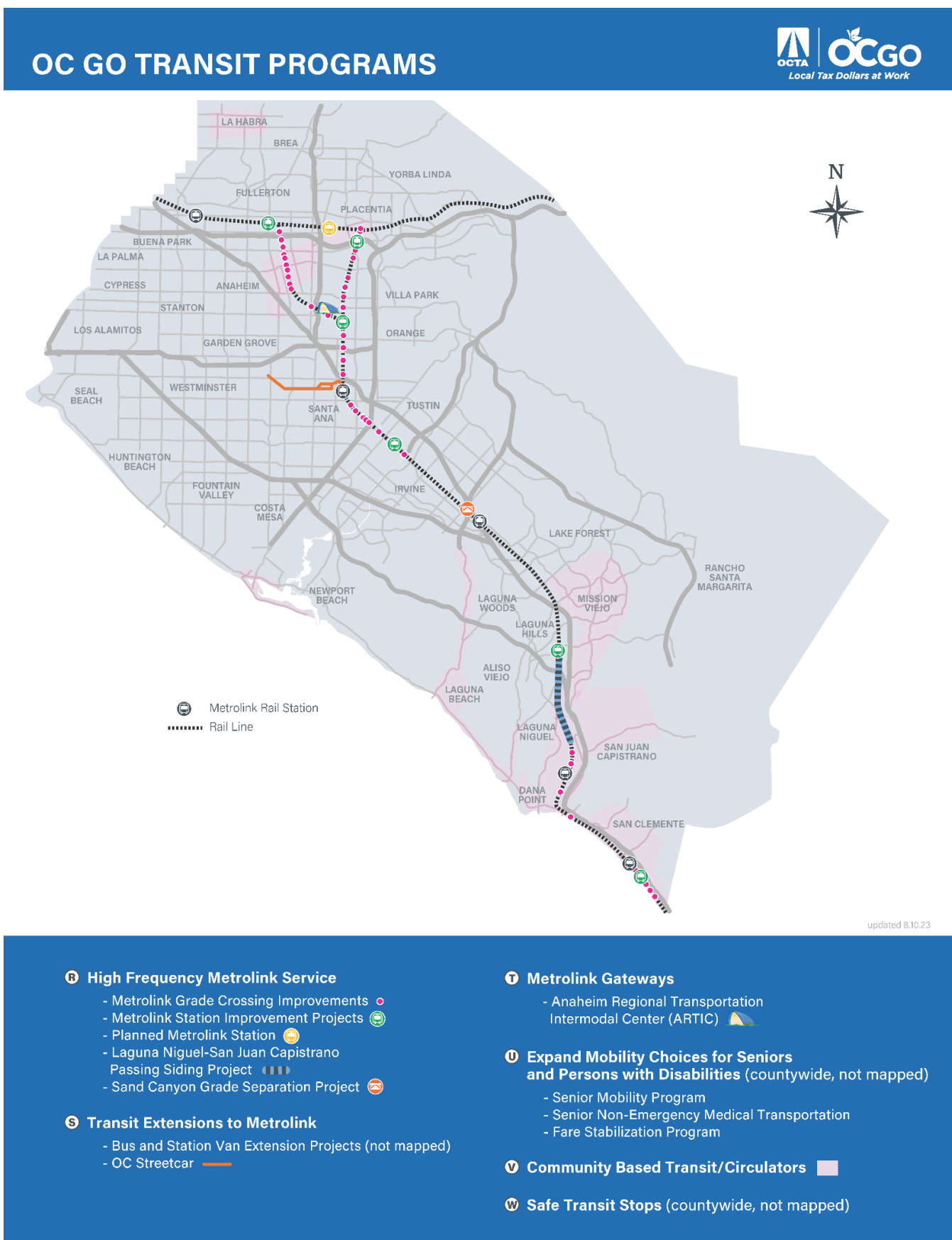
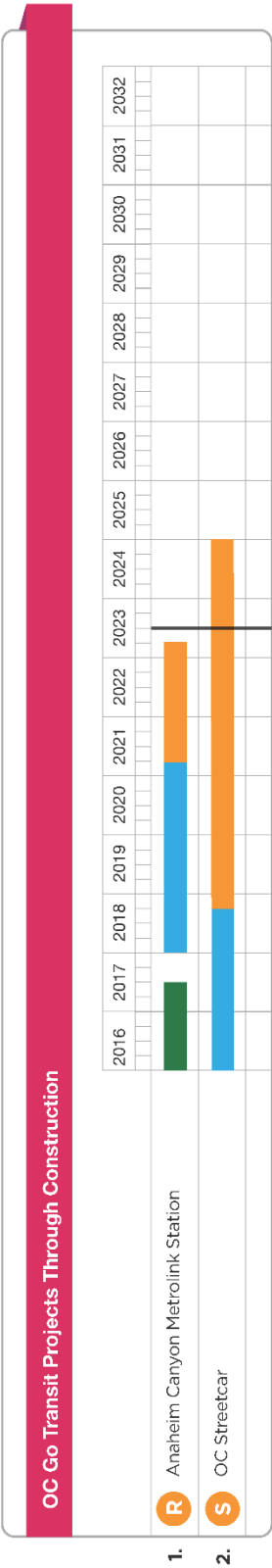


Exhibit 2.3.2. OC Go Transit Projects Through Construction



Environmental Design/Advertise & Award Construction



Please note that schedules are updated as of June 30, 2023. Shown schedules are subject to change.

2.3. Transit Program



Overview:

The goal of the Transit Program is to build a visionary transit system that is safe, clean, and convenient, with a focus on Orange County's transportation future. Providing mobility choices and connectivity for Orange County residents and workers are key components of the overall M2 Plan. To meet this broad mobility goal, the Next 10 Plan includes the following framework for the Transit Program:

- Ensure efficient and integrated Metrolink service for Orange County residents.
- Assess and deliver transit options providing riders first and last mile connections and alternatives to driving.
- Provide services and programs to meet the growing transportation needs of seniors and persons with disabilities.
- Support local agency efforts to deliver Board-approved community-based transit projects.
- Advance improvements to the busiest transit stops across the County to provide passenger amenities that ease transfers between bus lines.

Next 10 Plan Deliverables:

The Next 10 Plan for transit recommends seven major initiatives through 2032, consistent with the above framework.

1. Complete one rail station improvement.
2. Sustain Metrolink service as an attractive alternative to driving in Orange County.
3. Complete construction and begin operating the OC Streetcar.
4. Incorporate recommendations from planning studies to guide development of future transit connections.
5. Support expanded mobility choices for seniors and persons with disabilities.
6. Work with local jurisdictions to maintain successful community circulator projects and potentially provide grant opportunities for expanded or new local transit services.
7. Continue to improve the top 100 busiest bus stops in Orange County.

R. High Frequency Metrolink Service

Description:

Project R provides for sustained and expanded rail service into Los Angeles and Orange counties along the three Metrolink lines serving Orange County (Orange County, Inland Empire-Orange County, and 91/Perris Valley Lines). Project R also provides for safety and operational improvements to the railroad infrastructure necessary to support existing and expanded train service, including grade crossing improvements, track improvements, signal and communications system improvements, as well as other projects as necessary to support the rail system. Grade separation projects will be considered as available funding permits.

Program Funding:

Approximately \$445.77 million between 2023 and 2032.

Status:

To date, rail safety enhancements at 50 at-grade rail-highway crossings have been completed. As a result, quiet zones have been established in the cities of Anaheim, Dana Point, Irvine, Orange, San Clemente, San Juan Capistrano, Santa Ana, and Tustin.

Station improvements completed during the EAP include parking expansion projects at the Fullerton Transportation Center, Tustin Station and Laguna Niguel/Mission Viejo Station, as well as safety repairs to the San Clemente Pier Station platform.

Since then, several station improvement projects have been completed: the San Clemente Pier Metrolink/Amtrak Station lighting, the

Laguna Niguel/Mission Viejo Metrolink Station Americans with Disabilities Act (ADA) ramps, the Orange Transportation Center Parking Structure, the Fullerton Transportation Center elevator upgrades project and stair replacement project, and detectable tile replacements at various stations.

One rail improvement project was completed during the Next 10 Plan time frame: The Anaheim Canyon Metrolink Station improvement project, which began construction in May 2021 and was completed in January 2023. The new Placentia Metrolink Station project is on hold pending a shared-use agreement between Metrolink and BNSF prior to advertisement and construction. There is no projected date for when this agreement will be completed at this time.

Completed rail corridor improvements include Control Point at 4th Street, Control Point Stadium, the San Clemente Beach Trail Audible Warning System, Laguna Niguel to San Juan Capistrano Passing Siding, Railroad ROW Slope Stabilization, and six Project Study Reports for potential grade separations along the Los Angeles-San Diego-San Luis Obispo Rail (LOSSAN) corridor, including: 17th Street, Ball Road, Grand Avenue, Main Street, Orangethorpe Avenue, and Santa Ana Boulevard.

Rail corridor improvements underway include: San Juan Creek Railroad Bridge Replacement, track stabilization and protection in San Clemente, Metrolink Preventive Maintenance Capitalized Operation, Metrolink

R. High Frequency Metrolink Service

Rehabilitation/Renovation, and ongoing operation of Positive Train Control.

Present Day:

Metrolink is currently operating 45 weekday trains. In October 2019, four intracounty trips operating between Laguna Niguel/ Mission Viejo and Fullerton were extended to Los Angeles, however the extended trips were temporarily suspended due to COVID-19. OCTA will continue to actively engage with Metrolink and other member agencies and monitor ridership levels and the corresponding financial impacts to M2.

Benefits:

Project R allows for sustained operation and enhanced capacity of Metrolink trains serving Orange County, providing a viable alternative to single-occupant vehicle travel, thereby reducing congestion on crowded roadways and freeways.

External Funding:

State: STIP, Propositions 1A, 1B, and 116, and TIRCP totaling \$291.80 million.

Federal: CMAQ, the Surface Transportation Block Grant Program, and FTA Sections 5307, 5309, and 5337, totaling \$467.99 million.

Other Local: Local funding from the cities as well as other entities is programmed for \$86.96 million.

M1 also provided \$136.58 million.

Risks:

Close monitoring of Metrolink operations is necessary to ensure sustainability through 2041. Metrolink ridership recovery has struggled to meet projections, thereby reducing farebox revenues. To exacerbate this shortfall, operating costs have increased. Metrolink is currently operating Orange County rail services at approximately 85 percent of pre-pandemic levels. Despite ridership continuing to improve quarter-over-quarter, ridership is still below pre-pandemic levels. Without changes in service levels, ridership growth, and operations and rehabilitation costs or availability of external funds, the current service cannot be sustained beyond FY 2031-32. Staff has identified and is proposing to program TIRCP formula funds to help sustain Metrolink service. If this is approved in the coming months, this infusion of external funds is anticipated to extend Metrolink operations through FY 2037-38. OCTA will continue to actively engage with Metrolink and the other member agencies to monitor ridership levels and the financial impacts to M2.

Another impact to Metrolink in Orange County is the railroad track stabilization effort in the City of San Clemente; OCTA owns the railroad ROW in the affected area. In September 2021, a failing slope severely degraded the railroad track structure [Mile Post (MP) 206.8]. Emergency repair efforts were taken between late 2021 and early 2022. However, higher tidal events have continued to impact the stability of the track, leading to a suspension of rail service. On October 3, 2022, the Board adopted a resolution to authorize

R. High Frequency Metrolink Service

OCTA to take all necessary actions to address the emergency need for railroad track stabilization. On April 17, 2023, track stabilization efforts were sufficiently completed to allow the passenger rail service to resume.

However, a hillside owned by the City of San Clemente at the Casa Romantica Cultural Center and Gardens (MP 204.6) failed and continues to incrementally move. Landslide debris continued to crumble down the slope and foul the tracks owned by OCTA, which again led to the suspension of all passenger rail services in the City of San Clemente and south Orange County on April 27, 2023. On June 26, 2023, the Board adopted a resolution to authorize OCTA to take all necessary actions to address the emergency need for railroad track protection. Construction on a temporary barrier wall at the bottom of the slope to protect the railroad track was completed on July 16, 2023. As a result, service through San Clemente resumed on July 17, 2023.

To date, OCTA has invested \$12 million of M2 funds along with \$16 million of State and Federal funds to ensure the safety of the railroad track. While emergency work has been completed and service has resumed, long-term solutions need to be developed to ensure the ability to provide rail service in this portion of the County. In partnership with key stakeholders, a planning study is currently underway to identify and evaluate short- and medium-term solutions with the goal of protecting the rail line in place. A separate study will

follow to evaluate potential long-term solutions which may include relocation of the rail line. The lead agency for the long-term study has not been identified.

The Next 10 Plan is reviewed annually, which will provide OCTA the opportunity to update and adjust assumptions as needed.

Related Projects:

Project S, Project T, and Project V.

Other Involved Agencies:

BNSF, Caltrans, California Office of Emergency Services, California Public Utilities Commission (CPUC), California State Transportation Agency (CalSTA), Corridor Agencies, CTC, FTA, Los Angeles County Metropolitan Transportation Authority, Metrolink, RCTC, San Bernardino County Transportation Authority, and Ventura County Transportation Commission.

Assumptions:

Funding and operating agreements with partner agencies will be successfully implemented.

References:

- OCTA's Comprehensive Business Plan
- Capital Funding Program Report - Rail Project (August 2023)

S. Transit Extensions to Metrolink

Description:

Project S establishes a competitive program for local jurisdictions to broaden the reach of Metrolink to other Orange County cities, communities, and activity centers via transit, to connect passengers to their final destinations. With approximately 60 percent of Orange County's population and employment centers located within a four-mile radius of Metrolink stations, the emphasis of Project S is on expanding access to the core rail system and establishing connections to destinations that are not immediately adjacent to the Metrolink corridor, within the central core, north and south of Orange County. These connections may include a variety of transit technologies such as conventional bus or vanpool (Rubber Tire), bus rapid transit or high capacity rail transit systems (Fixed Guideways), as long as they can be fully integrated and provide seamless transition for the users.

Program Funding:

Approximately \$444.79 million between 2023 and 2032 for fixed guideways in sales tax revenue.

Status:

Fixed Guideway: Through a competitive process, one project (OC Streetcar) advanced beyond initial study. The OC Streetcar is under construction and will operate in the cities of Garden Grove and Santa Ana.

Rubber Tire: One call has been issued since 2012, providing approximately \$732,000 for four projects in the cities of Anaheim and Lake Forest. The City of Lake Forest has cancelled all

three projects. The City of Anaheim project successfully completed its grant on June 30, 2020, and is being funded on a go-forward basis through a subsequent Project V grant. No future calls for rubber tire projects are anticipated.

Present Day:

Maintaining and growing Metrolink ridership relies on convenient and seamless bus and rail connections. Currently, OCTA fixed bus service and company shuttles are the prime providers of transit connections. However, Uber/Lyft paid-ridesharing services have been a growing presence.

Benefits:

Project S will provide expanded transit access to the centralized Metrolink system, thereby allowing Metrolink commuters to connect to other parts of the County without using an automobile.

External Funding:

Fixed Guideways: External funds for two preliminary studies for the cities of Anaheim and Santa Ana were funded with \$3.12 million in federal FTA Section 5307 and city local funds. M1 also provided \$20.63 million for preliminary studies.

The Board has approved funding supporting the OC Streetcar project, including \$280.09 million in federal funds from federal American Rescue Plan, CMAQ, FTA Section 5307 and 5309, and New Starts funding, and \$175.43 million in state funds, totaling \$455.52 million.

S. Transit Extensions to Metrolink

Rubber Tire: None. These projects are funded by M2 and local city matching funds.

Risks:

Overall schedule, scope, and cost risks are high with this project due to the extensive project scope.

Related Projects:

Project R (High Frequency Metrolink Service), Project T, and Project V.

Other Involved Agencies:

CalSTA, Caltrans, CPUC, CTC, FTA, and local jurisdictions.

Assumptions:

OC Streetcar: Cities of Garden Grove and Santa Ana will provide their required match for operations.

Funding for a future call will be at the Board's discretion.

Rubber Tire: Future calls will be at the Board's discretion based on the level of interest from local jurisdictions but will likely be transitioned to Project V which provides for greater flexibility.

References:

- M2 Eligibility Guidelines
- Project S Guidelines
- Federal 5307 and 5309 Funding Guidelines
- OCTA's Comprehensive Business Plan
- OC Streetcar Project Revised Funding Plan (April 2023)
- Capital Funding Program Report - Rail Project (August 2023)

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

Description:

Provide funding for local improvements to stations along the LOSSAN corridor in Orange County to facilitate connections to future high-speed rail systems, thereby ensuring Orange County's presence in the development and implementation of high-speed rail systems that will serve Orange County. One project, the Anaheim Regional Transportation Intermodal Center (ARTIC), moved forward to completion.

Cost:

M2 contributed \$35.29 million of the \$225.53 million cost of the ARTIC project.

Status:

As part of EAP efforts, OCTA held a competitive call in 2009 for eligible station cities for the development and implementation of station projects in preparation of future high-speed rail systems. The cities of Anaheim, Fullerton, Irvine, and Santa Ana were awarded funding for planning of major expansions of their Metrolink Stations. The City of Anaheim received environmental clearance for the ARTIC project in early 2012. The completed facility opened to rail and bus service on December 6, 2014.

On December 14, 2015, the Board amended the M2 Ordinance and Plan to officially close out Project T by considering the completion of ARTIC as fulfilling the intent of Project T, as the only Orange County station on the planned high-speed rail route. The remaining balance of M2 funds were then transferred to two projects in need: the Metrolink Service Expansion

Program (part of Project R), and the Fare Stabilization Program for Seniors and Persons with Disabilities (part of Project U).

Present Day:

In partnership with transportation agencies, corridor cities, and stakeholders, the California High-Speed Rail Authority in 2008 planned a high-speed rail system that was envisioned to extend as far north as Sacramento and as far south as San Diego with a connection in Anaheim. Work on the Central Valley segment from Bakersfield to Merced continues, however other areas of the system have been postponed.

Benefits:

Early completion of Project T allowed for investment in Orange County's rail system to facilitate the planned ultimate integration of various high-speed rail systems within the County. The project relocated the prior rail station from leased land in the Los Angeles Angels of Anaheim parking lot, to its new permanent location as a multimodal station for all transit riders.

External Funding:

Federal: CMAQ, Regional Surface Transportation Program, FTA Sections 5309 and 5337, FTA Bus Livability, and Highway Safety Improvement Program, totaling \$76.07 million.

State: STIP totaling \$29.22 million.

M1 also provided \$87.02 million of which \$32.50 million for ROW will be

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

repaid plus interest by the City of Anaheim by 2025.

Risks:

None – project completed.

Related Projects:

California High-Speed Rail System.

Other Involved Agencies:

California High-Speed Rail Authority, Caltrans, cities of Anaheim, Fullerton, Irvine, and Santa Ana, CTC, FTA, and Metrolink.

Assumptions:

The California High-Speed Rail System will extend to the City of Anaheim as identified in their 2016 Business Plan.

References:

- M2 Eligibility Guidelines
- Section 5309 and 5337 Funding Guidelines
- California High-Speed Rail 2016 Business Plan
- December 2017 Project Status Report
- Capital Funding Program Report – Rail Project (August 2023)

U. Expand Mobility Choices for Seniors and Persons with Disabilities

Description:

Project U provides funding for three programs to expand mobility choices for seniors and persons with disabilities.

The SMP, administered by OCTA, was first established in 2001. For the first ten years, this program was supported with Transit Development Act funds. The allocation of Project U funding ensures the continuation of dedicated resources to sustain this program.

The SNEMT Program was established by the County of Orange in 2003, utilizing Tobacco Settlement Revenue (TSR) to fund the program. Project U funding supplements existing TSR resources to expand the capacity of the program and increase the number of available SNEMT trips.

The Fare Stabilization Program ensures that fares for seniors and persons with disabilities continue to be discounted at the same percentage as 2006 levels.

Program Funding:

Up to \$173.45 million will be provided between 2023 through 2032.

Status:

SMP: This program offers a variety of senior transportation resources. Participating cities determine the services that best meet the needs of the seniors in their community. Examples of services include transportation for medical, nutrition, shopping, and social

trips. As of June 2023, there are 32 cities participating in the program.

SNEMT: This program is administered by the County of Orange Office on Aging and is carried out by two transportation contractors. This program provides approximately 140,000 annual trips under Project U for non-emergency services such as trips to doctor and dental appointments, therapy, dialysis, and pharmacy visits.

As of June 2023, approximately \$48.70 million has supported approximately 142.23 million trips through the Fare Stabilization Program, \$34.50 million⁷ provided nearly \$2.75 million trips through SMP, and \$36.90 million provided \$1.45 million trips through the SNEMT Program since the inception of M2.

Fare Stabilization: In December 2015, the Board approved an amendment to the M2 Ordinance and M2 Plan that backfilled a funding shortfall identified in this program with remaining Project T funds. Effective January 2016, an amendment to the M2 Ordinance adjusted this amount to 1.47 percent of net M2 revenues. With the amendment, projected Fare Stabilization revenues are expected to be solvent through the life of the M2 Program.

Present Day:

Studies of senior mobility needs have identified seniors' preference for utilizing

⁷ Only includes disbursed funds. Only includes disbursed funds. On May 22, 2023, the Board determined the City of Cypress ineligible to receive net M2 revenues. Disbursements of net M2 revenues have been suspended until the City of Cypress achieves compliance and the Board reconsiders the matter at a future meeting.

U. Expand Mobility Choices for Seniors and Persons with Disabilities

local, community-based transportation services rather than countywide or regional services.

The SMP allows participating cities to identify the specific mobility needs of the seniors in their communities and develop transportation programs to best meet those needs with available funding.

The SNEMT Program fills a gap in senior transportation services, as trips are often provided to seniors who do not qualify for OC ACCESS service, or to seniors whose advanced age or disposition make it difficult to use OC ACCESS service. Contracting with social service agencies to provide SNEMT services allows this program to provide enhanced service elements beyond the requirements of OC ACCESS, a paratransit service that complements OCTA's fixed-route bus service and is provided to comply with ADA.

Benefits:

M2 funding of these programs, combined with OC ACCESS service and other senior transportation services funded with public and private resources, provide a menu of mobility options for Orange County seniors, allowing them to select the service that most appropriately meets their transportation need.

External Funding:

Local jurisdictions contribute a 20 percent match to their SMP services. A variety of funding sources are used by cities for their SMP match requirement, including general fund, Community Development Block Grants, sponsorships, advertising revenue, and

administrative in-kind resources. The County of Orange utilizes primarily TSR funds to meet their maintenance of effort requirement.

Risks:

Local jurisdictions must meet eligibility requirements and provide matching funds for SMP.

Related Projects:

Not Applicable.

Other Involved Agencies:

Nearly all local jurisdictions. Participating SMP cities include: Aliso Viejo, Anaheim, Brea, Buena Park, Costa Mesa, Cypress, Dana Point, Fountain Valley, Fullerton, Garden Grove, Huntington Beach, Irvine, La Habra, Laguna Beach, Laguna Hills, Laguna Niguel, Laguna Woods, Lake Forest, Mission Viejo, Newport Beach, Orange, Placentia, Rancho Santa Margarita, San Clemente, San Juan Capistrano, Santa Ana, Seal Beach, Stanton, Tustin, Villa Park, Westminster, and Yorba Linda. The Orange County Office on Aging administers the SNEMT Program.

Assumptions:

Project U is assumed to be funded on a pay-as-you-go basis.

References:

- M2 Eligibility Guidelines
- Project U Funding and Policy Guidelines
- OCTA's Comprehensive Business Plan

V. Community-Based Circulators

Description:

Project V provides funding to local jurisdictions through a competitive process to develop local bus transit services, such as community-based circulators, shuttles, and bus trolleys that complement regional bus and rail services and meet local needs in areas not adequately served by regional transit. Projects need to meet performance criteria, connect to bus and rail services, and document financial viability to be considered for funding.

Program Funding:

\$118.44 million between 2023 through 2032.

Status:

Since M2 inception, the Board has approved \$52 million for 35 projects (Note: service expansions and/or extensions from the 2018 & 2020 calls are counted as separate projects) and ten planning studies through four calls.

Of the 35 projects awarded by OCTA, 16 are currently active, three have not yet initiated service (two projects are continuations of existing Project V grants with remaining funds and one project is anticipated to start in July 2023), 13 have been cancelled (primarily due to low ridership), and three have been completed.

Letters of interest in a future call were received by 18 local jurisdictions. Pending Board approval, a 2024 call is anticipated to be released in late 2023 or early 2024.

Present Day:

Project V helps address the regularly expressed need for local

community-based transit service by Orange County communities.

Benefits:

Community-based circulators can provide relief to arterials in high traffic areas, provide non-auto based mobility options that meet specific local needs, and convenient alternative that improves access to regular special events that attract large numbers of visitors (i.e., OC Fair).

External Funding:

The local match requirement for both capital and any operating funds authorized by the Board is a minimum of ten percent.

Risks:

Local jurisdictions must meet eligibility requirements to receive funding. Ability to maintain service performance and ridership by adapting to volatile changes in travel behavior and remote work trends will be key. Regional transit operator shortages and demand for capital investments in electric vehicle infrastructures may impact long-term financial viability of existing services and ability to fund additional new services.

Related Projects:

Project S (some Project S and V routes could serve dual purposes).

Other Involved Agencies:

Participating local jurisdictions.

Assumptions:

Project V is assumed to be funded on a pay-as-you-go basis.

V. Community-Based Circulators

References:

- M2 Eligibility Guidelines
- Comprehensive Transportation Funding Program Guidelines
- OCTA's Comprehensive Business Plan

W. Safe Transit Stops

Description:

Project W provides funding for passenger amenities at the 100 busiest transit stops across Orange County. The intent is to assist bus riders in the ease of transfer between bus lines and provide passenger amenities.

Program Funding:

\$9.42 million between 2023 through 2032.

Status:

Since inception, the Board has approved over \$3.1 million for 122 stop improvements through three calls. To date, 56 stops have been completed, 56 stop improvements are either planned or underway, and ten improvements have been cancelled by the awarded agency. A future call will be evaluated based on local jurisdiction interest and cash flow analysis.

Present Day:

High volume stops are eligible for funding, which provides needed passenger amenities commensurate with the volume of riders.

Benefits:

Eligible improvements in locations where such amenities do not exist to enhance the customer experience. Improvements include enhancements such as sun/rain

protection, passenger seating, improved lighting, etc.

External Funding:

Minimal local match provided for design requests; the rest is 100 percent M2 funded up to the Project W funding caps. If over the cap, then additional local agency funds are required.

Risks:

Local jurisdictions are responsible for amenities at bus stops. Depending on the amenities selected, long-term maintenance and costs could be required. Local jurisdictions must meet eligibility requirements and timely use of funds provisions to receive M2 funding.

Related Projects:

Not Applicable.

Other Involved Agencies:

Local jurisdictions with a top 100 busiest stop are eligible to receive these funds.

Assumptions:

Project W is assumed to be funded on a pay-as-you-go basis.

References:

- M2 Eligibility Guidelines
- Project W Guidelines
- OCTA's Comprehensive Business Plan

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DELIVERY PLAN

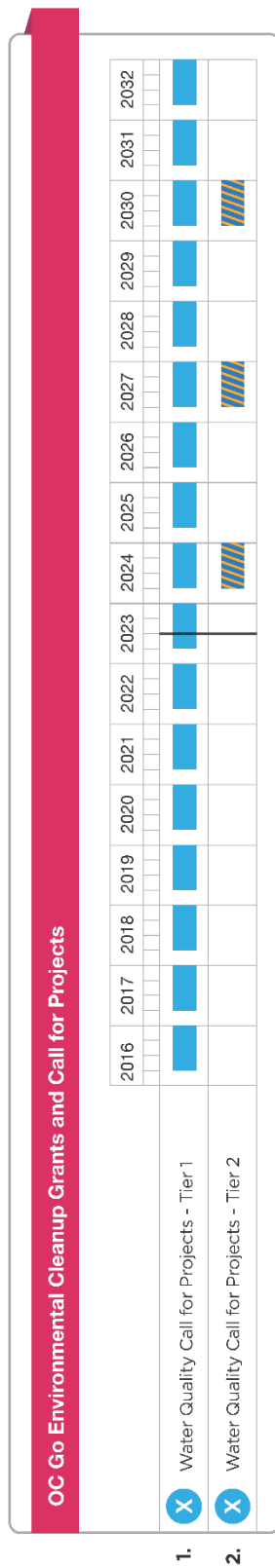
Environmental Cleanup Program

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Exhibit 2.4. OC Go Environmental Cleanup Grants and Calls



Call for Projects
Call for Projects to be determined based on revenue flow



Tier 1 grants program consists of funding for equipment purchases and upgrades to existing storm drains and related best management practices.

Tier 2 grants program consists of funding for regional, potentially multi-jurisdictional, capital-intensive projects.

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2.4. Environmental Cleanup Program



Overview:

The ECP (Project X) allocates approximately \$296 million toward improving overall water quality in Orange County from transportation-related pollution. Project X was approved by Orange County voters under the M2 half-cent sales tax for transportation improvements in 2006.

To adhere to the promise of M2, the Next 10 Plan includes the following framework for Project X:

- Provide supplemental funds (not supplant) for existing transportation-related water quality programs.
- Allocate funds on a competitive basis to improve water quality standards in Orange County.
- Reduce transportation-generated pollutants along Orange County's streets, roads, and freeways.
- Implement best management practices to improve runoff from streets, roads, and freeways.

Additionally, as part of the overall M2 Plan, all M2 capital projects (freeway, street, and transit) must include water quality mitigation as part of their respective project scope and cost. Therefore, this source of funding is not eligible for environmental mitigation efforts.

Next 10 Plan Deliverables:

The Next 10 Plan for Project X recommends two major initiatives through 2032 consistent with the above framework:

1. Protect Orange County beaches by removing trash from entering waterways and inlets that ultimately lead to the ocean.
2. Work with the ECAC to develop the next tiers of water quality funding programs to prevent the flow of trash, pollutants, and debris into waterways from transportation facilities. In addition, focus on improving water quality on a regional scale that encourages partnerships among the local agencies as part of Project X.

X. Environmental Cleanup Program

Description:

Project X implements street- and highway-related water quality improvement programs and projects that assist Orange County cities, the County of Orange and special districts in meeting federal Clean Water Act standards for urban runoff. Project X 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.

In May 2010, the Board approved a two-tiered approach to fund Project X. The Tier 1 grant program is designed to mitigate the more visible forms of pollutants, such as litter and debris that collect on roadways and in storm drains. Tier 1 consists of funding equipment purchases and upgrades to existing catch basins and related best management practices, such as screens and other low-flow diversion devices.

The Tier 2 grant program consists of funding regional, potentially multi-jurisdictional, and capital-intensive projects. Examples include constructed wetlands, detention/infiltration basins, and bioswales which mitigate pollutants such as heavy metals, organic chemicals, and sediment and nutrients.

Program Funding:

\$87.44 million between 2023 and 2032.

Status:

To date, the Board has awarded over \$33.18 million to fund 212 Tier 1 projects across the County through 12 rounds of funding since M2 inception. The 13th call was released in early 2023 for approximately \$3 million and programming recommendations are

anticipated in August 2023. The Board has also awarded approximately \$27.89 million for 22 Tier 2 projects in 12 cities and the County of Orange.

The 2023 Next 10 Plan will continue to commit to annual Tier 1 calls. A Tier 2 Call is anticipated to be released in early 2024, pending Board approval. The timing for future Tier 2 calls beyond 2024 will be evaluated based on local jurisdiction interest and cash flow analysis.

Present Day:

Staff estimates that nearly 60 million gallons (approximately 138 football fields at one-foot deep) of trash have been captured as a result of the installation of Tier 1 devices since the inception of the Tier 1 Program in 2011. As the equipment is in service over time, the volume of trash captured is expected to increase. The funded Tier 2 projects, once fully operational, have the potential to recharge 157 million gallons of groundwater annually.

Benefits:

Improvements funded through this program will improve overall water quality in Orange County. Funds allocated on a countywide competitive basis will assist agencies in meeting federal Clean Water Act requirements for controlling transportation-generated pollution.

External Funding:

Local jurisdictions are required to provide a 20 percent (Tier 1) and 50 percent (Tier 2) minimum local cash match. Tier 2 matching funds may be reduced, depending on project readiness and operations and maintenance, above the ten-year minimum requirement.

X. Environmental Cleanup Program

Risks:

Local jurisdictions must meet eligibility requirements and timely-use-of-funds provisions to M2 receive funding.

Related Projects:

Not Applicable.

Other Involved Agencies:

All local jurisdictions (cities and County of Orange). Third parties such as environmental organizations, homeowner's associations, non-profit groups, and water and wastewater public entities cannot be a lead agency applicant; however, they could jointly apply with an eligible applicant.

Assumptions:

Funds will be allocated on a countywide competitive basis to assist agencies with improving water quality related to transportation pollution.

References:

- M2 Eligibility Guidelines
- Comprehensive Transportation Funding Program Guidelines
- Tier 2 Grant Program Planning Study
- OCTA's Comprehensive Business Plan

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Appendix

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3.1. Next 10 Plan Funding Assumptions

To determine the status of the M2 Program, staff reviewed and updated cash flows for the Next 10 Plan for each of the program elements to test whether commitments provided to the voters as part of the M2 approval in November 2006 remain achievable. The revenue assumptions are based on the 2023 M2 revenue forecast of \$14.8 billion using the latest M2 revenue forecast methodology approved by the Board. The Next 10 Plan also assumes approved TIFIA proceeds, Full Funding Grant Agreement, and net excess 91 Express Lanes revenues for eligible projects. Revenues and expenses were merged into a high-level cash flow model. Bonding assumptions were reviewed to determine the need to address projected negative ending balances by year (compared to a pay-as-you-go scenario) and are constrained to minimum debt coverage ratios.

Freeway Program

Revenues for the M2 Freeway Program assumed a proportional share (43 percent) of net M2 revenue. From inception to 2032, the Freeway Program would receive approximately \$3.58 billion in M2 revenue, \$495.44 million in prior bond proceeds, and \$1.71 billion in state/federal grants, \$89 million in committed TIFIA proceeds, \$486.54 million in net excess 91 Express Lanes revenue for eligible projects, \$33.69 million in interest, and \$20 million transferred in from M1 for a total of \$6.43 billion in total revenue. Costs for the same period total \$5.56 billion (including debt service payments against prior bonding).

For the 2023 Next 10 Plan update, forecasted revenues and costs through 2041 were also tested for the complete M2 Freeway Program to ensure it could be delivered consistent with commitments. For projects currently in environmental or final design, project schedules and costs were based on data provided by OCTA's Project Controls Department. For projects that have not yet entered the environmental phase, conceptual estimates were prepared based on a scoring of congestion relief, project readiness, and cost escalation risks (associated with project delays). There are no anticipated bond issuances looking out to 2041. As always, bonding is constrained to legal debt coverage ratios, and a Plan of Finance is brought separately to the Board for approval as needed with refined bond assumptions.

Prior to FY 2022-23, 13 of the 30 freeway projects have been completed, as listed in Exhibit 3.1.1.

Exhibit 3.1.1. Completed M2 Freeway Projects

Completed M2 Freeway Projects		Construction Complete	Cost*
1. Project A	I-5 between SR-55 and SR-57	2021	\$38.9
2. Project C, D	I-5 between Avenida Pico and Avenida Vista Hermosa/Avenida Pico Interchange	2018	\$83.6
3. Project C	I-5 between Avenida Vista Hermosa and PCH	2017	\$75.3

3.1. Next 10 Plan Funding Assumptions

Completed M2 Freeway Projects		Construction Complete	Cost*
4. Project C	I-5 between PCH and San Juan Creek Road	2018	\$74.3
5. Project D	I-5, Ortega Highway Interchange	2016	\$79.8
6. Project E	SR-22 Access Improvements at Euclid Street, Brookhurst Street, and Harbor Boulevard	2008	M1\$'s
7. Project G	SR-57 Northbound from Katella Avenue to Lincoln Avenue	2015	\$38.0
8. Project G	SR-57 Northbound from Orangethorpe Avenue to Yorba Linda Boulevard	2014	\$52.3
9. Project G	SR-57 Northbound from Yorba Linda Boulevard to Lambert Road	2014	\$54.1
10. Project H	SR-91 Westbound from I-5 to SR-57	2016	\$59.2
11. Project I	SR-91 Westbound from Tustin Avenue Interchange to SR-55	2016	\$42.5
12. Project J	SR-91 between SR-55 to SR-241	2013	\$79.7
13. Project J	SR-91 Eastbound from SR-241 to SR-71	2011	\$57.8
Completed M2 Freeway Projects Total			\$735.5

* Cost in millions

Streets and Roads

The M2 Streets and Roads Program consists of Project O (RCP), Project P (RTSSP), and Project Q (LFS). Combined M2 revenues for these programs assume a proportional share (32 percent) of net M2 revenue. From inception to 2032, the Streets and Roads Program would receive approximately \$2.67 billion in M2 revenue, \$42.93 million in interest, \$121.62 million in prior bond proceeds, and \$625.78 million in M1 and state/federal grants (primarily for the OC Bridges Program), for a total of \$3.46 billion in total revenue. This includes \$6.69 million in SB 1 and \$10.20 million in Solutions for Congested Corridors Program funding leveraged for Project P. Costs for the same period would total approximately \$3.31 billion (including debt service payments against prior bonding).

Part of Project O includes the OC Bridges Program, which funded seven over- or underpass grade separations that eliminated car and train conflicts along the BNSF railway in northern Orange County. These grade separations, listed in Exhibit 3.1.2, increased safety for everyone traveling through the intersections and eliminated delays caused by trains.

Exhibit 3.1.2. Completed OC Bridges – Grade Separation Projects

Completed OC Bridges – Grade Separation Projects		Construction Complete	Cost*
1. Project O	Kraemer Boulevard (Anaheim/Placentia)	2014	\$63.8

3.1. Next 10 Plan Funding Assumptions

Completed OC Bridges – Grade Separation Projects		Construction Complete	Cost*
2. Project O	Placentia Avenue (Fullerton/Placentia)	2014	\$64.5
3. Project O	Orangethorpe Avenue (Anaheim/Placentia)	2016	\$105.9
4. Project O	Tustin Avenue/Rose Drive (Anaheim/Placentia)	2016	\$96.7
5. Project O	Lakeview Avenue (Anaheim/Placentia)	2017	\$110.7
6. Project O	Raymond Avenue (Fullerton)	2018	\$126.2
7. Project O	State College Boulevard (Fullerton)	2018	\$99.6
Completed OC Bridges – Grade Separation Projects Total			\$667.4

*Cost in millions

Transit Program

The M2 Transit Program consists of Project R (High Frequency Metrolink Service), Project S (Transit Extensions to Metrolink), Project T (Metrolink Gateways), Project U (Seniors/Disabled Persons Mobility Programs), Project V (Community-Based Transit/Circulators), and Project W (Safe Transit Stops). Revenues for the M2 Transit Program assume a proportional share (approximately 25 percent) of net M2 revenue. From inception to 2032, the Transit Program would receive approximately \$2.08 billion in M2 revenue, \$51.68 million in prior bond proceeds, \$589.24 million in external revenue, \$45.65 million transferred from M1, and \$18.24 million in interest for a total of \$2.79 billion. The cash flow includes \$158.36 million in Federal New Starts funding, \$164.36 million in federal CMAQ, \$13.60 million in federal FTA 5307, and \$175.43 million in State Cap-and-Trade for the OC Streetcar project. Expenses for this same time period total \$2.15 billion (including debt service payments against prior bonding). The unprogrammed balance for Project S allows for the option of an additional future transit connection project.

Environmental Cleanup Program

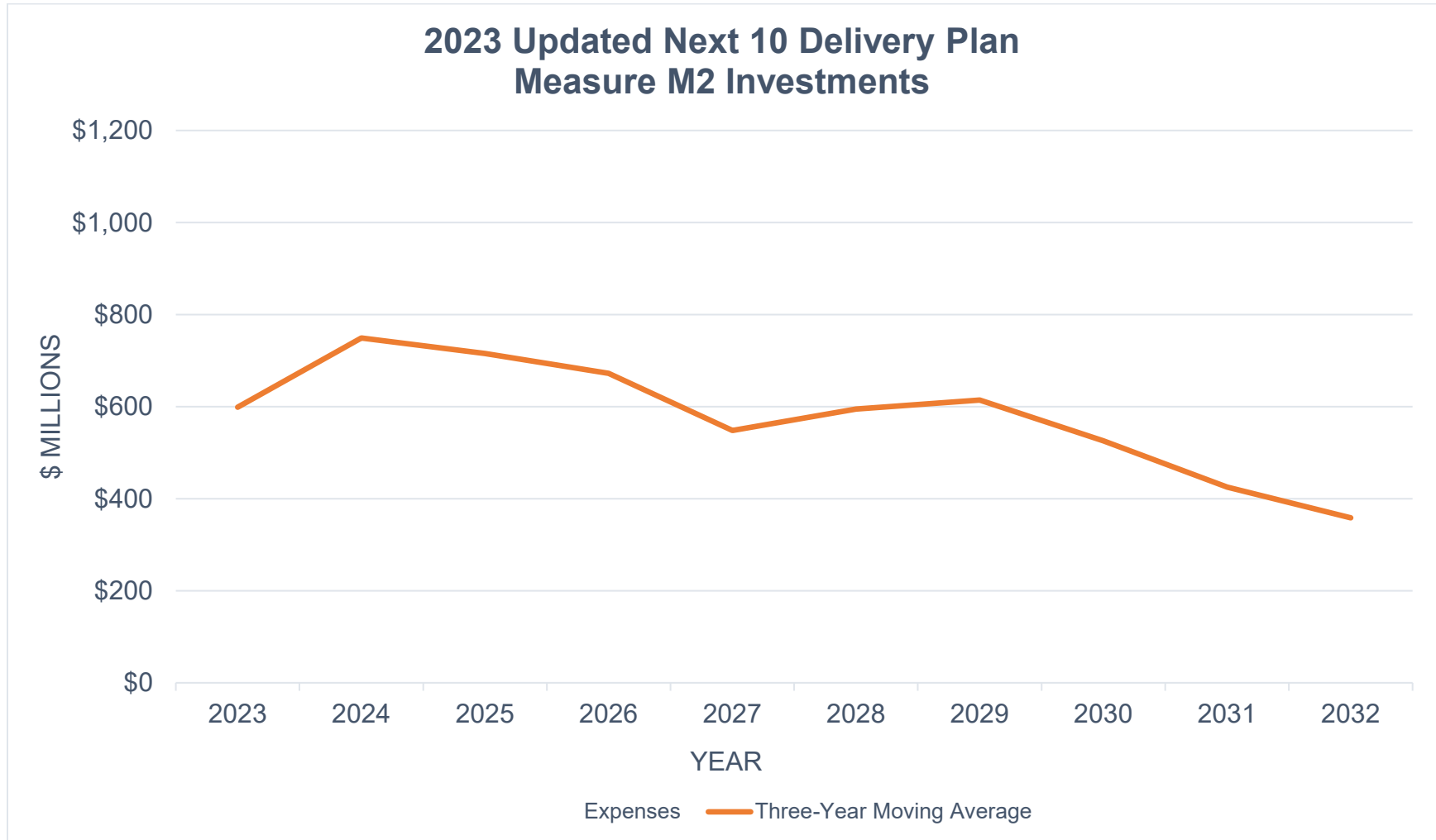
The M2 ECP consists of Project X (Cleanup Highway and Street Runoff that Pollutes Beaches). Revenues for the M2 ECP assume two percent of gross annual M2 sales tax revenue. From inception to 2032, the ECP would receive approximately \$172.76 million in M2 revenue. Expenses for this same time period total \$133.88 million.

3.2. Common Abbreviations

Americans with Disabilities Act	ADA
Anaheim Regional Transportation Intermodal Center	ARTIC
BNSF Railway Company	BNSF
Board of Directors	Board
California Department of Fish and Wildlife	CDFW
California Department of Transportation	Caltrans
California Highway Patrol	CHP
California Public Utilities Commission	CPUC
California State Transportation Agency	CalSTA
California Transportation Commission	CTC
Call for Projects	Call
Congestion Mitigation and Air Quality	CMAQ
Conservation Properties	Preserves
Coronavirus	COVID-19
Early Action Plan	EAP
Eastbound Corridor Operations Project	ECOP
Environmental Cleanup Allocation Committee	ECAC
Environmental Cleanup Program	ECP
Environmental Impact Report	EIR
Environmental Impact Statement	EIS
Environmental Mitigation Program	EMP
Federal Highways Administration	FHWA
Federal Transit Administration	FTA
Fire Management Plan	FMP
Fiscal Year	FY
Freeway Service Patrol	FSP
High-Occupancy Vehicle	HOV
Infrastructure Construction Cost Pressure Index	ICCPPI
Interstate 405	I-405
Interstate 5	I-5
Interstate 605	I-605
Local Fair Share	LFS
Los Angeles-San Diego-San Luis Obispo	LOSSAN
Master Plan of Arterial Highways	MPAH
Measure M	M1
Measure M2 or Renewed Measure M	M2
Natural Community Conservation Plan/Habitat Conservation Plan	Conservation Plan
Next 10 Delivery Plan	Next 10 Plan
Orange County Business Council	OCBC
Orange County Transportation Authority	OCTA
Ordinance No. 3	M2 Ordinance
Pacific Coast Highway	PCH
Regional Capacity Program	RCP
Regional Traffic Signal Synchronization Program	RTSSP

3.2. Common Abbreviations

Resource Management Plan	RMP
Right-of-Way	ROW
Riverside County Transportation Commission	RCTC
Senate Bill 1	SB 1
Senior Mobility Program	SMP
Senior Non-Emergency Medical Transportation	SNEMT
Service Authority for Freeway Emergencies	SAFE
State Highway Account	SHA
State Route 22	SR-22
State Route 241	SR-241
State Route 55	SR-55
State Route 57	SR-57
State Route 71	SR-71
State Route 73	SR-73
State Route 74	SR-74
State Route 91	SR-91
State Transportation Improvement Program	STIP
State Water Resources Control Board	SWRCB
Tobacco Settlement Revenue	TSR
Transportation Infrastructure Finance and Innovation Act	TIFIA
Transportation Investment Plan	Plan
United States Army Corps of Engineers	USACE
United States Fish and Wildlife Service	USFWS
Year of Expenditure	YOE



2023 Updated Next 10 Delivery Plan Progress on Deliverables

Significant progress and accomplishments have been made to Measure M2 (M2) since 2007. The 2023 update of the Next 10 Delivery Plan (Next 10 Plan) confirms that M2 can be delivered consistent with the commitment to voters. To outline a near-term work plan to promote effectiveness and efficiency, ten deliverables on program and project delivery have been defined during the ten-year period from fiscal year (FY) 2022-23 through FY 2031-32, equating to approximately \$5.6 billion invested to improve the local transportation system.

Freeways

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

Status:

The M2 Freeway Program is currently made up of 30 projects/project segments of which 13 have been completed to date. Deliverable 1 includes 13 projects to be delivered through construction as reflected in the table below.

In Construction		Construction Complete	Cost*
1. Project C, D	Interstate 5 (I-5) between State Route 73 (SR-73) and Oso Parkway/Avery Parkway Interchange	2024	\$229.4
2. Project C, D	I-5 between Oso Parkway and Alicia Parkway/La Paz Road Interchange	2024	\$227.0
3. Project C	I-5 between Alicia Parkway and El Toro Road	2024	\$203.5
Project C, D	I-5 between SR-73 and El Toro Road Landscaping	2027	\$12.4
4. Project F	State Route 55 (SR-55) between Interstate 405 (I-405) and I-5	2027	\$505.7
5. Project K	I-405 between SR-73 and Interstate 605 (I-605)	2024	\$1,620.0
		Subtotal	\$2,798.0
In Design		Construction Complete	Cost*
6. Project B	I-5 between I-405 and Yale Avenue	2029	\$230.5
7. Project B	I-5 between Yale Avenue and SR-55	2029	\$200.4
8. Project F	SR-55 between I-5 and State Route 91 (SR-91)	2029	\$131.3
9. Project G	State Route 57 (SR-57) Northbound from Orangewood Avenue to Katella Avenue	2028	\$71.8

2023 Updated Next 10 Delivery Plan Progress on Deliverables

In Design		Construction Complete	Cost*
10. Project I	SR-91 between La Palma Avenue and SR-55	2030	\$208.4
11. Project I	SR-91 between Acacia Street and La Palma Avenue	2029	\$116.2
12. Project M	I-605 Katella Avenue Interchange	2026	\$29.0
		Subtotal	\$1,113.9
		Deliverable 1 Total	\$3,911.9

*Cost in millions

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

Status: The four remaining projects (of the 30 total) are environmentally cleared or on track to be cleared by 2032, making them shelf-ready for future advancement; The table below reflects the projects along with environmental clearance schedule and estimated cost. The 2023 update captures additional phases for two projects.

- Orange County Transportation Authority (OCTA) is proposing to include the final design phase of the SR-57 Northbound from Lambert Road to Orange/Los Angeles County Line project in the 2024 State Transportation Improvement Program (STIP). The Board approved the finalization and submittal of the 2024 STIP on October 9, 2023. The California Transportation Commission is anticipated to adopt the program in March 2024.
- OCTA is coordinating with the Riverside County Transportation Commission (RCTC) to advance the SR-91 between State Route 241 (SR-241) and State Route 71 (SR-71) project through construction within the Next 10 Plan time frame. M2 is only responsible for the Orange County portion of this project.

The completion of the SR-91 between SR-241 and SR-71 project in addition to the 13 projects in Deliverable 1 would bring the total number of completed projects to 27 by 2030, which equates to approximately 90 percent of the M2 Freeway Program.

Remaining Projects		Environmentally Clear/ Shelf-Ready	Cost
1. Project D	I-5 El Toro Road Interchange	2026	\$120.5 ¹
2. Project G	SR-57 Northbound from Lambert Road to Orange/Los Angeles County Line	2028	\$218.6 ¹

¹ These cost estimates are preliminary and will be updated once the project alternative is selected at the completion of environmental clearance.

2023 Updated Next 10 Delivery Plan Progress on Deliverables

Remaining Projects		Environmentally Clear/ Shelf-Ready	Cost
3. Project J	SR-91 between State Route 241 and Orange/Riverside County Line	2025	\$150.0 ^{1,2}
4. Project L	I-405 between I-5 and SR-55	2018	\$269.6
Remaining M2 Freeway Projects Total			\$758.7 ³

**Cost in millions*

Streets and Roads

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

Status: As of June 2023, OCTA has awarded approximately \$525 million in competitive funding through the Regional Capacity Program (Project O) and Regional Traffic Signal Synchronization Program (Project P) through annual competitive calls for projects (call). Additionally, \$660.19 million⁴ in Local Fair Share (Project Q) funds have been distributed to local jurisdictions.

Transit

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

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

Close monitoring of Metrolink operations is necessary to ensure sustainability through 2041. The three lines serving Orange County currently operate 45 weekday trains,

² Project schedule and cost assumptions subject to change and are contingent on the outcome of the environmental review process, available of funding, and coordination with RCTC.

³ The total will be revised once the three remaining projects (projects D, G, and J) have a selected project alternative and complete environmental clearance.

⁴ Only includes disbursed funds. On May 22, 2023, the Board determined the City of Cypress ineligible to receive net M2 revenues. Disbursements of net M2 revenues have been suspended until the City of Cypress achieves compliance and the Board reconsiders the matter in a future meeting.

2023 Updated Next 10 Delivery Plan Progress on Deliverables

a 17 percent reduction from the 54 weekday trains operated prior to the coronavirus. Metrolink ridership recovery continues to struggle, which impacts farebox revenues and cost recovery. To exacerbate this shortfall, operating costs have also increased. Without changes in service levels, ridership growth, and operations and rehabilitation costs or availability of external funds, the current service cannot be sustained beyond FY 2031-32. Staff has identified and is proposing to program Transit and Intercity Rail Capital Program formula funds to help sustain Metrolink service. If this is approved in the coming months, this infusion of external funds is anticipated to extend Metrolink operations through FY 2037-38. OCTA will continue to actively engage with Metrolink and the other member agencies to monitor ridership levels and the financial impacts to M2.

Railroad track stabilization efforts in south Orange County have become a major focus area given its importance to continued operation of Metrolink in Orange County. To date, OCTA has invested \$12 million of M2 funds along with \$16 million of State and Federal funds to ensure the safety of the railroad track. While emergency work has been completed and service has resumed, long-term solutions need to be developed to ensure the ability to provide rail service in this portion of the County. In partnership with key stakeholders, a planning study is currently underway to identify and evaluate short- and medium-term solutions with the goal of protecting the rail line in place. A separate study will follow to evaluate potential long-term solutions which may include relocation of the rail line. The lead agency for the long-term study has not been identified. The Next 10 Plan is reviewed annually, which will provide OCTA the opportunity to update and adjust assumptions as needed.

A rail station improvement project identified to be completed in the Next 10 Plan time frame is the Anaheim Canyon Metrolink Station Improvements Project. The project began construction in May 2021, and was completed in January 2023. Additionally, OCTA remains committed to delivering the Placentia Metrolink Station Project and will include project scope, schedule, and budget as they become available in future Next 10 Plan updates.

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

Status: The 4.15-mile OC Streetcar will serve the Santa Ana Regional Transportation Center through Downtown Santa Ana and the Civic Center to Harbor Boulevard in the City of Garden Grove. Activities underway include construction of the tracks, installation of rail and overhead poles, communication with third parties on utility relocation, continued coordination with the Federal Transit Administration, and continued construction of the maintenance and storage facility (MSF). All eight cars are in the final stages of manufacturing, with Car 1 successfully completing its final walkthrough and

2023 Updated Next 10 Delivery Plan Progress on Deliverables

pre-shipment inspection for testing at the MSF. Construction is anticipated to be complete to begin revenue operations in late 2024/early 2025.

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

Status: Project U is comprised of three programs: the Senior Mobility Program (SMP), the Senior Non-Emergency Medical Transportation (SNEMT) Program, and the Fare Stabilization Program. Since inception, approximately \$120.1 million⁵ has been provided to these three programs. The SMP provides funding to participating cities to design and implement transit service that best fits the needs of seniors (60 and above) in their communities. The SNEMT Program provides funding to the County of Orange Office on Aging for senior (60 and above) transportation to and from medical appointments, dentists, therapies, exercise programs, testing, and other health-related trips at a low cost to the rider than would otherwise be available. The Fare Stabilization Program provides stable discounted fares for seniors and persons with disabilities by lowering the cost of riding transit.

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

Status: Since inception, OCTA has approved 35 projects and ten planning studies totaling approximately \$52 million through four calls. OCTA receives ridership reports from local agencies on a regular basis to monitor the success of awarded services against performance measures adopted by the Board of Directors (Board). As of June 2023, 16 projects are active, 13 have been cancelled (primarily due to low ridership), three have yet not initiated service (two projects are continuations of existing Project V grants with remaining funds and one project is anticipated to start in July 2023), and three have been completed. Staff continues to work with local jurisdictions through letters of interest requests, workshops, Comprehensive Transportation Funding Program Guidelines revisions, calls, and cooperative agreement amendments to fine-tune this program and facilitate successful project implementation.

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

Status: Through three calls, the Board has approved \$3.1 million to improve 122 city-initiated improvement projects at the busiest OCTA transit stops. The program is designed to ease transfers between bus lines and provide passenger amenities such as

⁵ Only includes disbursed funds. On May 22, 2023, the Board determined the City of Cypress ineligible to receive net M2 revenues. Disbursements of net M2 revenues have been suspended until the City of Cypress achieves compliance and the Board reconsiders the matter in a future meeting.

2023 Updated Next 10 Delivery Plan Progress on Deliverables

installation of bus benches or seating, shelters, improved lighting, and other passenger-related amenities. As of June 2023, 56 improvements have been completed, 56 improvements are in various stages of implementation, and ten improvements have been cancelled by the awarded agency.

Environmental

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

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

OCTA makes annual endowment deposits of approximately \$2.9 million. As of June 30, 2023, the endowment balance was \$23,688,239. While the performance of the endowment fund will affect the time frame for full funding, current projections indicate that OCTA is on track to meet the target of \$46.2 million in FY 2027-28.

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

Status: In May 2010, the Board approved a two-tier approach to funding Project X. Tier 1 consists of funding equipment purchases and upgrades to existing catch basins and related best management practices, such as screens and other low-flow diversion devices. Tier 2 consists of funding regional, potentially multi-jurisdictional, and capital-intensive projects. Since inception, the Board has approved \$33.2 million in funding for 212 Tier 1 projects through 13 calls and \$27.9 million for 22 Tier 2 projects through two calls.

Measure M2

2023 UPDATE

NEXT 10 
DELIVERY PLAN

- Purpose
- Accomplishments
- Financial Outlook
- Deliverables
- Risks
- Next Steps

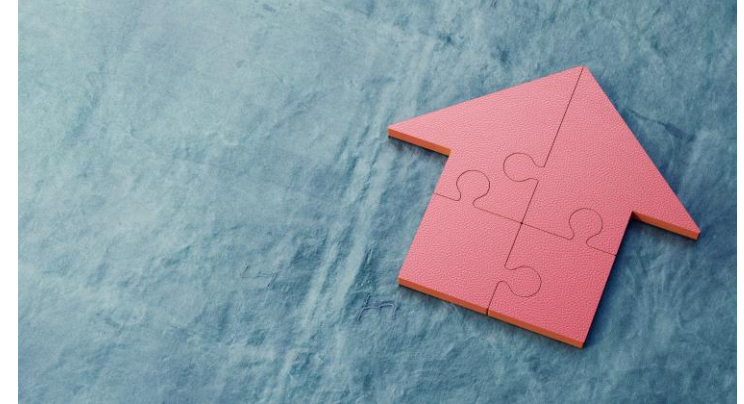


- Purpose:
 - Validate OCTA's ability to deliver M2
 - Outline near-term workplan
 - Establish common understanding among stakeholders
 - Set baseline upon which future changes are measured
 - Provide basis for preparation of OCTA's annual budgets for capital projects
- Principles:
 - Confirm promised plan can be delivered
 - Ensure financial sustainability
 - Implement projects and programs expeditiously



M2 Accomplishments to Date

- Freeways
 - ✓ 13 projects completed
 - ✓ 738,000 motorist assists/lane clearances
 - ✓ Endowment to protect mitigation properties
- Streets and Roads
 - ✓ 161 street capacity improvement projects
 - ✓ 128 signal synchronization projects
 - ✓ \$660 million in flexible funding distributed
- Transit
 - ✓ Station, track, and grade crossing improvements
 - ✓ Expanded Metrolink service
 - ✓ OC Streetcar underway
 - ✓ \$120 million for expanded mobility choices for of seniors and persons with disabilities
 - ✓ 22 community-based circulators
 - ✓ 112 bus stop enhancements
- Environmental Cleanup
 - ✓ 217 water quality projects
 - ✓ 60 million gallons of trash collected



Note: Figures reflect only active or completed projects

- Revenue:
 - \$14.8 billion of M2 funds
 - \$3.7 billion of external funds
- Investment of \$5.6 billion into local transportation system over ten years
- Conservative debt service coverage ratios
- No additional bond issuances



ENVIRONMENTAL



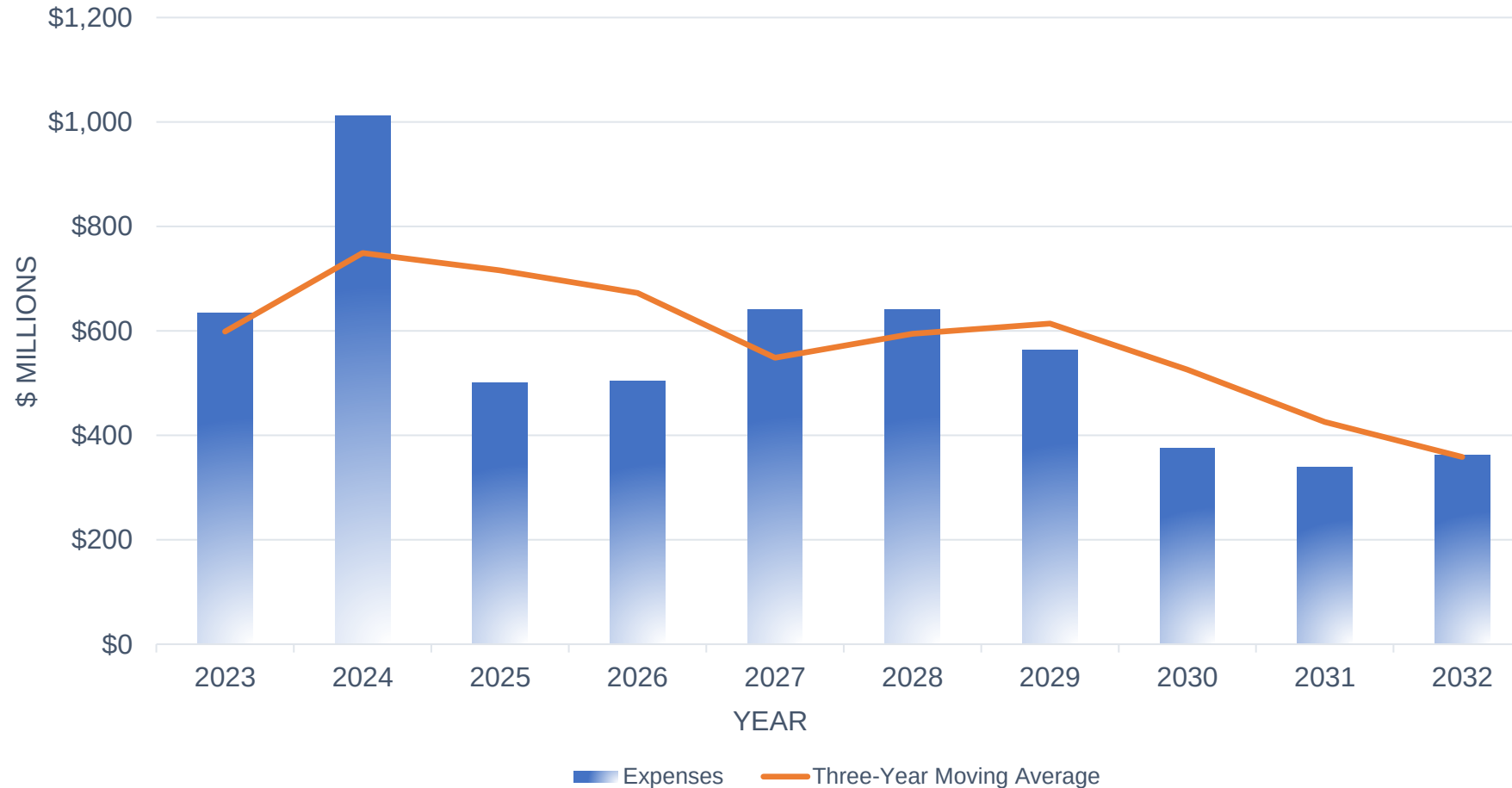
A total of 5% of OC Go Freeway Program funds is allocated to the Freeway Environmental Mitigation Program



A total of 2% of the overall OC Go Program funds is allocated to the Environmental Cleanup Program

Next 10 Delivery Plan Investments

2023 Updated Next 10 Delivery Plan
Measure M2 Investments



Next 10 Delivery Plan Deliverables Summary

Freeways

- Deliver 14 freeway projects
- Continue annual endowment deposits

Streets and Roads

- Return 18 percent to local agencies for transportation needs
- Provide annual grants to address street bottlenecks and gaps
- Fund ongoing coordination of 2,200 traffic signals

Transit

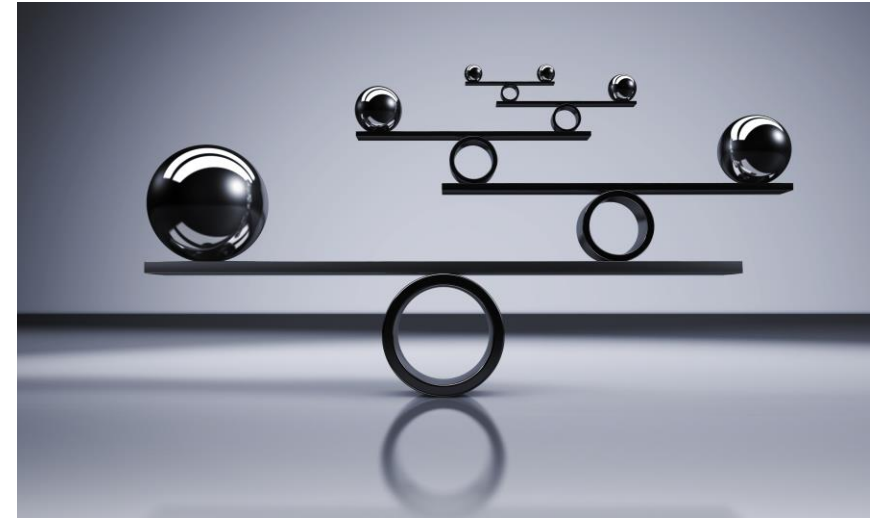
- Continue operation of Metrolink and fund station improvements
- Complete OC Streetcar construction and begin operations
- Offer enhanced mobility options for seniors and persons with disabilities
- Continue to support local transit circulators
- Continue to improve the top 100 busiest transit stops

Environmental Cleanup

- Provide ongoing grants for water cleanup

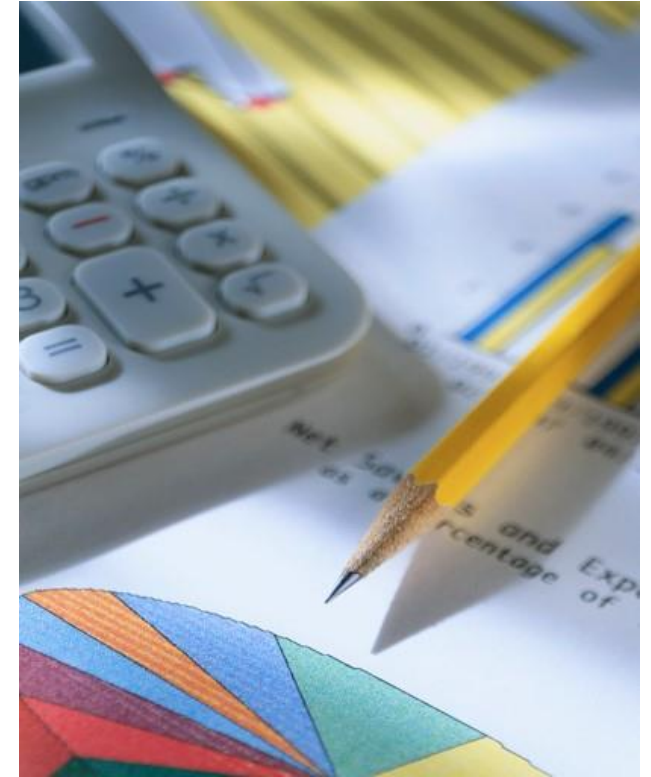


- Funding
 - Economic fluctuations
 - Changing external funding policy priorities
 - Metrolink operations
- Regulatory
 - New environmental requirements
 - Project approvals
- Climate
 - Rail infrastructure



2023 Update – Key Takeaways

- M2 plan deliverable as promised
- Continued investments to all modes
- M2 revenue forecast still exceeds pre-pandemic level
- Anticipated tempering of inflationary environment in the near term
- Need a sustainable Metrolink plan



- Distribute the updated Next 10 Delivery Plan to local jurisdictions and stakeholders
- Work with transportation partners on delivery of the Next 10 Delivery Plan
- Monitor the risks and return to the Board of Directors with updates as appropriate





November 6, 2023

To: Executive Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Proposed Amendment to the Orange County Local Transportation Authority Measure M2 Ordinance No. 3

Overview

The Renewed Measure M Transportation Ordinance and Investment Plan Ordinance No. 3 requires an independent Taxpayer Oversight Committee to review annual audits and make a determination whether the Orange County Local Transportation Authority is proceeding in accordance with what was promised to the voters. In addition, it requires the Chair of the Taxpayer Oversight Committee to provide an annual certification of whether revenues have been spent in compliance with the Renewed Measure M Transportation Investment Plan. An amendment is being proposed to provide additional clarity to the well-established functions and responsibilities of the Taxpayer Oversight Committee and the Chair of the Taxpayer Oversight Committee.

Recommendations

- A. Direct staff to set a date of January 8, 2024, for a public hearing and Board of Directors action to consider adoption of the amendment to the Orange County Local Transportation Authority Measure M2 Ordinance No. 3 to address inconsistencies and interpretations of the individual responsibility of the Chair of the Taxpayer Oversight Committee as it relates to the annual certification that revenues have been spent in compliance with the Renewed Measure M Transportation Investment Plan.
- B. Direct staff to initiate the process to amend the Orange County Local Transportation Authority Measure M2 Ordinance No. 3 to clarify the functions and responsibilities of the Taxpayer Oversight Committee and the Chair of the Taxpayer Oversight Committee in providing annual certification that revenues have been spent in compliance with the Renewed Measure M Transportation Investment Plan.

Background

In July 2006, the Board of Directors (Board) approved the Orange County Local Transportation Authority (OCLTA) Renewed Measure M (M2) Ordinance No. 3 (M2 Ordinance), including the M2 Transportation Investment Plan (Plan), to place the M2 Plan on the November 2006 ballot. In November 2006, voters approved the M2 Plan, a one-half cent sales tax for transportation improvements. The Orange County Transportation Authority (OCTA) is committed to fulfilling the commitments made in M2. This means delivering all projects and programs included in the Plan and complying with specific requirements identified in the M2 Ordinance. One of the initial requirements in the M2 Ordinance was the establishment of a Taxpayer Oversight Committee (TOC).

Originally established in 1990, under the original Measure M (M1), the TOC is an independent, 11-member committee that is comprised of two members from each of the five supervisorial districts in the County and is chaired by the Orange County Auditor-Controller (Auditor-Controller). The M2 Ordinance Attachment C, Section IV defines the duties and responsibilities of the TOC; one of those responsibilities states that the TOC “shall review yearly audits and hold an annual public hearing to determine whether the Authority is proceeding in accordance with the Plan. The Chair shall annually certify whether the Revenues have been spent in compliance with the Plan.”

For the past 32 consecutive years (including 20 years from M1), the TOC has determined that OCTA has proceeded in accordance with the Plan. Traditionally, the TOC would review yearly audits and hold an annual public hearing, where a formal vote took place to determine whether OCTA has been proceeding in accordance with the Plan. Additionally, the Chair of the TOC would certify that M2 Revenues “have been spent in compliance with the Plan.” In past years, this certification has been provided via a transmittal letter from the Chair of the TOC to the Chair of the OCTA Board. This transmittal letter informs the Chair of the OCTA Board that the required public hearing was held, that the TOC found that OCTA was proceeding in accordance with the Plan and that the Chair of the TOC certifies that M2 Revenues have been spent in compliance with the Plan based on the information provided to the TOC for that year.

Discussion

The current Auditor-Controller, Andrew Hamilton, assumed office on January 2, 2023. As part of his review of his responsibilities as Chair of the TOC, Mr. Hamilton requested additional auditing services be performed beyond what has been historically undertaken by OCTA. Mr. Hamilton stated that these additional auditing services were necessary for him to feel comfortable given his individual responsibility for certifying that M2 Revenues have been spent in compliance with the Plan.

On September 12, 2023, the TOC voted to request that the OCTA Board approve the additional audits Mr. Hamilton requested. While some TOC members questioned the need for these additional auditing services, they ultimately acquiesced due to Mr. Hamilton's explanation that he needed the additional services to provide the annual certification as the TOC Chair.

On September 27, 2023, the OCTA Finance and Administration (F&A) Committee considered the TOC request for additional auditing services. While the F&A Committee did recommend providing the additional auditing services for the next two years, there was a discussion regarding the language in the M2 Ordinance related to the TOC Chair's annual certification requirement.

The discussion among the F&A Committee members centered around the intent of the M2 Ordinance related to the TOC Chair's annual certification and the TOC's action to determine whether OCTA is proceeding in accordance with the Plan. It was noted that a review of certifications provided by prior Auditor-Controllers suggested that the annual certification was simply an acknowledgment of the vote of the TOC. The F&A Committee requested that staff and legal counsel review the M2 Ordinance language and return with any recommendation needed to make the certification requirements clear and consistent with prior actions and the intent of the M2 Ordinance.

M2 Ordinance Inconsistencies

There are a few references in the M2 Ordinance related to the certification requirements. In Section IV.D on page C-4 of Attachment C in the M2 Ordinance, the language reads:

"The Committee shall review yearly audits and hold an annual public hearing to determine whether the Authority is proceeding in accordance with the Plan. The Chair shall annually certify whether the Revenues have been spent in compliance with the Plan."

There is similar language in Section 10.2 on Page 5 of the M2 Ordinance that provides additional context:

"The County of Orange Auditor-Controller ("Auditor-Controller"), in the capacity as Chair of the Taxpayer Oversight Committee, shall annually certify whether the Revenues have been spent in compliance with the Ordinance."

On page 28 of Attachment A in the M2 Ordinance there is language that reads:

"The annual audits, and annual reports detailing project progress, will be sent to the Orange County taxpayers every year and will be reviewed in

public session by a special Taxpayer Oversight Committee that can raise fiscal issues, ask tough questions, and must independently certify, on an annual basis, that transportation dollars have been spent strictly according to the Renewed Measure M Investment Plan.”

On page 29 of Attachment A in the M2 Ordinance there is language that reads:

“Spending decisions must be annually reviewed and certified by an independent Taxpayer Oversight Committee”

Lastly, on page 29 of Attachment A in the M2 Ordinance there is language that reads:

“The elected Auditor/Controller of Orange County must annually certify that spending is in accordance with the Plan”

In the five excerpts in the M2 Ordinance related to certification that M2 Revenues have been spent properly, two of them state that the “Committee” will provide the certification, while the other three references state that the “Chair” will provide the certification. However, in two of the three references that state the “Chair” will provide the annual certification, there is qualifying language that suggests the Chair is certifying the actions of the TOC.

The language in Section IV.D. on page C-4 of Attachment C mentions the Chair’s certification responsibility after a sentence that describes that the entire Committee will be reviewing information in a public setting and will make a determination if OCTA is proceeding in accordance with the Plan. The placement of those two sentences together is important – determining whether M2 Revenues have been spent in compliance with the Plan is a subset of determining whether OCTA is proceeding in accordance with the Plan. Said differently, it is not possible to determine that OCTA is proceeding in accordance with the Plan if M2 Revenues have not been spent in compliance with the Plan. This is further indication that the Chair’s certification is simply acknowledging and reporting the determination of the TOC.

In reference to the Chair’s certification in Section 10.2 on page 5, there is an added phrase that says the certification is “in the capacity as Chair of the Taxpayer Oversight Committee” which suggests the Chair is simply certifying the actions of the Committee.

Also, in determining the intent of the M2 Ordinance, it is useful to review the certifications from prior auditor-controllers. As described above, prior auditor-controllers ostensibly viewed the annual certification as an extension of the annual compliance finding vote taken by the TOC (Attachment A).

Furthermore, leaving the annual certification in the hands of one member of the TOC weakens the intent of the TOC and effectively reduces the responsibility of compliance determination to one individual regardless of the opinions formed by other members of the TOC. A key feature of the Measure M safeguards is the involvement of an independent, non-elected, externally screened, expert panel of voters with knowledge of the various jurisdictions across the County to certify OCTA's compliance with voter commitments. Staff and legal counsel believe the intent of the M2 Ordinance was to empower the TOC as an entire body and not leave the compliance determination in the hands of one member.

Proposed Amendments to the M2 Ordinance

After a careful review, and consultation with legal counsel, it is recommended that the language in the M2 Ordinance be modified in a few areas to eliminate any ambiguity and ensure consistency throughout the M2 Ordinance. Attachment B provides information on the amendment process, the language on amendments from the M2 Ordinance, and a history of prior M2 amendments.

It is recommended that Section IV.D. on page C-4 of Attachment C in the M2 Ordinance be changed to the following:

"The Committee shall review yearly audits and hold an annual public hearing to determine whether the Authority is proceeding in accordance with the Plan. The Committee will also annually certify whether the Revenues have been spent in compliance with the Plan."

It is recommended that Section 10.2 on page 5 of the M2 Ordinance be amended to read:

"The Taxpayer Oversight Committee shall annually certify whether the Revenues have been spent in compliance with the Ordinance."

And lastly, page 29 of Attachment A in the M2 Ordinance should be amended to read:

"The Taxpayer Oversight Committee must annually certify that spending is in accordance with the Plan"

A summary of the M2 Ordinance excerpts and proposed changes is included as Attachment C. Going forward, if this proposed amendment is accepted, the TOC – with the Auditor-Controller as Chair – should continue its practice of holding a compliance vote every year. In addition, the TOC should also vote to certify as to whether revenues have been spent in compliance with the Plan.

The process and timing for amending the M2 Ordinance is shown below:

Actions	Date
OCTA Executive Committee considers M2 amendment	November 6, 2023
Board considers M2 amendment and sets a public hearing date for January 8, 2024	November 13, 2023
Proposed amendment sent to local jurisdictions for public review prior to public hearing	November 13 – 16, 2023
Taxpayer Oversight Committee provided an update on M2 amendment	November 13, 2023
Issue public hearing notice (at least 30 days prior to public hearing)	November 13 – 17, 2023
Public hearing on M2 amendment and roll call vote by Board (requires two-thirds vote)	January 8, 2024
Adopted M2 amendment transmitted to local jurisdictions	January 8 – 11, 2024
Amendment effective 45 days following adoption	February 22, 2024

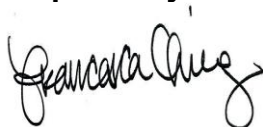
Summary

An amendment to the Orange County Local Transportation Authority Ordinance No. 3 is proposed to clarify the requirements related to the annual certification that M2 Revenues have been spent in compliance with the Plan.

Attachments

- A. Prior Year Taxpayer Oversight Committee Chair Certification Letters
- B. Procedures to Amend the Renewed Measure M Transportation Investment Plan and Ordinance No. 3, Language Excerpt and Amendment History
- C. Ordinance No. 3 Proposed Amendment Excerpts

Prepared by:



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

Approved by:



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



Measure M Taxpayers Oversight Committee



February 10, 2009

To: Peter Buffa, Chairman
Board of Directors
Orange County Transportation Authority

From: Taxpayers Oversight Committee

Subject: 18th Annual Measure M Public Hearing

In accordance with both Policy Resolution No. 1 "Citizens Oversight Committee," and Attachment C "Taxpayers Oversight Committee," the Taxpayers Oversight Committee (TOC) is required to conduct an annual public hearing to determine whether the Orange County Transportation Authority (Authority) is proceeding in accordance with the M1-Countywide Traffic Improvement and Growth Management Plan (Plan), dated May 22, 1989 and the M2-Renewed Measure M Transportation Ordinance and Investment Plan dated July 24, 2006.

The TOC conducted the annual public hearing on February 10, 2009. No items were presented at the hearing to indicate that the Authority was not proceeding in accordance with the M1 and the M2 Plans during 2008.

Based upon the above-mentioned hearing, 2007/08 LTA financial audit results and all other information the TOC has to date, the TOC hereby finds the Authority is proceeding in accordance with the both the M1 and the M2 Plans.

In addition, in accordance with Ordinance No. 2, Section 12, Paragraph B.3, I certify that the expenditures from the trust fund, through fiscal year ending June 30, 2008, have been spent on specific transportation purposes identified in the M1 Expenditure Plan. To date, total expenditures related to the M2 Expenditure Plan are less than one-tenth of one percent of the nominal dollars expected to be expended over the life of the plan. As a result, total expenditures to date under the M2 Expenditure Plan are immaterial.

Sincerely,

David Sundstrom, Chairman
Measure M Taxpayers Oversight Committee
Orange County Auditor-Controller



Measure M Taxpayers Oversight Committee



February 9, 2010

To: Jerry Amante, Chairman
Board of Directors
Orange County Transportation Authority

From: Taxpayers Oversight Committee

Subject: 19th Annual Measure M Public Hearing

In accordance with both Policy Resolution No. 1 "Citizens Oversight Committee," and Attachment C "Taxpayers Oversight Committee," the Taxpayers Oversight Committee (TOC) is required to conduct an annual public hearing to determine whether the Orange County Transportation Authority (Authority) is proceeding in accordance with the Measure M (M1) Countywide Traffic Improvement and Growth Management Plan, dated May 22, 1989 and the Renewed Measure M (M2) Transportation Ordinance and Investment Plan dated July 24, 2006.

The TOC conducted the annual public hearing on February 9, 2010. No items were presented at the hearing to indicate that the Authority was not proceeding in accordance with the M1 and the M2 Plans during 2009.

Based upon the above-mentioned hearing, 2008/09 LTA financial audit results and all other information the TOC has to date, the TOC hereby finds the Authority is proceeding in accordance with the both the M1 and the M2 Plans.

Also, in accordance with Ordinance No. 2, Section 12, Paragraph B.3, I certify that the expenditures from the trust fund, through fiscal year ending June 30, 2009, have been spent on specific transportation purposes identified in the M1 Expenditure Plan. In addition, in accordance with Ordinance No. 3, Section 10, Paragraph 3, I certify that the expenditures, as part of the M2 Early Action Plan, through fiscal year ending June 30, 2009, have been spent in compliance with the M2 Transportation Ordinance and Investment Plan.

Sincerely,

David Sundstrom, Chairman
Measure M Taxpayers Oversight Committee
Orange County Auditor-Controller



Measure M Taxpayers Oversight Committee



February 8, 2011

To: Patricia Bates, Chairman
Board of Directors
Orange County Transportation Authority

From: Taxpayers Oversight Committee

Subject: 20th Annual Measure M Public Hearing

In accordance with both Policy Resolution No. 1 "Citizens Oversight Committee," and Attachment C "Taxpayers Oversight Committee," the Taxpayers Oversight Committee (TOC) is required to conduct an annual public hearing to determine whether the Orange County Transportation Authority (Authority) is proceeding in accordance with the Measure M (M1) Countywide Traffic Improvement and Growth Management Plan, dated May 22, 1989 and the Renewed Measure M (M2) Transportation Ordinance and Investment Plan dated July 24, 2006.

The TOC conducted the annual public hearing on February 8, 2011. No items were presented at the hearing to indicate that the Authority was not proceeding in accordance with the M1 and the M2 Plans during 2010.

Based upon the above-mentioned hearing, 2009/10 Local Transportation Authority (LTA) financial audit results and all other information the TOC has to date, the TOC hereby finds the Authority is proceeding in accordance with both the M1 and the M2 Plans.

Also, in accordance with Ordinance No. 2, Section 12, Paragraph B.3, I certify that the expenditures from the trust fund, through fiscal year ending June 30, 2010, have been spent on specific transportation purposes identified in the M1 Expenditure Plan. In addition, in accordance with Ordinance No. 3, Section 10, Paragraph 3, I certify that the expenditures, as part of the M2 Early Action Plan, through fiscal year ending June 30, 2010, have been spent in compliance with the M2 Transportation Ordinance and Investment Plan.

Sincerely,

A handwritten signature in blue ink, appearing to read 'David Sundstrom'.

David Sundstrom, Chairman
Measure M Taxpayers Oversight Committee
Orange County Auditor-Controller



Measure M Taxpayers Oversight Committee



January 30, 2012

To: Paul Glaab, Chairman
Board of Directors
Orange County Transportation Authority

From: Taxpayers Oversight Committee

Subject: 21st Annual Measure M Public Hearing

In accordance with both Policy Resolution No. 1 "Citizens Oversight Committee," and Attachment C "Taxpayers Oversight Committee," the Taxpayers Oversight Committee (TOC) is required to conduct an annual public hearing to determine whether the Orange County Transportation Authority (Authority) is proceeding in accordance with the Measure M (M1) Countywide Traffic Improvement and Growth Management Plan, dated May 22, 1989 and the Renewed Measure M (M2) Transportation Ordinance and Investment Plan dated July 24, 2006.

The TOC conducted the annual public hearing on January 30, 2012. No items were presented at the hearing to indicate that the Authority was not proceeding in accordance with the M1 and the M2 Plans during 2011.

Based upon the above-mentioned hearing, 2010/11 Local Transportation Authority (LTA) financial audit results and all other information the TOC has to date, the TOC hereby finds the Authority is proceeding in accordance with both the M1 and the M2 Plans.

Also, in accordance with Ordinance No. 2, Section 12, Paragraph B.3, I certify that the expenditures from the trust fund, through fiscal year ending June 30, 2011, have been spent on specific transportation purposes identified in the M1 Expenditure Plan. In addition, in accordance with Ordinance No. 3, Section 10, Paragraph 3, I certify that the expenditures, as part of the M2 Early Action Plan, through fiscal year ending June 30, 2011, have been spent in compliance with the M2 Transportation Ordinance and Investment Plan.

Sincerely,

A handwritten signature in blue ink, appearing to read "David Sundstrom", written over a blue circular stamp.

David Sundstrom, Chairman
Measure M Taxpayers Oversight Committee
Orange County Auditor-Controller



Measure M Taxpayers Oversight Committee



February 12, 2013

To: Gregory T. Winterbottom, Chairman
Board of Directors
Orange County Transportation Authority

From: Taxpayers Oversight Committee

Subject: 22nd Annual Measure M Public Hearing

In accordance with both Policy Resolution No. 1 "Citizens Oversight Committee," and Attachment C "Taxpayers Oversight Committee," the Taxpayers Oversight Committee (TOC) is required to conduct an annual public hearing to determine whether the Orange County Transportation Authority (Authority) is proceeding in accordance with the Measure M (M1) Countywide Traffic Improvement and Growth Management Plan, dated May 22, 1989 and the Renewed Measure M (M2) Transportation Ordinance and Investment Plan dated July 24, 2006.

The TOC conducted the annual public hearing on February 12, 2013. No items were presented at the hearing to indicate that the Authority was not proceeding in accordance with the M1 and the M2 Plans during 2012.

Based upon the above-mentioned hearing, 2011/12 Local Transportation Authority (LTA) financial audit results and all other information the TOC has to date, the TOC hereby finds the Authority is proceeding in accordance with both the M1 and the M2 Plans.

Also, in accordance with Ordinance No. 2, Section 12, Paragraph B.3, I certify that the expenditures from the trust fund, through fiscal year ending June 30, 2012, have been spent on specific transportation purposes identified in the M1 Expenditure Plan. In addition, in accordance with Ordinance No. 3, Section 10, Paragraph 2, I certify that the M2 revenues, through fiscal year ending June 30, 2012, have been spent in compliance with the M2 Transportation Ordinance and Investment Plan.

Sincerely,

Jan Grimes, Chair
Measure M Taxpayers Oversight Committee
Orange County Interim Auditor-Controller



Measure M Taxpayer Oversight Committee



February 11, 2014

To: Shawn Nelson, Chairman
Board of Directors
Orange County Transportation Authority

From: Taxpayer Oversight Committee

Subject: 23rd Annual Measure M Public Hearing

In accordance with both Policy Resolution No. 1 "Citizens Oversight Committee," and Attachment C "Taxpayer Oversight Committee," the Taxpayer Oversight Committee (TOC) is required to conduct an annual public hearing to determine whether the Orange County Transportation Authority (Authority) is proceeding in accordance with the Measure M (M1) Countywide Traffic Improvement and Growth Management Plan, dated May 22, 1989 and the Renewed Measure M (M2) Transportation Ordinance and Investment Plan dated July 24, 2006.

The TOC conducted the annual public hearing on February 11, 2014. No items were presented at the hearing to indicate that the Authority was not proceeding in accordance with the M1 and the M2 Plans during 2013.

Based upon the above-mentioned hearing, 2012/13 Local Transportation Authority (LTA) financial audit results and all other information the TOC has to date, the TOC hereby finds the Authority is proceeding in accordance with both the M1 and the M2 Plans.

Also, in accordance with Ordinance No. 2, Section 12, Paragraph B.3, I certify that the expenditures from the trust fund, through fiscal year ending June 30, 2013, have been spent on specific transportation purposes identified in the M1 Expenditure Plan. In addition, in accordance with Ordinance No. 3, Section 10, Paragraph 2, I certify that the M2 revenues, through fiscal year ending June 30, 2013, have been spent in compliance with the M2 Transportation Ordinance and Investment Plan.

Sincerely,

A handwritten signature in blue ink that reads "Jan Grimes".

Jan Grimes, Chair
Measure M Taxpayer Oversight Committee
Orange County Auditor-Controller



Measure M Taxpayer Oversight Committee



February 10, 2015

To: Jeffrey Lalloway, Chairman
Board of Directors
Orange County Transportation Authority

From: Taxpayer Oversight Committee

Subject: 24th Annual Measure M Public Hearing

In accordance with both Policy Resolution No. 1 "Citizens Oversight Committee," and Attachment C "Taxpayer Oversight Committee," the Taxpayer Oversight Committee (TOC) is required to conduct an annual public hearing to determine whether the Orange County Transportation Authority (Authority) is proceeding in accordance with the Measure M (M1) Countywide Traffic Improvement and Growth Management Plan, dated May 22, 1989 and the Renewed Measure M (M2) Transportation Ordinance and Investment Plan dated July 24, 2006.

The TOC conducted the annual public hearing on February 10, 2015. No items were presented at the hearing to indicate that the Authority was not proceeding in accordance with the M1 and the M2 Plans during 2014.

Based upon the above-mentioned hearing, 2013/14 Local Transportation Authority (LTA) financial audit results and all other information the TOC has to date, the TOC hereby finds the Authority is proceeding in accordance with both the M1 and the M2 Plans.

Also, in accordance with Ordinance No. 2, Section 12, Paragraph B.3, I certify that the expenditures from the trust fund, through fiscal year ending June 30, 2014, have been spent on specific transportation purposes identified in the M1 Expenditure Plan. In addition, in accordance with Ordinance No. 3, Section 10, Paragraph 2, I certify that the M2 revenues, through fiscal year ending June 30, 2014, have been spent in compliance with the M2 Transportation Ordinance and Investment Plan.

Sincerely,

A handwritten signature in blue ink that reads "Eric Woolery". The signature is fluid and cursive, with the first name "Eric" and last name "Woolery" clearly distinguishable.

Eric Woolery, Chair
Measure M Taxpayer Oversight Committee
Orange County Auditor-Controller



Measure M Taxpayer Oversight Committee



April 12, 2016

To: Lori Donchak, Chair
Board of Directors
Orange County Transportation Authority

From: Taxpayer Oversight Committee

Subject: 25th Annual Measure M Public Hearing

In accordance with both Policy Resolution No. 1 "Citizens Oversight Committee," and Attachment C "Taxpayer Oversight Committee," the Taxpayer Oversight Committee (TOC) is required to conduct an annual public hearing to determine whether the Orange County Transportation Authority (Authority) is proceeding in accordance with the Measure M (M1) Countywide Traffic Improvement and Growth Management Plan and the Renewed Measure M (M2) Transportation Ordinance and Investment Plan.

The TOC conducted the annual public hearing on April 12, 2016. No items were presented at the hearing to indicate that the Authority was not proceeding in accordance with the M1 and the M2 Plans during 2015.

Based upon the above-mentioned hearing, 2014/15 Local Transportation Authority (LTA) financial audit results and all other information the TOC has to date, the TOC hereby finds the Authority is proceeding in accordance with both the M1 and the M2 Plans.

Also, in accordance with Ordinance No. 2, Section 12, Paragraph B.3, I certify that the expenditures from the trust fund, through fiscal year ending June 30, 2015, have been spent on specific transportation purposes identified in the M1 Expenditure Plan. In addition, in accordance with Ordinance No. 3, Section 10, Paragraph 2, I certify that the M2 revenues, through fiscal year ending June 30, 2015, have been spent in compliance with the M2 Transportation Ordinance and Investment Plan.

Sincerely,

A handwritten signature in blue ink, reading "Eric Woolery".

Eric Woolery, Chair
Measure M Taxpayer Oversight Committee
Orange County Auditor-Controller



Measure M Taxpayer Oversight Committee

April 11, 2017

To: Michael Hennessey, Chair
Board of Directors
Orange County Transportation Authority

From: Taxpayer Oversight Committee

Subject: 26th Annual Measure M Public Hearing

In accordance with Attachment C "Taxpayer Oversight Committee," the Taxpayer Oversight Committee (TOC) is required to conduct an annual public hearing to determine whether the Orange County Transportation Authority (Authority) is proceeding in accordance with the Renewed Measure M (M2) Transportation Ordinance and Investment Plan.

The TOC conducted the annual public hearing on April 11, 2017. No items were presented at the hearing to indicate that the Authority was not proceeding in accordance with the M2 Plans during 2016.

Based upon the above-mentioned hearing, 2015/16 Local Transportation Authority (LTA) financial audit results and all other information the TOC has to date, the TOC hereby finds the Authority is proceeding in accordance with the M2 Plan.

Also, in accordance with Ordinance No. 3, Section 10, Paragraph 2, I certify that the M2 revenues, through fiscal year ending June 30, 2016, have been spent in compliance with the M2 Transportation Ordinance and Investment Plan.

Sincerely,

Eric Woolery, Chair
Measure M Taxpayer Oversight Committee
Orange County Auditor-Controller

April 10, 2018

To: Lisa Bartlett, Chairwoman
Board of Directors
Orange County Transportation Authority

From: Taxpayer Oversight Committee

Subject: 27th Measure M2 Annual Public Hearing

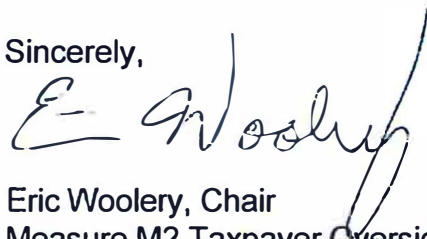
In accordance with Attachment C "Taxpayer Oversight Committee," the Taxpayer Oversight Committee (TOC) is required to conduct an annual public hearing to determine whether the Orange County Transportation Authority (Authority) is proceeding in accordance with the Renewed Measure M (M2) Transportation Ordinance and Investment Plan.

The TOC conducted the annual public hearing on April 10, 2018. No items were presented at the hearing to indicate that the Authority was not proceeding in accordance with the M2 Transportation Ordinance and Investment Plan during 2017.

Based upon the above-mentioned hearing, 2016/17 Local Transportation Authority (LTA) financial audit results and all other information the TOC has to date, the TOC hereby finds the Authority is proceeding in accordance with the M2 Transportation Ordinance and Investment Plan.

Also, in accordance with Ordinance No. 3, Section 10, Paragraph 2, I certify that the M2 revenues, through fiscal year ending June 30, 2017, have been spent in compliance with the M2 Transportation Ordinance and Investment Plan.

Sincerely,



Eric Woolery, Chair
Measure M2 Taxpayer Oversight Committee
Orange County Auditor-Controller



Measure M2 Taxpayer Oversight Committee

June 11, 2019

To: Tim Shaw, Chairman
Board of Directors
Orange County Transportation Authority

From: Taxpayer Oversight Committee

Subject: 28th Measure M2 Annual Public Hearing

In accordance with Attachment C "Taxpayer Oversight Committee," the Taxpayer Oversight Committee (TOC) is required to conduct an annual public hearing to determine whether the Orange County Transportation Authority (Authority) is proceeding in accordance with the Renewed Measure M (M2) Transportation Ordinance and Investment Plan.

The TOC conducted the annual public hearing on June 11, 2019. No items were presented at the hearing to indicate that the Authority was not proceeding in accordance with the M2 Transportation Ordinance and Investment Plan during 2018.

Based upon the above-mentioned hearing, 2017/18 Local Transportation Authority (LTA) financial audit results and all other information the TOC has to date, the TOC hereby finds the Authority is proceeding in accordance with the M2 Transportation Ordinance and Investment Plan.

Also, in accordance with Ordinance No. 3, Section 10, Paragraph 2, I certify that the M2 revenues, through fiscal year ending June 30, 2017, have been spent in compliance with the M2 Transportation Ordinance and Investment Plan.

Sincerely,

A handwritten signature in blue ink that reads "Eric Woolery". The signature is written in a cursive, flowing style.

Eric Woolery, Chair
Measure M2 Taxpayer Oversight Committee
Orange County Auditor-Controller



Measure M2 Taxpayer Oversight Committee

June 9, 2020

To: Steve Jones, Chairman
Board of Directors
Orange County Transportation Authority

From: Taxpayer Oversight Committee

Subject: 29th Measure M2 Annual Public Hearing

In accordance with Attachment C "Taxpayer Oversight Committee," the Taxpayer Oversight Committee (TOC) is required to conduct an annual public hearing to determine whether the Orange County Transportation Authority (Authority) is proceeding in accordance with the Renewed Measure M (M2) Transportation Ordinance and Investment Plan.

The TOC conducted the annual public hearing on June 9, 2020. No items were presented at the hearing to indicate that the Authority was not proceeding in accordance with the M2 Transportation Ordinance and Investment Plan during 2019.

Based upon the above-mentioned hearing, 2018/19 Local Transportation Authority (LTA) financial audit results and all other information the TOC has to date, the TOC hereby finds the Authority is proceeding in accordance with the M2 Transportation Ordinance and Investment Plan.

Also, in accordance with Ordinance No. 3, Section 10, Paragraph 2, I certify that the M2 revenues, through fiscal year ending June 30, 2019, have been spent in compliance with the M2 Transportation Ordinance and Investment Plan.

Sincerely,

A handwritten signature in blue ink, appearing to read "Frank Davies", is written above the printed name.

Frank Davies, Chair
Measure M2 Taxpayer Oversight Committee
Orange County Auditor-Controller



Measure M2 Taxpayer Oversight Committee

June 9, 2021

To: Andrew Do, Chairman
Board of Directors
Orange County Transportation Authority

From: Taxpayer Oversight Committee

Subject: 30th Measure M2 Annual Public Hearing

In accordance with Attachment C "Taxpayer Oversight Committee," the Taxpayer Oversight Committee (TOC) is required to conduct an annual public hearing to determine whether the Orange County Transportation Authority (Authority) is proceeding in accordance with the Renewed Measure M (M2) Transportation Ordinance and Investment Plan.

The TOC conducted the annual public hearing on June 8, 2021. No items were presented at the hearing to indicate that the Authority was not proceeding in accordance with the M2 Transportation Ordinance and Investment Plan during 2020.

Based upon the above-mentioned hearing, 2019/20 Local Transportation Authority (LTA) financial audit results and all other information the TOC has to date, the TOC hereby finds the Authority is proceeding in accordance with the M2 Transportation Ordinance and Investment Plan.

Also, in accordance with Ordinance No. 3, Section 10, Paragraph 2, I certify that the M2 revenues, through fiscal year ending June 30, 2020, have been spent in compliance with the M2 Transportation Ordinance and Investment Plan.

Sincerely,

Frank Davies, Chair
Measure M2 Taxpayer Oversight Committee
Orange County Auditor-Controller



Measure M Taxpayer Oversight Committee

June 14, 2022

To: Mark A. Murphy, Chairman
Board of Directors
Orange County Transportation Authority

From: Taxpayer Oversight Committee

Subject: 31st Measure M Annual Public Hearing

In accordance with Attachment C of the Renewed Measure M (M2) Ordinance No. 3 (M2 Ordinance), the Taxpayer Oversight Committee (TOC) is required to conduct an annual public hearing to determine whether the Orange County Local Transportation Authority (OCLTA) is proceeding in compliance with the M2 Ordinance and Investment Plan (Plan).

The TOC conducted the annual public hearing on June 14, 2022. No items were presented at the hearing to indicate that the OCLTA was not proceeding in accordance with the Renewed Measure M Transportation Ordinance and Plan during 2021.

Based upon the above-mentioned hearing, fiscal year 2020-21 Local Transportation Authority (LTA) financial audit results and all other information the TOC has to date, the TOC hereby finds the OCLTA is proceeding in accordance with the M2 Ordinance and Plan.

Also, in accordance with the M2 Ordinance No. 3, Section 10, Paragraph 2, I certify that the M2 revenues, through fiscal year ending June 30, 2021, have been spent in compliance with the M2 Ordinance and Plan.

Sincerely,

Frank Davies, Chair
Measure M Taxpayer Oversight Committee
Orange County Auditor-Controller

June 23, 2023

Hon. Gene Hernandez
Chair, Board of Directors
Orange County Transportation Authority
550 S. Main Street
Orange, CA 92868

In accordance with Attachment C of the Renewed Measure M Transportation Ordinance and Investment Plan – Ordinance No. 3, the Taxpayer Oversight Committee (TOC) is required to conduct an annual public hearing to determine whether the Orange County Local Transportation Authority (OCLTA) is proceeding in accordance with the Renewed Measure M Transportation Ordinance and Investment Plan.

Based upon the above-mentioned hearing and the information presented at the meeting performed for fiscal year 2021-22, the TOC found that OCTA is proceeding in accordance with the Renewed Measure M Transportation Ordinance and Investment Plan.

I can attest, per attachment D, Section IV, Paragraph D, that the TOC conducted the annual public hearing on June 13, 2023. Although I voted in opposition to the motion based on my comments in the meeting, I witnessed the committee approve the item to certify that OCLTA is proceeding in accordance the Renewed Measure M Transportation Plan during Fiscal Year 2021-2022.

Furthermore, Renewed Measure M Transportation Ordinance and Investment Plan – Ordinance No. 3, requires my certification, under Section 10, Paragraph 2, “whether the Revenues have been spent in compliance with the Plan.”

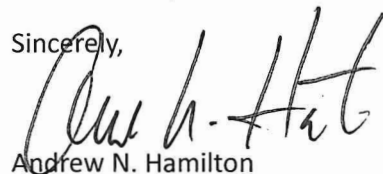
In contrast with my “no” vote in the above stated TOC action, I can certify under Section 10, Paragraph 2, based on the following:

- information presented at the TOC meeting on June 13, 2023;
- that these related procedures presented at the same meeting could protect against “cheaters”; and
- assurance that OCTA is in compliance with Measure M2 from Internal Audit Director, Chief Financial Officer and OCTA Legal Counsel; that

no information has come to my attention that would lead to my conclusion that OCLTA is not in compliance with the revenues being spent according to the mandates of the Plan.

Going forward, I am requesting an “independent, outside audit” to provide an opinion on OCTA’s material compliance with the Ordinance.

Sincerely,

A handwritten signature in black ink, appearing to read "Andrew N. Hamilton". The signature is stylized with a large, looped "A" and "H".

Andrew N. Hamilton
Chair, Taxpayer Oversight Committee

**PROCEDURES TO AMEND THE
RENEWED MEASURE M TRANSPORTATION INVESTMENT PLAN
AND ORDINANCE NO. 3
LANGUAGE EXCERPT AND AMENDMENT HISTORY**

PROCEDURES

The Orange County Local Transportation Authority (OCLTA) Ordinance No. 3 and Renewed Measure M (M2) Transportation Investment Plan (Plan) approved by the OCLTA Board of Directors (Board) on July 24, 2006, includes the following procedures to amend the OCLTA M2 Ordinance and the M2 Plan approved by Orange County voters on November 6, 2007, by the OCLTA Board:

A proposed amendment which eliminates a program or project specified on page 31 of the Plan shall not be adopted unless the Board adopts a finding that the transportation purpose of the program or project to be eliminated will be satisfied by a different program or project.

A proposed amendment which changes in funding categories, programs, or projects identified within the expenditure plan, page 31 of the Plan, shall be first approved by a two-thirds vote of the Taxpayers Oversight Committee.

Proposed amendments to the Plan and Ordinance No. 3 shall be presented to the Board. The Board shall set a date no sooner than 30 days thereafter for a public hearing to consider the proposed amendment(s), and the proposed amendment(s) shall be transmitted to the County Board of Supervisors and the city council of each Orange County city not less than 30 days prior to the public hearing.

Local agencies may offer comments in writing or in person at the public hearing and such comments shall be incorporated into the public record of the hearing.

The Board shall hold a public hearing prior to the adoption of the amendment.

The amendment shall be passed by a roll call vote with at least a two-thirds majority of Board members.

The Orange County Transportation Authority shall give written notice of the amendment to the County Board of Supervisors and all city councils.

Amendment(s) to the Plan or Ordinance No. 3 shall become effective 45 days after adoption.

In addition, a proposed amendment which changes funding allocations among the four major categories of: freeway projects, streets and roads projects, transit projects, and environmental cleanup projects, as identified on page 31 of the Plan; or which changes funding allocations for Local Fair Share Program net revenues (Section IV, C, 3 of Attachment B) shall be approved by a simple majority vote of the electors before going into effect.

Orange County Local Transportation Authority Ordinance No. 3 Amendment Excerpt
Page 7

SECTION 12. AMENDMENTS

The Authority may amend the Ordinance, including the Plan, to provide for the use of additional federal, state, and local funds, to account for unexpected revenues, or to take into consideration unforeseen circumstances. The Authority shall notify the board of supervisors and the city council of each city in the county and provide them with a copy of the proposed amendments, and shall hold a public hearing on proposed amendments prior to adoption, which shall require approval by a vote of not less than two thirds of the Authority Board of Directors. Amendments shall become effective forty-five days after adoption. No amendment to the Plan which eliminates a program or project specified on Page 31 of the Plan shall be adopted unless the Authority Board of Directors adopts a finding that the transportation purpose of the program or project to be eliminated will be satisfied by a different program or project. No amendment to the Plan which changes the funding categories, programs or projects identified on page 31 of the Plan shall be adopted unless the amendment to the Plan is first approved by a vote of not less than two thirds of the Committee. In addition, any proposed change in allocations among the four major funding categories of freeway projects, street and road projects, transit projects and Environmental Cleanup projects identified on page 31 of the Plan, or any proposed change of the Net Revenues allocated pursuant to Section IV C 3 of Attachment B for the Local Fair Share Program portion of the Streets and Roads Projects funding category, shall be approved by a simple majority vote of the electors before going into effect.

Ordinance No. 3 Amendment History

Ordinance Amendments

1. November 25, 2013: Strengthens the eligibility and selection process for Taxpayers Oversight Committee (TOC) members to prevent any person with a financial conflict of interest from serving as a member. Also requires currently elected or appointed officers who are applying to serve on the TOC to complete an "Intent to Resign" form.
2. December 14, 2015 (corrected March 14, 2016): Accounts for additional funding from Project T allocated to the Fare Stabilization Program by changing Attachment B language to reflect a 1.47% delegation (rather than 1%) of Project U funding towards Fare Stabilization. Corrected amendment language was presented to the Board of Directors (Board) on March 14, 2016.
3. June 22, 2020: Temporarily changes the maintenance of effort requirements for fiscal year 2019-20 and fiscal year 2020-21 to assist local jurisdictions through the unprecedented period of uncertainty due to the economic impacts of the 2020 coronavirus pandemic.
4. May 24, 2021: Extends temporary changes for maintenance of effort requirements for fiscal year 2020-21 into fiscal year 2021-22 to continue assisting local jurisdictions during the coronavirus pandemic.

Plan Amendments

1. November 9, 2012: Reallocation of funds within the freeway program between State Route 91 and Interstate 405
2. December 14, 2015 (corrected March 14, 2016): Closeout of Project T and reallocation of remaining funds within the Transit Program between Metrolink Service Expansion Project (Project R) and Fare Stabilization Program (Project U). Corrected amendment language was presented to the Board on March 14, 2016.

Ordinance No. 3 Proposed Amendment Excerpts

Reference	Original	Proposed Changes
Section 10.2 – Page 5	The County of Orange Auditor-Controller (“Auditor-Controller”), in the capacity as Chair of the Taxpayer Oversight Committee, shall annually certify whether the Revenues have been spent in compliance with the Ordinance.	The Taxpayer Oversight Committee shall annually certify whether the Revenues have been spent in compliance with the Ordinance.
Attachment A – Page 28	The annual audits, and annual reports detailing project progress, will be sent to the Orange County taxpayers every year and will be reviewed in public session by a special Taxpayer Oversight Committee that can raise fiscal issues, ask tough questions, and must independently certify, on an annual basis, that transportation dollars have been spent strictly according to the Renewed Measure M Investment Plan.	No Change
Attachment A – Page 29	Spending decisions must be annually reviewed and certified by an independent Taxpayer Oversight Committee.	No Change
Attachment A – Page 29	The elected Auditor/Controller of Orange County must annually certify that spending is in accordance with the Plan.	The Taxpayer Oversight Committee must annually certify that spending is in accordance with the Plan.
Attachment C – Section IV. D – Page C-4	The Committee shall review yearly audits and hold an annual public hearing to determine whether the Authority is proceeding in accordance with the Plan. The Chair shall annually certify whether the Revenues have been spent in compliance with the Plan.	The Committee shall review yearly audits and hold an annual public hearing to determine whether the Authority is proceeding in accordance with the Plan. The Committee will also certify whether the Revenues have been spent in compliance with the Plan.

No. - Number



November 6, 2023

To: Executive Committee

From: Darrell E. Johnson, Chief Executive Officer 

Subject: Proposed Revisions to Orange County Transportation Authority's Procurement Policies and Procedures

Overview

The Orange County Transportation Authority Board of Directors has adopted policies and procedures that guide all procurement activities. The Board of Directors periodically reviews these policies and procedures and may make changes as necessary in an effort to conform to changing business needs while continuing to ensure procurements are conducted in a fair, transparent, and equitable manner for all vendors and provide for the best value and use of taxpayer dollars.

Recommendation

Adopt the proposed revisions to the Orange County Transportation Authority's Procurement Policies and Procedures and authorize staff to implement the recommended changes.

Discussion

In March 2023, following a request from the Board of Directors (Board), staff conducted a Board workshop to provide information on the current procurement process. During the workshop, various aspects of the procurement process and procedures related to the Disadvantaged Business Enterprise (DBE) requirements were discussed. In August 2023, staff presented an overview of the federally required DBE program, outreach efforts, as well as tools and resources available to the business community. Following these efforts, the Board further directed staff to reach out to various interest groups to discuss potential changes to the procurement process.

Industry Review

Before finalizing any recommended changes to the OCTA's Procurement Policies and Procedures, staff met with the business community to discuss potential changes. Representatives from the American Council of Engineering Companies, the Society for Marketing Professional Services in Orange County, Construction Management Association of America, and Orange County Public Affairs Association met with staff to learn about the potential changes and to provide their perspectives on the proposals. Comments received from these meetings helped staff in shaping the recommendations presented in this staff report.

Changes to the procurement policies and procedures are implemented only after thorough review and consideration for the need and impact. OCTA has a track record of receiving the highest praise from Federal Transit Administration (FTA) reviews, has consistently received the Award of Excellence from the National Procurement Institute, and received numerous positive comments from the vendor community for OCTA's steadfast commitment to transparency and consistency. As a result of the efforts noted above, the recommendations contained in this staff report relate only to adjusting Board approval thresholds. While other policy and procedure changes have been explored, those potential changes need further evaluation and review before staff is prepared to recommend any changes.

Based on Board direction, staff has explored various procurement processes and developed recommended changes with respect to streamlining the procurement process by adjusting Board approval thresholds. To achieve better efficiencies in delivering projects in a more timely manner, staff examined the possibility of raising the approval thresholds in several areas as listed below:

- Increase the Board-approval threshold for all request for proposals (RFP)/cooperative agreements to \$500,000 from \$250,000. Research determined that peer transportation agencies managing similar large projects have higher Board-approval thresholds as follows:

Riverside County Transportation Commission	\$100,000
San Bernardino County Transportation Authority	\$100,000
Dallas Area Rapid Transit	\$250,000
Santa Clara Valley Transportation Agency	\$300,000
Los Angeles County Metropolitan Transportation Authority	\$500,000
Metrolink	\$500,000
North County Transit District	\$500,000
San Diego Association of Governments	\$5,000,000
Sound Transit	\$10,000,000

Staff also reviewed the number of contracts that the Board has approved over the past three fiscal years and the contract dollar amounts. The review found that raising the approval threshold to \$500,000 would still result in the Board approving over 95 percent of all contract dollars procured (Attachment B). Based on this and the approval thresholds for similar agencies, staff recommends increasing the Board-approval threshold to \$500,000.

Along with the recommendation to raise the contract threshold, staff proposes that the threshold on Board-approved amendments also be raised to \$500,000 to be consistent with the contract award limits.

- Increase the Board approval threshold for all non-construction invitation for bids (IFB) from \$250,000 to \$500,000. State law requires an award to the lowest responsive, responsible bidder. While the Board does not have discretion to pick any vendor other than the lowest responsive, responsible bidder, the Board always has discretion to decide whether or not to continue with a project. This recommendation would delegate the responsibility of determining whether IFBs \$500,000 or under should proceed or not to the Chief Executive Officer.
- Increase the Board-approval threshold for sole source procurements from \$25,000 to \$100,000. Making this change would not eliminate the requirement for Internal Audit to perform price reviews, which is currently required for any sole source procurements over \$50,000. Sole source procurements may be used only under specific circumstances, such as (1) when the item is available only from a single source; (2) the public exigency or emergency for the requirement exists which will not permit a delay resulting from competitive solicitation; (3) after solicitation of a number of sources, competition is determined to be inadequate; and (4) FTA expressly authorizes noncompetitive proposals. In fiscal year (FY) 2022-23, 39 sole source procurements were completed. Raising the approval threshold to \$100,000 would still ensure that the Board approves about 84 percent of all contract dollars procured through sole source procurements.

To keep the Board informed of all OCTA's high-dollar value procurements, staff proposes adding a list of procurements valued above \$250,000 to \$500,000 to the quarterly procurement report. This report will provide the Board with an opportunity to review the procurement activity that occurred over the past three months, as well as give the Board a preview of what procurements and solicitations are being planned for the next quarter.

Other small-dollar non-Board threshold increases are also being recommended as shown on Attachment A. These recommended thresholds are lower than the thresholds set by the Federal Acquisition Regulation.

All four industry groups unanimously supported the above recommendations, which are in line with the objective of improving the efficiency and responsiveness of the procurement process and expediting project delivery.

While staff has compiled a set of additional proposed adjustments to the Procurement Policies and Procedures, these changes are currently in the process of being evaluated. Changes related to implementing a piggybacking policy, the post-award protest policy, option-term approvals, maximum contract terms, blackout periods, small or local business preferences, and the threshold for staff presentations at Board committees have all been discussed with the vendor community. Staff will continue to research the practices of peer agencies before making any recommended changes to these policy items. Staff will present these additional recommended changes, if any, to the Board for future consideration after further evaluation.

Summary

A procurement workshop was held for the Board to discuss and comment on possible changes to the procurement process. The issues raised from the workshop and potential solutions were reviewed with four professional industry organizations. The Board is requested to approve these proposed revisions to OCTA's Procurement Policies and Procedures and direct staff to implement the changes.

Attachments

- A. Recommended Changes to the Orange County Transportation Authority's Procurement Policies and Procedures
- B. Contracts by Dollar Amounts for Past Three Fiscal Years

Prepared by:



Pia Veasapen
Director, Contracts Administration and
Materials Management
714-560-5619

Approved by:



Andrew Oftelie
Chief Financial Officer,
Finance and Administration
714-560-5649

**Recommended Changes to the Orange County Transportation Authority's
Procurement Policies and Procedures**

The following are the recommendations for changes to the Orange County Transportation Authority's (OCTA) Procurement Policies and Procedures. Once the Board of Directors (Board) takes final action on these recommendations, OCTA's Procurement Policy and Procedures Manual will be updated.

1. Increase the Board-approval threshold for all request for proposals (RFP)/cooperative agreements from over \$250,000 to over \$500,000.
2. Increase the Board-approval threshold for all non-construction invitation for bids (IFB) from over \$250,000 to over \$500,000 (please note current law requires any change orders over \$210,000 be approved by the Board).
3. Increase the Board-approval threshold for sole source procurements from over \$25,000 to over \$100,000. This does not eliminate the need for Internal Audit requirements.
4. Increase the Board-approval threshold for amendments, other than for construction/public works services, from over 15 percent of the original contract value or over \$250,000, whichever is less to over 15 percent of the original contract value or over \$500,000, whichever is less.
5. Increase Micro-purchase threshold from \$2,500 to \$5,000.
6. Increase Informal Procurement threshold from \$50,000 to \$100,000 or less.
7. Increase Formal Procurement threshold from over \$50,000 to over \$100,000.
8. Increase Purchasing Card threshold from a limit of \$5,000 to \$10,000 per month.

Contracts by Dollar Amounts for Past Three Fiscal Years**FY 20/21:** Awarded Contracts - Effective 07/01/2020 to 06/30/2021

	Total Amounts	Number of Contracts	Percentage of Total Amount
Greater Than \$500,000	\$ 406,171,467	72	95.25%
\$250,001 to \$500,000	\$ 7,162,019	20	1.68%
\$250,000 or Less	\$ 13,084,801	195	3.07%
Total Amount:	\$ 426,418,287	287	100.00%

FY 21/22: Awarded Contracts - Effective 07/01/2021 to 06/30/2022

	Total Amounts	Number of Contracts	Percentage of Total Amount
Greater Than \$500,000	\$ 646,630,816	63	95.42%
\$250,001 to \$500,000	\$ 12,596,206	34	1.86%
\$250,000 or Less	\$ 18,441,406	230	2.72%
Total Amount:	\$ 677,668,428	327	100.00%

FY 22/23: Awarded Contracts - Effective 07/01/2022 to 06/30/2023

	Total Amounts	Number of Contracts	Percentage of Total Amount
Greater Than \$500,000	\$ 591,578,617	43	95.96%
\$250,001 to \$500,000	\$ 8,560,862	25	1.39%
\$250,000 or Less	\$ 16,318,421	181	2.65%
Total Amount:	\$ 616,457,900	249	100.00%

Proposed Revisions to Orange County Transportation Authority's Procurement Policies and Procedures

Background

- Procurement Policy adopted by the Board of Directors (Board)
- Board has made changes to various policies and procedures
- Most recent changes in 2015 and in 2009 before that
- Procurement Workshop conducted in March 2023
- Disadvantaged Business Enterprise (DBE) Program overview conducted in August 2023
- Per Board direction, review and provide recommendations to maintain fair process while streamlining procurements
- Conducted industry outreach to obtain feedback on the recommendations

Goals

- Encourage open and fair competition
- Maintain transparency
- Ensure accountability
- Streamline process to increase efficiencies
- Provide consistency for vendors

Board Approval Threshold – Peer Agencies

▪ Riverside County Transportation Commission	\$100,000
▪ San Bernardino County Transportation Authority	\$100,000
▪ Dallas Area Rapid Transit	\$250,000
▪ OCTA	\$250,000
▪ Santa Clara Valley Transportation Agency	\$300,000
▪ Los Angeles County Metropolitan Transportation Authority	\$500,000
▪ Metrolink	\$500,000
▪ North County Transit District	\$500,000
▪ San Diego Association of Governments	\$5,000,000
▪ Sound Transit	\$10,000,000

Board Approval Threshold

Current policy:

- Board approval is required for all request for proposals (RFP)/cooperative agreements over \$250,000.
- Board approval is required for all non-public works invitation for bids (IFB) over \$250,000.
- Board approval is required for any amendment over 15 percent of the original contract value or \$250,000, whichever is less

Recommendations:

- Increase the Board approval threshold for all RFPs/cooperative agreements to over \$500,000.
- Increase the Board approval threshold for all non-public works IFBs to over \$500,000.
- Increase the Board approval threshold for any amendment over 15 percent of the original contract value or \$500,000, whichever is less

Board Approval Threshold

Current policy:

- The Board approval threshold for all sole source procurements is over \$25,000.

Recommendation:

- Increase the Board approval threshold for sole source procurements to over \$100,000.
 - This does not eliminate the requirement for Internal Audit to perform price reviews for any sole source over \$50,000

Thresholds for Small Dollar Items



Increase Formal Procurement threshold from over \$50,000 to over \$100,000



Increase micro-purchase threshold from \$2,500 to \$5,000



Increase Purchasing Card threshold from \$5,000 to \$10,000 per month

Items for Future Consideration

- Implementing piggybacking policy and procedures
- Revising the Post-award Protest Policy for Board procurements
- Option-term approval requirements
- Revising Contract Term Policy
- Blackout period application
- Small business/local preference
- Threshold for staff presentation at Board committee

Next Steps

- Present current threshold related recommendations to Board of Directors on November 27, 2023
- If approved, staff will revise the OCTA Procurement Policies and Procedures Manual
- Return to Board with additional recommendations following further evaluation