



March 2, 2026

To: Executive Committee
From: Darrell E. Johnson, Chief Executive Officer
Subject: Headquarters Property Update

A handwritten signature in blue ink, appearing to read "Darrell E. Johnson", is written over the "From:" field of the memo.

Overview

On October 25, 2024, the Orange County Transportation Authority closed escrow on the purchase of property located at 2677 North Main Street, Santa Ana to serve as the new headquarters property for the Orange County Transportation Authority. Staff has prepared an update on the activities that have occurred since the purchase to prepare the property to serve as the Orange County Transportation Authority's future headquarters. Future updates on the capital improvements related to the headquarters will be presented as part of the Capital Action Plan and Performance Metrics report.

Recommendation

Receive and file as an information item.

Background

The property located at 2677 North Main Street sits on 4.6 acres and includes both surface parking and a five-story parking garage. The office tower was built in 1987 and is ten stories with 220,453 square feet of office space, which can accommodate the Orange County Transportation Authority's (OCTA) workforce with additional space available for lease. OCTA intends to occupy eight floors of the office tower and continue to lease two floors to tenants. The building is Leed Gold certified and solar panels were recently installed over the surface parking lot and the top floor of the parking garage.

Upon acquisition of the property OCTA has been responsible for the daily operations of the property. The primary responsibilities include tenant relations, maintenance and facilities management, vendor and contract management, and budget and financial management. OCTA has worked in coordination with property management services for these efforts. OCTA utilized The Muller Company (TMC) for a period of one-year following acquisition of the property.

TMC was the existing property manager and utilizing their services provided stability post-acquisition. The Board of Directors (Board) approved the award of long-term property management services to Lincoln Property Company Commercial (LPC) on September 22, 2025. OCTA, in coordination with LPC, is currently managing daily operations including 22 tenants and 17 service contracts. The service contracts are needed to operate and maintain the property and include services such as janitorial, security, building engineering, landscaping, elevator maintenance, generator service, lighting maintenance, as well as a host of other small services.

The acquisition plan presented to the Board on August 12, 2024, for the purchase of the property consisted of a series of activities necessary to prepare the property for occupancy by OCTA. These activities included the construction of a board/conference room (B/CR) facility in the surface parking lot to hold public meetings, such as Board and committee meetings, as well as serving as a conference center for OCTA. These activities also included improvements to the office tower to prepare the building for occupancy by OCTA staff. The two projects will be proceeding on different schedules given the requirements of each project.

Discussion

In late December 2025, two Board-approved contracts were executed for services needed for construction of the B/CR facility and improvements to the office tower. Griffin Structures (Griffin) was selected to provide project management and construction management services, and Stantec Architecture, Inc. (Stantec) was selected to provide design services. Both firms will provide their services for both the B/CR facility and improvements to the office tower projects.

B/CR Facility

Design efforts for the B/CR facility began in January with two parallel paths. The two paths included the original concept of designing a new B/CR facility to be constructed in the surface parking lot of the property as well as to evaluate the potential of integrating the B/CR facility into the first floor of the office tower. Incorporating the B/CR into the first floor presented the potential advantages of using available space within the office tower and being less expensive than constructing a new facility.

Two options were evaluated to incorporate the B/CR into the first floor of the office tower, and both were deemed infeasible. Stantec provided an initial design option that integrated the facility into one “wing” of the first floor; however, this

location was not feasible given limitations on the width of the B/CR due to the building configuration. An additional option, brought forth during the procurement for design services, was also evaluated and not deemed feasible due to limitations caused by the location of a tenant on the first floor and complications due to the location of electrical and mechanical rooms. As a result, the original concept to design and construct a new B/CR facility in the surface parking lot of the property remains the focus moving forward.

Given the focus on locating the B/CR in the surface parking lot, Stantec has presented preliminary location and size options for the B/CR within the surface parking area. Stantec is working to provide further details on these options and staff anticipates an update will be provided as part of the project update in May 2026.

In addition, an initial meeting occurred with OCTA staff, Griffin, Stantec, and the City of Santa Ana (City) planning staff to discuss the entitlement and permitting process. Griffin and Stantec are working to finalize a comprehensive schedule with critical path milestones based on feedback from the City. The project schedule will be presented as part of the project update in May 2026.

Over the coming months a series of activities will occur as this project moves forward. These activities include survey and mapping, geotechnical analysis, drainage evaluation, soil and sewer management plans, electrical and mechanical systems analysis, and the site development plan submittal to the City.

Office Tower Improvements

The acquisition plan also included making tenant improvements to each floor within the office tower that will be occupied by OCTA staff. These improvements will occur on floors one through seven and ten. The acquisition plan also included OCTA leasing floors eight and nine to tenants to generate rental income given the office tower contains more square footage than needed to accommodate OCTA staff.

At the time of purchase, there were 31 tenants occupying 73 percent of the office tower. Of those tenants, 21 occupied 65 percent of the space on floors that OCTA intended to occupy. Staff is working with LPC on efforts to make this space available so improvements can be made in order for OCTA staff to occupy the building. Through a combination of lease maturities, tenant relocations, and lease terminations, there will only be three tenants remaining on floors that OCTA intends to occupy at the end of calendar year 2026. All three of these tenants were assumed to be on floors OCTA intended to occupy in the original

acquisition plan and thus will not impact OCTA's ability to occupy the building after improvements are completed. In addition, based on tenant moves and relocations, occupancy levels on leased floors are anticipated to remain high. There are currently no vacancies on the eighth floor and only one vacant suite on the ninth floor, and OCTA has an offer out to an existing tenant currently located on a future OCTA floor to move into that space.

There are currently two vacant floors in the office tower with four more to be vacant by October of this year. As a result, staff intends to pursue advancing demolition of vacant floors ahead of schedule with the goal of minimizing design risk and advancing the schedule. Staff will return to the Board for approval of this effort.

An analysis of the existing site conditions within the tower is currently underway, and recommendations are being developed by Stantec in areas such as mechanical, electrical, and plumbing system rehabilitation. Given the long lead times for this type of equipment, staff may seek Board approval to procure replacement equipment early to minimize future risks to the project schedule. Over the coming months, additional activities such as program validation, floor layout design, hazardous material inspection, and design packages will be developed to submit to the City. In addition, an early demolition package may be initiated to accelerate construction of the office tenant improvements. Similar to the B/CR project, Griffin and Stantec are working to finalize a comprehensive schedule with critical path milestones for this project based on feedback from the meeting with the City. The project schedule will be available as part of the project update in May 2026.

Summary

Staff has prepared an update on the activities that have occurred since the purchase of the property to serve as OCTA's future headquarters. Design efforts are underway and a series of activities are occurring for the development of a B/CR facility as well as improvements to the office tower which will house OCTA staff. Future updates on the project will occur quarterly as part of the Capital Action Plan and Performance Metrics report.

Attachment

None.

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