



**December 1, 2025**

**To:** Regional Transportation Planning Committee  
**From:** Darrell E. Johnson, Chief Executive Officer  
**Subject:** Measure M2 Environmental Mitigation Program Update

### **Overview**

Measure M2 includes an Environmental Mitigation Program to deliver comprehensive mitigation for biological impacts of 13 freeway projects in exchange for streamlined project approvals from state and federal resource agencies. A summary of recent Environmental Mitigation Program activities is provided for informational purposes.

### **Recommendation**

Receive and file as an information item.

### **Background**

Measure M2 (M2) includes the Environmental Mitigation Program (EMP) which is intended to mitigate the biological resource impacts of 13 M2 freeway projects and streamline approval processes with state and federal resource agencies. This was achieved through the development of a Natural Community Conservation Plan/Habitat Conservation Plan (Conservation Plan), approved by the California Department of Fish and Wildlife and the United States Fish and Wildlife Service (collectively referred to as the Wildlife Agencies). To maximize the benefits of the investments, the Orange County Transportation Authority (OCTA) has utilized some of those same mitigation assets to obtain Clean Water Act permits. Consistent with the Conservation Plan, OCTA has acquired seven conservation properties (Preserves) and funded 13 habitat restoration projects, depicted in Attachment A. To date, ten of the restoration projects have been completed and have met the requirements of the Wildlife Agencies. Two additional OCTA-funded restoration projects are being reviewed for completeness this year.

As outlined in the Conservation Plan, an endowment is being established to support the long-term management of the Preserves. Concurrently, the United States Army Corps of Engineers (USACE) and the State Water Resources Control Board have developed a framework to streamline the permitting process.

The accomplishments of the EMP have largely fulfilled the program's intended goals. These achievements reflect years of collaboration among OCTA, partner agencies, stakeholders, and the public. The program's success has been recognized at both regional and national levels. As a result of these efforts, pre-negotiated permit terms have facilitated more efficient project implementation and reduced the scope of required mitigation. Absent the EMP's structured approach, additional mitigation obligations could have been imposed, leading to higher project costs and increased project schedule risks.

### ***Discussion***

#### **2024 Conservation Plan Annual Report**

As a commitment of the Conservation Plan, OCTA is required to prepare an annual report on the implementation processes. The annual report integrates reports from OCTA consultants, contractors, and restoration project managers. The data is collected for the calendar year and then summarized in individual reports, which are not produced until early the following year. OCTA then synthesizes these reports. The annual report is not deemed final until the Wildlife Agencies have completed their review. This process typically extends until the middle of the following year. The executive summary for the 2024 Conservation Plan Annual Report is included as Attachment B. The complete annual report is available on the OCTA website.

This annual report documents OCTA's activities between January 1, 2024, and December 31, 2024. The annual report indicates that OCTA's efforts on this program are in keeping with existing commitments. This report includes the tracking of biological impacts associated with covered freeway improvement projects, management, monitoring, status, activities on the Preserves, the progress of the restoration projects, as well as additional plan administration, and public outreach activities. The annual report was reviewed by the Wildlife Agencies, provided to the Environmental Oversight Committee (EOC), and is available for public review. The annual report documenting the 2025 calendar year activities is anticipated to be shared with the EOC and the OCTA Board of Directors (Board) in late 2026.

#### **Environmental Mitigation Program Endowment Fund Investment Report**

The Conservation Plan requires the establishment of an endowment to fund the long-term management of the Preserves. As of June 30, 2025, the endowment balance was \$34,085,302, which is slightly above the target of \$32,491,533 for the

third quarter of fiscal year (FY) 2024-25. Based on the performance to date, current projections indicate that OCTA remains on track to meet the endowment target of \$46.2 million (including interest earnings) in FY 2027-28; however, future performance of the endowment fund may affect the timeframe. A separate quarterly investment report summarizing the status of the endowment will be provided to the Finance and Administration (F&A) Committee and Board in December 2025 and will include the latest earnings report. Staff will continue to assess market conditions and provide regular endowment updates to the Board, the F&A Committee, and the EOC.

#### **North Coal Canyon Restoration Project Completion**

In April 2025, the Wildlife Agencies provided their sign off on the OCTA funded North Coal Canyon restoration project (Project), an approximately five-and-a-half acres located in the City of Yorba Linda (Attachments A and C). The Project site is within the Chino Hills State Park (CHSP) and focused on the restoration of coastal sage scrub habitat.

The Project originated as a proposal from CHSP staff; however, CHSP later determined it lacked the internal resources to carry out the restoration activities. As a result, the initial contract was terminated. With continued support from the EOC, OCTA issued a request for proposals to bring on a new contractor to perform the restoration work and executed a revised agreement to advance the Project.

RECON Environmental, Inc. was awarded the contract for project implementation which was set to be carried out over a five-year period, beginning with project planning in 2019. Success criteria were achieved in 2024, followed by continued weed abatement through 2025. Incidental wildlife observations included coastal California gnatcatcher (onsite) and least Bell's vireo (just offsite, near the Santa Ana River). A site visit with the Wildlife Agencies occurred in April 2025, and formal concurrence was received in May 2025. This Project marks the ninth completed restoration project out of 13 funded by OCTA (Attachment C). Long-term monitoring and maintenance responsibilities will be assumed by CHSP, the landowner.

#### **Aliso Creek Restoration Project Completion**

In May 2025, the Wildlife Agencies and the USACE confirmed that all restoration performance standards had been successfully achieved for the Aliso Creek Restoration Project (Aliso Project) located within the County-owned Aliso and Wood Canyons Wilderness Park. Approved for funding in 2012 through the M2 Freeway EMP, the Aliso Project encompasses the restoration of approximately 55 acres of predominantly riparian habitat (Attachment C).

Led by the Laguna Canyon Foundation, the Aliso Project involved the removal of over 1,000 tons of invasive, non-native *Arundo* and the ecological restoration of a vital segment of Aliso Creek. This section of the creek provides critical habitat for a diverse range of threatened and endangered plant and wildlife species. This project has catalyzed complementary restoration efforts within the Aliso Creek watershed, contributing to broader ecological improvements across the region. These efforts align with and support a large-scale watershed restoration initiative currently underway, as detailed in Exhibit E. In October 2025, County staff finalized and recorded all related legal documents making this the tenth OCTA-funded restoration project to reach full implementation.

#### **Fairview Park Restoration Project**

In 2011, OCTA awarded the City of Costa Mesa (City) \$2 million for a 23-acre habitat restoration project within the City's Fairview Regional Park. Approximately 13 acres have been restored. Once the project receives final approval from the Wildlife Agencies and is permanently protected, OCTA will be able to use the restored habitat as mitigation under its M2 Conservation Plan. To complete the remaining acreage and fulfill contractual and conservation obligations, the City, in coordination with OCTA and the Wildlife Agencies, identified a supplemental restoration area adjacent to the original site (Attachment D), with funding secured through local and state sources for implementation through 2033.

On September 16, 2025, the City Council awarded the professional services agreement for the Fairview Park Mesa Restoration Project, Flower Fields and Coastal Sage Scrub Habitat Restoration Plan Implementation, which will fulfill the City's outstanding acreage commitment to OCTA. Since the award, the City has been working with the implementation contractor on preparation tasks, coordination with cultural and restoration monitoring teams, and installed educational signage, and temporary site protection to enhance public awareness.

The City and OCTA will continue to coordinate with the Wildlife Agencies to ensure compliance with environmental and contractual requirements. The project schedule remains consistent with seasonal restrictions with major site activities planned to resume following the avian nesting season, which typically extends from February through September.

#### **Summary**

The required 2024 Conservation Plan Annual Report, Environmental Mitigation Program Endowment Fund Investment Report, and updates on three restoration projects are presented to the Board of Directors as receive and file information.

***Attachments***

- A. OCTA Preserves and Funded Restoration Projects
- B. M2 Natural Community Conservation Plan/Habitat Conservation Plan – 2024 Annual Report
- C. OCTA Funded Restoration Projects Map and OCTA M2 EMP Funded Restoration Projects Status Table
- D. OCTA Existing and Proposed Restoration Areas at Fairview Park

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