



**December 1, 2025**

**To:** Executive Committee  
**From:** Darrell E. Johnson, Chief Executive Officer  
**Subject:** Measure M2 Ten-Year Review Update

### **Overview**

Ordinance No. 3 includes a provision to conduct a comprehensive review of the project and program elements of the Renewed Measure M Transportation Investment Plan at least every ten years. The results of the first ten-year review were presented to the Board of Directors on October 12, 2015. Efforts for the next review, consistent with the Board-approved framework, are underway. An update on progress - including analyses to date, outreach activities, and next steps - along with an accompanying draft Action Plan is presented to the Orange County Transportation Authority Board of Directors.

### **Recommendation**

Direct staff to complete evaluation of Measure M2 program performance and proceed with development of an accompanying Action Plan for future Board of Directors' consideration.

### **Background**

On November 7, 2006, Orange County voters approved the Renewed Measure M (M2) Transportation Investment Plan (Plan). Effective in 2011, the Plan provides a 30-year program of investments across a broad range of transportation and environmental initiatives and a governing ordinance, Ordinance No. 3 (M2 Ordinance), that defines the requirements for implementing the Plan. The M2 Ordinance designates the Orange County Transportation Authority (OCTA) as the responsible agency for administering the Plan and ensuring that OCTA's contract with the voters is followed. The M2 Ordinance also requires OCTA to implement a number of transparency measures and safeguards to uphold the public's trust in OCTA.

OCTA is committed to fulfilling the promises made to voters who approved the half-cent sales tax measure. This means not only completing the projects described in the Plan, but adhering to numerous specific requirements and high standards of quality called for in the M2 Ordinance. One such requirement is a provision to conduct a comprehensive review at least every ten years of all project and program elements included in the Plan. The Plan summary page is included as Attachment A.

This requirement is found within Section 11 of the M2 Ordinance:

**TEN-YEAR COMPREHENSIVE PROGRAM REVIEW** - At least every ten years the Authority shall conduct a comprehensive review of all projects and programs implemented under the Plan to evaluate the performance of the overall program and may revise the Plan to improve its performance. The review shall include consideration of changes to local, state and federal transportation plans and policies; changes in land use, travel and growth projections; changes in project cost estimates and revenue projections; right-of-way constraints and other project constraints; level of public support for the Plan; and the progress of the Authority and jurisdictions in implementing the Plan. The Authority may amend the Plan based on its comprehensive review, subject to the requirements of Section 12.

Although M2 sales tax revenue collection began on April 1, 2011, following the M2 approval, early mobilization efforts were initiated through the Board of Directors' (Board) adoption of the Early Action Plan in 2007. As such, the first ten-year period was assumed to have begun on November 8, 2006; the results of the first M2 ten-year review were presented to the Board on October 12, 2015.

The review highlighted substantial progress in delivering the Plan as promised to the voters and continued public support for M2 as approved. No major external changes were identified that would require changes to the Plan. However, in reviewing the financial capacity of the Plan, a need to shift funds between programs within the transit category to address shortfalls and ensure the commitments to the voters could be upheld was identified. In addition to receiving the M2 ten-year review on October 12, 2015, the Board also directed staff to initiate an amendment to address the shortfalls. On October 26, 2015, the Board determined that the intent of the Metrolink Gateways Program (Project T) had been fulfilled through the construction of the Anaheim Regional Transportation Intermodal Center and directed staff to proceed with amending the M2 Ordinance and Plan to reallocate the remaining Project T funds to High-Frequency Metrolink Service (Project R) and the Fare Stabilization Program (Project U). On December 14, 2015, the Board approved the amendment.

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***Discussion***

The second ten-year review was initiated in early 2024 and is anticipated to be completed in early 2026, aligning with the M2 halfway mark. As such, the timing allows for a more in-depth analysis of successes as well as lessons learned from the delivery of projects and programs that have been active since 2011, with some dating back to 2006. The M2 Program Management Office (PMO) is leading the effort with support from other OCTA divisions.

On October 14, 2024, the Board approved the framework, which included five objectives:

1. Research and identify external policy and/or regulatory changes at the local, state, and federal level, as well as changes in land use, travel, and growth projections that require consideration.
2. Evaluate current project and program cost estimates and the financial capacity of the sales tax revenue through 2041 to confirm Plan delivery.
3. Review M2 program and project elements to determine if there are performance issues or constraints to attain the promised delivery.
4. Assess public and stakeholder support for the Plan.
5. Identify OCTA's and local jurisdictions' progress in implementing the Plan.

Since the framework approval, three updates have been provided to the Board to underscore the significant, comprehensive nature of this review and the outreach efforts.

The PMO has implemented a coordinated, multi-pronged approach that groups the five review objectives into four areas of analysis – policy and planning context, financial, project delivery, and public priority – to evaluate performance of the Plan. All OCTA divisions have been engaged to ensure consistency in data inputs and alignment with parallel initiatives such as the 2026 Long-Range Transportation Plan. As the review has advanced, three key/prominent themes have emerged – timing of the review, Metrolink operations, and pavement maintenance.

**Policy and Planning Context**

To analyze the policy and planning context, the review assesses changes in transportation policies, plans, and regulations at the local, state, and federal levels, as well as land use, travel behavior, and growth projections. Over the past decade, numerous policy changes and evolution of Orange County's landscape have influenced how M2 projects are planned, funded, and delivered; however, none have materially affected OCTA's ability to fulfill the commitments made to voters. Looking ahead, major regional events such as the 2026 Fédération Internationale de Football Association (FIFA) World Cup and 2028 Olympic and

Paralympic Games are expected to impact travel behavior and mobility patterns throughout Orange County and the surrounding region for limited periods of time.

### Financial

On the financial side, annual updates of the M2 Next 10 Delivery Plan (Next 10 Plan) have reaffirmed that despite fluctuations in revenue forecasts and project cost estimates over time, M2 commitments remain deliverable.

However, recent updates of the Next 10 Plan highlight that Metrolink operations requires close monitoring as the current service plan, ridership trends, and operating and rehabilitation costs are not fiscally sustainable through 2041. In October 2024, Metrolink implemented Metrolink Reimagined, a service change that increased weekday train frequency and expanded midday and evening service to better accommodate new travel patterns resulting from alternative work schedules. The revised schedule also improved connectivity between lines through clockface scheduling, allowing for easier transfers and more efficient use of train equipment and crews.

The three Metrolink lines serving Orange County now operate 58 weekday trains, representing a 7.4 percent increase over pre-pandemic service levels. Despite these changes, Metrolink recovery continues to struggle, with farebox revenue and ridership actuals consistently falling below forecasts while operating costs rise. Without changes in service levels, ridership growth, operations and rehabilitation costs or additional external funds, the 2025 Next 10 Plan projects that the current service cannot be sustained beyond fiscal year (FY) 2033-34. OCTA will continue to actively engage with Metrolink and the other member agencies to monitor ridership levels and the financial impacts to M2.

### Project Delivery

OCTA, in partnership with other agencies, has made significant progress delivering the Plan. As reported in the FY 2025-26 first quarter M2 progress report, several M2 elements have been completed or are underway.

- M2 Freeway Program
  - 17 of 30 freeway projects have been completed with ten more underway and anticipated to be open to traffic by 2030.
  - The Freeway Environmental Mitigation Program's endowment is on track to be fully funded by FY 2027-28.
- M2 Streets and Road Program – Over \$1.3 billion has been provided to local jurisdictions through three programs.
  - Over 509 project phases have been funded through M2 competitive streets and roads programs.

- OCTA is currently leading the Countywide Signal Synchronization Baseline Project to develop and implement a coordinated, countywide network of approximately 2,500 retimed signals along regionally significant corridors, improving traffic flow and ensuring seamless travel across Orange County. While this innovative project is entirely externally funded, the project's outcomes, anticipated in 2029, will directly inform and enhance the future of the M2 Regional Traffic Signal Synchronization Program.
  - Nearly \$823 million has been disbursed via formula to eligible local jurisdictions through the Local Fair Share Program.
- M2 Transit Program
  - The OC Streetcar is under construction and is anticipated to be operational in 2026.
  - Nearly \$152 million has been provided to expand mobility choices for seniors and persons with disabilities.
  - Community-based transit circulators have been successful and well-received by the respective communities. Of the 49 projects OCTA has awarded, 21 services are active, four are planned, 13 have been cancelled, and 11 have been completed.
  - OCTA has also awarded over \$3 million to support 112 transit stop safety enhancement projects, of which 59 have been completed to date.
- M2 Environmental Cleanup Program – Through a two-tiered funding process, OCTA has assisted local jurisdictions countywide to attain federal Clean Water Act standards for urban runoff. Since inception of the program, over 81.5 million gallons of trash have been captured and when fully functional, an estimated annual groundwater recharge and water savings potential of 352 million gallons.

Based on current project and program schedules, the Plan will reach a pivotal point within the next five years. Assuming no major unforeseen events and successful implementation of the latest Next 10 Plan, several key milestones are expected: the M2 Freeway Program will be approximately 90 percent complete, the Freeway Environmental Mitigation Program endowment will be fully funded, the Countywide Signal Synchronization Baseline Project will be completed, Metrolink Reimagined will have operated long enough to evaluate its effectiveness, the OC Streetcar will have been in service for several years, successful community-based transit circulators grants will require renewal, and all transit stop safety enhancement projects will be completed – surpassing the 100 improvements promised in the Plan. While the M2 Ordinance requires a comprehensive review of Plan performance at least every ten years, with the significant number of projects and programs currently in progress, it is not an optimal time to make long-term modifications to the Plan. Staff therefore recommends that the next comprehensive review be conducted in advance of the ten-year interval to better align with program milestones and future planning

needs. Additionally, by that time, major regional events such as the 2026 FIFA World Cup and 2028 Olympic and Paralympic Games will have concluded.

### Public Priority

Public and stakeholder engagement has been extensive and inclusive. More than 5,500 participants have been reached through community events, focus groups, and meetings with city, regional, and organizational partners. Of these, 2,585 completed community surveys, offering detailed feedback on awareness, priorities, and perceptions of M2. Findings indicate that while only about one-third of participants were initially familiar with M2, awareness and support increased significantly once people learned about the programs and improvements it funds. Stakeholders expressed confidence in the effective management of M2 and its overall performance. Consistent with prior outreach, the public's top priorities continue to include congestion relief, local street maintenance, transit service, and safety enhancements. These insights confirm that the Plan continues to reflect the transportation priorities of Orange County.

Through Technical Advisory Committee working groups and elected official roundtables, a common need for more pavement maintenance funding was highlighted. Currently, M2 provides formula-based funding through the Local Fair Share program to help local jurisdictions keep up with the rising cost of repairing the aging street system. To respond to this feedback while maintaining transparency and accountability, staff is proposing to pursue the creation of a competitive pavement maintenance program in the M2 streets and roads program.

Based on the themes emerging from the review to date, staff further proposes the development of an Action Plan to guide OCTA's implementation activities until the next comprehensive M2 review, anticipated in approximately five years. The draft Action Plan is included as Attachment B.

### Next Steps

Updates on the ten-year review progress will continue to be included in the regular M2 quarterly reports. The final report will include a comprehensive review of all projects and programs implemented under the Plan, as well as identify the performance of the overall program. Additionally, it will consider changes to local, state, and federal transportation plans and policies, changes in land use, travel and growth projections, changes in project cost estimates and revenue projections, right-of-way constraints, and other project constraints, level of public support for the Plan, and the progress of OCTA and local jurisdictions in implementing the Plan. The final report and accompanying Action Plan are anticipated to be presented to the Board in early 2026.

***Summary***

A comprehensive ten-year review is being conducted as required by the M2 Ordinance. The PMO is leading the ten-year review with participation from OCTA divisions. An update is provided to the Board sharing progress to date and a draft Action Plan. A final report is anticipated to be brought to the Board in early 2026.

***Attachments***

- A. Measure M Investment Summary
- B. Measure M2 Ten-Year Review Draft Action Plan

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