




April 6, 2026

To: Executive Committee

From: Darrell E. Johnson, Chief Executive Officer 

Subject: Measure M2 Ten-Year Review Report and Action Plan

Overview

Approved by Orange County voters in 2006, the Renewed Measure M Transportation Investment Plan established a 30-year, half-cent sales tax program. Ordinance No. 3, the governing ordinance, includes a taxpayer safeguard 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 second review, consistent with the Board of Directors-approved framework, have been completed. The final Ten-Year Review Report is presented to the Orange County Transportation Authority Board of Directors for information along with an accompanying Action Plan for consideration.

Recommendations

- A. Receive and file the Measure M2 Ten-Year Review Report as an information item.
- B. Approve the proposed Action Plan to guide potential Measure M2 performance enhancements.
- C. Direct staff to proceed with implementation of the Action Plan.

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 to ensure 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.

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, early mobilization efforts were initiated through the Board of Directors' (Board) adoption of the Early Action Plan in 2007, following the approval of M2 in 2006. As such, the initial ten-year period was assumed to have begun on November 8, 2006. The first M2 ten-year review (Review) was presented to the Board on October 12, 2015.

The first Review highlighted substantial progress in delivering the Plan as promised to the voters and reaffirmed public support for M2. No major external factors 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 was identified. In addition to receiving the Review on October 12, 2015, the Board directed staff to initiate an amendment to address the funding 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) to ensure

commitments to voters could be upheld. On December 14, 2015, the Board approved the amendment.

Discussion

The second Review was initiated in early 2024 and has been completed; it is included as Attachment B. The timing of the Review was aligned with the M2 midpoint; April 1, 2026, marks 15 years of M2 revenue collection. 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) has led the Review effort with support from other OCTA divisions.

On October 14, 2024, the Board approved the Review 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, four updates have been provided to the Board to underscore the significant, comprehensive nature of this review and the outreach efforts. Most recently, in December 2025, an update was presented along with initial findings and a draft Action Plan.

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. Through this process, four key themes emerged – timing of the review, Southern California Regional Rail Authority (Metrolink) operations, pavement maintenance, and senior mobility needs.

Policy and Planning Context

To analyze the policy and planning context, the review assessed 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 the voters.

Since 2011, Orange County has continued to experience steady growth in population (+3.8 percent), housing (+10.2 percent), and employment (+12 percent). This growth has contributed to increased travel demand and continued reliance on the regional freeway and arterial network. Despite these changes, the policy and planning analysis indicate that the core assumptions underlying the Plan remain valid. M2's balanced approach – investing in freeways, streets and roads, transit, and environmental programs – continues to align with Orange County's transportation needs.

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 because the current service plan, ridership trends, and operating and rehabilitation costs are not fiscally sustainable through 2041. Despite the service changes implemented in October 2024, Metrolink's recovery continues to struggle, with farebox revenue and ridership 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 regional transportation agencies that fund the service to monitor ridership levels and the financial impacts to M2. To underscore the importance of ensuring fiscal sustainability through 2041, the proposed Action Plan also captures the Board-approved Metrolink recommendations from the 2025 Next 10 Plan.

Project Delivery

OCTA, in partnership with other agencies, has made significant progress delivering the Plan. As reported in the FY 2025-26 second quarter M2 progress report, many M2 elements have been completed or are underway. Additional analysis as part of the Review is included in respective sections below.

- M2 Freeway Program
 - 17 of 30 freeway projects have been completed with ten more anticipated to be open to traffic by 2030.

- Through the Freeway Environmental Mitigation Program (EMP), OCTA has acquired 1,300 acres and funded 13 restoration projects, providing higher-value environmental benefits in exchange for streamlined project approvals. To date, it is estimated that over \$2.5 million has been saved by leveraging the programmatic mitigation.
- The EMP endowment, which will pay for the long-term management of the acquired land, has been established and on track to be fully funded by FY 2027-28.
- The Freeway Service Patrol has provided over 889,000 services (including motorist assists and debris removal) on the Orange County freeway system to reduce freeway congestion and collisions.
- M2 Streets and Road Program
 - More than \$1.3 billion has been provided to local jurisdictions through three programs.
 - The Regional Capacity Program has funded over \$365 million for 210 project phases.
 - Through the Regional Traffic Signal Synchronization Program (RTSSP), nearly \$196.8 million has been funded for 143 projects for 3,789 intersections over 979 miles.
 - 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 RTSSP.
 - Over \$835 million^{1,2} has been disbursed via formula to eligible local jurisdictions through the Local Fair Share Program to help keep up with the rising cost of repairing the aging street system. Orange County currently has the best pavement statewide with an average pavement condition index of 79; the state average is 65.
- M2 Transit Program
 - The OC Streetcar is under construction and has reached significant testing milestones.
 - Over \$154 million has been provided through three programs to expand mobility choices for seniors and persons with disabilities.

¹ Only includes disbursed funds. On May 28, 2024, the Board determined the City of Buena Park ineligible to receive net M2 revenues for five years pursuant to Section 10.4 of the M2 Ordinance. Disbursements of net M2 revenues have been suspended until the City of Buena Park reestablishes eligibility.

² On May 12, 2025, the Board determined the City of Huntington Beach ineligible to receive net M2 revenues for five years pursuant to Section 10.4 of the M2 Ordinance. Disbursements of net M2 revenues have been suspended until the City of Huntington Beach reestablishes eligibility.

The 60 and older population in Orange County has grown on average by 40 percent according to the latest United States Census Bureau decennial update. As such, the proposed Action Plan includes an evaluation and update of the Senior Mobility Program guidelines to support evolving mobility needs.

- Community-based transit circulators have been successful and well-received by the respective communities. Of the 50 projects OCTA has awarded, 16 services are active, four are planned, 13 have been cancelled, and 17 have been completed.
- OCTA has also awarded over \$3 million to support 112 transit stop safety enhancement projects, of which 94 have been completed to date. Included in the Action Plan is a proposal to update the list of the 100 busiest transit stops.
- M2 Environmental Cleanup Program – Through a two-tiered funding process, OCTA has assisted jurisdictions countywide to attain federal Clean Water Act standards for urban runoff. Since inception of the program, approximately 91.7 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 2025 update of the 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, 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 prior to the next ten-year interval, following substantial completion of key program milestones to better align with future planning needs.

Public Priority

As part of the Review, OCTA conducted a comprehensive engagement effort to assess continued support for M2 and evaluate whether the Plan remains aligned with current transportation priorities in Orange County. Input was gathered through a statistically valid countywide survey of 1,025 residents, 2,585 qualitative survey responses, focus groups, stakeholder interviews, elected official roundtables, OCTA public committee meetings, a public webinar, and outreach at 26 community and cultural events across all five supervisorial

districts. This multi-phased approach provided broad community insight into awareness, priorities, and perceptions of M2.

Findings indicate continued support for locally controlled transportation funding and strong alignment between public priorities and the Plan. Roadway maintenance, traffic flow improvements, and congestion relief were consistently identified as top priorities. Transit services – particularly for seniors and persons with disabilities – also received strong support, reinforcing the importance of maintaining a balanced program that addresses both roadway performance and accessibility needs.

Through Technical Advisory Committee working groups and elected official roundtables, representatives from cities emphasized the need for additional pavement maintenance funding. While M2 provides formula funding through the Local Fair Share Program to support local street maintenance, cities noted that rising construction costs, aging infrastructure, and increased traffic volumes are placing pressure on existing allocations. In response, while maintaining transparency and accountability, staff is proposing to evaluate the creation of a competitive pavement maintenance subprogram within the Regional Capacity Program in the Action Plan.

Engagement findings also highlight an opportunity to strengthen public awareness of M2-funded improvements. While most residents recognize OCTA and support continued transportation investment, fewer associate specific projects with M2. Support increases when residents are informed about how M2 funds are allocated and the projects that are delivered. Collectively, these findings indicate that M2 remains aligned with public expectations at the midpoint of the program, while reinforcing the importance of continued transparency and communication.

Next Steps

Upon Board approval, staff will proceed with implementation of the proposed Action Plan (Attachment C). Progress on Action Plan implementation will be reported to the Board through regular M2 Quarterly Reports and at key milestones. Consistent with the M2 Ordinance, staff will continue to monitor program performance, financial capacity, project delivery risks, public priorities, and changes in policy and planning assumptions to ensure continued successful delivery of the Plan.

Summary

A comprehensive Review has been completed as required by the M2 Ordinance. The PMO led the Review with participation from OCTA divisions. The findings confirm that M2 remains aligned with voter commitments and Orange County transportation priorities. The final Review Report is presented for Board information along with an Action Plan for consideration.

Attachments

- A. Measure M Investment Summary
- B. Measure M2 Ten-Year Review Report
- C. Measure M2 Ten-Year Review Proposed Action Plan

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