




April 6, 2026

To: Executive Committee

From: Darrell E. Johnson, Chief Executive Officer 

Subject: Measure M2 Quarterly Progress Report for the Period of October 2025 through December 2025

Overview

Staff has prepared the Measure M2 Quarterly Progress Report for the second quarter of fiscal year 2025-26 as information for the Orange County Transportation Authority Board of Directors. This progress report highlights the delivery of Measure M2 projects and programs as promised to voters and the monitoring of external challenges. The full report will be available to the public via the Orange County Transportation Authority website.

Recommendation

Receive and file as an information item.

Background

On November 7, 2006, Orange County voters, by nearly 70 percent, approved the Renewed Measure M (M2) Transportation Investment Plan (Plan), a one half-cent sales tax for transportation improvements. 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 responsible for administering the Plan and ensuring that OCTA's contract with the voters is followed. The M2 Ordinance also charges OCTA to provide for a number of transparency measures and safeguards to uphold and reciprocate the public's trust in OCTA.

OCTA is committed to fulfilling the promises made to secure voter approval of the M2 initiative. This means completing the projects described in the Plan and adhering to numerous specific requirements, safeguards, and transparency provisions identified in the M2 Ordinance. One such requirement is the publication of quarterly status reports on the projects detailed in the Plan and its presentation to the OCTA Board of Directors (Board).

This report is built on individual project- and program-level staff reports that are regularly presented to the Board, covering the status of various activities in the Plan.

Discussion

This quarterly report (Attachment A) reflects activities and progress across all M2 programs for the period of October 1, 2025, through December 31, 2025. The quarterly report also includes project budget and schedule information as provided in the Capital Action Plan reports to the Board. Additionally, information on the Local Fair Share and Senior Mobility Program payments made to cities during the quarter is also included.

OCTA has established the M2 Program Management Office (PMO), charged with providing unified oversight to ensure compliance, fiscal responsibility, transparency, and accountability as laid out in the M2 Ordinance and Plan. Attachment A also includes a summary of PMO activities.

The following provides highlights of M2 accomplishments during the quarter by mode, notable items under the PMO activities, and key challenges that OCTA is monitoring and working to address.

Freeway Program

The M2 Freeway Program consists of 30 project segments to be delivered by 2041. To date, 17 project segments are complete, and another ten are underway and expected to be completed by 2030. The ten project segments that are underway include six projects that are in construction, three that are in final design, and a joint project with the Riverside County Transportation Commission that is currently advertised for progressive design-build construction. The joint project will improve State Route 91 (SR-91) eastbound between State Route 241 and State Route 71 (also known as the 91 Eastbound Corridor Operations Project). Completing these ten projects would bring the total number of completed projects to 27 by 2030, equating to approximately 90 percent of the M2 Freeway Program. The remaining three project segments are in various stages of project development. Notable freeway program highlights that occurred during the quarter are below.

- Interstate 5 (I-5) between Interstate 405 and State Route 55 (SR-55) – This project is comprised of two segments. The northerly segment, from Yale Avenue to SR-55, was advertised for construction on August 11, 2025; bids were opened on October 21, 2025 and the contract was awarded on November 12, 2025. The approved bid was approximately 8.5 percent below the engineer’s estimate. Construction activities began in December 2025. (Project B)

- I-5, El Toro Road Interchange – A project update was presented to the Board on October 13, 2025. The environmental technical studies are anticipated to be complete in spring 2026, a draft environmental document circulated for public review and public hearing in mid-2026, and selection of a project alternative to advance to the design phase by the end of 2026. (Project D)
- SR-55 between I-5 and SR-91 – On December 8, 2025, the Board approved the release of a request for proposals for construction management support services. Construction is anticipated to begin in spring 2027. (Project F)
- SR-91 between State Route 57 to SR-55 – This project is comprised of three segments. On November 14, 2025, the Board approved the selection of a consultant to perform construction management support services for the westerly segment between La Palma Avenue and SR-57. The project was advertised for construction on May 12, 2025, bids opened on August 12, 2025, and the contract was awarded on October 20, 2025. The approved bid was 4.7 percent below the engineer’s estimate. Construction activities began in December 2025. (Project I)

Streets and Roads

Since 2011, more than \$1.3 billion^{1,2} has been allocated to local jurisdictions for transportation improvements through M2 streets and roads programs, which include two competitive programs and one formula-based funding program. In addition, OCTA was able to leverage nearly \$53.9 million in external funding to support these programs. To date, 509 project phases have been allocated through M2 competitive streets and roads funding programs, of which 363 phases, or approximately 71 percent, have been completed. Notable streets and roads highlights that occurred during the quarter are listed below.

- On September 8, 2025, the Board approved the release of the 2026 Regional Capacity Program and Regional Traffic Signal Synchronization Program call for projects (call). Applications for the call were received on November 20, 2025. Based on the project selection criteria outlined in the Comprehensive Transportation Funding Program guidelines, projects will be prioritized for Board consideration in spring 2026. (Projects O and P)

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.

- Through the Local Fair Share Program, 18 percent of M2 net revenues are allocated by formula to eligible local jurisdictions. During the quarter, approximately \$12.3 million was disbursed, bringing the total provided through December 2025 to more than \$835 million.^{3,4} (Project Q)

Transit

The M2 transit mode includes several programs designed to provide expanded transportation options. M2 is the primary funding source for the Southern California Regional Rail Authority (Metrolink) commuter rail service in Orange County and includes funding for rail projects to improve operations and transit connections to extend the reach of the service. On October 21, 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 three Metrolink lines serving Orange County (Orange County, Inland Empire-Orange County, and the 91/Perris Valley lines) now operate 58 weekday trains, representing a 7.4 percent increase over pre-pandemic service levels. Compared to the same quarter last year, ridership levels on all three lines decreased by approximately 0.8 percent. Additional Metrolink challenges are discussed in the challenges section of this report.

Since 2011, M2 has provided competitive multi-year transit funding commitments for bus and station van services connecting to Metrolink (\$483,133 to date), community-based transit circulators (\$81.1 million to date), and transit stop improvements (\$2.9 million to date). In addition, M2 provides a set amount of funding to support three programs (Senior Mobility Program, Senior Non-Emergency Medical Transportation Program, and Fare Stabilization Program), intended to expand mobility options for seniors and persons with disabilities (\$154.1 million^{3,4} to date). Other notable transit program activities from the quarter are highlighted below.

- OC Streetcar – A quarterly update was presented to the Board on November 24, 2025, providing information on the status of construction activities, vehicle delivery, and public outreach. During the quarter, work continued on installation of utilities and overhead wires, interior work at the maintenance and storage facility, and testing of the vehicles. A major testing milestone was achieved this quarter as the OC Streetcar was

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energized and operated solely by electricity without support in the Pacific Electric Right-of-Way. (Project S)

- Community-Based Transit Circulators – In September 2024, the Board directed staff to work with the City of Newport Beach on operational refinements for its proposed transit service when the fifth call was awarded. The efforts were completed and the Board approved the programming recommendation of \$2.6 million for the City of Newport Beach’s Balboa Island/Corona Del Mar local area transit service on October 27, 2025. (Project V)

Environmental Programs

The M2 program includes two innovative programs: the Environmental Cleanup Program (ECP) and the Environmental Mitigation Program (EMP). The ECP improves water quality by addressing transportation-related pollutants, while the EMP offsets the biological habitat impacts of M2 freeway projects.

Since 2011, the ECP has allocated approximately \$66.6 million to local jurisdictions for 224 projects for trash removal devices (Tier 1) and 22 projects for large-scale water quality best management practices projects (Tier 2). It is estimated that 91.7 million gallons of trash have been captured since the inception of the program, which equates to over 16,200 trash truck loads of garbage that could have been deposited in Orange County streams and waters. On October 13, 2025, the Board approved programming recommendations for eight projects totaling approximately \$3.1 million. (Project X)

Additionally, the Board has authorized \$55 million for the EMP to acquire conservation lands and fund habitat restoration projects. OCTA has acquired more than 1,300 acres and funded 13 projects to restore habitat on 350 acres of open space across Orange County to fulfill the necessary M2 Freeway Program mitigation needs.

The wildlife and habitat on the acquired lands are protected in perpetuity, and long-term management of the properties will be funded by an endowment that is being established. OCTA has made ten deposits of approximately \$2.9 million into the endowment. As of December 2025, the balance of the endowment was \$39,898,925. Current projections indicate that OCTA remains on track to meet the endowment target of \$46.2 million in fiscal year (FY) 2027-28; however, the performance of the fund may affect the timeframe for full funding of the endowment.

PMO

Next 10 Delivery Plan (Next 10 Plan)

The Next 10 Plan provides a strategic framework for delivering M2 freeway, roadway, transit, and environmental projects over a ten-year period. On December 8, 2025, the Board adopted the 2025 update of the Next 10 Plan, which incorporates the latest M2 sales tax revenue forecast of \$13.2 billion, current programmed external revenues, and refined project information. Focusing on the timeframe of FY 2025-26 to FY 2034-35, the report confirmed that M2 remains deliverable as promised to the voters, with the exception of Metrolink operations, which will be discussed further in the challenges section of this report.

Ten-Year Review

The M2 Ordinance includes a provision to conduct a ten-year comprehensive review of all projects and programs. While the Next 10 Plan is focused on Plan delivery, the Ten-Year Review focuses on Plan performance. The first Ten-Year Review was completed in 2015, and the second effort is underway. During the quarter, an update was presented to the Board on December 8, 2025, summarizing analysis to date, outreach activities, emerging themes, and a draft action plan. The final report and accompanying action plan are anticipated to be presented to the Board in spring 2026.

Challenges

As with all major programs, challenges arise and need to be monitored and addressed. A few key challenges are highlighted below.

- Close monitoring of Metrolink operations and capital rehabilitation projects is necessary to ensure sustainability through 2041. Metrolink ridership recovery continues to struggle, which impacts farebox revenues and cost recovery. While increases in operating costs are anticipated, they further compound existing financial challenges. While Metrolink has implemented Metrolink Reimagined, an optimized service schedule to better accommodate new travel patterns, without changes in ridership growth, operations and rehabilitation costs, or additional external funds, the 2025 Next 10 Plan projects that the current service cannot be sustained beyond FY 2033-34. To address this shortfall, the Board directed staff to work with Metrolink to develop a financially sustainable service plan with a targeted funding level as part of the FY 2026-27 budget development process. OCTA will continue to actively engage with Metrolink and the other member agencies to monitor ridership levels and the corresponding financial impacts to M2.

- 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 within Orange County, this rail corridor is vital for Metrolink and state-supported intercity rail (Pacific Surfliner), freight connection to the Port of San Diego, and is part of the Strategic Rail Corridor Network that supports national defense operations. In partnership with key stakeholders, a comprehensive plan to integrate engineering and sand nourishment solutions was developed to protect the coastal segment of the rail corridor in south Orange County in the immediate timeframe. To address the ongoing threats to a critical link in Southern California’s rail network, emergency riprap repair activities in two of the four reinforcement areas were completed in June 2025. During the quarter, work continued to construct a catchment structure to protect the rail infrastructure from potential slope failure. Additional work to protect the rail line on the remaining segment continues with parallel efforts underway for sand nourishment. Updates will be provided to the Board as appropriate.
- The Coastal Rail Resiliency Study is underway to identify and evaluate potential near- and mid-term solutions to protect the rail line in place for approximately the next 30 years, while long-term solutions, which may include relocation, are developed to adapt the rail line to the changing environment. OCTA is leading the effort on the near- and mid-term resiliency measures. The State will lead the long-term study, and OCTA will be an active participant in the study. On October 13, 2025, an update on the refined alternative concepts for the Coastal Rail Resiliency Study was presented to the Board. As these studies progress, future updates to the Next 10 Plan will incorporate more current information.

Staff will continue to monitor these challenges to ensure M2 remains deliverable as promised to voters and provide updates to the Board as appropriate.

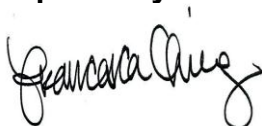
Summary

A quarterly report covering activities from October 2025 through December 2025, is provided to update progress in implementing the Plan. The above information and the attached details indicate significant progress on the overall M2 Program despite facing challenges. To be cost-effective and to facilitate accessibility and transparency of information available to stakeholders and the public, the M2 Quarterly Progress Report is made available through the OCTA website.

Attachment

- A. Measure M2 Quarterly Progress Report, Second Quarter of Fiscal Year 2025 - 26, October 1, 2025 through December 31, 2025

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