

Measure M2 Next 10 Delivery Plan: Context and Options

M2 Delivery Plan Goals

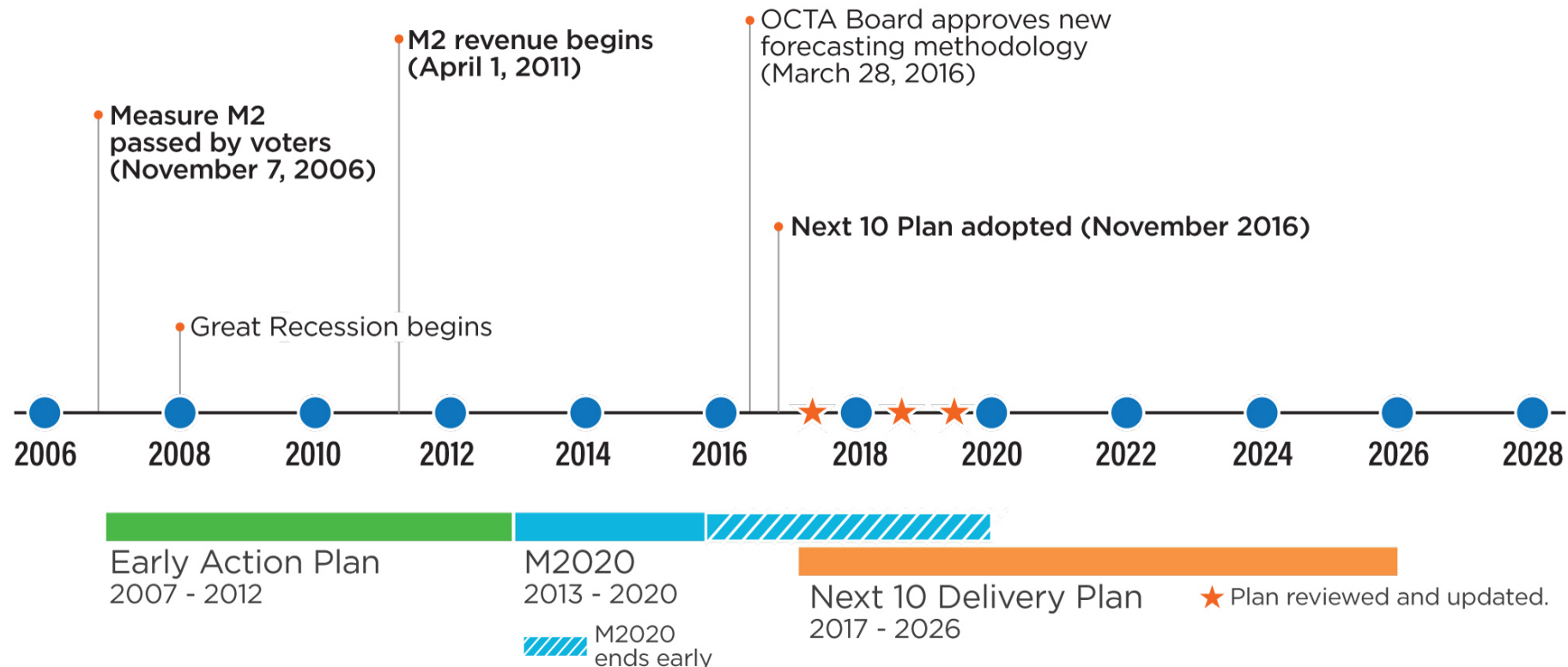
- Validate ability of the Orange County Transportation Authority (OCTA) to fulfill commitments to voters
- Strategy for project delivery
- Ensure fiscal sustainability
- Implement programs and projects effectively



M2 – Measure M2

M2 Delivery Plan Timeline

- Early Action Plan - adopted in 2007 (five-year plan)
- M2020 - adopted in 2012 (eight-year plan – replaced mid-stream)
- Next 10 Delivery Plan - adopted in 2016 (ten-year plan)



M2 Transportation Investment Plan

- Includes a wide range of multimodal transportation improvements
- More than half of M2 funds support:
 - Rail and community transit options
 - Arterial capacity and signal synchronization
 - Infrastructure preservation goals
 - Environmental enhancements
- Most programs scale to available revenue. The freeway program cannot, due to set project scopes.




ENVIRONMENTAL

- A total of 5% of OC Go Freeway Program funds is allocated to the Freeway Environmental Mitigation Program
- A total of 2% of the overall OC Go Program funds is allocated to the Environmental Cleanup Program

M2 Sales Tax Revenue Forecast

- Updated 2020 forecast is \$11.6 billion
 - Coronavirus impacts
- \$1.8 billion less than the 2019 forecast
 - Over \$750 million impact to freeway program
- Staff exploring three options to address lower forecast and revised project estimates



M2 Projects and Programs

Freeway Projects		
I-5	Santa Ana Freeway Interchange Improvements	A
I-5	Santa Ana/San Diego Freeway Improvements	B C D
SR-22	Garden Grove Freeway Access Improvements	E
SR-55	Costa Mesa Freeway Improvements	F
SR-57	Orange Freeway Improvements	G
SR-91	Riverside Freeway Improvements	H I J
I-405	San Diego Freeway Improvements	K L
I-605	Freeway Access Improvements	M
All	Freeway Service Patrol	N
Streets & Roads Projects		
	Regional Capacity Program	O
	Regional Traffic Signal Synchronization Program	P
	Local Fair Share Program	Q
Transit Projects		
	High Frequency Metrolink Service	R
	Transit Extensions to Metrolink	S
	Metrolink Gateways	T
	Expand Mobility Choices for Seniors and Persons with Disabilities	U
	Community Based Transit/Circulators	V
	Safe Transit Stops	W
Environmental Cleanup		
	Clean Up Highway and Street Runoff that Pollutes Beaches	X
Taxpayer Safeguards and Audits		
	Collect Sales Taxes (State charges required by law)	
	Oversight and Annual Audits	

Advantages

- Maintains 2019 project schedules
- Delivers benefits earlier
- Lowers inflation risks
- Reduces regulatory risks

Challenges

- Increases debt costs
- Reduces capacity to sustain economic fluctuations
- Limits opportunity to maximize external funding

Advantages

- Lower debt compared to “maintain schedules” option
- Greater opportunities to maximize external funding

Challenges

- Delivered over longer time span
- May result in increased cost if construction escalation exceeds sales tax growth
- May need to address new regulatory requirements

Advantages

- Lower debt compared to “maintain schedules” option
- Ability to maximize external funding
- Positions projects for mobilization

Challenges

- Some projects delivered over longer time span
- May result in increased cost if construction escalation exceeds sales tax growth
- May increase project development costs

Next Steps

- Incorporate Board feedback, revised sales tax revenue forecast, external revenues, update project costs and schedule information
- Adjust Next 10 Delivery Plan timeframe by four years to span fiscal year 2020-21 through fiscal year 2029-30
- Prepare 2020 Next 10 Delivery Plan – anticipated early 2021 and return to the Board

