



November 22, 2010

To: Members of the Board of Directors

From: Will Kempton, Chief Executive Officer

A handwritten signature in black ink that reads "Will Kempton" with a long horizontal line extending to the right.

Subject: Measure M2 Progress Report for July 2010 through September 2010

Overview

Staff has prepared a Measure M2 progress report for July 2010 through September 2010 for review by the Orange County Transportation Authority Board of Directors. Implementation of Measure M2 continues at a fast pace and revenue projections have made a positive turn. Revenue forecasts through 2041 are up by \$800 million. This report highlights progress on Measure M2 projects and programs and is made available to the public via the Orange County Transportation Authority website.

Recommendation

Receive and file as an information item.

Background

Measure M Ordinance No. 3 requires quarterly status reports regarding the major projects detailed in the Measure M2 (M2) Transportation Investment Plan be filed with the Orange County Transportation Authority (OCTA) Board of Directors (Board). All M2 progress reports are posted online for public review.

Discussion

This report reflects progress being made on Board-approved Capital Action Plan (CAP) projects and programs for July 2010 through September 2010. The Board approved a comprehensive update of the CAP in July 2010. An overview of significant progress for the time period is included (Attachment A).

Highlights of the M2 progress report during the third quarter include:

Freeways

- Construction is 75 percent complete on the new eastbound lane for the Riverside Freeway (State Route 91) between the Foothill Transportation Corridor (State Route 241) and the Corona Expressway (State Route 71). The project is expected to be complete in late 2010.
- Construction began on the West County Connectors projects, which are part of the M2 CAP and are partially funded by Measure M (M1).
- OCTA prepared the final design documents for the addition of a new northbound lane on the Orange Freeway (State Route 57) between Katella Avenue and Lincoln Avenue in Anaheim.

Streets and Roads

- The Board approved a budget amendment to fully fund the implementation of the seven grade separation projects along the Orangethorpe freight-railroad corridor. The overall program budget is \$589 million, which includes \$169 million of M2 funding and \$420 million of state and federal grants.
- The Board approved the Signal Synchronization Master Plan and funding guidelines in July 2010. OCTA began work on the second phase of the Traffic Light Synchronization Program, with projects on Brookhurst Street, Edinger Avenue/Irvine Center Drive/Moulton Parkway/Street of the Golden Lantern, El Toro Road, and Orangethorpe Avenue.

Transit Programs

- Construction continued on railroad crossing safety enhancements in Orange and Anaheim, and began in Tustin and Santa Ana as well.
- Project development continued on the Anaheim Regional Transportation Intermodal Center (ARTIC). The City of Anaheim certified the environmental document on September 28, 2010, and is currently awaiting approval of the document from the Federal Transit Administration.

- Project development continued on the two Board-approved Go Local fixed-guideway projects, one from Anaheim and the other from Santa Ana and Garden Grove. Step Two efforts to complete detailed planning are currently in progress, including alternatives analysis and environmental clearance activities.
- During the reporting period, 30 bus/shuttle concepts were in Step Two service planning under Go Local/Project S. An additional 22 bus/shuttle community-based circulator concepts were incorporated into the Step Two service planning effort and are currently undergoing phase two analysis activities.

Environmental Cleanup and Water Quality

- The M2 Environmental Cleanup Allocation Committee and the Transportation 2020 Committee were in discussions regarding a master agreement with the County of Orange to assemble a panel of vendors to fast track and assist local agencies in installing storm water screens.
- The Board approved six primary and three secondary restoration projects for program funding as recommended by the M2 Freeway Mitigation Program Environmental Oversight Committee.

Financial Outlook

Sales tax figures for the third quarter came in significantly higher than the projections used for the current year budget. Advances from the State Board of Equalization were 8 percent higher than the same period of the prior year against a budgeted growth rate of 1.1 percent. The M2 revenues through 2041 are projected to be \$14.4 billion. This is an increase of \$800 million when compared to the prior M2 quarterly report. While this is positive news, the long-term projections are still significantly below the 2005 revenue forecasts.

Summary

As required by M1 Ordinance No. 3, a quarterly report covering activities from July 2010 through September 2010 is provided to update progress in implementing the M2 Transportation Investment Plan. To be cost effective and to facilitate accessibility and transparency of information available to stakeholders and the public, the M2 progress report is presented on the OCTA website. Hard copies are mailed upon request.

Attachment

- A. Measure M2 Quarterly Progress Report – July through September 2010

Prepared by:



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**Measure M2 Quarterly Progress Report
*July through September 2010***

The following is a summary of the progress made on the Measure M2 (M2) Early Action Plan (EAP) covering the third quarter, July - September of 2010.

Freeway Projects

Tom Bogard (714) 560-5918

San Diego Freeway (Interstate 5) Projects

The Orange County Transportation Authority (OCTA) is preparing an environmental document for improvements along the Interstate 5 (I-5) between Avenida Pico and Pacific Coast Highway, through San Clemente and Dana Point. The environmental study will evaluate the impacts of extending the current high-occupancy vehicle (HOV) lanes on the I-5 from its present terminus at the Pacific Coast Highway interchange, to Avenida Pico in San Clemente. The project also will evaluate improvements to the freeway ramps at Avenida Pico. Environmental approval is expected in late 2011. (Part of Projects C and D).

The California Department of Transportation (Caltrans) is preparing the final design for the reconstruction of the I-5 interchange at Ortega Highway (State Route 74) in San Juan Capistrano. The project will reconstruct the State Route 74 (SR-74) bridge over the freeway and improve local traffic flow along the SR-74 and Del Obispo Street adjacent to the freeway. Design is expected to be complete in late 2011. (Part of Project D).

OCTA is preparing a project study report to look at ways to improve traffic flow along the I-5 between the San Joaquin Hills Transportation Corridor (State Route 73) and the San Diego Freeway (Interstate 405) through the communities of Lake Forest, Laguna Hills, and Mission Viejo. The study will look at capacity enhancements and interchange improvements to improve the flow of traffic through this area. The study is expected to be complete in late 2010. (Part of Projects C and D).

Caltrans is preparing a project study report to add additional capacity to the I-5 between the Costa Mesa Freeway (State Route 55) and the Orange Freeway (State Route 57) through the City of Santa Ana. The study will look at options to add capacity to the existing HOV lanes. The study is expected to be complete in mid-2011. (Project A).

State Route 57 (SR-57) Projects

OCTA is preparing final design for the addition of a new northbound lane on the SR-57 between Katella Avenue and Lincoln Avenue in Anaheim. The final design is expected to be complete in early 2011. (Part of Project G).

OCTA and Caltrans have selected contractors to begin the construction of a new northbound lane on the SR-57 from Orangethorpe Avenue to Lambert Avenue through Brea and Fullerton. The start of construction is awaiting release of funding by the state of California. Work will begin once the state of the California approves their current-year budget and releases the promised funds. Construction is expected to be completed in late 2014. (Part of Project G).

Riverside Freeway (State Route 91) Projects

OCTA is preparing the final design for a project on State Route 91 (SR-91) between the I-5 and the SR-57 in Anaheim. The project will add a new general purpose lane in the westbound direction. Final design is expected to be complete in early 2012. (Project H).

Caltrans is preparing an environmental document to improve traffic flow at the State Route 55 (SR-55)/SR-91 interchange. The improvements will focus on improving traffic flow at the westbound SR-91 off-ramp to Tustin Avenue and the westbound connector from the SR-55. Environmental approval is expected in early 2011. (Part of Project I).

Caltrans is preparing final design to add one new lane in each direction along the SR-91 from the SR-55 to the Foothill Transportation Corridor (State Route 241). The new lanes generally will be within existing right-of-way (ROW) through Anaheim and Yorba Linda. Final design is expected to be completed in late 2010. (Part of Project J).

Construction is 75 percent complete on a new eastbound lane along the SR-91 between State Route 241 (SR-241) and the Corona Expressway (State Route 71). The project will extend the previous eastbound auxiliary lane that terminated within Santa Ana Canyon to the State Route 71 (SR-71) interchange in Riverside County. Construction of the project is funded under the American Recovery and Reinvestment Act (federal economic stimulus program). Construction is expected to be complete in late 2010. (Part of Project J).

OCTA is working with the Riverside County Transportation Commission (RCTC) to extend the 91 Express Lanes eastward from its current terminus in Anaheim to the Corona Freeway (Interstate 15) in Riverside County. This project will also add one general purpose lane in each direction from the SR-71 to Interstate 15. RCTC is currently preparing an environmental analysis for the proposed improvements, which is expected to be complete in late 2011. (Part of Project J).

Interstate 405 (I-405) Projects

Construction has begun on an improvement of the I-405 between the Garden Grove Freeway (State Route 22) and the San Gabriel River Freeway (Interstate 605). Known as the West County Connectors, these projects will add a direct HOV connector between State Route 22 (SR-22) and the I-405, one between the I-405 and Interstate 605 (I-605), as well as an additional HOV lane in each direction between the SR-22 and the I-605. Construction has begun on the east segment of the project at the I-405/SR-22 interchange. The construction contract for the western segment of the project at

the I-405/I-605 interchange was recently awarded. Construction for both West County Connectors projects is expected to be complete in mid-2014.

OCTA is preparing an environmental study to add new lanes in each direction on the I-405 between the SR-55 and the I-605. These improvements will add mainline capacity and improve the local interchanges along the corridor that serves Fountain Valley, Huntington Beach, Los Alamitos, Santa Ana, Seal Beach, and Westminster. The environmental document is expected to be complete in late 2012. (Project K).

Streets and Roads Projects

Signal Synchronization

Anup Kulkarni (714) 560-5867

In April 2008, the California Transportation Commission (CTC) awarded OCTA \$4 million as part of the Proposition 1B Traffic Light Synchronization Program (TLSP) for interagency signal synchronization. When combined with \$4 million from the original Measure M (M1) Signal Improvement Program, a total of \$8 million will be provided to fund signal synchronization along ten significant corridors comprised of 533 signalized intersections on 158 miles of roadway over the next three years.

In summer 2009, OCTA began working on the three corridors that make up the first phase of the project: Alicia Parkway with 41 signalized intersections along 11 miles, Beach Boulevard with 71 signalized intersections along 20 miles, and Chapman Avenue with 47 signalized intersections along 13 miles. These projects are approximately 75 percent complete. Preliminary optimized signal timings for the projects have been implemented in the field and are in the process of being fine-tuned. Results from the projects were compiled and presented to the Board of Directors (Board) in October 2010.

OCTA also commenced work on the second phase of the TLSP. This phase includes the following four corridors: Brookhurst Street with 59 signalized intersections along 16 miles, Edinger Avenue/Irvine Center Drive/Moulton Parkway/Street of the Golden Lantern with 81 signalized intersections along 21 miles, El Toro Road with 39 signalized intersections along 11 miles, and Orangethorpe Avenue with 43 signalized intersections along 19 miles. OCTA has finished procurement of traffic engineering services and will start the projects in July 2010, with major work beginning in the fall.

OCTA began initial work on the design phase of the third and final phase of the TLSP. This phase includes the following three corridors: Katella Avenue with 58 traffic signalized intersections along 15 miles, La Palma Avenue with 58 traffic signalized intersections along 18 miles, and Yorba Linda Boulevard with 45 traffic signalized intersections along 12 miles. The CTC is scheduled to allocate funds as soon as August 2010. OCTA will have the procurement process well underway and anticipates that the start of these projects will occur prior to February 2011.

OCTA also continued work on the Regional Traffic Signal Synchronization Program included as part of M2. The goal of the program is to improve traffic flow by developing

and implementing regional signal coordination through more than 2,000 intersections. OCTA will be seeking Board guidance on key elements of the program in summer 2010. The Regional Traffic Signal Synchronization Program will begin in April 2011 with the start of M2.

Grade Separation Projects

Tresa Oliveri (714) 560-5374

The third quarter activities began with the Board approval of a budget amendment request increasing the program budget for all seven Burlington Northern Santa Fe Railway grade separation projects to \$590 million. Final design is complete for the Placentia Avenue and Kraemer Boulevard undercrossings and preliminary utility relocation activities began at both crossings. Other Board activities included the approval of resolution of necessity activities associated with property impacts for the Placentia Avenue and Kraemer Boulevard projects and the addition of a detour road to the Tustin Avenue/Rose Drive overcrossing project. During the same July Board meeting, the Lakeview Avenue undercrossing construction start date was moved to mid-2013.

Staff continues to seek voluntary settlements with property owners associated with the Placentia Avenue and Kraemer Boulevard projects. Residents of the Stratford Park neighborhood whose properties border the Kraemer Boulevard project sent a letter requesting clarification to what construction-related activities are allowable by OCTA and by the railroad. A letter was sent to the residents outlining the work hours and types of activities planned.

The project delivery teams for the Orangethorpe Avenue, Tustin Avenue/Rose Drive and Lakeview Avenue overcrossings continue to meet monthly and are working towards the 65 percent design submittal date of December 31, 2010. Preliminary ROW activities, such as environmental site assessment, survey work, and interviews with business owners and tenants who have impacts due to the Orangethorpe Avenue and Tustin Avenue/Rose Drive projects are underway. Additionally, staff continues to process an environmental re-evaluation document for the at Tustin Avenue/Rose Drive, Orangethorpe, and Lakeview crossings.

In anticipation of staff requesting approval to begin the ROW process for the Lakeview Avenue overcrossing, a ROW information meeting for business and residential owners and tenants was held at the end of August. Other outreach meetings include a Kraemer Boulevard project overview to the residents of Placentia Lakes and Vistara communities in Placentia, as well as business outreach to Alcoa Industries and presentations to the Fullerton City Council and Transit Security Coalition. The third meeting between OCTA executive staff and project city managers was held, and the program website was presented (www.ocbridges.net).

Metrolink Projects

Grade Crossing Improvements

Mary Toutouchi (714) 560-5833

Orange County's at-grade rail-highway crossing (railroad crossing) safety enhancement program began in August 2009 and is continuing to make progress. Improvements to railroad crossings can cover a wide spectrum from basic safety improvements (improving crossing surfaces, reapplying pavement markings, and enhancing signage), to the installation of supplemental safety measures that allow for quiet zones. (A quiet zone is an area along the tracks where trains are not required to sound their horns.)

Construction continues on railroad crossing safety enhancements in Orange and Anaheim. The first nine crossings in Orange were activated in October 2010. Construction also has begun in Tustin and Santa Ana. Signal crews are continuing to work at night and weekends installing conduits and foundations in preparation for pedestrian safety treatments at the crossings and synchronizing traffic signals with railroad signals. Civil construction crews continue to work during the week installing new medians and sidewalks, resurfacing pavement, restriping lines, and installing new signage.

Construction for all 50 railroad crossings in the eight participating cities is anticipated to be complete by the end of 2011. OCTA staff and the Southern California Regional Rail Authority construction teams continue to meet weekly with partner cities to coordinate construction activities and to ensure that any issues are being resolved.

Once construction is complete and the new crossings are activated, cities may establish a quiet zone through the Federal Railroad Administration (FRA). Many of the cities have already completed the first step of this process by submitting a notice of intent to implement a quiet zone to the FRA, California Public Utilities Commission, and appropriate railroad agencies.

Installation of pedestrian gate foundations, sidewalk improvements, raised medians, handrails, and pedestrian swing gates have been completed for most of the crossings in Orange and Anaheim. In Tustin, signal foundations and conduits have been installed at Red Hill Avenue and civil construction of medians and sidewalk improvements is underway.

A comprehensive public outreach program is continuing to notify communities of construction impacts such as road detours, nighttime work, and dust impacts throughout the program. The goal is to inform and engage the public throughout the development of construction, raise awareness of increased train service, and partner with participating cities to create a quiet zone outreach program. E-mail and toll-free hotline calls continue to be received and responded to.

Rail Safety

Sarah Swensson (714) 560-5376

The “Be Rail Safe” education program continues to teach important safety lessons to youth. The team presented to more than 200 children who participated in the San Clemente Junior Lifeguards Program. This summer beach camp is an ocean and beach oriented educational and recreational opportunity for kids, ages ten through 17. The camp meets at Calafia Beach, directly along the train tracks, and while they are learning the importance of first aid, rescue techniques, and physical fitness, it is equally important to educate them about the dangers of trespassing along train tracks and how they can be safe near the rails.

As part of continued rail safety awareness for youth, Max and Lucy, the rail safety superheroes in the bilingual comic book, have been incorporated into local Orange County libraries. OCTA hosted a “Kid’s Corner” library reading of the comic book and an activity hour at six libraries and nearly 100 kids participated. It was a fun, free, and educational way to teach young children about railroad safety.

The Be Rail Safe team also shared safety tips with hundreds of community members at the Dana Point Emergency Preparedness Expo, San Clemente’s Jamboree Character Counts festival, and Santa Ana’s A Step in the Right Direction Educational Fair.

Go Local

Go Local Fixed-Guideway

Kelly Long (714) 560-5725

Project development continued with the two Board-approved Go Local fixed-guideway projects, one from Anaheim and the other from Santa Ana and Garden Grove. Both teams are currently underway with Step Two efforts to complete detailed planning, including alternatives analysis (AA) and environmental clearance activities in compliance with Go Local and Federal Transit Administration (FTA) guidelines. In July, OCTA hosted an FTA guidelines workshop in which the FTA New Starts funding requirements were discussed with both cities.

The city of Anaheim received comments from the FTA on the Anaheim Rapid Connection’s (ARC) purpose and need statement and mobility definition reports. The City of Anaheim is currently revising both documents to incorporate FTA’s comments. Additionally, the ARC project team submitted draft ridership modeling results to FTA for review and comments. The City of Anaheim also conducted a value engineering and scoping workshop to identify design features that may lead to potential project cost savings. The project team continued to work on completing environmental clearance activities and developing the technical studies for the project.

Based upon comments from the FTA, the project team from Santa Ana and Garden Grove continued to revise the purpose and need statement and evaluation methodology report for the Santa Ana/Garden Grove fixed-guideway project. Based on discussions with the FTA, the project team agreed that an environmental assessment (EA) will be used for

the environmental clearance process as opposed to preparing an environmental impact statement (EIS). Should the findings of the EA identify significant environmental impacts, an EIS will be prepared for the project at that time. During the reporting period, the project team continued to evaluate the reduced set of project alternatives, including technology options and alignments.

OCTA staff continued its ongoing participation, review, and comment on development activities and deliverables related to both fixed-guideway projects. In addition, OCTA staff continued coordination with FTA staff in discussions on the AA and environmental clearance processes for both projects to ensure compliance with all potential federal funding sources.

All planning work done as part of Steps One and Two of the Go Local Program is funded by M1 in preparation for the implementation of Project S (transit extensions to Metrolink), to be funded by M2. Consistent with this effort, policy guidelines were approved by the Board in September 2010 that permit the evaluation of both fixed-guideway projects for advancement into the next phase of project development, preliminary engineering.

Go Local Bus/Shuttle

Cesar Espitia (714) 560-5379

During the reporting period, phase two of the service planning work was implemented in each of the six bus/shuttle sub-regions, which included an evaluation of passenger demands and needs, route segment performance, and overall system impacts. In addition, a financial analysis tool is in development to ensure consistent evaluation among all service planning consultants when assessing capital and operating cost estimates.

A consultant was selected to conduct the Board-approved systemwide transit study. The Go Local consulting firms will coordinate with this study process as it moves forward to ensure an evaluation of both regional and community transit objectives.

All planning work done as part of Steps One and Two of the Go Local Program is funded by M1 in preparation for the implementation of Project S (transit extensions to Metrolink), to be funded by M2. Staff will develop guidelines for the evaluation of Go Local projects that will compete for M2 Project S funds once the Systemwide Transit Study has been completed. Staff expects to bring draft guidelines for the Board's consideration by fall 2011.

Community-Based Transit Circulators

Cesar Espitia (714) 560-5379

During the reporting period, there were 30 bus/shuttle concepts in Step Two service planning under Go Local/Project S. The service planning contracts and participating city cooperative agreements were amended to include the Project V concepts. Under Project V, an additional 22 bus/shuttle community-based circulator concepts have been incorporated into the Step Two service planning effort and are currently undergoing phase two analysis activities. Staff will develop guidelines for the evaluation of Project V

projects that will compete for M2 Project V funds once the Systemwide Transit Study has been completed. Staff expects to bring draft guidelines for the Board's consideration by fall 2010.

Environmental Committees

Marissa Espino (714) 560-5607

The Environmental Cleanup Allocation/Water Quality Committee (Allocation Committee) and the Environmental Oversight Committee (EOC) both began meeting on a monthly basis in January 2008. On September 27, 2010, the OCTA Board approved the reappointment of the members from both committees for another three-year term.

Water Quality Program

The M2 Allocation Committee is designed to make recommendations to the Board on the allocation of funds for water quality improvements. These funds will be allocated on a countywide competitive basis to assist jurisdictions in meeting the Clean Water Act standards for controlling transportation-generated pollution.

During the third quarter of 2010, OCTA and the County of Orange have been in discussions on a master agreement to assemble a panel of vendors to provide and install storm water screens. The panel of vendors will achieve savings for the Tier 1 Grant Program, which is a catch basin improvement program that will offer funding for equipment purchases and upgrades to existing catch basin screens, filters, and inserts. The eligible entities for this program, which includes the County of Orange and all Orange County cities, will be able to apply for funding in early 2011.

The County has experience in similar equipment contracts and unlike OCTA, has authorization to make construction improvements on streets and roads. Selected vendors will be part of a master agreement between OCTA and Orange County Public Works, which will allow awarded entities to select from a listing of vendors to provide and install storm water screens.

On September 22, 2010, OCTA staff held a Best Management Practices Technology Fair. Vendors demonstrated various storm water devices that may be eligible for Tier 1 program funding. Approximately 75 city and county officials participated.

Freeway Mitigation Program

The purpose of the M2 Freeway Mitigation Program EOC is to make recommendations to the Board on the allocation of environmental freeway mitigation funds and monitor the implementation of a master agreement between OCTA and state and federal resource agencies. The master agreement will provide higher-value environmental benefits such as habitat protection, wildlife corridors, and resource preservation in exchange for streamlined project approvals and greater certainty in the delivery of the 13 M2 freeway projects.

In July 2010, OCTA staff began property negotiations with the 14 property owners that are being considered for program funding. Concurrently, the appraisal process kicked off and is expected to be completed this fall.

On July 26, 2010, the Board approved the EOC's recommendation to endorse the draft acquisition plan, which defines the steps needed to complete the acquisition of properties.

On September 27, 2010, the Board approved six primary and three secondary restoration projects for program funding. The secondary projects were approved as a contingency if any primary restoration projects fall out. The total funding allocation is approximately \$5.5 million.

The restoration guidelines were also approved, which outline the monitoring and reporting criteria for the restoration projects. The Board authorized OCTA staff to negotiate and execute grant agreements with the restoration projects sponsors.

The Board's approval of the restoration projects is subject to the project sponsor's completion of a restoration plan in accordance with the restoration funding guidelines, which is required to be completed by spring 2011. If any of the project sponsors fail to complete these documents by the designated timeframe, the projects in the secondary funding or contingency group will be considered for funding.

Staff will then negotiate and execute grant agreements consistent with the funding amounts and restoration funding guidelines.

Financing

Andy Oftelie (714) 560-5649

Sales tax figures for the third quarter came in significantly higher than the projections used for the current year budget. Advances from the State Board of Equalization were 8 percent higher than the same period of the prior year against a budgeted growth rate of 1.1 percent.

Despite the positive returns in the third quarter, long-term projections are still expected to finish significantly less than original projections made in 2005. Using the budgeted growth rate of 1.1 percent for the balance of this fiscal year and the most recent taxable sales forecasts from Chapman University, the University of California, Los Angeles (Anderson Forecast), and California State University, Fullerton, for the remaining 30-year period of M2, it is estimated that the first full fiscal year of M2 sales tax revenue will be approximately \$125 million less than the original 2005 projection. As a result, the total nominal M2 sales tax revenue over the entire 30-year period is projected to be \$14.4 billion, \$9.9 billion less than the original 2005 estimate of \$24.3 billion.