



February 28, 2011

To: Members of the Board of Directors
From: Will Kempton, Chief Executive Officer
Subject: Measure M2 Progress Report for October 2010 through December 2010

Overview

Staff has prepared a Measure M2 progress report for the period of October 2010 through December 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. This report highlights progress on Measure M2 projects and programs and will be available to the public via the Orange County Transportation Authority website.

Recommendation

Receive and file as an information item.

Background

Measure M (M1) 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 the period of October 2010 through December 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 fourth quarter include:

Freeways

- Construction was completed on a new eastbound lane on the Riverside Freeway (State Route 91) between Foothill Transportation Corridor (State Route 241) and the Corona Expressway (State Route 71).
- Construction continued on the West County Connectors projects, which are part of the M2 CAP and are partially funded by M1.
- Final design was completed for the addition of a new lane in each direction on the State Route 91 from the Costa Mesa Freeway (State Route 55) to State Route 241.
- Final design was underway for the reconstruction of the San Diego Freeway (Interstate 5) interchange at Ortega Highway (State Route 74) in San Juan Capistrano, and 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

- Regional Capacity Program (Project O) call for projects was issued. This call will make approximately \$56 million available for streets and roads projects.
- OCTA continued work on Phase Two of the Traffic Light Synchronization Program along Brookhurst Street, Edinger Avenue/Irvine Center Drive/Moulton Parkway/Street of the Golden Lantern, El Toro Road, and Orangethorpe Avenue.
- OCTA continued to secure property interests for the Kraemer Boulevard and Placentia Avenue grade separation projects.
- The 65 percent design packages were completed for the Lakeview Avenue and Tustin Avenue undercrossings.

Transit Programs

- The first nine improved grade crossings in the City of Orange were activated in October 2010.

- 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. Activities to complete detailed planning are currently in progress, including alternatives analysis and environmental clearance activities.

Environmental Cleanup and Water Quality

- The Tier 1 Water Quality Grant Program procedures were finalized in preparation for a call for projects in early 2011.
- In November, the Board approved selection of Geosyntec Consultants as the top-ranked firm to develop planning documents to support the Tier 2 Grant Water Quality Program efforts and related funding guidelines.
- The Board authorized staff to begin negotiations to acquire up to \$42 million of Orange County properties as part of the comprehensive freeway project impact mitigation program.
- Open space restoration grants agreements were being prepared and reviewed by OCTA, the U.S. Fish and Wildlife Service, and the California Department of Fish and Game as additional components of the comprehensive freeway mitigation program.

Financial Outlook

Sales tax figures for the fourth quarter of calendar year 2010 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. As such, the M2 revenues through 2041 are projected to be \$14.4 billion. This represents the third straight quarter with growth in advances from the same period of the prior year, and the second consecutive quarter with 8 percent growth.

M2 CAP

The above information and the attached details indicate significant progress on the overall M2 CAP. Staff is currently developing common metrics and charts to better communicate individual project and overall program progress. The details and format of this new “dashboard” are currently under development and will be presented to the Board prior to the next M2 quarterly report.

Summary

As required by M1 Ordinance No. 3, a quarterly report covering activities from October 2010 through December 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 – October through December 2010

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**Measure M2 Quarterly Progress Report
October through December 2010**

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

Freeway Projects

Tom Bogard (714) 560-5918

San Diego Freeway (Interstate 5) Projects

Environmental Study Underway - The Orange County Transportation Authority (OCTA) is preparing an environmental study for improvements along Interstate 5 (I-5) between Avenida Pico and Pacific Coast Highway (PCH), 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 PCH 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)

Final Design Underway - 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)

Project Study Underway - 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) in the vicinity of 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)

Project Study Underway - 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 and improve the circulation at the I-5 and State Route 55 interchange. The study is expected to be complete in early 2011. (Project A)

State Route 57 (SR-57) Projects

Final Design Underway - 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)

Construction to Begin - OCTA and Caltrans have selected contractors to begin construction of a new northbound lane on the SR-57 from Orangethorpe Avenue to Lambert Avenue through Brea and Fullerton. Construction of the improvements will start in early 2011 and is expected to be completed in late 2014. (Part of Project G)

Riverside Freeway (State Route 91) Projects

Final Design Underway - 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 westbound general purpose lane. Final design is expected to be complete in early 2012. (Project H)

Environmental Study Underway - Caltrans is preparing an environmental study 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 exit ramp to Tustin Avenue and the westbound connector from the SR-55. Environmental approval is expected in early 2011. (Part of Project I)

Final Design Complete - Caltrans has completed 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 will be built within existing right-of-way (ROW) through Anaheim and Yorba Linda. Construction bids will be solicited in early 2011, with construction to start in mid-2011. (Part of Project J)

Construction Complete - Construction was completed on a new eastbound lane along the SR-91 between State Route 241 (SR-241) and the Corona Expressway (State Route 71). The new lane extended the previous eastbound auxiliary lane that terminated within Santa Ana Canyon all the way to the State Route 71 (SR-71) interchange in Riverside County. Construction of the project was funded under the American Recovery and Reinvestment Act (federal economic stimulus program). (Part of Project J)

Environmental Study Underway - 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 the Ontario Freeway (Interstate 15). RCTC is currently preparing an environmental study for the proposed improvements, which is expected to be complete in late 2011. (Part of Project J).

Interstate 405 (I-405) Projects

Environmental Study Underway - 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)

Construction Underway - Construction has begun on improvements to 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 the I-405 and State Route 22 (SR-22), one between the I-405 and Interstate 605 (I-605), as well as an additional HOV lane on the I-405 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, and will begin on the western segment of the project at the I-405/I-605 interchange in early 2011. Construction of both West County Connectors projects is expected to be complete in mid-2014.

Streets and Roads Projects

Regional Capacity Program

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On March 15, 2010, the Board of Directors (Board) approved the guidelines for the administration of the Regional Capacity Program (Project O). Included in the approval of the guidelines, was the direction that staff return with detailed funding estimates and guideline revisions to issue a call for projects. On November 7, 2010, the Board approved the revisions and authorized staff to release a call for projects which will make available approximately \$56 million for streets and roads projects.

The call for projects was issued on November 10, 2010, with applications due January 28, 2011. Staff anticipates reviewing the submitted applications during the first quarter of 2011, and returning to the Board with programming recommendations in the second quarter of 2011.

Signal Synchronization

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OCTA is advancing signal synchronization efforts along ten arterial corridors comprised of 533 signalized intersections on 158 miles of roadway. This effort is intended to jump start the M2 signal synchronization and is funded with \$8 million of Measure M (M1) and Proposition 1B grants. To date, synchronization along 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) is complete. Results from the projects were compiled and presented to the Board in October 2010.

OCTA is working on the second phase of the program. 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). Field data collection is complete and implementation of the new timing plans is planned for early 2011.

Work is also underway on the third and final phase of the program. This phase includes the Katella Avenue, La Palma Avenue, and Yorba Linda Boulevard corridors. The California Transportation Commission (CTC) is scheduled to allocate funds for this phase of the program in early 2011. The procurement process will be initiated pending CTC action, followed by award of contract and startup of work by July 2011.

OCTA also completed work on the Project P (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. Project P will begin in April 2011 with the start of M2. OCTA received Board approval on key elements of the program in fall 2010, and is developing a competitive call for projects to be released in winter 2011.

Grade Separation Projects

Tresa Oliveri (714) 560-5374

Fourth quarter activities included Board approval of an amendment to the construction and maintenance agreement with the Burlington Santa Fe Railway for the Kramer Boulevard and Placentia Avenue undercrossings, amended resolution of necessity filings related to the Kraemer Boulevard undercrossing project, and execution of an amended cooperative agreement with the City of Fullerton associated with the Raymond Avenue and State College Boulevard undercrossings. Also, the Board gave staff approval to begin the ROW process for the Lakeview Avenue overcrossing project affecting 28 parcels.

The ROW process continues in order to secure property interests for the Kramer Boulevard and Placentia Avenue undercrossings. Stratford Park residents attended a meeting with the Chief Executive Officer and OCTA staff to discuss the nighttime work activities identified for the Kraemer Boulevard project. Staff provided an exhibit outlining specific activities associated with anticipated night work within the railroad ROW to property owners.

Value engineering, a process required by the Federal Highway Administration and Caltrans, was initiated for the Kraemer Boulevard undercrossing this quarter. Draft traffic management plans for the Placentia Avenue and Kraemer Boulevard undercrossings were circulated for comment, and work continues on the regional traffic study for the entire program.

In December, the 65 percent design packages were delivered for the Lakeview Avenue and Tustin Avenue undercrossings. The Orangethorpe Avenue 65 percent design submittal is due in January 2011.

A city council briefing was provided to the Placentia City Council in mid-October and two open houses, focused on the Kramer Boulevard and Placentia Boulevard projects, were held later that month. Additional outreach meetings included a project briefing to the Placentia Yorba Linda Unified School District Board of Trustees, and a series of meetings

with school district staff were conducted at the request of the district superintendent during November. Project information was also shared with the OCTA Special Needs Advisory Committee and at the City of Placentia Heritage Festival.

Metrolink Projects

Grade Crossing Improvements

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Orange County's at-grade rail-highway crossing (railroad crossing) safety enhancement program began in August 2009 and is continuing to make progress. The enhancements being made 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).

As of the first week in January, construction will be completed on railroad crossing safety enhancements in the cities of Anaheim and Orange. Work is progressing on the railroad crossings in the cities of Anaheim, Santa Ana, and Tustin, with the completion of the Red Hill Avenue crossing in Tustin anticipated by the end of February 2011. The first nine crossings in Orange were activated in October 2010. Construction also began in Santa Ana and Tustin. Signal crews are continuing to work nights 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 (Metrolink) 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 have the option to 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 signal foundations and conduits, as well as pedestrian gate foundations, sidewalk improvements, raised medians, handrails, and pedestrian swing gates have been completed for many of the crossings in Anaheim, Orange, Santa Ana, and Tustin.

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 responses given.

Go Local

Go Local Fixed Guideway

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Project development continued with the two Board-approved Go Local fixed guideway proposals, one from Anaheim and the other from Garden Grove and Santa Ana. 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 December, staff met with the FTA to provide key federal staff with an in-depth briefing on each of the projects, including an overview of progress-to-date as well as upcoming milestones as part of the AA and environmental clearance processes.

During the reporting period, the FTA reviewed the ridership modeling efforts for the Anaheim Rapid Connection Project and provided concurrence on the ridership forecast approach and scenarios. Obtaining concurrence from FTA on the ridership modeling is a key step in the AA process. The City of Anaheim is also working on revising the purpose and need document, Mobility Problem Definition Report, and definition of alternatives to incorporate feedback received from the FTA.

The FTA provided concurrence on the purpose and need document for the Santa Ana/Garden Grove Fixed Guideway Project. The Santa Ana/Garden Grove project team also kicked-off the ridership modeling effort for the guideway project, as well as started the conceptual engineering and environmental technical studies for the various project alternatives.

In November 2010, OCTA approved the first allocation of M2 Project S (Transit Extensions to Metrolink) funds to the cities of Anaheim and Santa Ana as part of the fixed guideway preliminary engineering call for projects. This award will allow both cities to complete the requisite engineering tasks needed to successfully compete for federal funds as part of the New/Small Starts programs. Staff began development of cooperative agreements with both cities and will return to the Board in March 2011 for approval.

Go Local Bus/Shuttle

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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 Transit System Study. The Go Local consulting firms are in the process of finalizing the technical planning efforts. The technical information will be provided to the Transit System Study team for inclusion in the technical analysis.

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

Community Based Transit/Circulators

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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 (Community Based Transit/Circulators) 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.

A consultant was selected to conduct the Board-approved Transit System Study. The Go Local consulting firms are in the process of finalizing the technical planning efforts. The technical information will be provided to the Transit System Study team for inclusion in the technical analysis.

Staff will develop guidelines for the evaluation of Project V projects that will compete for M2 funds once the Transit System Study has been completed. Staff expects to bring draft guidelines for the Board's consideration by fall 2011.

Environmental Committees

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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.

In November 2010, the OCTA Board approved the selection of Geosyntec Consultants as the top-ranked firm to develop the Tier 2 Grant Program Planning Study and related funding guidelines. The Tier 2 Grant Program will focus on funding for multi-jurisdictional, multi-year, capital-intensive projects. The study will utilize a water quality planning tool that will result in an overall master plan to guide capital improvement program development, investment decisions, and ranking/evaluation of the Tier 2 Grant Program.

During the fourth quarter of 2010, the Tier 1 Grant Programs Procedures were finalized in preparation for a call for projects for water quality program funding in early 2011. The Tier 1 program is a catch basin improvement program that will offer funding for equipment purchases and upgrades to existing storm water screens, filters, and inserts.

OCTA and the County of Orange also finalized a master agreement to assemble a panel of vendors to provide and install storm water screens. The panel of vendors offer an option to local agencies to take advantage of quantity discounts and a streamlined procurement process. The group of vendors was selected in December of 2010.

Freeway Mitigation Program

The purpose of the M2 Freeway Mitigation Program's 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, which was approved by the OCTA Board in January 2010, 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.

Acquisition Properties Update

On November 22, 2010, the OCTA Board authorized staff to begin negotiations to acquire up to \$42 million worth of Orange County properties as preserved open space. Concurrently, the Board directed staff to accept new applications in order for interested participants to submit candidate acquisition properties.

Given that the potential value of the current list of candidate acquisition properties exceeds the amount of available funds, OCTA staff will need to evaluate the newly submitted properties to determine if they possess the biological resources needed to offset impacts from the M2 freeway projects and to fit within the working budget. The call for acquisition properties was opened in December and concluded on January 14, 2011.

Restoration Properties Update

With Board approval of six primary and three secondary restoration projects for program funding in September 2010, the required draft restoration plans are being prepared and finalized by the restoration project sponsors.

Concurrently, restoration grants agreements are being prepared and reviewed by OCTA and the U.S. Fish and Wildlife Service and the California Department of Fish and Game. It is anticipated that the grant agreements will be executed and funding will be allocated in early 2011.

Conservation Plan Update

In December 2010, OCTA opened a 30-day public comment period on a conservation plan that will examine habitat and identify measures to protect the habitat and species in Orange County.

The proposed Natural Community Conservation Plan/Habitat Conservation Plan/Master Streambed Alteration Agreement streamlines the freeway improvement permitting process under state and federal endangered species acts, and results in more efficient and effective use of freeway mitigation funding.

The purpose of the state and federal environmental review process is to:

- Outline program and biological goals within the M2 freeway program, which includes 13 freeway projects
- Describe proposed actions and alternatives
- Study and evaluate potential environmental impacts resulting from the conservation plan implementation
- Identify potentially impacted species and mitigation for significant impacts
- Follow state and federal environmental laws

An environmental impact report/environmental impact statement will be prepared for the conservation plan. All comments received during the public comment period will be incorporated in the environmental documents.

Financing

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Sales tax figures for the fourth 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. This represents the third straight quarter with growth in advances from the same period of the prior year, and the second consecutive quarter with 8 percent growth.

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 \$118 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 \$14.8 billion, \$9.5 billion less than the original 2005 estimate of \$24.3 billion.