




September 7, 2017

To: Executive Committee

From: Darrell Johnson, Chief Executive Officer 

Subject: Measure M2 Quarterly Progress Report for the Period of April 2017 Through June 2017

Overview

Staff has prepared a Measure M2 quarterly progress report for the period of April 2017 through June 2017, for review by the Orange County Transportation Authority Board of Directors. 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

On November 7, 2006, Orange County voters, by a margin of 69.7 percent, approved the Renewed Measure M Transportation Investment Plan (Plan) for the Measure M2 (M2) one half-cent sales tax for transportation improvements. The Plan provides a 30-year revenue stream for a broad range of transportation and environmental improvements, as well as a governing ordinance which defines all the requirements for implementing the Plan. Ordinance No. 3 designates the Orange County Transportation Authority (OCTA) as responsible for administering the Plan and ensuring that OCTA's contract with the voters is followed.

OCTA is committed to fulfilling the promises made in M2. 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 measure, as identified in the ordinance. Ordinance No. 3 requires that quarterly status reports regarding the major projects detailed in the Plan be brought to the OCTA Board of Directors (Board). All M2 progress reports are posted online for public review.

Discussion

This quarterly report reflects current activities and progress across all M2 programs for the period of April 1, 2017 through June 30, 2017 (Attachment A).

The quarterly report is designed to be easy to navigate and user friendly, reflecting OCTA's Strategic Plan transparency goals. The report includes budget and schedule information included in the Capital Action Plan, Local Fair Share Program, and Senior Mobility Program payments made to cities this quarter, as well as total distributions from M2 inception through June 2017.

Additionally, Attachment A includes a summary of the Program Management Office activities that have taken place during the quarter. Two areas in particular are highlighted below.

Next 10 Delivery Plan

On November 14, 2016, the Board adopted the Next 10 Delivery Plan, which provides guidance to staff on delivery of M2 projects and programs between 2017 and 2026. During the Next 10 time period, more than \$6 billion in transportation improvements promised to the voters in M2 are to be completed or underway by 2026. Pages three through six of Attachment A (in every M2 quarterly report) include OCTA's progress on delivering the ten objectives identified in the Next 10 Plan. In summary, all ten objectives are moving forward toward delivery as adopted by the Board.

Also part of the Next 10 Plan adoption, the Board directed staff to conduct a market analysis to analyze current resource demands and provide information on the impact on OCTA's delivery of M2 projects. Staff will receive a draft report in August 2017, and results of the analysis will be presented to the Board next quarter.

Next 10 Sales Tax Forecast Update

OCTA is currently receiving presentations from our contracted agencies who provide an annual Orange County sales tax forecast update. During the quarter, MuniServices and the University of California, Los Angeles presented updates on the annual forecast and economic outlook to the Finance and Administration Committee. To date, sales tax revenues appear to be lower than was forecasted last year when the Next 10 Plan was adopted. Once all presentations are complete and the fourth quarter sales tax actuals are finalized, an updated forecast will be provided to the Board. This will likely require a Next 10 Plan update which will be brought to the Board for consideration in the fall.

Progress Update

The following highlights M2 Program accomplishments that occurred during the fourth quarter:

- Final design plans for Interstate 5 (I-5) between State Route 55 (SR-55) and State Route 57 were completed, and the California Department of Transportation (Caltrans) is preparing the bid package to list. (Project A)
- The 95 percent design plans for I-5 between State Route 73 (SR-73) and Oso Parkway/Avery Parkway interchange were submitted to Caltrans on June 14, 2017. Staff expects to submit funding documents to Caltrans in July 2017. (Project C and Project D)
- Construction activities on I-5 between Avenida Vista Hermosa and Pacific Coast Highway are wrapping up. While construction is scheduled to be complete by the end of July 2017, the added carpool lanes will open in early 2018, after project segments on either side are complete. (Project C and Project D)
- Environmental work began in May 2017 for the I-5, El Toro Road Interchange. (Project D)
- The supplemental draft project report and environmental document for the SR-55 between Interstate 405 (I-405) and I-5 was completed and circulated for public review and comment. A public hearing took place on April 20, 2017. On June 12th, the Board executed a cooperative agreement with Caltrans and issued a request for proposals for the design phase. (Project F)
- On June 26, the Board approved the Transportation Infrastructure Finance and Innovation Act (TIFIA) loan agreement between OCTA and the United States Department of Transportation (USDOT) for the I-405 Improvement Project between SR-73 and Interstate 605. On June 29, the USDOT Build America Bureau, Federal Credit Council on Finance recommended the TIFIA loan for approval by the Secretary of Transportation. (Project K)
- On April 10, 2017, the Board approved funding for 13 Regional Capacity projects, in an amount totaling \$32.24 million, and approved funding for five Regional Traffic Signal Synchronization projects, totaling \$2.5 million. (Project P)

- The Lakeview Avenue Grade Separation Project was opened to motorists on June 5, 2017. (Project O)
- The Board awarded the construction contract on June 12, 2017, for the Orange Metrolink Station Parking Structure. (Project R)
- Design plans for the Placentia Station have been completed at 90 percent and are being reviewed. A contract for construction management services is expected to be in place by August 2017, so a required constructability review can occur. (Project R)
- Based on a Risk Workshop, and recommendations by the Federal Transit Administration (FTA) for the OC Streetcar, an updated cost estimate and funding plan were presented to and approved by the Board on May 22, 2017. The funding request, as well as extensive project readiness documents required for the application, were submitted to FTA in late May 2017. (Project S)
- On June 19, 2017, the United States Fish and Wildlife Service and the California Department of Fish and Wildlife finalized the issuance of their respective biological opinion, findings, and associated permits, as well as signed the OCTA M2 Natural Community Conservation Plan/Habitat Conservation Plan Implementing Agreement. This significant milestone was achieved following years of collaboration. (Environmental Mitigation Program)
- The Taxpayer Oversight Committee unanimously found that OCTA is proceeding in accordance with the M2 Transportation Ordinance and Investment Plan, and that Measure M is being delivered as promised to voters for the 26th consecutive year.

Caltrans and OCTA continue to work together to move projects forward. Looking ahead, Caltrans' strategic policy direction now includes a focus on enhancements of high-occupancy vehicle lanes. This policy shift needs to be closely coordinated with the remaining M2 freeway projects. OCTA continues to advise Caltrans that new state policies need to take voter commitments into consideration and be implemented as additive projects to M2 improvements where appropriate.

Another challenge that the program has faced is the delay in previously programmed M2 projects. With the passage of the state transportation funding bill, SB 1 (Chapter 5, Statutes of 2017), staff is working with the California Transportation Commission (CTC) to bring funding for M2 projects back to the original schedule and also to understand how M2 projects and programs may benefit from SB 1.

Staff is currently preparing the 2018 State Transportation Improvement Program (STIP) application to the CTC. First priority of all funding sources is to fulfill commitments to M2/Next 10 projects, and to maintain OCTA's existing assets in a state of good repair. Consideration will also be given to use state and federal funds for projects that are complementary to M2 projects. The 2018 STIP funding application will be brought to the Board in September.

A critical factor in delivering M2 freeway projects is to ensure project scope, schedules, and budgets remain on target. Project scope increases, schedule delays, and resulting cost increases can quickly affect project delivery and have a cascading effect on other activities. In light of the recent reduction in the sales tax revenue forecast, this factor is even more significant.

To address this issue, staff worked with our regional partners and gained support from the Director of Caltrans, Malcolm Dougherty, in the creation of a master agreement between regional transportation planning agencies (OCTA) and Caltrans. The master agreement is intended to acknowledge the importance and commitment by both agencies to the delivery of local measure projects focusing on maintaining budget and schedule. Development of the agreement is under way, and staff will report on the progress next quarter.

Project delivery is monitored closely, and progress, as well as challenges, are presented to the Board through these quarterly staff reports, individual project staff reports, as well as through the Capital Action Plan quarterly performance metrics reports from the Capital Programs Division.

Summary

As required by the M2 Ordinance No. 3, a quarterly report covering activities from April 2017 through June 2017 is provided to update progress in implementing the Plan. The above information and the attached details indicate significant progress on the overall M2 Program. To be cost-effective and to facilitate accessibility and transparency of information available to stakeholders and the public, the M2 quarterly progress report is presented on the OCTA website. Hard copies are available by mail upon request.

Attachment

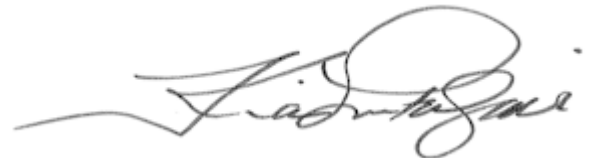
- A. Measure M2 Progress Report – Fourth Quarter of Fiscal Year 2016-17 – April 1, 2017 through June 30, 2017

Prepared by:



Tamara Warren
Manager, Program Management Office
(714) 560-5590

Approved by:



Kia Mortazavi
Executive Director, Planning
(714) 560-5741



Wildlife Agencies issued the biological permits and signed the Conservation Plan Implementing Agreement for the freeway projects.

FOURTH QUARTER HIGHLIGHTS:

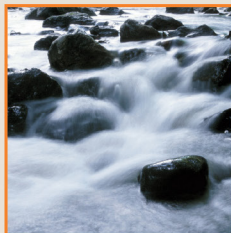
- Freeway Projects
- Streets and Roads
- Environmental Cleanup & Water Quality
- Freeway Mitigation Program
- Finance Matters
- Program Management Office
- Summary

Measure M2

Progress Report



Fourth Quarter of Fiscal Year 2016-17
 April 1, 2017 through June 30, 2017





SUMMARY

As required by the Measure M2 (M2) Ordinance No. 3, a quarterly report covering activities from **April 1, 2017 through June 30, 2017** 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 Orange County Transportation Authority (OCTA) website. Hard copies are mailed upon request.

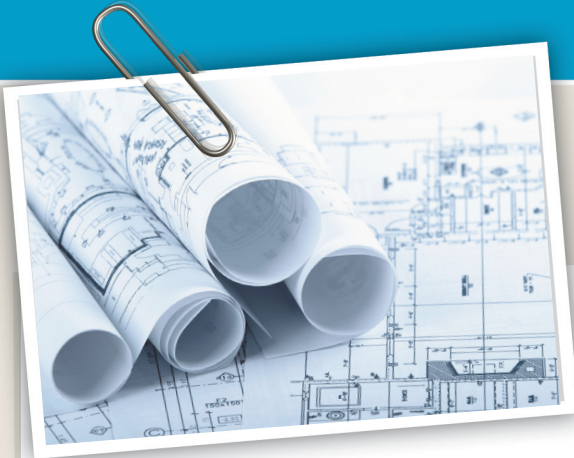


Cover photo shown is the cake created to celebrate with the environmental community a major milestone for the Freeway Program. On June 19, 2017, the Wildlife Agencies issued the biological permits and signed the Conservation Plan Implementing Agreement. Receipt of these permits represent the culmination of years of collaboration.

Measure M2

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M2 Project Schedules



Conceptual



Environmental



Design, Advertise, & Award



Design-Build



Construction



Completed

M2 Projects and Programs

		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
A	I-5, SR-55 to SR-57															
B	I-5, I-405 to SR-55 (Further Schedule TBD)															
C,D	I-5, Avenida Pico to Avenida Vista Hermosa/Avenida Pico Interchange															
C	I-5, Avenida Vista Hermosa to Pacific Coast Highway															
C	I-5, Pacific Coast Highway to San Juan Creek Road															
C,D	I-5, SR-73 to Oso Parkway/Avery Parkway Interchange															
C,D	I-5, Oso Parkway to Alicia Parkway/La Paz Road Interchange															
C	I-5, Alicia Parkway to El Toro Road															
D	I-5, El Toro Interchange (Further Schedule TBD)															
D	I-5, Ortega Interchange (Complete)															
E	SR-22, Access Improvements (Complete)															
		<i>completed prior to 2010</i>														
F	SR-55, I-405 to I-5															
F	SR-55, I-5 to SR-91 (Further Schedule TBD)															
G	SR-57 NB, Katella Avenue to Lincoln Avenue (Complete)															
G	SR-57 NB, Orangethorpe Avenue to Yorba Linda Boulevard (Complete)															
G	SR-57 NB, Yorba Linda Boulevard to Lambert Road (Complete)															
G	SR-57 NB, Lambert Rd to Tonner Canyon Rd (Further Schedule TBD)															
G	SR-57, Oranewood Ave to Katella Ave (Further Schedule TBD)															
H	SR-91 WB, I-5 to SR-57 (Complete)															
I	SR-91 WB, SR-55 to Tustin Avenue Interchange (Complete)															
I	SR-91, SR-55 to SR-57 (Further Schedule TBD)															
J	SR-91, SR-55 to SR-241 (Complete)															
J	SR-91, SR-241 to SR-71 (Complete)															
J	SR-91, Sr-241 to I-15 (Env. Cleared/Further Schedule TBD)															
K	I-405, SR-55 to I-605															
L	I-405, I-5 to SR-55 (Further Schedule TBD)															
M	I-605, Katella Interchange (Further Schedule TBD)															

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M2 Projects and Programs		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
O	Kraemer Boulevard Grade Separation (Placentia)	█	█	█	█	█									
O	Lakeview Avenue Grade Separation (Anaheim/Placentia)	█	█	█	█	█	█	█	█						
O	Orangethorpe Avenue Grade Separation (Anaheim/Placentia)	█	█	█	█	█	█	█	█						
O	Placentia Avenue Grade Separation (Placentia)	█	█	█	█	█									
O	Raymond Avenue Grade Separation (Fullerton)	█	█	█	█	█	█	█	█	█					
O	State College Blvd Grade Separation (Fullerton)	█	█	█	█	█	█	█	█	█					
O	Tustin Ave/Rose Drive Grade Separation (Anaheim/Placentia)	█	█	█	█	█	█	█	█						
R	Sand Canyon Grade Separation (Irvine)	█	█	█	█	█	█	█	█						
R	17th Street Railroad Grade Separation						█	█	█	█					
R	Rail-Highway Grade Crossing Safety Enhancement	█	█												
R	San Clemente Beach Trail Safety Enhancements		█	█	█	█									
R	Anaheim Canyon Metrolink Station							█	█	█	█	█	█		
R	Fullerton Transportation Center Improvements			█	█	█	█	█	█	█	█				
R	Laguna Niguel/Mission Viejo Station				█	█	█	█	█	█					
R	Orange Metrolink Station & Parking Structure	█	█	█	█	█	█	█	█	█	█	█	█		
R	Placentia Metrolink Station & Parking Structure	█	█	█	█	█	█	█	█	█	█	█	█		
R	San Clemente Pier Station Lighting							█	█						
R	San Juan Capistrano/Laguna Niguel Passing Siding Project		█	█	█	█	█	█	█	█	█	█	█		
R	Tustin Parking Structure	█	█												
R,T	Anaheim Regional Transportation Intermodal Center *	█	█	█	█	█	█								
S	OC Streetcar	█	█	█	█	█	█	█	█	█	█	█	█	█	

*Projects managed by local agencies.

Project K is a Design-Build project, with some overlap in activities during phases. Phase work can be concurrent.

Shown schedules are subject to change.

Measure M2

Progress Report

M2 DELIVERY RISK UPDATE



Key:

- One to Watch
- At Risk

M2 Delivery Risk Update

This section discusses the risks and challenges related to overall Measure M2 and Next 10 Plan delivery that the Measure M Program Management Office is watching – complete with associated explanations and proposed actions. The below risks have been identified in the Board-adopted Next 10 Delivery Plan.

Delivery Risk	Explanation	Proposed Action
Financial		
1	Continuation of a lower-than-projected M2 revenue forecast or a reduction in external revenue assumptions would impact delivery.	<p>The original 2005 projection was \$24.3 billion. The Next 10 Plan is based on the 2016 Board-adopted forecast of \$14.2 billion which has a significant reliance on external funding. The data collection for the 2017 revenue forecast is underway.</p> <p>Continue to actively pursue all available state and federal revenue including Senate Bill 1 (SB 1) funding.</p> <p>Staff is currently reviewing the Next 10 Plan to include updated revenue and costs. A Board update is planned in fall 2017.</p>
2	The inability to scale the Freeway Program to available revenue with large freeway capital projects moving forward in the Next 10 timeframe.	<p>Management of project scopes and schedules is key to the successful delivery of the overall Freeway Program. Given the magnitude of upcoming projects (e.g. Project K), scope changes and any length of delay with associated cost escalation can be impactful and will need to be tightly managed.</p> <p>Staff will work closely with project managers and Caltrans to seek cost-saving measures on freeway projects through changes in design parameters where possible.</p> <p>Tight monitoring of project schedules and scopes will be required to ensure delivery of the entire Freeway Program. OCTA and other neighboring self-help counties are working with Caltrans to create a Master Agreement stating the importance of local project delivery and delivery schedules.</p>
3	Rising cost of operating Metrolink train service.	<p>Operational cost of Metrolink service continues to grow as new regulations are imposed, such as Positive Train Control, track-sharing arrangements with Burlington Northern Santa Fe, and new locomotive requirements.</p> <p>The passage of SB 1 provides a small source of additional revenues to help fund Metrolink Operations. In addition, Project R revenues will be reevaluated as part of the Next 10 Plan Update. Staff will continue to work closely with Metrolink and our partners to ensure cost increases are minimized while service is optimized.</p>
4	Timeframe for establishment of an endowment fund for long-term management of seven conservation properties (Preserves), as part of the Freeway Environmental Mitigation Program (EMP), may be extended.	<p>A portion of the annual revenues for the EMP will be dedicated to the endowment deposits. If the projected growth rate of sales tax revenues continues to decline, it may take longer to establish the endowment.</p> <p>Staff will continue to engage state and federal resource agencies to minimize management costs for the Preserves. Timing for the establishment of the endowment in the prescribed ten-to-twelve year period will be reevaluated as part of the Next 10 Plan Update. The first deposit of \$2.9 million to the endowment was made in March 2017.</p>

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Measure M2

Progress Report

M2 DELIVERY RISK UPDATE



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Delivery Risk	Explanation	Proposed Action
Organizational		
5	Availability of specialized staff, given the scope of Right-of-Way (ROW) activities for various freeway construction activities.	Timely ROW acquisition and utility clearance has proven to be a key factor in reducing risk on construction projects. Early acquisition is challenged by the heavy demand on Caltrans' ROW resources. This is further challenged by a change in meeting frequency by the California Transportation Commission, a necessary step in ROW settlement.
		Expert and timely coordination between OCTA and Caltrans is imperative to manage this risk. Staff is currently working with Caltrans to ensure ROW resource needs are met through determining project lead responsibility for projects as they move forward. If resource issues become a problem, OCTA could consider taking full responsibility for ROW activities.
6	New operational responsibilities with both the I-405 Express Lanes and OC Streetcar	With the implementation of both the I-405 Express Lanes and the OC Streetcar service, OCTA will be increasing its overall role in operations.
		OCTA holds a strong track record in operating various transportation systems including the 91 Express Lanes and both a fixed and demand-based bus network. Additionally, OCTA will look to augment staff's capabilities to provide guidance for operating the OC Streetcar.
Policy		
7	New statewide directives creating additional hurdles for the Freeway Program in particular.	With new statewide directives focused on greenhouse gas reductions, it will be more difficult to environmentally clear the remaining M2 general purpose lane projects.
		OCTA will need to ensure that when freeway improvement projects are reviewed for environmental clearance, they are viewed as part of a larger suite of transportation improvements.
		Additionally, within the recently completed Caltrans managed lanes study, inclusion of managed lanes is suggested for M2 project corridors where the promise to the voters is the addition of a general purpose lane. Projects currently in the environmental phase are potentially at risk.
		OCTA staff will work closely with Caltrans to emphasize the importance of keeping the promise to the voters.
Market		
8	Major capital work underway in the Southern California region impacting OCTA's ability to secure resources needed for project and program delivery.	Competition for available resources for capital projects in the Southern California region has increased with the major capital work currently underway in Riverside, Los Angeles, and San Bernardino County. For future projects going forward, engineers, ROW experts, and materials will be in higher demand.
		A market research analysis is currently underway. The analysis will evaluate staffing and resource needs to implement the Next 10 Plan and help guide OCTA in navigating the bidding environment. Any recommendations, as a result of the analysis, requiring modifications to the delivery plan will be brought to the Board for action.

Measure M2

Progress Report
NEXT 10 UPDATE



Next 10 Plan Update

Contact: Tami Warren, PMO Manager
(714) 560-5590

On November 14, 2016, the Board of Directors (Board) approved the Next 10 Delivery Plan, a ten-year plan that outlines projects and programs for all modes of transportation to be delivered on an expedited schedule between 2017 and the year 2026. The plan identified ten deliverables for what is to be accomplished, with the overarching goal of successfully delivering the M2 Program by 2041 as promised.

Next 10 revenue, expense, and schedule sequencing assumptions have been incorporated into the M2 cash flow model. Tight monitoring of cash flow assumptions versus actual revenue, expense, and schedule activity is underway using a tracking mechanism created for this purpose. This quarter, OCTA's contracted forecasting agencies began providing their 2017 Measure M2 30-year economic outlook for taxable sales presentations. Presentations to the Finance Committee by each agency are scheduled to conclude in August. While final sales tax receipts for FY 2016-17 have not been received, the forecasting agencies' economic outlook provided to date, indicate a further decline in the M2 sales tax forecast. Staff is currently reviewing the Next 10 Plan and preparing an update planned to go to the Board in the fall of 2017.

Next 10 Plan Deliverables

1. Deliver \$3 billion of freeway improvements promised in M2020 (Projects A-M).

The M2 freeway program currently consists of 27 projects or project segments. At the point of Next 10 adoption, nine were already complete, and another nine designated to be complete within the Next 10 time-frame. Together, the nine segments designated for completion make up the \$3 billion delivery promise. Segments to be complete by 2026 include: three segments of I-5 between Avenida Pico and San Juan Creek Road (Project C) which are currently in construction, one project on I-405 between SR-55 and I-605 (Project K) in the Design-Build phase, another four segments on I-5 (one between SR-55 and SR-57 and the other three between SR-73 and El Toro Road) that are in design, and one segment on SR-55 (between I-405 and I-5) that is in the environmental phase. For more details, see previous page (Project Schedules) and the project updates contained in the following pages.

2. Invest approximately \$1.2 billion more in revenues, bringing the completed Freeway Program improvements to \$4.2 billion (Projects A-M).

The final nine remaining project segments (of the 27 total) are on track to be environmentally cleared by 2020, making them "shelf ready" for future advancement as revenues become available. The Next 10 Plan designated another \$1.2 billion (in addition to the \$3 billion promised above) toward moving one or two projects from the nine into construction by 2026. Congestion levels, readiness, and cost risk are factors that will determine which environmentally cleared projects will be recommended to the Board to advance into the construction phase. Project I (between SR-55 and SR-57) meets the above criteria and was designated as a priority project by the Board in the Next 10 Plan.

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3. Allocate \$1 billion, with \$400 million in competitive funding to local jurisdictions to expand roadway capacity and synchronize signals (Project O and P) and \$630 million in flexible funding to local jurisdictions to help maintain aging streets or for use on other transportation needs, as appropriate (Project Q).

Since M2 inception, OCTA invested approximately \$263 million in M2 funds into the Regional Capacity Program (Project O), \$72.5 million in Regional Traffic Signal Synchronization Program (Project P), and \$288.5 million in the Local Fair Share Program (Project Q). Since the adoption of the Next 10 Plan, a total of \$44.3 million in Local Fair Share funds have been distributed to local agencies. Final funding recommendations for the 2017 Project O and P call for projects were presented to the Board on April 10, 2017.

a. Complete the remaining three grade separation projects (Project O).

When the Next 10 was adopted, grade separation projects under construction included: Raymond Avenue, State College Boulevard, and Lakeview Avenue. Lakeview Avenue grade separation was completed in June 2017. Construction on Raymond and State College is expected to be complete in summer 2018. To date, the Board has approved \$664 million in committed M2 and external funds for all seven of the OC Bridges Program grade separation projects.

4. Expand Metrolink service between Orange County and Los Angeles County, contingent upon cooperation and funding participation from route partners; complete six rail station improvements (Project R).

The Riverside County Transportation Commission (RCTC), Los Angeles County Metropolitan Transportation Authority (Metro), and OCTA continue to work together to secure approval of a Memorandum of Understanding (MOU) with Burlington Northern Santa Fe (BNSF) Railway, which is necessary to operate train service on BNSF-owned tracks. Metrolink is the lead in the discussions with the BNSF Railway to evaluate the current shared use and indemnification/liability agreements that govern the use of each agency's respective railroad rights of way. Special counsel has been brought in to assist in these discussions.

Within this program, funding is provided for rail corridor and station improvements to accommodate increased train service and commuter use - including station upgrades, parking expansions, and safety enhancements. The Next 10 Plan identifies six projects to be completed by 2026, which include: Laguna Niguel/Mission Viejo Metrolink station Americans with Disabilities Act (ADA) ramps (construction 78% complete), Orange Metrolink station parking structure (construction to begin July 2017), Placentia Metrolink station (construction to begin spring 2018), Anaheim Canyon Metrolink station improvement project (construction to begin late 2019), Fullerton Transportation Center elevators (construction 5% complete), and San Clemente Pier Metrolink/Amtrak station lighting (completed March 2017). For more details, see the project updates contained in the following pages.

5. Complete design, construction and begin operating the OC Streetcar (Project S) and complete the Orange County Transit Vision and the Harbor Corridor Transit Study to guide development of future transit connections (Project S).

OC Streetcar

To date, the Board has approved up to \$306.4 million for the OC Streetcar project, including preliminary studies, environmental, project development and construction. The Federal Transit Administration (FTA) has shown strong support for this project, as shown by ascribing an overall medium-high rating to it in their Fiscal Year 2018 Annual

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New Starts Report. The full Notice to Proceed for design was issued in February 2016. Approval for entry into the New Starts Engineering phase was obtained from the FTA in January 2017. On May 22, 2017, the Board directed staff to enter into a Full Funding Grant Agreement with the FTA for the OC Streetcar project.

OC Transit Vision

During this quarter the Transit Investment Framework was completed. This document will be used through the remaining steps of the Transit Master Plan process to develop and evaluate recommendations. Also in this quarter, a “Build Your Own System” survey was used to solicit investment priorities from the public and stakeholders. In the next quarter, the project will focus on developing “Transit Opportunity Corridors” and recommendations for short-term bus route changes. Completed project documents can be downloaded from the project website at www.octa.net/octransitvision. The complete OC Transit Vision Plan is expected to be presented to the Board in November 2017.

Harbor Corridor Transit Study

During the quarter, the Harbor Study team completed outreach activities on the draft alternatives and began the final study phase, the evaluation of alternatives. On April 5th the team held the second and final open house and on April 16th the team provided an update to the Santa Ana City Council. The project development team (PDT) held monthly coordination meetings in April and May to finalize the definition of alternatives and discuss the modeling assumptions. In order to provide additional time to finish the model runs, complete the alternatives evaluation, and prepare the draft final report, the schedule for the OCTA Board update was moved from July to September 2017, and the June PDT meeting was rescheduled to August.

6. Provide up to \$120 million in funding to expand mobility choices for seniors and persons with disabilities (Project U).

Since M2 inception, more than \$48 million in Project U funds has been provided for the Senior Mobility Program (SMP), the Senior Non-emergency Medical Transportation Program (SNEMT), and the Fare Stabilization Program. Included in this amount, approximately \$8.4 million has been provided for the SMP, SNEMT, and Fare Stabilization programs since the Next 10 Plan adoption.

7. Support local agency efforts to deliver Board-approved community transit projects and provide grant opportunities for local agencies to implement effective local transit services (Project V).

Since 2013, the Board has approved approximately \$36.86 million to fund 29 community-based transit service projects (22 capital and operations grants and 7 planning grants). Approved projects service areas in 19 cities and the County of Orange: Anaheim, Costa Mesa, County of Orange, Dana Point, Fountain Valley, Garden Grove, Huntington Beach, Irvine, La Habra, Laguna Beach, Laguna Niguel, Lake Forest, Mission Viejo, Newport Beach, Placentia, Rancho Santa Margarita, San Clemente, San Juan Capistrano, Tustin, and Westminster. OCTA receives ridership reports from local agencies on a regular basis to monitor the success of these services against performance measures adopted by the Board. Staff continuously monitors these services to ensure the performance standards are met and provide reports to the Board on a regular basis. Projects that don't meet the standards are brought before the Board with recommendations that include discontinuing service. For more details on program performance and service see [page 30](#).

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8. Allocate \$9 million in funding to improve the top 100 busiest bus stops in Orange County and support the modernization of the bus system to enhance the customer experience (Project W).

Between M2 inception and Next 10 Plan adoption, the Board approved up to \$1,205,666 for supporting 51 city-initiated improvements and \$370,000 for OCTA-initiated improvements. The City of Anaheim postponed development of eight stops and will move forward in a future funding cycle. Of the remaining 43 stops, 10 stops have been completed to date and the remainder are underway. The \$370,000 contribution was invested towards a mobile ticketing application to make it more convenient for bus customers to purchase bus passes, obtain trip information, and board buses by enabling riders to use smart phone devices to display bus passes as proof of payment. Following implementation of the existing projects, staff will work with local agencies to assess future funding needs. Future funding recommendations will be brought to the Board.

9. Ensure the ongoing preservation of purchased open space (Preserves), providing comprehensive mitigation of the environmental impacts of freeway improvements and higher-value environmental benefits in exchange for streamlined project approvals (Projects A-M).

The Freeway Mitigation Program is proceeding as planned, with seven properties (Preserves) acquired (1,300 acres), and 12 restoration projects approved for funding by the Board, totaling approximately 350 acres. These Preserves and restoration projects are folded into the OCTA Natural Community Conservation Plan/Habitat Conservation Plan (Conservation Plan), which contributes mitigation to streamline the permitting process for M2 freeway projects. The program's Conservation Plan and Final Environmental Impact Report and Environmental Impact Statement (EIR/ EIS) were approved by the Board in November 2016. The final permits were approved by the Wildlife Agencies in June 2017. As part of the Conservation Plan process, an endowment is required to be established to pay for the long-term management of the Preserves. As anticipated, the first deposit for the endowment was made in early 2017. Staff will continue to oversee and manage the Preserves until a long-term manager(s) is established. Management of the Preserves includes the development and release of Preserve specific resource management plans. Additionally, staff will monitor the progress of all restoration projects and provide status updates to the Environmental Oversight Committee until each project is implemented.

10. Work with the Environmental Cleanup Allocation Committee (ECAC) to develop the next tiers of water quality programs, with a goal of providing \$40 million in grants to prevent the flow of trash, pollutants, and debris into waterways from transportation facilities. In addition, focus on improving water quality on a regional scale that encourages partnerships among the local agencies as part of the Environmental Cleanup Program (Project X).

Prior to Next 10 adoption, the Board awarded approximately \$45 million for 138 Tier 1 and 22 Tier 2 projects. On March 13, 2017, the Board approved the FY 2017-18 Environmental Cleanup Program Tier 1 call for projects, totaling approximately \$3.1 million. The FY 2017-18 Tier 1 recommendations for funding projects is anticipated to go to the Board in August 2017. Staff is working with the ECAC and the County of Orange to determine the best timing for the next Tier 2 call based on projected cash flow and local jurisdictions' interest in potential viable Tier 2 projects.



Interstate 5 (I-5) Projects

Project A

I-5, SR-55 to SR-57

Contact: Rose Casey, Highways
(714) 560-5729

Status: 100% Design complete. Caltrans is preparing the Bid package to be Ready to List for Advertisement, expected in the second quarter of Fiscal Year 2017-18

Summary: This project will increase HOV capacity by adding a second HOV lane in both directions along I-5 between SR-55 and SR-57 in Santa Ana. This quarter, the OCTA consultant submitted the 100 percent final design Plans, Specifications, and Estimates (PS&E). Staff is working with the California Department of Transportation (Caltrans) to obtain Office Engineer Acceptance, expected in July 2017. Due to the STIP funding reduction, staff is working with the California Transportation Commission (CTC) as well as evaluating alternative funding to keep this project on schedule and move directly into construction. The OCTA Board is scheduled to approve the OCTA/Caltrans Construction Cooperative Agreement and authorize the release of the Request for Proposals (RFP) for consultant construction management services in July 2017.

Project B

I-5, I-405 to SR-55

Contact: Rose Casey, Highways
(714) 560-5729

Status: Environmental Phase Underway - 64% Complete

Summary: This project will add one general purpose lane in each direction of the I-5 corridor and improve the interchanges in the area between SR-55 and SR-133 (near the El Toro "Y" and I-405) in Tustin and Irvine. The environmental study will consider the addition of one general purpose lane on I-5 between just north of I-405 to SR-55. Additional features of Project B include improvements to various interchange ramps. Auxiliary lanes could be added in some areas and re-established in other areas within the project limits. During the quarter, the consultant continued working on technical studies and obtained approval on a number of technical studies. The final Environmental Document is expected to be complete in October 2018.



Project C & Part of Project D

I-5, Avenida Pico to Avenida Vista Hermosa/Avenida Pico Interchange

Contact: Rose Casey, Highways
(714) 560-5729

Status: Construction Underway - 69% Complete

Summary: This segment adds a carpool lane in each direction on I-5 between Avenida Pico and Avenida Vista Hermosa in San Clemente, and also includes major improvements to the Avenida Pico Interchange (part of Project D), which will also add bicycle lanes in both directions of Avenida Pico. Construction began in February 2015. During the quarter, construction of the bridge and the Avenida Pico retaining wall was completed, and construction of the main line roadway section is ongoing. Construction is scheduled to be 100 percent complete in mid-2018.

I-5, Avenida Vista Hermosa to Pacific Coast Highway

Contact: Rose Casey, Highways
(714) 560-5729

Status: Construction Underway - 99% Complete

Summary: This segment adds a carpool lane in each direction of I-5 between Avenida Vista Hermosa and Pacific Coast Highway (PCH) in San Clemente, and also includes reconstructing on and off ramps at Avenida Vista Hermosa and Camino de Estrella. Construction began in September 2014. During the quarter, landscaping work continued, and signage and electrical systems were installed throughout the project. Construction is scheduled to be 100 percent complete by the end of July 2017. The added carpool lanes will be open to traffic when the segments at either side of this improvement are complete in early 2018. Due to numerous rain delays and some construction related work, this project is marked "red" in the Capital Action Plan, signifying a delay of over three months beyond the original schedule.

I-5, Pacific Coast Highway to San Juan Creek Road

Contact: Rose Casey, Highways
(714) 560-5729

Status: Construction Underway - 92% Complete

Summary: This segment will add one carpool lane in each direction of the I-5 between PCH and San Juan Creek Road in the cities of San Clemente, Dana Point, and San Juan Capistrano. Project improvements also include reconstructing on and off ramps at PCH/Camino Las Ramblas. Construction began in March 2014. During the quarter, traffic in both directions was shifted to the outside lanes and work on the median began. In the fall of 2015, the Board was informed that a soil issue was identified, which would delay project completion. As a result, this project is marked "red" in the Capital Action Plan, signifying a delay of more than three months, with a revised completion date extending at least 19 months past the original schedule (September 2016). Construction work is scheduled to be 100 percent complete in early 2018.

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FREEWAYS



Project C & Part of Project D continued from previous page...

Contact: Rose Casey, Highways
(714) 560-5729

I-5, SR-73 to Oso Parkway/Avery Parkway Interchange (Segment 1)

Status: Design Phase Underway - 95% Complete

Summary: This project will make improvements along I-5 between SR-73 and Oso Parkway in the cities of Laguna Hills, Laguna Niguel, and Mission Viejo. The proposed improvements include the addition of a general purpose lane in each direction and reconstruction of the Avery Parkway Interchange (part of Project D). During the quarter, comments were received from Caltrans on ROW maps. All comments were addressed and maps were re-submitted for final review. Staff continued to work with Caltrans regarding ROW support services and funding. With 95 percent PS&E submitted to Caltrans on June 14, 2017, the plans identify a higher cost estimate. Project costs increased due to unit price increases, rise in Caltrans support costs, and schedule changes to address bird nesting season restrictions. Staff is working with the CTC to keep the project on schedule and move directly into construction. Design work is anticipated to be complete in 2018. Due to extended ROW coordination, this project is marked "red" in the Capital Action Plan, signifying a delay of over three months beyond the original schedule.

Contact: Rose Casey, Highways
(714) 560-5729

I-5, Oso Parkway to Alicia Parkway/La Paz Road Interchange (Segment 2)

Status: Design Phase Underway - 90% Complete

Summary: This project will make improvements along I-5 between Oso Parkway and Alicia Parkway in the cities of Mission Viejo, Laguna Hills, and Lake Forest. The proposed improvements include the addition of a general purpose lane in each direction and reconstruction of the La Paz Road Interchange. The design phase is currently underway. Major activities this quarter included working on responses to Caltrans' comments on the 95 percent PS&E submittal, continued coordination on the aesthetics concept plan, off-site sound walls, service contract with Southern California Rail Road Association (SCRRA) and Metrolink, and with Caltrans on ROW and utilities. Federal authorization to begin work on the ROW phase was granted in December 2016. Due to extended ROW coordination, this project is marked "red" in the Capital Action Plan, signifying a delay of over three months beyond the original schedule.

Contact: Rose Casey, Highways
(714) 560-5729

I-5, Alicia Parkway to El Toro Road (Segment 3)

Status: Design Phase Underway - 85% Complete

Summary: This project will make improvements along I-5 between Alicia Parkway to El Toro Road in the cities of Lake Forest, Laguna Hills, Laguna Woods and Mission Viejo, including the extension of the second HOV lane from El Toro Road to Alicia Parkway. Major activities this quarter included coordinating with Caltrans regarding the planned work at Aliso Creek and the continued development of a plan to address potential impacts to Avenida De La Carlota and Southern California Edison power lines therein. Meetings have been held with other utility agencies to determine the need, extent and schedules for third party relocations/protection. Due to extended ROW coordination, this project is marked "red" in the Capital Action Plan, signifying a delay of over three months beyond the original schedule.



Project D

This project will update and improve key I-5 interchanges at Avenida Pico, Ortega Highway, Avery Parkway, La Paz, and at El Toro Road. Three interchange improvements at La Paz, Avery Parkway, and Avenida Pico are part of Project C.

I-5, El Toro Road Interchange

Contact: Rose Casey, Highways
(714) 560-5729

Status: Environmental Phase Underway - 10% Complete

Summary: This project includes four different alternatives that consider modifications to the existing interchange, which range from a I-5 southbound direct connector to El Toro Road to modifications in how existing off ramp intersections operate. The Cooperative Agreement for the environmental phase between OCTA and Caltrans was approved by the Board on October 10, 2016. The E-76 package to allow Caltrans to begin work was approved in April 2017 by Federal Highway Administration (FHWA) and work began in May 2017. An update by Caltrans on this project was presented to the OCTA Board in May 2017. The environmental phase is anticipated to be completed in late 2019.

I-5, Ortega Highway Interchange

Contact: Rose Casey, Highways
(714) 560-5729

Status: PROJECT COMPLETE



Summary: Construction began in February 2013 to reconstruct the SR-74 Ortega Highway Bridge over I-5, and improve local traffic flow along SR-74 and Del Obispo Street in the City of San Juan Capistrano. All lanes on the new bridge were opened to traffic on September 4, 2015. A dedication ceremony was held on October 1, 2015. The project was officially completed on January 15, 2016.

State Route 22 (SR-22) Project

Project E

SR-22, Access Improvements

Contact: Rose Casey, Highways
(714) 560-5729

Status: PROJECT COMPLETE



Summary: Completed in 2008, Project E made improvements at three key SR-22 interchanges (Brookhurst Street, Euclid Street, and Harbor Boulevard) in the City of Garden Grove to reduce freeway and street congestion in the area. This M2 project was completed early as a “bonus project” provided by the original Measure M (M1).



State Route 55 (SR-55) Projects

Project F

SR-55, I-405 to I-5

Contact: Rose Casey, Highways
(714) 560-5729

Status: Environmental Phase Underway - 95% Complete

Summary: This project will widen SR-55 in the cities of Irvine, Santa Ana, and Tustin. The PDT has updated all technical studies and completed the Supplemental Draft Project Report and Environmental Document (SDPR & ED). The SDPR & ED were circulated for public review from April 3 to May 3 and a public hearing was held on April 20, 2017. Activities this quarter include geometric refinement, and draft Fact Sheet and draft Relocation Impact Statement development. The project is on schedule to obtain SPR and ED approval by the end of September 2017. During the quarter, staff received the ROW assumptions for this project. The review resulted in a project cost increase to address potential ROW risk. Additionally, on June 12th the Board executed a Cooperative Agreement with Caltrans and released the RFP for PS&E. The project is marked "red" in the Capital Action Plan, signifying a delay of more than three months. This project has been delayed by more than four years from its original schedule, due to differences in project determination between OCTA and Caltrans.

SR-55, I-5 to SR-91

Contact: Rose Casey, Highways
(714) 560-5729

Status: Environmental Phase Underway - 5% Complete

Summary: This project will add capacity between I-5 and SR 22, and provide operational improvements between SR-22 and SR-91 in the cities of Orange, Santa Ana, Tustin, and Anaheim. The environmental study will consider the addition of one general purpose lane in each direction to SR-55 between SR-22 and the I-5, and provide operational improvements on SR-55 between SR-22 and SR-91. During the quarter, focus meetings with Caltrans and cities were held and the PDT approved to move forward with 1 build alternative with design options. The traffic methodology memo has been approved and the consultant initiated the traffic study. The environmental phase is anticipated to be complete in 2020.



State Route 57 (SR-57) Projects

Project G

SR-57 NB, Katella Avenue to Lincoln Avenue

Contact: Rose Casey, Highways
(714) 560-5729

Status: PROJECT COMPLETE



Summary: This project increased capacity and improved operations on northbound SR-57 between Katella Avenue and Lincoln Avenue in the City of Anaheim with the addition of a new 3-mile general purpose lane, on- and off-ramp improvements, and sound walls. Bridges at Katella Avenue and Douglas Road were also widened in the northbound direction. The project opened to traffic on November 19, 2014 and completed on April 21, 2015.

SR-57 NB, Orangethorpe Avenue to Yorba Linda Boulevard

Contact: Rose Casey, Highways
(714) 560-5729

Status: PROJECT COMPLETE



Summary: This project increased capacity and improved operations on northbound SR-57 with a new 2.5-mile northbound general-purpose lane between Orangethorpe Avenue in the City of Placentia to Yorba Linda Boulevard in the City of Fullerton. In addition to the new lane, capital improvements include reconstruction of northbound on- and off-ramps, widening of seven bridges, and the addition of soundwalls. The new general purpose lane was opened to traffic on April 28, 2014. The project was completed on November 6, 2014.

SR-57 NB, Yorba Linda Boulevard to Lambert Road

Contact: Rose Casey, Highways
(714) 560-5729

Status: PROJECT COMPLETE



Summary: Completed on May 2, 2014, this project improved capacity, operations, and traffic flow on SR-57 with the addition of a new 2.5-mile northbound general-purpose lane between Yorba Linda Boulevard in the City of Fullerton and Lambert Road in the City of Brea. Additional project benefits include on- and off-ramp improvements, the widening and seismic retrofit (as required) of six bridges in the northbound direction and the addition of soundwalls. Existing lanes and shoulders were also widened to standard widths, enhancing safety for motorists. The new general purpose lane was opened to traffic on September 23, 2013.



Project G continued from previous page...

SR-57 NB, Lambert Road to Tonner Canyon Road

Status: Conceptual Phase Complete, Further Schedule TBD

Summary: Caltrans previously completed a Project Study Report/Project Development Support document for the Lambert Road to Tonner Canyon Road segment, which will add a truck-climbing lane from Lambert Road to Tonner Canyon Road in the City of Brea. The segment will be cleared environmentally by 2020. Future work will be planned so that it coincides with related work by LA Metro across the county line. Funding for environmental phase for this project was proposed to be included in the 2016 STIP but was removed due to funding constraints. Staff will evaluate alternative funding sources.

Contact: Rose Casey, Highways
(714) 560-5729

SR-57 NB, Orangewood Avenue to Katella Avenue

Status: Environmental Phase Underway - 15% Complete

Summary: This project will add capacity in the northbound direction of SR-57 from Orangewood Avenue to Katella Avenue in the cities of Anaheim and Orange. Improvements under study include adding a northbound general purpose lane to join the northbound general purpose lane which was opened to traffic in 2014 between Katella Avenue and Lincoln Avenue. During the quarter, technical studies continued and an initial public information meeting was held in the City of Orange on June 22, 2017. The environmental phase is anticipated to be complete in late 2018.

Contact: Rose Casey, Highways
(714) 560-5729

State Route 91 (SR-91) Projects

Project H

SR-91 WB, I-5 to SR-57

Status: PROJECT COMPLETE



Summary: This project increased capacity in the westbound direction of SR-91 by adding an additional general purpose lane in the westbound direction between Anaheim and Fullerton, and provided operational improvements at on and off-ramps between Brookhurst Street and State College Boulevard. Construction is 100 percent complete, as of June 23, 2016. Consultant-supplied construction management services ended on September 29, 2016. The general purpose lane was opened to traffic on March 7, 2016.

Contact: Rose Casey, Highways
(714) 560-5729



Project I

SR-91, SR-55 to Tustin Avenue Interchange

Status: PROJECT COMPLETE



Contact: Rose Casey, Highways
(714) 560-5729

Summary: This project improved traffic flow at the SR-55/SR-91 interchange by adding a westbound auxiliary lane beginning at the northbound SR-55 to westbound SR-91 connector through the Tustin Avenue interchange in the City of Anaheim. The project was intended to relieve weaving congestion in the area and included reconstruction of the westbound side of the Santa Ana River Bridge to accommodate the additional lane. The bypass lane was open to traffic on May 14, 2016. Construction is 100 percent complete. Contract Acceptance was granted on October 31, 2016.

SR-91, SR-55 to SR-57

Status: Environmental Phase Underway - 40% Complete

Contact: Rose Casey, Highways
(714) 560-5729

Summary: This project will improve traffic flow and operations along SR-91 within the cities of Fullerton and Anaheim. The study will look at the addition of one general purpose lane eastbound between SR-57 and SR-55, and one general purpose lane westbound from Glassell Street to State College Boulevard. Additional features of this project include improvements to various interchanges. Auxiliary lanes will be added in some segments and re-established in others within the project limits. This quarter, the consultant continued working on technical documents. M2 and federal funds would pay for the mainline freeway improvements and future funding would need to be identified for connector portions of the project. Due to Caltrans requiring extra work for the unfunded study, the project is marked "red" in the Capital Action Plan with a delay of more than one year from its original schedule. The project is being re-baselined and the environmental phase is expected to be complete in mid-2019.

Project J

SR-91, SR-55 to SR-241

Status: PROJECT COMPLETE



Contact: Rose Casey, Highways
(714) 560-5729

Summary: This completed Project J segment added six miles in the westbound and eastbound direction to a key stretch of SR-91 between SR-55 and SR-241 in the cities of Anaheim and Yorba Linda. In addition to adding 12 lane miles to SR-91, the project also delivered a much needed second eastbound exit lane at the Lakeview Avenue, Imperial Highway and Yorba Linda Boulevard/Weir Canyon Road off-ramps. Beyond these capital improvements, crews completed work on safety barriers, lane striping and soundwalls. Completion of this project in March 2013 means a total of 18 lane miles have been added to SR-91 since December 2010.

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Project J continued from previous page...

SR-91 EB, SR-241 to SR-71

Status: PROJECT COMPLETE



Contact: Rose Casey, Highways
(714) 560-5729

Summary: Completed in January 2011, this segment added six miles through a key stretch of SR-91 between Orange County's SR-241 and Riverside County's SR-71. The project improves mobility and operations by reducing traffic weaving from traffic exiting at SR-71 and Green River Road. An additional eastbound general purpose lane on SR-91 was added and all existing eastbound lanes and shoulders were widened. Because this project was shovel-ready, OCTA was able to obtain American Recovery and Reinvestment Act (ARRA) funding for this M2 project, saving M2 revenues for future projects.

SR-91, SR-241 to I-15

Status: RCTC's Design-Build - Initial Phase Complete March 20, 2017

Contact: Rose Casey, Highways
(714) 560-5729

Summary: The purpose of this project is to extend the 91 Express Lanes eastward from its current terminus in Anaheim to I-15 in Riverside County. This project will also add one general purpose lane in each direction of SR-91, from SR-71 to I-15, and construct various interchange and operational improvements. On March 20, 2017, the RCTC contractors completed a \$1.3 billion freeway improvement project. While the portion of this project between SR-241 and the Orange County/Riverside County line is part of OCTA's M2 Project J, the matching segment between the county line and SR-71 is part of RCTC's Measure A. With RCTC's first project effort to extend the 91 Express Lanes and add a general purpose lane east of SR-71, construction of the final additional general purpose lane between SR-241 and SR-71 will take place post-2035. The ultimate project widens all SR-91 general purpose lanes to standard lane and shoulder widths from SR-241 to SR-71 (RCTC is responsible for the lane improvements between Green River and SR-71 while OCTA will be responsible for the lane improvements west of Green River to SR-241). To maintain synchronization, these general purpose lanes improvements, which span both counties, will be scheduled to ensure coordinated delivery of both portions of the project, and will provide a continuous segment that stretches from SR-241 to SR-71. This action is consistent with the 2017 SR-91 Implementation Plan.

Interstate 405 (I-405) Projects

Project K

I-405, SR-55 to I-605

Status: Design-Build Contract Underway

Contact: Rose Casey, Highways
(714) 560-5729

Summary: OCTA and Caltrans are working together to widen I-405 through the cities of Costa Mesa, Fountain Valley, Garden Grove, Huntington Beach, Los Alamitos, Seal Beach, and Westminster. These improvements will add one

Measure M2

Progress Report

FREEWAYS



Project K continued from previous page...

general purpose lane, add a second HOV lane to be combined with the existing HOV lane providing a dual express lane facility, and improve the local interchanges along the corridor from SR-73 to I-605. *

On May 8, staff provided a project update to the Board. On June 12, the Board approved a reimbursement agreement between OCTA and the West Orange County Water Board for the relocation of a water line impacted by the project. On June 26, the Board approved the Transportation Infrastructure Finance and Innovation Act (TIFIA) loan agreement between OCTA and the USDOT. On June 29, the USDOT Build America Bureau, Federal Credit Council on Finance recommended the TIFIA loan for approval by the Secretary of Transportation.

During the quarter, work continued on ROW acquisition, utility coordination, environmental permitting and re-validations, TIFIA loan pursuit, and development of the toll lanes system integrator procurement documents. Other work includes review of design builder submittals including the draft baseline schedule, quality management plan, transportation management plan, and preliminary design submittals. Construction is expected to be complete in May 2023.

*On July 25, 2014, despite OCTA's Board recommendation to select Alternative 1 (the Measure M, single general purpose lane alternative) Caltrans informed OCTA that Alternative 3 (general purpose lane and second HOV lane to be combined with existing HOV lane providing dual tolled express lane facility) would be the project preferred alternative. To ensure local control over how the express lane facility would be operated, the Board decided that OCTA would lead this project with the clear understanding that Measure M would only fund the general purpose lane portion of the project and that the second HOV lane/Express lane facility would be funded separately.

Project L

I-405, I-5 to the SR-55

Status: Environmental Phase Underway - 78% Complete

Summary: This project will add one general purpose lane in each direction of the I-405 corridor and improve the interchanges in the area between I-5 and SR-55 in Irvine. Additional features of Project L include improvements to various interchanges, auxiliary lanes and ramps. During the quarter, the consultant continued working on technical studies and obtained approval on all of the environmental technical studies and a number of engineering technical studies. The final Environmental Document is expected to be complete in July 2018.



Interstate 605 (I-605) Project

Project M

I-605, I-605 and Katella Interchange Improvements

Contact: Rose Casey, Highways
(714) 560-5729

Status: Environmental Phase Underway - 48% Complete

Summary: This project will improve freeway access and arterial connection to I-605 at Katella Avenue in the City of Los Alamitos and the County of Orange. Improvements under this project may include enhancements at the on-ramps and off-ramps in addition to operational improvements on Katella Avenue at the I-605 Interchange. With Alternative 4 removed from further consideration, the remaining two build alternatives include modification of interchange ramps and lane configurations on Katella Avenue from Coyote Creek Channel to Civic Center Drive. During the quarter, the consultant continued working on technical studies and an initial public information meeting was held in the City of Los Alamitos on June 29, 2017. The final Environmental Document is anticipated to be completed in November 2018.

Freeway Service Patrol

Project N

Freeway Service Patrol

Contact: Sue Zuhlke, Motorist Services
(714) 560-5574

Status: Service Ongoing

Summary: M2's Freeway Service Patrol (FSP) began operation in June 2012 and provides tow truck service for motorists with disabled vehicles on the freeway system to help quickly clear freeway lanes and minimize congestion. During the quarter, the midday service provided assistance to 2,047 motorists, weekend service provided assistance to 996 motorists, and construction service provided assistance to 374 motorists. Since inception, M2 and construction-funded FSP has provided a total of 59,512 assists to motorists on the Orange County freeway system.



Project O

Contact: Sam Kaur, Planning
(714) 560-5673

Regional Capacity Program

Status: 2017 Call for Projects Completed

Summary: This program, in combination with required local matching funds, provides funding for improvements on Orange County's Master Plan of Arterial Highways. On August 8, 2016, the Board approved the release of the seventh call for projects. The 2017 seventh Call for Projects allocated approximately \$32 million available to fund additional road improvements throughout the County. OCTA received 16 applications for a total of \$50.3 million in funding requests. On April 10, 2017, the OCTA Board approved funding for 13 projects, in an amount totaling \$32.24 million. Since 2011, 135 projects totaling more than \$263 million have been awarded by the Board to date.

OC Bridges Railroad Program

This program will build seven grade separations (either under or over passes) where high volume streets are impacted by freight trains along the BNSF Railroad in North County. A status for each of the seven projects is included below. As of the end of this quarter, five are complete (Kraemer, Placentia, Orangethorpe, Tustin/Rose, and Lakeview), and the two remaining projects are scheduled to be completed in 2017 and 2018.

Kraemer Boulevard Grade Separation



Contact: Rose Casey, Highways
(714) 560-5729

Status: PROJECT COMPLETE

Summary: The project located at Kraemer Boulevard railroad crossing is grade separated and open to traffic. The project separated the local street from railroad tracks in the City of Placentia by building an underpass for vehicular traffic. The grade separation was opened to traffic on June 28, 2014, and an event was held on July 8, 2014 to commemorate the opening. Project acceptance by the City of Anaheim and the City of Placentia, respectively, occurred in December 2014 and the cities assumed full maintenance responsibilities. In December 2015, the one-year warranty period expired with no issues or repairs identified.

Lakeview Avenue Grade Separation



Contact: Rose Casey, Highways
(714) 560-5729

Status: PROJECT COMPLETE

Summary: The project located at Lakeview Avenue railroad crossing grade separated the local street from railroad tracks in the cities of Anaheim and Placentia by building a bridge for vehicular traffic over the railroad crossing and reconfiguring the intersection of Lakeview Avenue and Orangethorpe Avenue. Construction began on July 1, 2014. The deck for the new Atwood Channel Bridge was poured and completed in late February 2017. Lakeview Avenue



Project O continued from previous page...

(north of Orangethorpe Avenue) was closed to traffic on February 25, 2015, and was reopened with the connector road in late July 2016. Project activities this quarter continued to include irrigation, landscaping, parking lots restoration, lighting, signals, pilasters, metal railing, and asphalt paving. Lakeview Avenue (south of Orangethorpe Avenue) was closed to through traffic on March 13, 2015, and reopened on June 5, 2017. Construction acceptance from the cities of Anaheim and Placentia was obtained on June 5, 2017 and OCTA has turned over the maintenance responsibilities to the cities and commenced the one year warranty. Minor construction punchlist items are ongoing and close-out activities were initiated.

Orangethorpe Avenue Grade Separation

Contact: Rose Casey, Highways
(714) 560-5729

Status: PROJECT COMPLETE



Summary: The project located at Orangethorpe Avenue railroad crossing is grade separated and open to traffic. The project separated the local street from railroad tracks in the cities of Placentia and Anaheim by building a bridge for vehicular traffic over the railroad tracks. On May 17, 2016, a joint-grand opening event was held to commemorate the opening to traffic for the Orangethorpe and Tustin/Rose Grade Separation projects. OCTA oversaw construction of the project which was completed during the quarter. Final construction activities included landscaping, irrigation, survey monumentation, and construction close-out activities. Construction was completed in October 2016 and construction acceptance was obtained from the cities of Anaheim and Placentia on October 25, 2016. OCTA has turned over the maintenance responsibilities to the cities and commenced the one-year warranty.

Placentia Avenue Grade Separation

Contact: Rose Casey, Highways
(714) 560-5729

Status: PROJECT COMPLETE



Summary: The project located at Placentia Avenue railroad crossing is grade separated and open to traffic. This project separated the local street from railroad tracks in the city of Placentia by building an underpass for vehicular traffic. An event was held on March 12, 2014, to commemorate the opening to traffic. Project acceptance by the City of Anaheim and the City of Placentia, respectively, occurred in December 2014, and the cities assumed full maintenance responsibilities. In December 2015, the one-year warranty period expired with no issues or repairs identified.

Raymond Avenue Grade Separation

Contact: Rose Casey, Highways
(714) 560-5729

Status: Construction Underway - **82% Complete**

Summary: The project located at Raymond Avenue railroad crossing will grade separate the local street from railroad tracks in the City of Fullerton by taking vehicular traffic under the railroad crossing. The City of Fullerton is managing



Project O continued from previous page...

construction and OCTA is providing construction oversight, public outreach, railroad coordination, and ROW support. Construction began on June 2, 2014. Activities this quarter continue to include retaining walls and Valencia Drive bridge barrier railing, pump station, storm drain, waterline, street lighting, roadway pavement, and mass excavation. Construction is expected to be 100 percent complete by summer 2018.

State College Boulevard Grade Separation

Contact: Rose Casey, Highways
(714) 560-5729

Status: Construction Underway - **85% Complete**

Summary: The project located at State College Boulevard railroad crossing will grade separate the local street from railroad tracks in the City of Fullerton by taking vehicular traffic under the railroad crossing. The City of Fullerton is managing the construction and OCTA is providing construction oversight, public outreach, railroad coordination, and ROW support. Construction activities this quarter continue to include retaining walls, pump station, mass excavation, electrical, storm drain, street lighting, traffic signal, and sacrificial beams placement on the bridge. State College Boulevard, north of the railroad bridge, was re-opened to vehicular traffic on January 4, 2017. Construction is expected to be completed by early 2018.

Tustin Avenue/ Rose Drive Grade Separation

Contact: Rose Casey, Highways
(714) 560-5729

Status: **PROJECT COMPLETE**



Summary: The project located at Tustin Avenue/Rose Drive railroad crossing is grade separated and open to traffic. The project separated the local street from railroad tracks in the cities of Placentia and Anaheim by building a bridge over the railroad crossing for vehicular traffic. On May 17, 2016, a joint-grand opening event was held to commemorate the opening to traffic for the Orangethorpe and Tustin/Rose Grade Separation projects. OCTA oversaw construction of the project, which was completed during the quarter. Final construction activities included traffic signal controller, landscaping, irrigation, survey monumentation, and construction close-out and warranty activities. Construction was completed in October 2016 and construction acceptance was obtained from the cities of Anaheim and Placentia on October 25, 2016. OCTA has turned over the maintenance responsibilities to the cities and commenced the one-year warranty.



Project P

Contact: Anup Kulkarni, Planning
(714) 560-5867

Regional Traffic Signal Synchronization Program (RTSSP)

Status: Ongoing (See current RTSSP projects' statuses illustrated on the map on the next page)

Summary: This program provides funding and assistance to implement multi-agency signal synchronization. The target of the program is to regularly coordinate signals for 2,000 intersections along 750 miles of roadway as the basis for synchronized operation across Orange County. The program will enhance the efficiency of the street grid and reduce travel delay.

On April 10, 2017, the Board approved funding for five projects totaling \$2.5 million as part of the 2017 RTSSP Call for Projects.

To date, OCTA and local agencies have synchronized more than 2,000 intersections along more than 540 miles of streets (or 59 projects). There have been seven rounds of funding to date, providing a total of 84 projects with more than \$72.5 million in funding awarded by the Board.

Project Q

Contact: Vicki Austin, Finance
(714) 560-5692

Local Fair Share Program

Status: Ongoing

Summary: This program provides flexible funding to help cities and the County of Orange keep up with the rising cost of repairing the aging street system. This program is intended to augment, not replace, existing transportation expenditures of the cities and the County. All local agencies have been found eligible to receive Local Fair Share funds. On a bi-monthly basis, 18 percent of net revenues are allocated to local agencies by formula. Approximately \$288.5 million in Local Fair Share payments have been provided to local agencies as of the end of this quarter.

See [pages 47-48](#) for funding allocation by local agency.

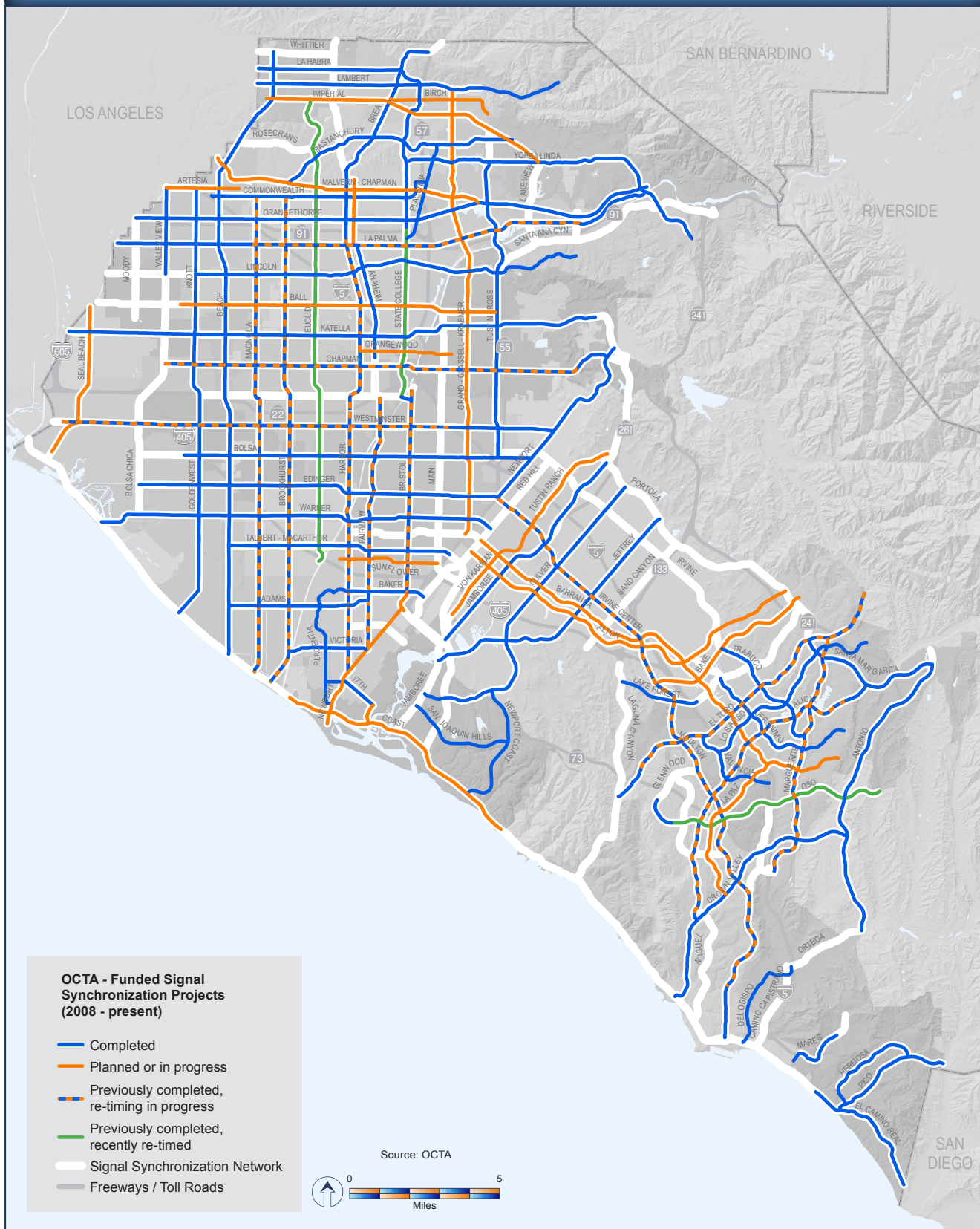
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STREETS & ROADS



OCTA - Funded Signal Synchronization Projects (2008 - present)



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Project R

High Frequency Metrolink Service

Project R will increase rail services within the County and provide additional Metrolink service north of Fullerton to Los Angeles. The program will provide for track improvements, the addition of trains and parking capacity, upgraded stations, and safety enhancements to allow cities to establish quiet zones along the tracks. This program also includes funding for grade crossing improvements at high volume arterial streets, which cross Metrolink tracks.

Metrolink Grade Crossing Improvements

Status: PROJECT COMPLETE



Contact: Jennifer Bergener, Rail
(714) 560-5462

Summary: Enhancement of the designated 52 Orange County at-grade rail-highway crossings was completed as part of the Metrolink Service Expansion Program (MSEP) in October 2012. Completion of the safety improvements provided each corridor city with the opportunity to establish a “quiet zone” at their respective crossings. Quiet zones are intended to prohibit the sounding of train horns through designated crossings, except in the case of emergencies, construction work, or safety concerns identified by the train engineer. The cities of Anaheim, Dana Point, Irvine, Orange, Santa Ana, San Clemente, San Juan Capistrano, and Tustin have established quiet zones within their communities.

Metrolink Service Expansion Program

Status: Service Ongoing

Contact: Jennifer Bergener, Rail
(714) 560-5462

Summary: Following the completion of the Metrolink Service Expansion Program (MSEP) improvements in 2012, OCTA deployed a total of ten new Metrolink intra-county trains operating between Fullerton and Laguna Niguel/ Mission Viejo, primarily during midday and evening hours. Efforts to increase ridership through a redeployment of the trains without significantly impacting operating costs have been underway since 2014. In April 2015, several schedule changes added a connection between the 91 Line and the intra-county service at Fullerton to allow a later southbound peak evening departure from Los Angeles to Orange County. Staff continues to monitor ridership on these trains, with data showing that boardings have increased by 15 percent over the last three years.

Part of OCTA’s re-deployment plan involves providing new trips from Orange County to Los Angeles. Staff continues to work with BNSF, RCTC, and Metro to address track-sharing issues, operating constraints and funding that will impact the options for redeployment. Metrolink is the lead in the discussions with the BNSF Railway to evaluate the current shared use and indemnification/liability agreements that govern the use of each agencies respective railroad rights of way. These discussions are ongoing and special counsel has been brought in to assist. Operation of

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Project R continued from previous page...

additional Metrolink trains to Los Angeles is contingent on addressing indemnification and liability agreements and the completion of a triple track project on the BNSF Railway between Fullerton and Los Angeles, which is currently anticipated to be in late 2017. Metrolink is the lead agency responsible for the negotiations.

Rail Corridor & Station Improvements

Additionally under the Metrolink Service Expansion Program, funding is provided for rail line and station improvements to accommodate increased service. Rail station parking lot expansions, better access to platforms, among other improvements have been made or are underway. For schedule information on station improvement projects, please see the Capital Action Plan pages at the back of this report.

Anaheim Canyon Metrolink Station

This OCTA-led project will include construction of a second main track and platform to lengthen the existing platform for improved pedestrian circulation, and addition of benches, shade structures, and Ticket Vending Machines at the Anaheim Canyon Metrolink Station. During this quarter, a RFP for final design (PS&E) was released by the Board in April and final selection of the consultant will be presented to the Board in August. Additionally, preliminary plans are complete and the project is now environmentally cleared. Construction of the project is expected to begin in October 2019 and take 15 months.

Fullerton Transportation Center Improvements - 5% Complete

Completed early on, a new 5-level parking structure, was constructed to provide additional transit parking at the Fullerton Transportation Center for both intercity rail service and commuter rail passengers. This City-led project was completed on June 19, 2012. After completion, an elevator upgrade project was proposed with leftover savings. The elevator project will modify the existing pedestrian bridge to add two new traction elevators, one on each side. The City of Fullerton is the lead on this project as well. Notice to Proceed was issued in January 2016 and improvements to the public restrooms were completed; however, the elevator portion of the project has experienced several delays due to sub-contractor issues and utility conflicts. The City of Fullerton is now projecting the completion of the project to be in September of 2018. This project is marked “red” in the Capital Action Plan, signifying a delay of more than three months.

Laguna Niguel/Mission Viejo Station - 78% Complete

The Laguna Niguel/Mission Viejo station accessibility improvements project is currently in the construction phase. Improvements include new ADA-compliant access ramps on either side of the pedestrian undercrossing and a unisex ADA-compliant restroom. The contractor has substantially completed major concrete work related to the ramps. The contractor will continue wall finishes, installation of handrails and guardrails, restroom, vending machine room, and completing the passenger canopies. Due to various submittal requirements taking longer than expected and weather delays, staff is anticipating the project will be completed three months beyond the original schedule. As a result, this project is marked “red” in the Capital Action Plan. The project is expected to be complete in October 2017.

Continues on the next page...

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Project R continued from previous page...

Orange Parking Structure

This project will include a 611-space, 5-level shared use parking structure that will be located on Lemon Street between Chapman Avenue and Maple Street in Orange. The City of Orange is the lead for the design phase. OCTA is the lead for the construction phase of this project. A construction contract was awarded by the OCTA Board on June 12, 2017. Construction will begin the end of July with a ground breaking ceremony scheduled for July 26th. The project is expected to be completed in early 2019. This project is marked “red” in the Capital Action Plan, signifying a delay of more than three months.

Placentia Station

Plans for the proposed Placentia Metrolink Station Project were near completion when the City of Placentia requested to modify them to include a parking structure to be built where surface parking had been designed. On June 27, 2016, the Board approved a new Cooperative Agreement with the City that revised the scope of the project and budget. There will now be a parking structure as part of the project and the City will contribute towards the cost. Design plans at 90% have been completed and are being reviewed. An RFP for construction management services was released in August 2016 and a selection was approved by the Board in December 2016. A contract for these services is expected to be in place in August 2017 so a constructability review can be done. The project is anticipated to begin construction in spring 2018 and is anticipated to be complete in fall 2019. This project’s ability to move into construction is subject to finalizing a track sharing agreement with BNSF.

San Clemente Pier Station Lighting - 100% Complete

This project was completed on March 17, 2017, and is in the closeout phase. OCTA was the lead for design and installation of this project which added lighting to the existing platform and new decorative hand rails at the San Clemente Pier Station.

San Juan Capistrano/Laguna Niguel Passing Siding Project

Currently in the design phase, this project will add approximately 1.8-miles of new passing siding railroad track adjacent to the existing mainline track, which will enhance operational efficiency of passenger services within the LOSSAN rail corridor. The 90 percent design plans have been reviewed by SCRRA and the City of San Juan Capistrano (City). The design will remain at 90 percent as OCTA continues to work with the California Public Utilities Commission and the City to resolve the at-grade crossing status. The overall project cost impacts are currently estimated at \$5.6 million above the original project budget of \$25.3 million, which was based on a preliminary design in 2013. The project cost increase due to necessary changes to the specified retaining wall type, height, and length to account for site constraints, removal of Control Point Avery, replacement of an existing 1940 wooden trestle bridge, and other adjustments covering project support costs and construction cost escalations. Completion of the design phase is expected in December 2017 and construction is expected to begin in late-2018 due to continued discussion to resolve the crossing issue. Project completion is expected in late 2020. The project team continues to reduce the overall schedule impact wherever possible. This project is marked “red” in the Capital Action Plan, signifying a delay of more than three months.



Project R continued from previous page...

Tustin Parking Structure - 100% Complete

Also completed early on, this project provided additional parking at the Tustin Metrolink Station to meet increased requirements associated with the MSEP by constructing a new 4-story parking structure with approximately 735 spaces, plus on-site surface parking. The parking structure was opened to the public on September 22, 2011.

Additional rail corridor improvements include: completion of the San Clemente Beach Trail Audible Warning System (AWS) project, which provides additional safety improvements and AWS devices at seven pedestrian grade crossings along the beach trail (AWS activation occurred on June 24, 2016); completed Project Study Reports or environmental clearance for six potential grade separation projects along the LOSSAN corridor (State College Avenue, Ball Road, 17th Street, Santa Ana Boulevard, Grand Avenue, and Orangethorpe Avenue); replacement of the San Juan Creek railroad bridge in the City of San Juan Capistrano, which will also accommodate a future bike trail on the south end along the creek (design is 60 percent complete); the Control Point project at Fourth Street in the City of Santa Ana, which will provide rail operational efficiencies; the Railroad ROW Slope Stabilization project, which includes eight locations within the OCTA-owned LOSSAN rail corridor that have been identified for improvements to prevent future erosion and slope instability; video surveillance, and continued implementation of Positive Train Control.

Sand Canyon Grade Separation

Contact: Rose Casey, Highways
(714) 560-5729

Status: PROJECT COMPLETE



Summary: The project located at Sand Canyon Avenue railroad crossing is grade separated and open to traffic. The project separated the local street from railroad tracks in the City of Irvine by constructing an underpass for vehicular traffic. The westbound lanes were opened to traffic on June 12, 2014, and the eastbound lanes were opened to traffic on July 14, 2014. A road opening ceremony was held on August 11, 2014. The project is completed and construction acceptance was obtained from the City of Irvine on January 15, 2016. The project completed the one-year warranty period and no repairs were identified. The project was closed out in mid-January 2017.

Project S

Transit Extensions to Metrolink

In order to broaden the reach of Metrolink to other Orange County cities, communities, and activity centers, Project S includes a competitive program which allows cities to apply for funding to connect passengers to their final destination via transit extension. There are currently two areas of this program: a fixed guideway program (street car) and a rubber tire transit program.

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Project S continued from previous page...

OC Streetcar Project

Status: Design Phase Underway - 89% Complete

Contact: Jennifer Bergener, Rail
(714) 560-5462

Summary: OCTA is serving as the lead agency for the OC Streetcar project. The FTA formally advanced the project into the Project Development phase of the federal New Starts program in May 2015. The FTA has shown strong support for this project by ascribing an overall medium-high rating to it in their Fiscal Year 2018 Annual New Starts Report, which was released in May 2017. The full Notice to Proceed for design was issued in February 2016, and a consultant team was selected to prepare design plans (PS&E) for the project.

Based upon a Risk Workshop that was held in March 2017 to finalize the project scope, schedule and budget, the FTA recommended minor changes to the project cost estimate, increasing the cost by less than one half of one percent from the 30% design cost estimate prepared in July 2016. The updated cost estimate and funding plan were approved by the OCTA Board at their May 22, 2017 meeting. The Board also authorized submission of the Full Funding Grant Agreement Application to the FTA at this meeting. The funding request as well as extensive project readiness documents required for the application were submitted to the FTA in late May 2017. Staff is coordinating with the FTA and their consultants on the federal review of the documents.

During this quarter, the OCTA Board approved additional agreements with the City of Santa Ana and City of Garden Grove's City Councils, which included: construction agreements with the City of Santa Ana and City of Garden Grove and the agreement with the City of Santa Ana for incorporation of streetcar elements at the Santa Ana Regional Transportation Center. The OCTA Board also awarded the Public Awareness Campaign (PAC) contract to Katz Associates. The firm will be assisting with the development and implementation of a PAC during the pre-construction and construction phases of the project.

An environmental analysis for minor design modifications was completed, and staff is coordinating with FTA to obtain approval on the Section 130(c) determination, completing the federal environmental review process. In June, the State Historic Preservation Office concurred that the project would not have an adverse impact on historic properties.

OCTA, and the Cities of Santa Ana and Garden Grove expect all documents pertaining to 90% design plans to be submitted by HNTB Engineering by July 2017. Work is proceeding on preparation of the procurement documents for the Construction Invitation for Bid (IFB) which is scheduled to be released in fall 2017.

The vehicle manufacturing and delivery procurement was extended to early July 2017 in response to a proposer request. Work commenced on the development of the scope of services for the Operation and Maintenance service procurement, which is scheduled to be released in fall 2017.



Project S continued from previous page...

Bus and Station Van Extension Projects

Contact: Sam Kaur, Planning
(714) 560-5673

Status: Service Ongoing for Oakley Vanpool and Anaheim Canyon Metrolink Bus Connection

Summary: Bus and Station Van Extension projects help enhance the frequency of service in the Metrolink corridor by linking communities within the central core of Orange County. To date, the Board has approved one round of funding for bus and van extension projects, totaling over \$730,000. Four projects located within the cities of Anaheim and Lake Forest were approved for funding by the Board on July 23, 2012. Two projects have implemented service, one has been revised with a scope change, and the other has been cancelled. The vanpool connection from the Irvine Metrolink Station to the Oakley employment center in the City of Lake Forest began in December 2012, and the Anaheim Canyon Metrolink Station Bus Connection began service in February 2013. Following detailed discussions with OCTA staff, the Board approved a scope change submitted by the City on behalf of Panasonic Avionics in December 2015, which utilizes the City's established shuttle program to provide trips between the Irvine Metrolink Station and the Panasonic employment center as an alternative to providing vanpool services. Service associated with Invensys Incorporated in the City of Lake Forest was cancelled at the request of the participant, and the funds have been returned to the program for use in future calls for projects. Service provided in the City of Anaheim carries approximately 90 passengers per day between the station and Anaheim Resort area.

Project T

Convert Metrolink Stations to Regional Gateways that Connect Orange County with High-Speed Rail Systems

Contact: Jennifer Bergener, Rail
(714) 560-5462

Status: PROJECT COMPLETE



Summary: This project constructed the Anaheim Regional Transportation Intermodal Center (ARTIC) located at 2626 East Katella Avenue in the City of Anaheim. In addition to providing transit connections for OCTA bus service, Metrolink and Amtrak service, shuttle and charter bus service, taxis, bikes, and other public and private transportation services, ARTIC also accommodates future high-speed rail trains. The City of Anaheim, which led the construction effort, opened the facility to rail and bus service on December 6, 2014. A ribbon-cutting ceremony was held on December 8, 2014, with a grand opening celebration hosted on December 13, 2014. This facility replaced the former Anaheim Station that was located on the opposite side of the freeway in the Angel Stadium parking lot.



Project U

Project U expands mobility choices for seniors and persons with disabilities, and includes the Senior Mobility Program (SMP), the Senior Non-emergency Medical Transportation Program (SNEMT), and the Fare Stabilization Program. Since inception, a total of approximately \$48.7 million in Project U funding has been provided under M2.

Senior Mobility Program (SMP)

Contact: Curt Burlingame, Transit
(714) 560-5921

Status: Ongoing

Summary: This program provides one percent of net M2 revenues to continue and expand local community transportation service for seniors under the SMP. Since inception, more than \$14.6 million and 1,772,000 boardings have been provided for seniors traveling to medical appointments, nutrition programs shopping destinations, and senior and community center activities. This quarter, approximately \$900,000 was paid out to the 31 participating cities during the month of May*.

**Payments are made every other month (January, March, May, July, September, and November). The amount totaled for one fiscal year quarter either covers one or two payments, depending on the months that fall within that quarter.*

Senior Non-emergency Medical Transportation Program (SNEMT)

Contact: Curt Burlingame, Transit
(714) 560-5921

Status: Ongoing

Summary: This program provides one percent of net M2 revenues to supplement existing countywide senior non-emergency medical transportation services. Since inception, more than \$16.0 million and 578,929 SNEMT boardings have been provided. This quarter, approximately \$950,000 in SNEMT funding was paid to the County of Orange*.

**Payments are made every other month (January, March, May, July, September, and November). The amount totaled for one fiscal year quarter either covers one or two payments, depending on the months that fall within that quarter.*

Fare Stabilization Program

Contact: Sean Murdock, Finance
(714) 560-5685

Status: Ongoing

Summary: Between years 2011-2015, one percent of net M2 revenues was dedicated to stabilize fares and provide fare discounts for bus services and specialized ACCESS services for seniors and persons with disabilities. Effective January 28, 2016, an amendment to the M2 Ordinance No. 3, adjusted this amount to 1.47 percent of net M2 revenues to be dedicated to the Fare Stabilization Program.

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Project U continued from previous page...

Approximately \$1.4 million in revenue was allocated this quarter to support the Fare Stabilization Program. The amount of funding utilized each quarter varies based on ridership. Throughout the quarter, approximately 3,224,986 program-related boardings were recorded on fixed route and ACCESS services. Since inception of the program, more than \$18 million and 79,225,000 program-related boardings have been provided.

Project V

Contact: Sam Kaur, Planning
(714) 560-5673

Community Based Transit/Circulators

Status: 2012 Call for Projects Service Ongoing, 2016 Call for Projects Service Begun

Summary: This project establishes a competitive program for local jurisdictions to develop local bus transit services such as community based circulators and shuttles that complement regional bus and rail services, and meet needs in areas not adequately served by regional transit. On June 24, 2013, the Board approved the first round of funding for \$9.8 million to fund five funding proposals from the cities of Dana Point, Huntington Beach, La Habra, Laguna Beach, and Lake Forest. Funding was approved to implement vanpool services from local employment centers to transportation hubs, special event and seasonal services that operate during heavy traffic periods, and local community circulators that carry passengers between various shopping, medical, and transportation-related centers. Prior to the second Call for Projects, Project V Guidelines were revised in 2015, per Board direction, to encourage more local agency participation. On June 13, 2016 the Board approved \$26.7 million in Project V funds for 17 Capital and Operations grants and \$323,780 for seven planning grants. OCTA staff has completed agreements with the local agencies to implement these projects. Services for the Cities of Westminster, Mission Viejo and San Clemente started in October 2016. OCTA receives ridership reports from local agencies on a regular basis to monitor the success of these services against performance measures adopted by the Board. In general, special event services are performing at high productivity levels. Since fixed route services are struggling to meet the ridership target, OCTA made recommendations to local agencies to conduct outreach efforts and route changes that can help improve the ridership. In April 2017, the City of Westminster sent a letter to OCTA to discontinue the Project V service. Staff will continue to monitor these services to ensure the performance standards are met and will provide reports to the Board on a regular basis. OCTA staff provided a ridership report update to the Board at their June 2017 meeting which showed lower than desirable ridership on some of the routes.



Project W

Contact: Sam Kaur, Planning
(714) 560-5673

Safe Transit Stops

Status: City-Initiated Improvements Underway or Complete; Mobile Ticketing in Use

Summary: This project provides funding for passenger amenities at the 100 busiest transit stops across the County, determined by average daily weekday passenger boardings. Stop improvements will be designed to ease transfers between bus lines and provide passenger amenities such as improved shelters and lighting. On July 14, 2014, the Board determined that 80 percent of available Project W funding (\$4.47 million) would be designated for supporting city-initiated projects, and the remaining 20 percent (\$1.12 million) would be directed towards the development and implementation of regional, customer-facing technologies that benefit the 100 busiest stops. On the same date, the Board approved up to \$1,205,666 for city-initiated improvements and \$370,000 for OCTA-initiated improvements in fiscal year 2014-15.

According to October 2012 ridership data, 15 cities (containing at least one of the 100 busiest stops) are eligible for Safe Transit Stops funding. Seven cities applied for funds, and 51 projects were approved for funding per the July 2014 Board approval. The City of Anaheim was not able to initiate the improvements for their projects and will reapply for funds through the next Call for Projects. The remaining 43 projects have been moving forward. The Cities of Irvine, Westminster, Costa Mesa, Orange, and Brea have completed their projects. The City of Santa Ana awarded their contract in April 2016 and installation of the shelters and other amenities started in June 2017. Staff will continue to monitor progress and report completion in the future.

For OCTA-initiated improvements, the \$370,000 investment has been contributed towards a mobile ticketing application (app) that will make it more convenient for bus customers to purchase bus passes, obtain trip information, and board buses by allowing riders to use their smart phones to display proof of payment or “mobile ticketing.” The smart phone app was launched on June 15, 2016, for OC Fair and Express Bus users and received positive reviews. It is planned to be expanded to include regular fixed route and college pass purchases next quarter, and reduced fare purchases (for Seniors and Persons with Disabilities) early next year.



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Project X

Environmental Cleanup

Contact: Dan Phu, Planning
(714) 560-5907

Status: Ongoing

Summary: This program implements street and highway-related water quality improvement programs and projects that assist agencies countywide with federal Clean Water Act standards for urban runoff. It is intended to augment, not replace existing transportation-related water quality expenditures and to emphasize high-impact capital improvements over local operations and maintenance costs. The Environmental Cleanup Allocation Committee (ECAC) is charged with making recommendations to the Board on the allocation of funds for the Environmental Cleanup Program (ECP). These funds are allocated on a countywide, competitive basis to assist agencies in meeting the Clean Water Act standards for controlling transportation-related pollution.

Project X is composed of a two-tiered funding process focusing on early priorities (Tier 1), and a second program designed to prepare for more comprehensive capital investments (Tier 2). To date, there have been six rounds of funding under the Tier 1 grants program. A total of 138 projects, amounting to nearly \$17 million, have been awarded by the Board since 2011. There have been two rounds of funding under the Tier 2 grants program. A total of 22 projects in the amount of \$27.89 million have been awarded by the Board since 2013. To date, 33 of the 34 Orange County cities plus the County of Orange have received funding under this program. Board approval of the seventh Tier 1 Call for Projects funding recommendations is anticipated in August 2017 in the amount of approximately \$3.1 million.

Staff continues to work with the ECAC and the County of Orange to recommend the appropriate timing of a third Tier 2 Call for Projects.

Part of Projects A-M

Contact: Dan Phu, Planning
(714) 560-5907

Freeway Mitigation Program

Status: Biological Permits Issued and Conservation Plan Implementing Agreement Signed by the Wildlife Agencies

Summary: The Freeway Mitigation Program provides 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 Projects A-M. The program is proceeding as planned, with seven properties (Preserves) acquired (1,300 acres), and 12 restoration projects approved for funding by the Board, totaling approximately 350 acres. The restoration project plans have been approved by the wildlife agencies and are currently at various stages of implementation. The Board has authorized \$42 million (inclusive of setting aside funds for long-term land

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ENVIRONMENTAL



Part of Projects A-M continued from previous page...

management) for property acquisitions, \$10.5 million to fund habitat restoration activities, and \$2.5 million for conservation plan development and program support, for a total of approximately \$55 million.

On June 19, 2017, the United States Fish and Wildlife Service and the California Department of Fish and Wildlife (Wildlife Agencies) finalized the issuance of their respective biological opinion, findings, and associated permits, as well as signed the Conservation Plan Implementing Agreement. Receipt of these permits represent the culmination of years of collaboration and support by the Board, environmental community, and Wildlife Agencies. As a result, the M2 environmental process will be streamlined allowing OCTA to move forward with the M2 freeway projects (as described in the Conservation Plan) with little additional coordination from the Wildlife Agencies. The Conservation Plan also includes a streamlined process for coordination with CDFW for streambed alteration agreements will also be reduced. This is needed for portions of freeway projects that cross through streams and riverbeds. The OCTA Conservation Plan is unique as it is only the second state/federal conservation plans approved in Orange County.

As part of the Conservation Plan process, an endowment is required to be established to pay for the long-term management of the Preserves. It is estimated that it will take up to fifteen years to fully fund the endowment. As anticipated, the first deposit of \$2.9 million for the endowment was made in early 2017. Staff will continue to oversee and manage the Preserves until a long-term manager(s) is established.

To date, five of the seven Preserve resource management plans (RMPs) have been completed. These RMPs guide the management of the Preserves as outlined within the Conservation Plan. OCTA anticipates on releasing the remaining two RMPs to the public by the end of summer 2017. The five previously released RMPs are being finalized and expected to be completed on a similar timeline. Additionally, staff will monitor the progress of all restoration projects and provide status updates to the Environmental Oversight Committee until each project is implemented. A list of scheduled 2017 wilderness Preserve hiking and equestrian riding tours is available on the M2 website at www.PreservingOurLegacy.org.

As part of the safeguards in place for the M2 Program, a 12-member Environmental Oversight Committee (EOC) makes funding allocation recommendations to assist OCTA in acquiring land and restoring habitats in exchange for streamlined project approvals for the M2 freeway improvement projects (A-M). The EOC has led efforts with policy recommendations to the Board and has operated in an open and transparent manner that has garnered the trust of stakeholders, ranging from the environmental community to the recreational community to Orange County citizens.

See map of Preserves and funded restoration properties on the following page.

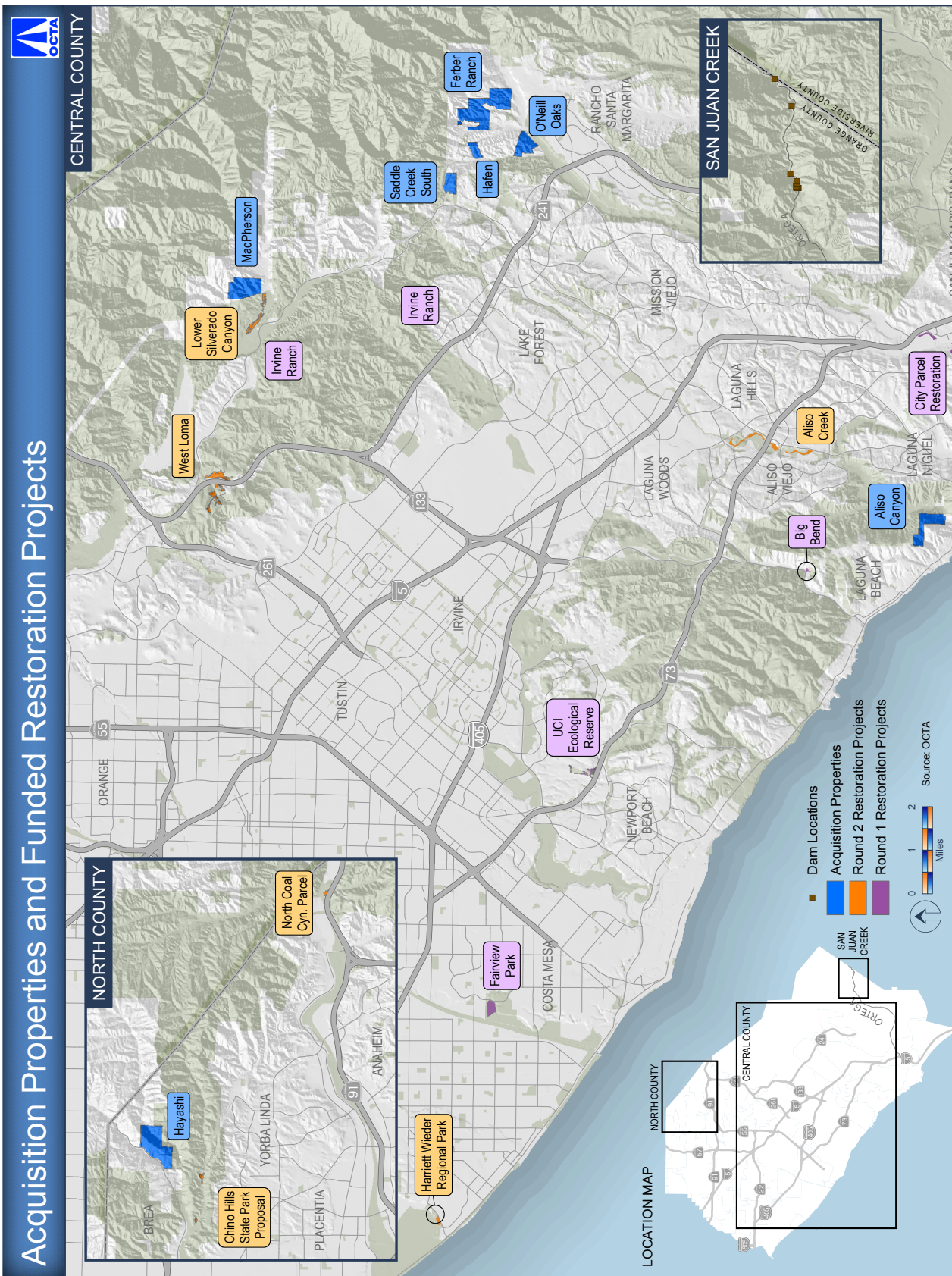
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ENVIRONMENTAL



Acquisition Properties and Funded Restoration Projects



Measure M2

Progress Report PROGRAM MGMT



Program Management Office

Contact: Tami Warren, PMO Manager
(714) 560-5590

The Measure M (M1 and M2) Program Management Office (PMO) provides interdivisional coordination for all M-related projects and programs. To ensure agency-wide compliance, the PMO also holds a bi-monthly committee meeting comprised of executive directors and key staff from each of the divisions, who meet to review significant issues and activities within the Measure M programs. This quarter, the focus of the PMO has been on several major items, including the following.

Next 10 Delivery Plan

Staff continues to monitor the progress of the Next 10 Delivery Plan adopted by the Board in November 2016. Tight monitoring of cash flow assumptions versus actual revenue, expense, and schedule activity is underway using a tracking mechanism created for this purpose. This quarter, OCTA's contracted forecasting agencies began their 2017 Measure M2 30-year economic outlook for taxable sales presentations. Presentations to the Finance Committee by each agency are scheduled to conclude in August. While final sales tax receipts for Fiscal Year 2016-17 have not yet been received, the forecasting agencies' economic outlook provided to date indicate a further decline in the M2 sales tax forecast. Staff is currently reviewing the Next 10 Plan and preparing an update planned to go to the Board in the fall of 2017.

2012-2015 M2 Performance Assessment Update

Measure M2's Ordinance No. 3 requires that a M2 performance assessment be conducted every three years. To date there have been two prior performance assessments and the most recent assessment reviewed the time period of July 1, 2012 through June 30, 2015. The final report and findings were presented to the Board on August 8, 2016 for approval. Overall, the FY 2012-13 through FY 2014-15 assessment commends OCTA's commitment to the effective and efficient management and delivery of the M2 Program. While there were no significant findings, recommendations for improvements were made. A total of nine recommendations were identified and staff has been working to address and close out all recommendations. As planned, staff is on track to bring a closeout item to the Board in September.

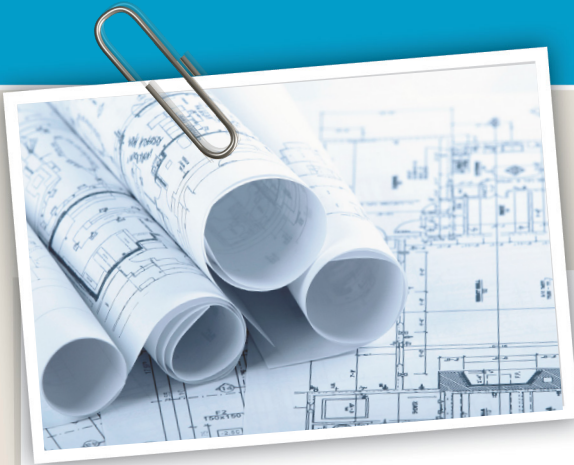
M2 Awareness and Signage

M2 Signage Guidelines are being developed in response to Performance Assessment findings regarding M2 awareness and public perception. These uniform guidelines will document signage procedures to follow for each of the M2 programs (Freeway, Streets & Roads, Transit, and Environmental projects) and will be designed to create a common brand across all modes. The effort was stalled due to concern over the continued use of Measure M in Orange County. With the passage of LA Metro's "Measure M" staff shared with the Board that a proposal will be brought forward to change the measure's logo. With the most common and visible use of the Measure M logo being on freeway funding signs and local street funding signs, staff has been working on some concepts. An initial concept is scheduled to be brought to the Legislative and Communications Committee and the Board in July for discussion.

Measure M2

Progress Report

PROGRAM MGMT



PMO continued from previous page...

OCTA Monitoring Structure for Federal Compliance

As a recipient and a “passed-through” agency of FTA and FHWA funding, OCTA is responsible for complying with agreements and regulations. Involved in agency-wide coordination and ensuring compliance with M2, the PMO has taken the lead in this effort. In June, OCTA selected Sjoberg Evashenk, Inc. to conduct a review of OCTA’s monitoring structure for federal compliance. Though not required of M2, this evaluation is important to M2 projects and programs that are funded with federal monies, ensuring compliance requirements are met and internal protocols are completed efficiently. In the coming months, the consultant will conduct onsite visits, an analysis of OCTA’s structure, and a peer review of similar agencies. The goal is to determine a preferred structure that works in OCTA’s environment.

M2 Administrative Cost Safeguards

M2 includes a one percent cap on administrative expenses for salaries and benefits of OCTA administrative staff on an annual basis. In a legal opinion on M2, it was determined that in years where administrative salaries and benefits are above one percent, only one percent can be allocated with the difference borrowed from other, non-Measure M fund sources. Conversely, in years where administrative salaries and benefits are below one percent, OCTA can still allocate the full one percent for administrative salaries and benefits but may use the unused portion to repay the amount borrowed from prior years in which administrative salaries and benefits were above one percent.

Based on the original M2 revenue projections, OCTA expected to receive \$24.3 billion in M2 funds, with one percent of total revenues available to fund administrative salaries and benefits over the life of the program. As M2 revenue projections declined (currently projected to be 41.6 percent) as a result of economic conditions, the funds available to support administrative salaries and benefits have also declined from the original expectations. While revenue has declined, the administrative effort needed to deliver M2 remains the same. Additionally, the initiation of the Early Action Plan (EAP) in 2007 required administrative functions four years prior to revenue collection. While the EAP resulted in project savings and significant acceleration of the program, administrative functions were required during this time with associated administrative costs.

As a result of the aforementioned factors, OCTA has incurred higher than one percent administrative costs. OCTA currently has Board approval to use funds from the Orange County Unified Transportation Trust (OCUTT) fund to cover costs above the one percent, with the understanding that those funds will be repaid with interest in future years that OCTA administrative costs fall below the one percent cap. As of June 30, 2012, OCTA had borrowed approximately \$5.2 million from OCUTT. Over the last few years, OCTA has experienced underruns in the one percent administration cap and has made payments to OCUTT to reduce the outstanding balance. As of the most recent March 2017 Taxpayer Oversight Committee Report, the outstanding balance was \$2.2 million.

Staff continues to meet quarterly to review all labor costs to ensure proper cost allocation under M2. During the quarter, Staff met on July 19, 2017, to review labor reports for this quarter to ensure costs attributed to the one percent cap were accurately reported and there were no misplaced project related costs, as well as to ensure project costs were applied to the correct projects. Staff will meet again on May 4, 2017, to conduct this quarterly review.

Measure M2

Progress Report

PROGRAM MGMT



PMO continued from previous page...

Taxpayer Oversight Committee

The M2 Ordinance requires a Taxpayer Oversight Committee (TOC) to oversee the implementation of the M2 plan. With the exception of the elected Auditor/Controller of Orange County who in Ordinance No. 3 is identified as the chair of the TOC, all other members are not elected or appointed officials. Members are recruited and screened for expertise and experience by the Orange County Grand Jurors Association, and are selected from the qualified pool by lottery. The TOC meets every other month. The TOC upholds the integrity of the measure by monitoring the use of Measure M funds and ensuring that all revenue collected from Measure M is spent on voter-approved transportation projects. The responsibilities of the 11-member Measure M TOC are to:

- Ensure all transportation revenue collected from Measure M is spent on the projects approved by the voters as part of the plan
- Ratify any changes in the plan and recommend any major changes go back to the voters for approval
- Participate in ensuring that all jurisdictions in Orange County conform with the requirements of Measure M before receipt of any tax monies for local projects
- Hold annual public meetings regarding the expenditure and status of funds generated by Measure M
- Review independent audits of issues regarding the plan and performance of the Orange County local Transportation Authority regarding the expenditure of Measure M sales tax monies
- Annually certify whether Measure M funds have been spent in compliance with the plan.

Two subcommittees have been formed to assist the TOC with their safeguard responsibilities: the Annual Eligibility Review (AER) Subcommittee and the Audit Subcommittee. The AER Subcommittee meets a few times per year, as needed, to ensure local jurisdictions have submitted the following documents in order to be deemed eligible to receive M2 funding: Congestion Management Program, Mitigation Fee Program, Local Traffic Signal Synchronization Plan, Pavement Management Plan, and an Expenditure Report. The Audit Subcommittee meets bi-monthly and is responsible for reviewing the quarterly M2 Revenue and Expenditure Reports and the Annual Measure M Audit, as well as any other items related to Measure M audits.

The TOC met on April 11, 2017 to hold its annual Measure M public hearing, vote on the Measure M Compliance Findings and Local Jurisdictions Eligibility Findings, and hear updates on the Regional Traffic Signal Synchronization Program and the Environmental Cleanup Program. The committee unanimously found that OCTA is proceeding in accordance with the M2 Transportation Ordinance and Investment Plan, and that Measure M is being delivered as promised to voters for the 26th consecutive year.

The TOC also met on June 13, 2017 to receive updated financial information on the M2 Quarterly Revenue & Expenditure Report (Mar. 17) and hear program/project updates on the Project V Community-Based Transit Circulators Program, Comprehensive Transportation Funding Programs, OC Streetcar, and Measure M2 Quarterly Progress Report. OCTA staff also provided the committee with updated information on funding for the I-405 Improvement Project.



M2 Financing and Schedule of Funding

Contact: Sean Murdock, Finance
(714) 560-5685

Revenue Forecast and Collection

OCTA contracts with three universities (Chapman University; University of California, Los Angeles; and California State University, Fullerton) to provide a long-range forecast of taxable sales to forecast Measure M2 revenues for purposes of planning projects and program expenditures. In the past, OCTA has taken an average of the three university taxable sales projections to develop a long-range forecast of Measure M2 taxable sales. On March 28, 2016, as part of the FY 2016-17 budget development process, the Board approved a new sales tax forecast methodology. This methodology includes a more conservative approach by utilizing a five-year forecast from MuniServices, Inc. Historically, MuniServices, Inc. has been more conservative than the three universities over the first five years of M2 revenue collection (2011-2016).

Revenue forecast information is updated quarterly based on the actual revenues received for the previous quarter. As required by law, OCTA pays the State Board of Equalization a fee to collect the sales tax. The M2 Ordinance estimated this fee to be 1.5 percent of the revenues collected over the life of the program.

Current Forecast

Based on long term forecasts received in July 2016, OCTA staff forecasts total nominal sales tax collections over the life of M2 to be approximately \$14.2 billion. Original projections in 2005 estimated total nominal M2 sales tax collections at \$24.3 billion. Based on the current estimated forecast of \$14.2 billion, sales tax revenue will run approximately \$10.1 billion (41.6 percent) less than the original 2005 projection. The revenue forecast for the life of the M2 Program will vary as actual sales tax revenue data is incorporated.

Final sales tax receipts through the third quarter of fiscal year 2016-17 (March 31, 2017) were received in June 2017, and reflected a growth in sales tax revenue of 2.29 percent over the same period of the prior fiscal year. The growth, while positive, is less than the budgeted sales tax growth rate of 4.4 percent for fiscal year 2016-17. In addition, Staff is currently evaluating the impact of this year's updated forecasts while waiting for final fourth quarter receipts. It is anticipated that the result of the updated forecasts will result in a change to the current M2 program sales tax revenue estimate of \$14.2 billion. Staff will be providing the Finance and Administration Committee as well as the Board an update on sales tax in the first quarter of fiscal year 2017-18.



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Measure M2

Progress Report

REVENUE & EXPENDITURES



Schedule 1

Measure M2

Schedule of Revenues, Expenditures and Changes in Fund Balance

as of June 30, 2017

(Unaudited)

<i>(\$ in thousands)</i>	Quarter Ended June 30, 2017	Year to Date June 30, 2017 (A)	Period from Inception to June 30, 2017 (B)
Revenues:			
Sales taxes	\$ 79,173	\$ 309,861	\$ 1,760,170
Other agencies' share of Measure M2 costs:			
Project related	19,205	76,224	552,419
Non-project related	(34)	15	454
Interest:			
Operating:			
Project related	91	126	128
Non-project related	(303)	4,840	21,922
Bond proceeds	-	6,482	42,479
Debt service	16	47	123
Commercial paper	-	-	393
Right-of-way leases	10	93	907
Proceeds on sale of assets held for resale	-	6,804	6,804
Miscellaneous:			
Project related	-	-	270
Non-project related	-	-	100
Total revenues	98,158	404,492	2,386,169
Expenditures:			
Supplies and services:			
State Board of Equalization (SBOE) fees	903	3,603	19,491
Professional services:			
Project related	16,809	38,509	311,358
Non-project related	673	1,890	16,933
Administration costs:			
Project related	1,725	7,997	52,537
Non-project related :			
Salaries and Benefits	591	2,365	19,805
Other	1,170	4,679	31,317
Other:			
Project related	45	3,171	4,849
Non-project related	69	92	3,892
Payments to local agencies:			
Project related	30,065	120,976	728,872
Capital outlay:			
Project related	57,394	86,876	633,369
Non-project related	-	-	31
Debt service:			
Principal payments on long-term debt	-	7,475	34,560
Interest on long-term debt and commercial paper	6	21,342	136,879
Total expenditures	109,450	298,975	1,993,893
Excess (deficiency) of revenues over (under) expenditures	(11,292)	105,517	392,276
Other financing sources (uses):			
Transfers out:			
Project related	(2,792)	(6,972)	(29,631)
Transfers in:			
Project related	-	3,964	79,508
Non-project related	-	(3,964)	1,973
Bond proceeds	-	-	358,593
Total other financing sources (uses)	(2,792)	(6,972)	410,443
Excess (deficiency) of revenues over (under) expenditures and other sources (uses)	\$ (14,084)	\$ 98,545	\$ 802,719



Schedule 2

Measure M2
Schedule of Calculations of Net Revenues and Net Bond Revenues (Debt Service)
as of June 30, 2017
(Unaudited)

<i>(\$ in thousands)</i>	Quarter Ended June 30, 2017 (actual)	Year to Date June 30, 2017 (actual) (C.1)	Period from Inception through June 30, 2017 (actual) (D.1)	Period from July 1, 2017 through March 31, 2041 (forecast) (E.1)	Total (F.1)
Revenues:					
Sales taxes	\$ 79,173	\$ 309,861	\$ 1,760,170	\$ 12,402,132	\$ 14,162,302
Operating interest	(303)	4,840	21,922	201,484	223,406
Subtotal	<u>78,870</u>	<u>314,701</u>	<u>1,782,092</u>	<u>12,603,616</u>	<u>14,385,708</u>
Other agencies share of M2 costs	(34)	15	454	-	454
Miscellaneous	-	-	100	-	100
Total revenues	<u>78,836</u>	<u>314,716</u>	<u>1,782,646</u>	<u>12,603,616</u>	<u>14,386,262</u>
Administrative expenditures:					
SBOE fees	903	3,603	19,491	186,107	205,598
Professional services	673	1,890	13,157	84,985	98,142
Administration costs :					
Salaries and Benefits	591	2,365	19,805	124,001	143,806
Other	1,170	4,679	31,317	214,025	245,342
Other	69	92	3,892	21,385	25,277
Capital outlay	-	-	31	-	31
Environmental cleanup	2,422	10,095	28,245	248,003	276,248
Total expenditures	<u>7,553</u>	<u>22,724</u>	<u>115,938</u>	<u>878,506</u>	<u>994,444</u>
Net revenues	<u>\$ 71,283</u>	<u>\$ 291,992</u>	<u>\$ 1,666,708</u>	<u>\$ 11,725,110</u>	<u>\$ 13,391,818</u>
Bond revenues:					
Proceeds from issuance of bonds	\$ -	\$ -	\$ 358,593	\$ 1,450,000	\$ 1,808,593
Interest revenue from bond proceeds	-	6,482	42,479	6,405	48,884
Interest revenue from debt service funds	16	47	123	3,874	3,997
Interest revenue from commercial paper	-	-	393	-	393
Total bond revenues	<u>16</u>	<u>6,529</u>	<u>401,588</u>	<u>1,460,279</u>	<u>1,861,867</u>
Financing expenditures and uses:					
Professional services	-	-	3,776	12,340	16,116
Bond debt principal	-	7,475	34,560	1,768,010	1,802,570
Bond debt and other interest expense	6	21,342	136,879	877,953	1,014,832
Total financing expenditures and uses	<u>6</u>	<u>28,817</u>	<u>175,215</u>	<u>2,658,303</u>	<u>2,833,518</u>
Net bond revenues (debt service)	<u>\$ 10</u>	<u>\$ (22,288)</u>	<u>\$ 226,373</u>	<u>\$ (1,198,024)</u>	<u>\$ (971,651)</u>

Measure M2

Progress Report

REVENUE & EXPENDITURES



Measure M2
Schedule of Revenues and Expenditures Summary
as of June 30, 2017
(Unaudited)

Schedule 3

Project	Description	Net Revenues through June 30, 2017	Total Net Revenues
	(G) (\$ in thousands)	(H)	(I)
Freeways (43% of Net Revenues)			
A	I-5 Santa Ana Freeway Interchange Improvements	\$ 65,693	\$ 527,840
B	I-5 Santa Ana/SR-55 to El Toro	41,960	337,144
C	I-5 San Diego/South of El Toro	87,639	704,161
D	I-5 Santa Ana/San Diego Interchange Upgrades	36,062	289,751
E	SR-22 Garden Grove Freeway Access Improvements	16,773	134,768
F	SR-55 Costa Mesa Freeway Improvements	51,157	411,041
G	SR-57 Orange Freeway Improvements	36,159	290,537
H	SR-91 Improvements from I-5 to SR-57	19,568	157,229
I	SR-91 Improvements from SR-57 to SR-55	58,216	467,756
J	SR-91 Improvements from SR-55 to County Line	49,228	395,543
K	I-405 Improvements between I-605 to SR-55	149,949	1,204,823
L	I-405 Improvements between SR-55 to I-5	44,686	359,044
M	I-605 Freeway Access Improvements	2,795	22,461
N	All Freeway Service Patrol	20,966	168,460
	Freeway Mitigation	35,834	287,924
	Subtotal Projects	716,685	5,758,482
	Net (Bond Revenue)/Debt Service	-	-
	Total Freeways	\$ 716,685	\$ 5,758,482
	%		
Street and Roads Projects (32% of Net Revenues)			
O	Regional Capacity Program	\$ 166,673	\$ 1,339,199
P	Regional Traffic Signal Synchronization Program	66,666	535,656
Q	Local Fair Share Program	300,007	2,410,527
	Subtotal Projects	533,346	4,285,382
	Net (Bond Revenue)/Debt Service	-	-
	Total Street and Roads Projects	\$ 533,346	\$ 4,285,382
	%		

Measure M2

Progress Report

REVENUE & EXPENDITURES



Measure M2
Schedule of Revenues and Expenditures Summary
as of June 30, 2017
(Unaudited)

Schedule 3

Expenditures through June 30, 2017 (J)	Reimbursements through June 30, 2017 (K)	Net M2 Cost (L)
\$ 5,890	\$ 1,930	\$ 3,960
6,784	4,194	2,590
101,531	40,708	60,823
1,819	527	1,292
4	-	4
9,010	23	8,987
46,081	10,820	35,261
33,488	824	32,664
18,860	2,262	16,598
6,947	5,294	1,653
120,513	8,211	112,302
7,471	4,893	2,578
1,310	16	1,294
289	-	289
<u>48,901</u>	<u>1,800</u>	<u>47,101</u>
408,898	81,502	327,396
<u>35,748</u>	<u>-</u>	<u>35,748</u>
<u>\$ 444,646</u>	<u>\$ 81,502</u>	<u>\$ 363,144</u>
		30.5%
<hr/>		
\$ 666,925	\$ 393,652	\$ 273,273
35,963	4,879	31,084
<u>289,873</u>	<u>77</u>	<u>289,796</u>
992,761	398,608	594,153
<u>39,706</u>	<u>-</u>	<u>39,706</u>
<u>\$ 1,032,467</u>	<u>\$ 398,608</u>	<u>\$ 633,859</u>
		53.3%

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Measure M2

Progress Report

REVENUE & EXPENDITURES



Measure M2
Schedule of Revenues and Expenditures Summary
as of June 30, 2017
(Unaudited)

Schedule 3

Project	Description	Revenues through June 30, 2017	Total Revenues
	(G)	(H.1)	(I.1)
	(\$ in thousands)		
Transit Projects (25% of Net Revenues)			
R	High Frequency Metrolink Service	\$ 153,641	\$ 1,335,635
S	Transit Extensions to Metrolink	147,132	1,182,187
T	Metrolink Gateways	26,874	68,449
U	Expand Mobility Choices for Seniors and Persons with Disabilities	52,027	464,363
V	Community Based Transit/Circulators	33,325	267,765
W	Safe Transit Stops	3,678	29,555
	Subtotal Projects	416,677	3,347,954
	Net (Bond Revenue)/Debt Service	-	-
	Total Transit Projects	\$ 416,677	\$ 3,347,954
	%		
Measure M2 Program			
		\$ 1,666,708	\$ 13,391,818
Environmental Cleanup (2% of Revenues)			
X	Clean Up Highway and Street Runoff that Pollutes Beaches	\$ 35,642	\$ 287,714
	Net (Bond Revenue)/Debt Service	-	-
	Total Environmental Cleanup	\$ 35,642	\$ 287,714
	%		
Taxpayer Safeguards and Audits			
	Collect Sales Taxes (1.5% of Sales Taxes)	\$ 26,403	\$ 212,435
	%		
	Oversight and Annual Audits (1% of Revenues)	\$ 17,821	\$ 143,857
	%		

Measure M2

Progress Report

REVENUE & EXPENDITURES



Measure M2
Schedule of Revenues and Expenditures Summary
as of June 30, 2017
(Unaudited)

Schedule 3

Expenditures through June 30, 2017 (J)	Reimbursements through June 30, 2017 (K)	Net M2 Cost (L)
\$ 164,643	\$ 96,087	\$ 68,556
13,496	2,133	11,363
98,214	60,956	37,258
50,151	88	50,063
3,963	344	3,619
245	26	219
330,712	159,634	171,078
22,206	-	22,206
<u>\$ 352,918</u>	<u>\$ 159,634</u>	<u>\$ 193,284</u>
		16.2%
<u><u>\$ 1,830,031</u></u>	<u><u>\$ 639,744</u></u>	<u><u>\$ 1,190,287</u></u>
<u>\$ 28,245</u>	<u>\$ 292</u>	<u>\$ 27,953</u>
-	-	-
<u>\$ 28,245</u>	<u>\$ 292</u>	<u>\$ 27,953</u>
		1.6%
<u>\$ 19,491</u>	<u>\$ -</u>	<u>\$ 19,491</u>
		1.1%
<u>\$ 19,805</u>	<u>\$ 1,984</u>	<u>\$ 17,821</u>
		1.0%

Measure M2

Progress Report
LOCAL FAIR SHARE



M2 Funds		
ENTITY	4rd Quarter FY 2016/17	FUNDS TO DATE
ALISO VIEJO	\$210,063.10	\$3,592,390.11
ANAHEIM	\$1,881,872.38	\$31,224,189.23
BREA	\$305,081.95	\$5,222,178.34
BUENA PARK	\$454,349.44	\$8,309,398.54
COSTA MESA	\$791,159.43	\$13,146,979.86
CYPRESS	\$282,176.34	\$4,870,374.15
DANA POINT	\$171,162.00	\$2,969,584.94
FOUNTAIN VALLEY	\$328,157.77	\$5,684,114.15
FULLERTON	\$694,570.73	\$11,839,316.44
GARDEN GROVE	\$797,836.61	\$13,567,769.95
HUNTINGTON BEACH	\$1,030,145.94	\$17,662,292.84
IRVINE	\$1,480,625.19	\$24,023,636.60
LAGUNA BEACH	\$137,753.90	\$2,315,973.72
LAGUNA HILLS	\$180,408.88	\$3,103,390.76
LAGUNA NIGUEL	\$355,386.38	\$6,102,954.30
LAGUNA WOODS	\$67,060.48	\$1,169,643.01
LA HABRA	\$278,472.54	\$4,817,293.96
LAKE FOREST	\$429,950.82	\$7,140,261.41

Measure M2

Progress Report

LOCAL FAIR SHARE



ENTITY	4rd Quarter FY 2016/17	FUNDS TO DATE
LA PALMA	\$81,511.63	\$1,561,485.79
LOS ALAMITOS	\$69,593.41	\$1,179,457.45
MISSION VIEJO	\$500,709.78	\$8,542,631.72
NEWPORT BEACH	\$587,822.34	\$9,994,461.39
ORANGE	\$890,339.72	\$14,961,878.54
PLACENTIA	\$256,355.40	\$4,322,357.30
RANCHO SANTA MARGARITA	\$225,311.30	\$3,862,143.28
SAN CLEMENTE	\$302,333.48	\$5,065,474.82
SAN JUAN CAPISTRANO	\$200,011.64	\$3,456,680.05
SANTA ANA	\$1,504,041.27	\$25,255,335.61
SEAL BEACH	\$129,707.58	\$2,324,301.00
STANTON	\$160,268.84	\$2,742,325.77
TUSTIN	\$485,994.81	\$8,086,756.01
VILLA PARK	\$28,075.05	\$475,098.67
WESTMINSTER	\$461,125.86	\$7,780,997.70
YORBA LINDA	\$322,004.93	\$5,455,253.92
COUNTY UNINCORPORATED	\$1,020,181.48	\$16,719,785.92
TOTAL M2 FUNDS	\$17,101,622.40	\$288,548,167.25

Measure M2

Progress Report

CAPITAL ACTION PLAN



Grey = Milestone achieved

Green = Forecast milestone meets or exceeds plan

Yellow = Forecast milestone is one to three months later than plan

Red = Forecast milestone is over three months later than plan

Capital Projects*	Cost Budget/ Forecast (in millions)	Schedule Plan/Forecast			
		Begin Environmental	Complete Environmental	Complete Design	Complete Construction
FREEWAY PROJECTS					
I-5, SR-55 to SR-57	\$37.1	Jul-11	Jun-13	Mar-17	Feb-20
Project A	\$39.6	Jun-11	Apr-15	Oct-17	Jun-20
I-5, I-405 to SR-55	TBD	May-14	Aug-18	TBD	TBD
Project B	TBD	May-14	Oct-18	TBD	TBD
I-5, Avenida Pico to Avenida Vista Hermosa	\$113.0	Jun-09	Dec-11	Oct-13	Aug-18
Project C	\$89.5	Jun-09	Oct-11	Oct-13	May-18
I-5, Avenida Vista Hermosa to Pacific Coast Highway	\$75.6	Jun-09	Dec-11	Feb-13	Mar-17
Project C	\$71.4	Jun-09	Oct-11	May-13	Jul-17
I-5, Pacific Coast Highway to San Juan Creek Road	\$70.7	Jun-09	Dec-11	Jan-13	Sep-16
Project C	\$71.2	Jun-09	Oct-11	Jan-13	Apr-18
I-5, Ortega Interchange	\$90.9	Sep-05	Jun-09	Nov-11	Sep-15
Project D	\$75.1	Sep-05	Jun-09	Dec-11	Jan-16
I-5, Ortega Interchange (Landscape)	N/A	N/A	N/A	N/A	N/A
Project D	N/A	N/A	N/A	Oct-14	Sep-16
I-5, SR-73 to Oso Parkway	\$151.9	Sep-11	Jun-14	Jan-18	Apr-22
Project C & D	\$190.5	Oct-11	May-14	Jan-19	Sep-24
I-5, Oso Parkway to Alicia Parkway	\$196.2	Sep-11	Jun-14	Jun-17	Mar-22
Project C & D	\$191.0	Oct-11	May-14	May-18	Jul-23
I-5, Alicia Parkway to El Toro Road	\$133.6	Sep-11	Jun-14	Jun-18	Sep-22
Project C	\$166.5	Oct-11	May-14	May-19	Dec-23
I-5, El Toro Road Interchange	TBD	TBD	TBD	TBD	TBD
Project D	TBD	May-17	Apr-20	TBD	TBD

*For detailed project information, please refer to the individual project section within this report.

Measure M2

Progress Report

CAPITAL ACTION PLAN



Grey = Milestone achieved

Green = Forecast milestone meets or exceeds plan

Yellow = Forecast milestone is one to three months later than plan

Red = Forecast milestone is over three months later than plan

Capital Projects*	Cost Budget/ Forecast (in millions)	Schedule Plan/Forecast			
		Begin Environmental	Complete Environmental	Complete Design	Complete Construction
SR-55, I-405 to I-5	TBD	Feb-11	Nov-13	TBD	TBD
Project F	\$410.9	May-11	Sep-17	Nov-20	Jun-25
SR-55, I-5 to SR-91	TBD	Dec-16	Jan-20	TBD	TBD
Project F	TBD	Dec-16	Jan-20	TBD	TBD
SR-57 Northbound (NB), Orangewood Avenue to Katella Avenue	TBD	Apr-16	Dec-18	TBD	TBD
Project G	\$0.0	Apr-16	Dec-18	TBD	TBD
SR-57 (NB), Katella Avenue to Lincoln Avenue	\$78.7	Apr-08	Jul-09	Nov-10	Sep-14
Project G	\$40.5	Apr-08	Nov-09	Dec-10	Apr-15
SR-57 (NB), Katella Avenue to Lincoln Avenue (Landscape)	N/A	N/A	N/A	N/A	N/A
Project G	N/A	N/A	N/A	Jul-10	Nov-18
SR-57 (NB), Orangethorpe Avenue to Yorba Linda Boulevard	\$80.2	Aug-05	Dec-07	Dec-09	May-14
Project G	\$52.6	Aug-05	Dec-07	Jul-09	Nov-14
SR-57 (NB), Yorba Linda Boulevard to Lambert Road	\$79.3	Aug-05	Dec-07	Dec-09	Sep-14
Project G	\$55.4	Aug-05	Dec-07	Jul-09	May-14
SR-57 (NB), Orangethorpe Avenue to Lambert Road (Landscape)	N/A	N/A	N/A	N/A	N/A
Project G	N/A	N/A	N/A	Nov-17	May-19
SR-57 (NB), Lambert Road to Tonner Canyon	TBD	TBD	TBD	TBD	TBD
Project G	TBD	Aug-18	Jul-21	TBD	TBD
SR-91 Westbound (WB), I-5 to SR-57	\$78.1	Jul-07	Apr-10	Feb-12	Apr-16
Project H	\$59.6	Jul-07	Jun-10	Apr-12	Jun-16
SR-91 Westbound (WB), I-5 to SR-57 (Landscape)	N/A	N/A	N/A	N/A	N/A
Project H	N/A	N/A	N/A	Aug-16	May-18

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Measure M2

Progress Report

CAPITAL ACTION PLAN



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Capital Projects*	Cost Budget/ Forecast (in millions)	Schedule Plan/Forecast			
		Begin Environmental	Complete Environmental	Complete Design	Complete Construction
SR-91, SR-57 to SR-55	TBD	Jan-15	Oct-18	TBD	TBD
Project I	TBD	Jan-15	May-19	TBD	TBD
SR-91 (WB), Tustin Interchange to SR-55	\$49.9	Jul-08	Jul-11	Mar-13	Jul-16
Project I	\$43.3	Jul-08	May-11	Feb-13	Jul-16
SR-91, SR-55 to SR-241	\$128.4	Jul-07	Jul-09	Jan-11	Dec-12
Project J	\$79.6	Jul-07	Apr-09	Aug-10	Mar-13
SR-91, SR-55 to SR-241 (Landscape)	N/A	N/A	N/A	N/A	N/A
Project J	N/A	N/A	N/A	Feb-13	Feb-15
SR-91 Eastbound, SR-241 to SR-71	\$104.5	Mar-05	Dec-07	Dec-08	Nov-10
Project J	\$57.8	Mar-05	Dec-07	Dec-08	Jan-11
I-405, SR-55 to I-605 (Design-Build)	\$1,900.0	Mar-09	Mar-13	Nov-15	Apr-23
Project K	\$1,900.0	Mar-09	May-15	Nov-15	May-23
I-405, I-5 to SR-55	TBD	Dec-14	Jul-18	TBD	TBD
Project L	TBD	Dec-14	Jul-18	TBD	TBD
I-605, I-605/Katella Interchange	TBD	Aug-16	Nov-18	TBD	TBD
Project M	TBD	Aug-16	Nov-18	TBD	TBD
GRADE SEPARATION PROJECTS					
Sand Canyon Avenue Railroad Grade Separation	\$55.6	N/A	Sep-03	Jul-10	May-14
Project R	\$61.8	N/A	Sep-03	Jul-10	Jan-16
Raymond Avenue Railroad Grade Separation	\$77.2	Feb-09	Nov-09	Aug-12	Aug-18
Project O	\$124.8	Feb-09	Nov-09	Dec-12	Aug-18
State College Boulevard Railroad Grade Separation (Fullerton)	\$73.6	Dec-08	Jan-11	Aug-12	May-18
Project O	\$97.0	Dec-08	Apr-11	Feb-13	Jan-18

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Placentia Avenue Railroad Grade Separation	\$78.2	Jan-01	May-01	Mar-10	Nov-14
Project O	\$64.6	Jan-01	May-01	Jun-10	Dec-14
Kraemer Boulevard Railroad Grade Separation	\$70.4	Jan-01	Sep-09	Jul-10	Oct-14
Project O	\$63.5	Jan-01	Sep-09	Jul-10	Dec-14
Orangethorpe Avenue Railroad Grade Separation	\$117.4	Jan-01	Sep-09	Dec-11	Sep-16
Project O	\$108.6	Jan-01	Sep-09	Oct-11	Oct-16
Tustin Avenue/Rose Drive Railroad Grade Separation	\$103.0	Jan-01	Sep-09	Dec-11	May-16
Project O	\$98.3	Jan-01	Sep-09	Jul-11	Oct-16
Lakeview Avenue Railroad Grade Separation	\$70.2	Jan-01	Sep-09	Oct-11	Mar-17
Project O	\$107.4	Jan-01	Sep-09	Jan-13	Jun-17
17th Street Railroad Grade Separation	TBD	Oct-14	Jun-16	TBD	TBD
Project R	TBD	Oct-14	Oct-17	TBD	TBD
RAIL AND STATION PROJECTS					
Rail-Highway Grade Crossing Safety Enhancement	\$94.4	Jan-08	Oct-08	Sep-08	Dec-11
Project R	\$90.4	Jan-08	Oct-08	Sep-08	Dec-11
San Clemente Beach Trail Safety Enhancements	\$6.0	Sep-10	Jul-11	Apr-12	Jan-14
Project R	\$5.0	Sep-10	Jul-11	Jun-12	Mar-14
San Juan Capistrano Passing Siding	\$25.3	Aug-11	Jan-13	May-16	Jan-19
	\$30.8	Aug-11	Mar-14	Dec-17	Aug-20
OC Streetcar	\$309.0	Aug-09	Mar-12	Sep-17	Apr-20
Project S	\$310.4	Aug-09	Mar-15	Sep-17	Jul-20
Placentia Metrolink Station and Parking Structure	\$34.8	Jan-03	May-07	Jan-11	TBD
Project R	\$34.8	Jan-03	May-07	Feb-11	Oct-19

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Anaheim Canyon Station	\$27.9	Jan-16	Dec-16	TBD	TBD
	\$27.9	Jan-16	Jun-17	Apr-19	Dec-20
Orange Station Parking Expansion	\$33.2	Dec-09	Dec-12	Apr-13	Jun-18
	\$32.3	Dec-09	May-16	Apr-16	Jan-19
Fullerton Transportation Center - Elevator Upgrades	\$3.5	N/A	N/A	Dec-13	Mar-17
	\$4.0	N/A	N/A	Dec-13	Sep-18
Laguna Niguel/Mission Viejo Station ADA Ramps	\$3.5	Jul-13	Jan-14	Aug-14	Apr-17
	\$5.1	Jul-13	Feb-14	Jul-15	Oct-17
Anaheim Regional Transportation Intermodal Center	\$227.4	Apr-09	Feb-11	Feb-12	Nov-14
	\$230.4	Apr-09	Feb-12	May-12	Dec-14

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LOS ANGELES

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ORANGE COUNTY

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