

Santa Ana/Garden Grove Fixed-Guideway Proposed Financial and Implementation Plans



Overview of Recommendations

- Approve OCTA as lead agency for project development, implementation, and operations and maintenance (O&M)
- Authorize CEO to execute agreement with City of Santa Ana and City of Garden Grove for roles and responsibilities
- Pursue Federal New Starts; request entry into project development
- Approve use of Measure M2 (M2) revenues to fund O&M
- Develop request for proposals for project management consultant (PMC)

Funding Options:

- Scenario A (New Starts): Assume \$125 million in New Starts funding and \$125 million in local and other funds
- Scenario B (Small Starts): Assume \$75 million in Small Starts funding (maximum federal contribution on a Small Starts project) and \$175 million in local and other funds
- Scenario C (Non-New Starts): Assume \$125 million in Federal/Non-New Starts funding and \$125 million in local and other funds

Financial Assumptions:

- Ten percent operating contribution from City of Santa Ana (net of farebox)

- Use of M2 funds for operations

- Twenty percent fare box recovery (base year operations):
 - \$1.17 fare revenue/boarding
 - Ridership: 3,400 daily

Summary of Financial Scenarios

Financial Scenarios with Santa Ana/Garden Grove Fixed-Guideway Project, Rubber-Tired, and Anaheim Rapid Connection (ARC)

<i>(\$ in Millions)</i>	Federal Funds	Measure M2 Project S Pay-As-You Go Funds	Debt Issuance Required	Total Debt Service	Ending Project S Program Balance in Fiscal Year 2040-41
Scenario A (New Starts)	294.1	164.1	130.0	226.1	611.1
Scenario B (Small Starts-SA/GG New Starts- ARC)	244.2	139.0	205.0	351.5	502.8
Scenario C (Non-New Starts)	294.1	164.1	130.0	226.1	611.1

Federal New Starts Funding

Opportunities

- Fulfills M2 goal to maximize state and federal funding
- Provides a tried and proven project development and delivery framework
- Provides for additional oversight of project development and implementation
- Wouldn't impact current funding commitments on other OCTA projects

Constraints

- Highly competitive program
- Availability of funds may have financial implications
- Additional approvals, reviews and process necessary through the Federal New Starts Program may add additional time to the project schedule

Implementation Plan Roles & Responsibilities

OCTA

- Serve as the Grantee for the Federal New Starts Program.
- Serve as lead agency for the continued project development, engineering, and construction.
- Own, operate, and maintain the system.
- Procure all services necessary to implement the project.
- Provide annual operating subsidy net of farebox, city contribution, and other revenues.

Santa Ana/Garden Grove

- Participate in the continued development, engineering, and construction of the project.
- Provide a ten percent annual operating contribution (City of Santa Ana).
- Assist OCTA with necessary right-of-way (ROW) acquisitions, utilities, utility relocations, approvals, and permits.

Key Activities

- Project Management
- Financial Planning
- Interagency Agreements
- Environmental Review
- Federal Transit Administration (FTA) New Starts Evaluation
- Procurement
- ROW Acquisition
- Safety/Security
- Public Involvement
- Design/Engineering
- Construction Management
- Start-up and Testing
- Operations and Maintenance
- Project Closeout

Next Steps:

- Seek approval from the FTA to enter into project development for the New Starts Program – Winter 2014
- Procure PMC services – October 2014 – January 2015
- Develop project management plan (staffing, schedule, and process) - February 2015
- Procure design and engineering consultant services – May 2015